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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE DIVISION

	)	Case No.
	)	
	)	<u>CLASS ACTION</u>
Plaintiff,	)	
	)	COMPLAINT FOR VIOLATIONS OF THE
vs.	)	FEDERAL SECURITIES LAWS
	)	
SUPER MICRO COMPUTER, INC.,	)	
CHARLES LIANG, and DAVID WEIGAND,	)	<u>DEMAND FOR JURY TRIAL</u>
Defendants.	)	

1. (“Plaintiff”), individually and on behalf of all others similarly situated, alleges the following based upon personal knowledge as to Plaintiff and Plaintiff’s own acts, and information and belief as to all other matters, based upon, inter alia, the investigation conducted by and through his attorneys, which included, among other things, a review of the Defendants’ (as defined herein), public documents, conference calls and announcements made by Defendants, public filings, wire and press releases published by and regarding Super Micro Computer, Inc. (“Super Micro” or 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

2. This is a class action brought on behalf of a “Class” of all persons or entities who purchased or otherwise acquired Super Micro securities between February 2, 2021 and September 25, 2024, inclusive (the “Class Period”). Plaintiff brings this action seeking to recover damages caused by Defendants’ violations of §§10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5, promulgated thereunder.

3. Headquartered in San Jose, California, Super Micro is a manufacturer of server and storage solutions, providing hardware to technology companies for use in servers supporting websites, data storage, and artificial intelligence applications.

4. Throughout the Class Period, Defendants issued public reports that highlighted the Company's growing revenues and increasing product shipment volumes. At the same time, Defendants assured investors that Super Micro's internal controls over financial reporting were effective and that its financial statements were prepared in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"). The Company also stated that had it complied with relevant trade control regulations, affirming that no products were sold in the Russian Federation during its fiscal years 2023 and 2024<sup>1</sup> and that neither the Company nor its subsidiaries sold products or provided services to the Russian Federal Security Service ("FSB"). As a result of these and other related statements concerning Super Micro's performance and legal compliance, the price of the Company's

<sup>1</sup> Super Micro's fiscal year runs from July 1 to June 30.

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

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

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

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

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

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

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

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

#### **JURISDICTION, VENUE, AND DIVISIONAL ASSIGNMENT**

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

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

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

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

1 **PARTIES**

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

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

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

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

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

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

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

1                    **DEFENDANTS' MATERIALLY FALSE AND MISLEADING STATEMENTS**

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

24           32. Further, in the Q1 2022 Form 10-Q, Defendants stated that, “[t]here were no changes  
25 in our internal control over financial reporting during the quarter ended September 30, 2021, that have  
26 materially affected, or are reasonably likely to materially affect, our internal control over financial  
27 reporting.”  
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1           33. Appended as an exhibit to the Q1 2022 Form 10-Q were signed certifications pursuant  
2 to the SOX, wherein the Individual Defendants certified that they had reviewed the Form 10-Q, that  
3 “the financial statements, and other financial information included in this report, fairly present in all  
4 material respects the financial condition, results of operations and cash flows of the registrant as of,  
5 and for, the periods presented in this report” and that they had “[d]esigned such internal control over  
6 financial reporting, or caused such internal control over financial reporting to be designed under our  
7 supervision, to provide reasonable assurance regarding the reliability of financial reporting and the  
8 preparation of financial statements for external purposes in accordance with generally accepted  
9 accounting principles.”

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **THE TRUTH EMERGES**

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

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

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

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

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

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

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

### **CLASS ACTION ALLEGATIONS**

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

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

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

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

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



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

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

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

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

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

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

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

- 24                   a. as a regulated issuer, Super Micro filed periodic public reports with the SEC;
- 25                   b. Super Micro regularly communicated with public investors via established market  
26                   communication mechanisms, including through regular disseminations of press  
27                   releases on the major newswire services and through other wide-ranging public  
28

disclosures, such as communications with the financial press, securities analysts, and other similar reporting services;

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

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

### **NO SAFE HARBOR**

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

### **LOSS CAUSATION**

85. During the Class Period, as detailed herein, Super Micro and the Individual Defendants made materially false and misleading statements and omissions, and engaged in a scheme to deceive the market. These false and misleading statements and omissions artificially inflated the price of Super Micro securities and operated as a fraud or deceit on the Class. Later, when Defendants’ prior misrepresentations and fraudulent conduct were disclosed to the market, the price of Super Micro

1 securities fell significantly. As a result of their purchases of Super Micro securities during the Class  
2 Period, Plaintiff and the Class suffered economic loss, *i.e.*, damages, under the federal securities laws.

3 **COUNT I**

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

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

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

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

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

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

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

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

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

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

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

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

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

1 **COUNT II**

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

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

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

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

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

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

25 **PRAYER FOR RELIEF**

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

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