

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA**

\_\_\_\_\_, on behalf of itself and all  
others similarly situated,

Plaintiff,

v.

NVIDIA CORPORATION, JENSEN  
HUANG, and COLETTE KRESS,

Defendants.

Case No.:

**COMPLAINT FOR VIOLATIONS  
OF THE FEDERAL SECURITIES  
LAWS**

CLASS ACTION

DEMAND FOR JURY TRIAL

1 Plaintiff \_\_\_\_\_ (“Plaintiff”), by and through its counsel, alleges the  
2 following upon information and belief, except as to those allegations concerning Plaintiff,  
3 which are alleged upon personal knowledge. Plaintiff’s information and belief is based upon,  
4 *inter alia*, counsel’s investigation, which included review and analysis of: (a) regulatory  
5 filings made by NVIDIA Corporation (“NVIDIA” or the “Company”) with the United  
6 States Securities and Exchange Commission (“SEC”); (b) press releases, presentations, and  
7 media reports issued by and disseminated by the Company; (c) analyst and media reports  
8 concerning NVIDIA; and (d) other public information regarding the Company.

9 **I. INTRODUCTION**

10 1. This securities class action is brought on behalf of purchasers of NVIDIA stock  
11 between August 10, 2017 and November 15, 2018, inclusive (the “Class Period”). The claims  
12 asserted herein are alleged against NVIDIA and certain of the Company’s senior executives  
13 (collectively, “Defendants”), and arise under Sections 10(b) and 20(a) of the Securities Exchange  
14 Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated thereunder.

15 2. NVIDIA designs, develops, and markets graphics processing units (“GPUs”) and  
16 related software. Although traditionally used in connection with computer gaming, demand for  
17 the Company’s GPUs surged as NVIDIA’s GPUs became widely used in connection with  
18 cryptocurrencies. Given the volatility in the cryptocurrency market, the Company’s ability to  
19 adapt to the ever-changing cryptocurrency landscape was critical to investors.

20 3. Throughout the Class Period, Defendants assured investors that the Company  
21 followed the market closely and could adjust to rapid changes in the cryptocurrency markets. Even  
22 as analysts increasingly began to question the Company’s ability to manage inventory in the face  
23 of an uncertain cryptocurrency market, Defendants touted that NVIDIA and its executives are  
24 “masters at managing our channel, and we understand the channel very well.” NVIDIA also  
25 repeatedly assured investors that sales to cryptocurrency-related customers made up a small  
26 portion of the Company’s revenues, and that strong demand for GPUs by NVIDIA’s core customer  
27 base of computer gamers would compensate for any decline in demand from cryptocurrency users.  
28

1           4.       These representations had their intended effect, as analysts upgraded the  
2 Company's stock and NVIDIA shares traded at record highs. At the same time, NVIDIA senior  
3 executives began selling significant amounts of their personally held shares. For example, CEO  
4 Huang sold 110,000 of his personally-held NVIDIA shares during the Class Period, reaping over  
5 \$18 million in proceeds.

6           5.       Notwithstanding the Company's assurances, on November 15, 2018, NVIDIA  
7 significantly cut its revenue guidance for the fiscal fourth quarter, revealing that revenue would  
8 decline by over 7% in the quarter—a significant departure from the 17% growth investors had  
9 been led to expect. NVIDIA attributed its poor financial results to surging inventory of midrange  
10 GPUs that built up in the channel before the rapid fade of cryptocurrency mining. These  
11 disclosures caused NVIDIA shares to decline by 29% over the ensuing two trading sessions.

## 12 **II.       JURISDICTION AND VENUE**

13           6.       The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange  
14 Act, 15 U.S.C. §§ 78j(b) and 78t(a), and Rule 10b-5 promulgated thereunder by the SEC, 17 C.F.R.  
15 § 240.10b-5. This Court has jurisdiction over the subject matter of this action pursuant to 28  
16 U.S.C. §§ 1331 and 1337, and Section 27 of the Exchange Act, 15 U.S.C. § 78aa.

17           7.       Venue is proper in this District pursuant to Section 27 of the Exchange Act and 28  
18 U.S.C. § 1391(b). NVIDIA maintains its corporate headquarters in Santa Clara, California, which  
19 is situated in this District, conducts substantial business in this District, and many of the acts and  
20 conduct that constitute the violations of law complained of herein, including the preparation and  
21 dissemination to the public of materially false and misleading information, occurred in this  
22 District. In connection with the acts alleged in this Complaint, Defendants, directly or indirectly,  
23 used the means and instrumentalities of interstate commerce, including, but not limited to, the  
24 mails, interstate telephone communications, and the facilities of the national securities markets.

## 25 **III.       PARTIES**

26           8.       Plaintiff Iron Workers Local 580 Joint Funds provides, among other things, pension  
27 and health benefits to both active and retired participants in the iron working industry, as well as  
28 their dependents and beneficiaries. Plaintiff purchased shares of NVIDIA stock on the public

1 market during the Class Period and suffered damages as a result of the violations of the federal  
2 securities laws alleged herein.

3 9. Defendant NVIDIA is a multinational technology company. Incorporated in  
4 Delaware, the Company maintains its corporate headquarters at 2788 San Tomas Expressway,  
5 Santa Clara, California. NVIDIA stock trades on the NASDAQ, which is an efficient market,  
6 under ticker symbol “NVDA.” As of November 9, 2018, there were 610 million shares of NVIDIA  
7 stock outstanding, owned by at least hundreds or thousands of investors.

8 10. Defendant Jensen Huang (“Huang”) is, and was at all relevant times, President and  
9 Chief Executive Officer of NVIDIA, as well as a member of the Company’s Board of Directors.

10 11. Defendant Collette Kress (“Kress”) is, and was at all relevant times, Executive Vice  
11 President and Chief Financial Officer of NVIDIA.

12 12. Defendants Huang and Kress are collectively referred to hereinafter as the  
13 “Individual Defendants.” The Individual Defendants, because of their positions with NVIDIA,  
14 possessed the power and authority to control the contents of NVIDIA’s reports to the SEC, press  
15 releases, and presentations to securities analysts, money and portfolio managers, and institutional  
16 investors. Each of the Individual Defendants was provided with copies of the Company’s reports  
17 and press releases alleged herein to be misleading prior to, or shortly after, their issuance and had  
18 the ability and opportunity to prevent their issuance or cause them to be corrected. Because of  
19 their positions and access to material non-public information available to them, each of the  
20 Individual Defendants knew that the adverse facts specified herein had not been disclosed to, and  
21 were being concealed from, the public, and that the positive representations which were being  
22 made were then materially false and/or misleading.

#### 23 **IV. BACKGROUND**

24 13. Based in Santa Clara, California, NVIDIA designs, develops, and markets GPUs  
25 and related software. A GPU is essentially a computer chip that performs rapid mathematical  
26 calculations, primarily for the purpose of rendering computer images. Although traditionally used  
27 in connection with computer gaming, demand for the Company’s GPUs has skyrocketed as  
28 NVIDIA’s GPUs became popular among cryptocurrency “miners.”

1           14.     Cryptocurrency functions by enabling the public to generate additional currency by  
2 working through complex calculations, a process referred to as “mining” cryptocurrency. In order  
3 to compete with other miners, a cryptocurrency miner needs a high-powered computer with  
4 specialized hardware. Although cryptocurrency mining was originally performed using traditional  
5 central processing units—or “CPUs”—their limited processing speeds and significant power  
6 consumption led to limited output, rendering the CPU-based mining process inefficient. As a  
7 result, miners began using GPUs, which offered faster processing speeds and significantly greater  
8 efficiency.

9           15.     Recognizing the opportunity presented by this new customer base, NVIDIA began  
10 manufacturing a GPU unit specifically designed and marketed for cryptocurrency mining. At the  
11 same time, the Company repeatedly assured investors that sales of NVIDIA’s core gaming GPUs  
12 were driven, almost entirely, by demand from gaming customers and not by surging demand from  
13 cryptocurrency miners. The Company also stated that cryptocurrency mining was only a small  
14 part of its GPU business, and that its focus remained on manufacturing GPUs for computer gamers.

15 **V.     NVIDIA DEFRAUDS INVESTORS**

16           16.     The Class Period begins on August 10, 2017, the day NVIDIA issued a press release  
17 announcing its financial results for the fiscal second quarter ended July 30, 2017.<sup>1</sup> In the press  
18 release, which was also filed with the SEC on Form 8-K, the Company reported “record revenue .  
19 . . of \$2.23 billion, up 56 percent from \$1.43 billion a year earlier, and up 15 percent from \$1.94  
20 billion in the previous quarter.” The press release also quoted CEO Huang attributing the revenue  
21 growth to a variety of factors, including: “[d]atacenter revenue increased more than two and a half  
22 times”; “[a] growing number of car and robot-taxi companies are choosing our DRIVE PX self-  
23 driving computing platform”; and “in Gaming, increasingly the world’s most popular form of  
24 entertainment, we power the fastest growing platforms - GeForce and Nintendo Switch.”

25           17.     That same day, NVIDIA held a conference call with analysts and investors to  
26 discuss the Company’s earnings and operations. During the conference call, analysts questioned  
27

---

28 <sup>1</sup> The Company operates on a fiscal year ending on the last Sunday in January.

1 how the Company was managing the volatility in the cryptocurrency markets. In response,  
2 Defendant Huang stated that “our strategy is to stay very, very close to the market. We understand  
3 its dynamics really well.” Defendant Huang also credited the scale of NVIDIA’s business as a  
4 reason why the Company would not be impacted by the ebb and flow of the cryptocurrency  
5 markets, stating that “the larger of a GPU company you are, the greater ability you could absorb  
6 the volatility” and touting the Company’s “ability to rock and roll with this market as it goes.”

7 18. On September 6, 2017, NVIDIA presented at the Citi Global Technology  
8 Conference. During the conference, Defendant Kress was asked about the steps NVIDIA has taken  
9 “to avoid cannibalization of core gaming market” as a result of increased demand from  
10 cryptocurrency miners. In response, Defendant Kress stated that “we covered most of  
11 cryptocurrency with our cryptocards that we had developed.” Kress also stated that NVIDIA has  
12 “the ability, given the breadth of GPUs that we already build, to develop GPUs exclusively for  
13 cryptocurrency” and that the Company is “able to serve that market quite effectively, and we will  
14 serve that market effectively.”

15 19. On November 9, 2017, NVIDIA issued a press release announcing its financial  
16 results for the third quarter ended October 29, 2017. In the press release, which was also filed with  
17 the SEC on Form 8-K, the Company reported “record revenue . . . of \$2.64 billion, up 32 percent  
18 from \$2.00 billion a year earlier, and up 18 percent from \$2.23 billion in the previous quarter.”  
19 The press release also quoted Defendant Huang attributing the Company’s revenue growth to a  
20 variety of factors, including: NVIDIA’s “Volta GPU has been embraced by every major internet  
21 and cloud service provider and computer maker”; the Company’s “TensorRT inference  
22 acceleration platform opens us to growth in hyperscale datacenters”; “GeForce and Nintendo  
23 Switch are tapped into the strongest growth dynamics of gaming”; and NVIDIA’s “new DRIVE  
24 PX Pegasus for robotaxis has been adopted by companies around the world.”

25 20. That same day, NVIDIA held a conference call with analysts and investors to  
26 discuss the Company’s earnings and operations. During the conference call, Defendant Kress  
27 stated that although “GPU sales [] benefited from continued cryptocurrency mining” the Company  
28 “remain[ed] nimble in our approach to the cryptocurrency market” and assured investors that its

1 cryptocurrency-related business “will not distract us from focusing on our core gaming market.”  
2 During the call, analysts questioned “why should we think that crypto won’t impact the gaming  
3 demand in the future?” In response, Defendant Huang assured investors that “longer term, the  
4 way to think about that is . . . crypto is small for us but not 0.” Defendant Huang further  
5 downplayed the importance of cryptocurrency mining on NVIDIA’s growth, touting that “when  
6 you think about crypto in the context of our company overall, the thing to remember is that we’re  
7 the largest GPU computing company in the world. And our overall GPU business is really sizable  
8 and we have multiple segments.” In addition, Huang also stated that “crypto usage of GPUs will  
9 be small but not 0 for some time.”

10 21. On November 29, 2017, NVIDIA presented at the Credit Suisse Technology, Media  
11 and Telecom Conference. During the conference, an analyst noted that “it was the first time that  
12 [NVIDIA] had mentioned cryptocurrency as being partly . . . driving the gaming side of the  
13 business”—meaning that the Company acknowledged that at least some portion of sales of gaming  
14 GPUs were being purchased for cryptocurrency mining. In response, Defendant Kress continued  
15 to downplay the impact of cryptocurrency demand on NVIDIA’s gaming business, stating that  
16 although “there probably is some residual amount or some small amount in terms of that . . . [w]e  
17 do believe the majority does reside in terms of our overall crypto card.”

18 22. Although cryptocurrency prices began to decline in early 2018, sales of NVIDIA  
19 GPUs continued to increase, which the Company attributed to “pent-up demand” among gamers  
20 who had been priced out after demand from cryptocurrency miners drove up GPU prices and  
21 caused inventory constraints. The Company also continued to assure investors that cryptocurrency  
22 mining was only a small part of its business and that NVIDIA would not be negatively affected by  
23 the cryptocurrency market decline.

24 23. For example, on February 8, 2018, NVIDIA issued a press release announcing its  
25 financial results for the fourth quarter ended January 28, 2018. In the press release, which was  
26 also filed with the SEC on Form 8-K, the Company reported “record revenue . . . of \$2.91 billion,  
27 up 34 percent from \$2.17 billion a year earlier, and up 10 percent from \$2.64 billion in the previous  
28 quarter.” The press release also quoted Defendant Huang attributing the Company’s revenue

1 growth to a variety of factors, including adoption of NVIDIA’s GPUs as “software developers  
2 working in AI, self-driving cars, and a broad range of other fields continued to discover the  
3 acceleration and money-saving benefits of our GPU computing platform.”

4 24. That same day, NVIDIA held a conference call with analysts and investors to  
5 discuss the Company’s earnings and operations. During the conference call, Defendant Kress  
6 stated that NVIDIA “met some of this [cryptocurrency] demand with a dedicated board in our  
7 OEM business, and some was met with our gaming GPUs.” As a result, Kress stated “this  
8 contributed to lower than historical channel inventory levels of our gaming GPUs throughout the  
9 quarter.” Although Kress acknowledged that the “overall contribution of cryptocurrency to our  
10 business . . . was a higher percentage of revenue than the prior quarter” she assured investors that  
11 “our main focus remains on our core gaming market.” Also during the conference call, Defendant  
12 Huang assured investors that “there’s a fairly sizable pent-up demand going into this quarter”  
13 among gamers looking to purchase NVIDIA GPUs. Defendant Huang also stated that although  
14 the GPU supply “channel is relatively lean” NVIDIA was “working really hard to get GPUs down  
15 to the marketplace for the gamers.”

16 25. On February 26, 2018, NVIDIA presented at the Morgan Stanley Technology,  
17 Media & Telecom Conference. During the conference, an analyst asked about the cause of  
18 NVIDIA’s GPU supply constraints and how NVIDIA was prioritizing its sales in a supply-  
19 constrained environment. In response, Defendant Kress stated that the “channels had been  
20 influenced by not only the strength of the overall gaming that we had seen for the overall holiday  
21 season, but also the large uptick that we’ve seen in the overall valuation of cryptocurrency.” Kress  
22 also stated that the Company was focused on “mak[ing] sure [] gamers worldwide receive the cards  
23 that we want to do.” Kress also continued to assure investors that cryptocurrency miners would  
24 not impact sales of GPUs to gaming customers, stating that “we do believe we can serve  
25 [cryptocurrency miners] primarily with those specialized cards and that’s going to be our goal  
26 going forward” and that “we’re going to really try our hardest to really focus our overall GPUs for  
27 gaming for overall gamers going forward.”



1           26.     On May 10, 2018, NVIDIA issued a press release announcing its financial results  
2 for the first quarter ended April 29, 2018. In the press release, which was also filed with the SEC  
3 on Form 8-K, the Company reported “record revenue . . . of \$3.21 billion, up 66 percent from  
4 \$1.94 billion a year earlier, and up 10 percent from \$2.91 billion in the previous quarter.” The  
5 press release also quoted Defendant Huang attributing the Company’s revenue growth to a variety  
6 of factors, including that NVIDIA’s “datacenter business achieved another record and gaming  
7 remained strong.”

8           27.     That same day, NVIDIA held a conference call with analysts and investors to  
9 discuss the Company’s earnings and operations. During the call, Defendant Huang continued to  
10 reassure investors that NVIDIA was not driving sales of gaming GPUs by selling them to  
11 cryptocurrency miners, stating that “we try to as transparently reveal our numbers as we can. And  
12 . . . our strategy is to create a SKU that allows the crypto miners to fulfill their needs . . . as much  
13 as possible, fulfill their demand that way.”

14           28.     On May 16, 2018, NVIDIA held its annual shareholder meeting, during which  
15 Defendant Huang responded to questions submitted by shareholders before the meeting. During  
16 the meeting, Defendant Huang continued to downplay the importance of cryptocurrency mining  
17 on the Company’s growth, stating that “Ethereum and crypto mining is a recent GPU application.  
18 It is a bonus in our business, but volatile. It’s not really a factor in our core business. We have  
19 great growth drivers without crypto.” Defendant Huang also stated that “Our core gaming business  
20 – our core businesses in gaming and high-performance computing and artificial intelligence and  
21 in self-driving cars are doing so well that with or without crypto mining, we have a growth – we  
22 have a wonderful growth business behind us.”

23           29.     The statements and omissions set forth in ¶¶16-21; 23-28 were materially false and  
24 misleading. In truth, revenue growth attributed to NVIDIA’s gaming GPUs was driven, in  
25 significant part, by surging demand among cryptocurrency miners. In addition, contrary to its  
26 assertions, NVIDIA did not have visibility into its inventory channel and was unable to adapt to  
27 changes in the cryptocurrency markets. Moreover, as cryptocurrency prices began to plummet,  
28 NVIDIA masked slowing growth by continuing to push mid-range GPUs into the channel, which

1 caused inventory levels to skyrocket and ultimately left NVIDIA with over three months of excess  
2 inventory in its channel.

3 **VI. DISCLOSURES OF COMPANY’S MISCONDUCT**  
4 **CAUSE SIGNIFICANT INVESTOR LOSSES**

5 30. On August 16, 2018, NVIDIA lowered its revenue guidance by about 2.2% for the  
6 third quarter of 2018 and reported that it no longer expects a meaningful contribution from  
7 cryptocurrency miners for the remainder of the year. NVIDIA also reported that its GPU inventory  
8 had ballooned by over 30% from the prior quarter, which investors feared could be a sign of  
9 slowing demand for NVIDIA’s GPUs. As a result of these disclosures, NVIDIA shares declined  
10 by \$12.62 per share, or 4.9%.

11 31. Despite these disclosures, NVIDIA continued to assuage investor concerns about  
12 slowing demand for its GPUs. For example, during an August 16, 2018 conference call with  
13 analysts and investors, Defendant Huang attributed rising inventories to ramping up the launch of  
14 a new GPU product—featuring the Company’s “Turing Architecture”—and assured investors that  
15 the inventory would “work itself out” and that the Company was “not concerned about the channel  
16 inventory.” Defendant Huang further touted that “[w]e are masters at managing our channel, and  
17 we understand the channel very well.”

18 32. The statements and omissions set forth in ¶31 were materially false and misleading.  
19 In truth, demand for NVIDIA gaming CPUs among cryptocurrency miners was a much more  
20 significant driver of NVIDIA’s growth than the Company had disclosed. In addition, contrary to  
21 its assertions, NVIDIA did not have visibility into its inventory channel and was unable to adapt  
22 to changes in the cryptocurrency markets. Moreover, as cryptocurrency prices began to plummet,  
23 NVIDIA masked slowing growth by continuing to push mid-range GPUs into the channel, which  
24 caused inventory levels to skyrocket and ultimately left NVIDIA with over three months of excess  
25 inventory in its channel.

26 33. On November 15, 2018, however, NVIDIA significantly cut its revenue guidance  
27 for the fiscal fourth quarter, revealing that revenue would actually decline by over 7% in the  
28 quarter—a significant departure from the 17% growth investors had been led to expect. NVIDIA

1 attributed its poor financial results to surging inventory of midrange GPUs that built up before the  
2 rapid fade of cryptocurrency mining. As a result, the Company said it will not ship any of its mid-  
3 range GPUs into the channel for at least an entire quarter.

4 34. Following these disclosures, analysts immediately questioned management's  
5 credibility and were quick to note that these disclosures stood in stark contrast to the Company's  
6 prior assurances regarding the impact of cryptocurrency on its business and NVIDIA's ability to  
7 react to rapid changes in the cryptocurrency market. For example, analysts with BMO Capital  
8 Markets stated that "[t]he large shortfall in guidance due to a bloated channel due to crypto-  
9 currency is in sharp contrast to the comments around channel inventory from the company."  
10 Several other analysts questioned whether the Company could work through its bloated inventory  
11 in just one quarter, indicating that the inventory issue is so large that it could take up to three  
12 quarters to resolve.

13 35. These disclosures caused NVIDIA shares to decline by \$57.69, or 28.5%, over the  
14 next two trading sessions, wiping out over \$35 billion in shareholder value.

## 15 **VII. LOSS CAUSATION**

16 36. During the Class Period, as detailed herein, Defendants made materially false and  
17 misleading statements and omissions, and engaged in a scheme to deceive the market. This  
18 artificially inflated the price of NVIDIA stock and operated as a fraud or deceit on the Class (as  
19 defined below). Later, when Defendants' prior misrepresentations and fraudulent conduct were  
20 disclosed to the market on August 16, 2018 and November 15, 2018 the price of NVIDIA stock  
21 fell. As a result of their purchases of NVIDIA stock during the Class Period, Plaintiff and other  
22 members of the Class suffered harm.

## 23 **VIII. CLASS ACTION ALLEGATIONS**

24 37. Plaintiff brings this action as a class action pursuant to Rule 23 of the Federal Rules  
25 of Civil Procedure on behalf of all persons who purchased NVIDIA stock during the Class Period  
26 (the "Class"). Excluded from the Class are Defendants and their families, directors, and officers  
27 of NVIDIA and their families and affiliates.

1           38.     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  
3 the parties and the Court. NVIDIA has approximately 610 million shares of stock outstanding,  
4 owned by at least hundreds or thousands of investors.

5           39.     Questions of law and fact common to the members of the Class which predominate  
6 over questions which may affect individual Class members include:

- 7                   (a)     Whether Defendants violated the Exchange Act;  
8                   (b)     Whether Defendants omitted and/or misrepresented material facts;  
9                   (c)     Whether Defendants' statements omitted material facts necessary in order  
10 to make the statements made, in light of the circumstances under which they were made, not  
11 misleading;  
12                   (d)     Whether Defendants knew or recklessly disregarded that their statements  
13 and/or omissions were false and misleading;  
14                   (e)     Whether Defendants' misconduct impacted the price of NVIDIA stock;  
15                   (f)     Whether Defendants' conduct caused the members of the Class to sustain  
16 harm; and  
17                   (g)     The extent of harm sustained by Class members and the appropriate  
18 measure of harm.

19           40.     Plaintiff's claims are typical of those of the Class because Plaintiff and the Class  
20 sustained harm from Defendants' wrongful conduct.

21           41.     Plaintiff will adequately protect the interests of the Class and has retained counsel  
22 experienced in class action securities litigation. Plaintiff has no interests which conflict with those  
23 of the Class.

24           42.     A class action is superior to other available methods for the fair and efficient  
25 adjudication of this controversy.

26 **IX.    INAPPLICABILITY OF STATUTORY SAFE HARBOR**

27           43.     NVIDIA's "Safe Harbor" warnings accompanying its forward-looking statements  
28 issued during the Class Period were ineffective to shield those statements from liability.

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

10 **X.     PRESUMPTION OF RELIANCE**

11           45. At all relevant times, the market for NVIDIA stock was an efficient market for the  
12 following reasons, among others:

13                 (a) NVIDIA stock met the requirements for listing, and was listed and actively  
14 traded on NASDAQ, a highly efficient and automated market;

15                 (b) As a regulated issuer, NVIDIA filed periodic public reports with the SEC  
16 and NASDAQ;

17                 (c) NVIDIA regularly and publicly communicated with investors via  
18 established market communication mechanisms, including through regular disseminations of press  
19 releases on the national circuits of major newswire services and through other wide-ranging public  
20 disclosures, such as communications with the financial press and other similar reporting services;  
21 and

22                 (d) NVIDIA was followed by several securities analysts employed by major  
23 brokerage firm(s) who wrote reports which were distributed to the sales force and certain  
24 customers of their respective brokerage firm(s). Each of these reports was publicly available and  
25 entered the public marketplace.

26           46. As a result of the foregoing, the market for NVIDIA stock promptly digested  
27 current information regarding NVIDIA from all publicly available sources and reflected such  
28 information in the price of NVIDIA stock. Under these circumstances, all purchasers of NVIDIA

1 stock during the Class Period suffered similar injury through their purchase of NVIDIA stock at  
2 artificially inflated prices and the presumption of reliance applies.

3 47. A Class-wide presumption of reliance is also appropriate in this action under the  
4 Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128 (1972),  
5 because the Class' claims are grounded on Defendants' material omissions. Because this action  
6 involves Defendants' failure to disclose material adverse information regarding the impact that  
7 demand from cryptocurrency miners had on NVIDIA's GPU business—information that  
8 Defendants were obligated to disclose—positive proof of reliance is not a prerequisite to recovery.  
9 All that is necessary is that the facts withheld be material in the sense that a reasonable investor  
10 might have considered them important in making investment decisions. Given the importance of  
11 the NVIDIA's GPU business, as set forth above, that requirement is satisfied here.

## 12 COUNT I

### 13 For Violation of Section 10(b) of the Exchange Act and Rule 10b-5 Against All Defendants

14 48. Plaintiff repeats, incorporates, and realleges each and every allegation set forth  
15 above as if fully set forth herein.

16 49. During the Class Period, Defendants carried out a plan, scheme, and course of  
17 conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing  
18 public, including Plaintiff and other Class members, as alleged herein; and (ii) cause economic  
19 harm to Plaintiff and other members of the Class.

20 50. Defendants: (i) employed devices, schemes, and artifices to defraud; (ii) made  
21 untrue statements of material fact and/or omitted to state material facts necessary to make the  
22 statements not misleading; and (iii) engaged in acts, practices, and a course of business which  
23 operated as a fraud and deceit upon the purchasers of the Company's stock in violation of Section  
24 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

25 51. Defendants, individually and in concert, directly and indirectly, by the use, means  
26 or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a  
27 continuous course of conduct to conceal adverse material information about the Company's  
28 financial well-being, operations, and prospects.



1 **XI. PRAYER FOR RELIEF**

2 WHEREFORE, Plaintiff prays for judgment as follows:

- 3 A. Determining that this action is a proper class action under Rule 23 of the Federal  
4 Rules of Civil Procedure;
- 5 B. Awarding compensation to Plaintiff and other Class members against all  
6 Defendants, jointly and severally, for all harm sustained as a result of Defendants'  
7 wrongdoing, in an amount to be proven at trial, including interest thereon;
- 8 C. Awarding Plaintiff and the Class their reasonable costs and expenses incurred in  
9 this action, including attorneys' fees and expert fees; and
- 10 D. Awarding such equitable/injunctive or other further relief as the Court may deem  
11 just and proper.

12 **XII. JURY DEMAND**

13 Plaintiff demands a trial by jury.  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28