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

_____, on behalf of himself and all
others similarly situated,

Plaintiff,

v.

TWITTER, INC., JACK DORSEY, and NED
SEGAL,

Defendants.

Case No. 19-cv-07149

CLASS ACTION

**CLASS ACTION COMPLAINT FOR
VIOLATIONS OF FEDERAL
SECURITIES LAWS**

JURY TRIAL DEMANDED

1 Plaintiff _____ (“Plaintiff”), by his attorneys, on behalf of himself and all others
2 similarly situated, alleges the following based upon the investigation of Plaintiff’s counsel,
3 except as to allegations specifically pertaining to Plaintiff, which are based on personal
4 knowledge. The investigation of counsel included, among other things, a review of Twitter, Inc.
5 (“Twitter” or the “Company”) public filings with the United States Securities and Exchange
6 Commission (“SEC”), press releases issued by the Company, media, news and analyst
7 reports about the Company, conference calls with Company executives and investors, and
8 other publicly available data, including, but not limited to, publicly available trading data
9 relating to the price and trading volume of Twitter common stock.

10 **I. INTRODUCTION**

11 1. This action is a securities fraud action brought under Sections 10(b) and 20(a) of the
12 Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated thereunder by
13 the SEC brought by Plaintiff on behalf of all persons and entities who purchased the publicly
14 traded common stock of Twitter from August 6, 2019 through October 23, 2019, inclusive (the
15 “Class Period”).

16 2. Twitter describes itself as a global platform for public self-expression and
17 conversation in real time. Twitter is available in more than 40 languages around the world. The
18 service can be accessed via twitter.com, an array of mobile devices via Twitter owned and operated
19 mobile applications (*e.g.*, Twitter for iPhone and Twitter for Android), and SMS (text messaging).

20 3. Twitter generates the substantial majority of its revenue from advertising. Twitter
21 enables its advertisers to target an audience based on a variety of factors, including a user’s
22 interests—called an “interest graph”. The interest graph maps, among other things, interests based
23 on users followed and actions taken on our platform, such as Tweets created and engagement with
24 Tweets. In addition, when someone joins Twitter, it asks users for their permission to use their
25 device settings and data—additional information which helps Twitter and its advertisers to target
26 consumers.

1 4. On August 6, 2019, Twitter publicly disclosed through a tweet that it recently found
2 issues where certain user settings choices designed to target advertising were not working as
3 intended. Twitter represented that “**We recently discovered and fixed** issues related to your
4 settings choices for the way we deliver personalized ads, and when we share certain data with
5 trusted measurement and advertising partners.” (Emphasis added.)

6 5. However, unknown to investors, while Twitter represented that it “fixed” certain
7 issues relating to user choice settings, Defendants (defined below) failed to disclose that the
8 changes implemented to fix these issues adversely affected Twitter’s ability to target advertising,
9 including the targeting of advertising through its Mobile App Promotion (“MAP”) product, which
10 caused a material decline in advertising revenue.

11 6. On October 24, 2019, before the market opened, the Company disclosed its
12 financial results for the quarter ended September 30, 2019 and conducted a conference call with
13 investors. Twitter’s revenue of \$823.7 million was over 5% lower than analysts’ estimate of
14 \$874.0 million. Weaker-than-expected advertising revenues caused this revenue shortfall.

15 7. During the conference call, Defendant Jack Dorsey (“Dorsey”), Twitter’s Chief
16 Executive Officer, disclosed that software defects caused by the changes implemented before the
17 beginning of the Class Period had negatively affected the Company’s third quarter financial results
18 and that the negative effects on advertising revenue would continue through at least the fourth
19 quarter of 2019:

20 [U]nfortunately, we had some missteps and bugs in our map ads . . . In aggregate,
21 issues relating to our revenue products reduced year-over-year growth by 3 or more
22 points in Q3. We discovered and took steps to remediate bugs that largely affected
23 our legacy map product. These bugs affected our ability to target ads and share data
24 with measurement and partners. We also discovered that certain personalization and
25 data sightings were not operating as expected. These issues were in our control and
26 we will work to do better. . . . Looking ahead, while retaking steps to remediate the
27 product issues we’ve described, **we expect them to continue to weigh on the
28 overall performance of our ads business in the near term.** Specifically, we
expect a moderated performance in MAP and issues discussed in our
personalization and data settings will likely result in 4 or more points of reduced
year-over-year growth for total revenue in Q4, from 3 or more points of impact in
Q3, reflecting a full quarter impact in Q4 versus only a partial quarter impact in Q3.
This is incorporated into our guidance.

1 (Emphasis added.)

2 8. On this news, Twitter’s shares declined from a closing price of \$38.83 per share on
3 October 23, 2019, to close at \$30.73 per share, a decline of \$8.10 per share, or over 20%, on
4 heavier than average trading volume (over 105 million shares traded).

5 9. Also on October 24, 2019, the *Wall Street Journal* published an article titled
6 “Twitter Shares Plunge as Ad-Business Troubles Weigh on Growth.” The article stated, in part,
7 the following:

8 Technical glitches in Twitter Inc.’s advertising software roiled the social-media
9 company in the third quarter, as a pullback in spending from some buyers and
10 weaker pricing for ads cut into revenue and profit even though it added millions of
new users. . .

11 The company said malfunctions in ad-targeting software as well as weaker-than-
12 expected spending in July and August hurt its performance. The software problems
13 meant that Twitter couldn’t serve ads to users with the same level of precision as it
14 normally does, prompting some advertisers to pause or reduce spending. For
15 example, a burger restaurant’s ads might have been delivered to a wide swath of
users, including vegetarians and people who live long distances away, making them
less effective than if they were sent to meat lovers who live near the restaurant, said
Wedbush analyst Michael Pachter.

16 Revenue rose 9% from a year ago to \$824 million, marking the smallest annual
17 increase since late 2017 and below the \$873.9 million that analysts polled by
18 FactSet were expecting. Advertising revenue accounted for 85% of the company’s
total. Twitter said it expects the negative impact on ad sales to persist in the current
quarter. . .

19 The snafus with Twitter’s ad business came as a surprise to most analysts, said
20 Cascend analyst Eric Ross. “No one was talking about this,” he said. “The results
21 were much worse from a revenue-per-user standpoint than we were expecting. This
is shocking given the growth in daily active users.”

22 The company said it anticipates the issues that plagued the ad business in the July
23 through September period to continue in the current quarter.

24 10. On October 25, 2019, Wedbush issued a research report titled “Baby Bird Falls
25 from Nest, Goes Splat” that stated, in part, the following:

26 Twitter’s missteps in the quarter are unforgiveable. The company discovered
27 “bugs” in its ad delivery technology that interfered with its ability to effectively
target users. By effective targeting, ROI for advertisers is enhanced, as ads are
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1 delivered to a receptive audience; in contrast, ads that are ineffectively targeted are
2 often delivered to consumers who simply don't care and who are not receptive to the
3 ad delivered. Twitter discovered that its "personalization and data settings" were
4 buggy, and its ad pricing ("CPM") declined during the quarter as the mix of high
5 priced video ads declined. We label these missteps as "unforgiveable" because
6 Twitter has been in business for more than a decade and has been delivering ads for
7 the last nine years. It is reasonable for investors to expect that the company's ad
8 delivery technology will perform flawlessly; Twitter's Q3 revenue shortfall is
9 evidence that its technology did not work properly.

7 We accept the company's assurance that it has "fixed" the "bugs", but we think
8 there is some risk that it has lost the confidence of at least a portion of its
9 advertisers. At the same time, we are skeptical that management is appropriately
10 focused on driving new users to sign up, seeming (to us) complacent about driving
11 its existing user base to sign onto Twitter more frequently. . .

10 We are lowering our estimates to reflect lower than expected guidance and to reflect
11 future growth rates that are similar to past rates . . . we are reducing our price target
12 to \$34.50 from \$42. . . .

13 11. As a result of Defendants' wrongful acts and omissions, and the precipitous decline
14 in the market value of the Company's common stock, Plaintiff and other Class members have
15 suffered significant losses and damages.

16 **II. JURISDICTION AND VENUE**

17 12. The claims asserted arise under Sections 10(b) and 20(a) of the Exchange Act and
18 Rule 10b-5 promulgated thereunder. Jurisdiction is conferred by Section 27 of the Exchange Act.
19 Venue is proper in this district throughout the Class Period and Defendants made materially false
20 and misleading representations to investors that were disseminated to investors in this District.

21 13. In connection with the facts and omissions alleged in this complaint, Defendants,
22 directly or indirectly, used the means and instrumentalities of interstate commerce, including, but
23 not limited to, the mails, interstate telephone communications, and the facilities of the national
24 securities markets.

25 **III. PARTIES**

26 14. Plaintiff purchased Twitter common stock as detailed in the certification attached
27 hereto and was damaged thereby.

1 15. Defendant Twitter is incorporated in Delaware and its principal executive offices
2 are at 1355 Market Street, Suite 900, San Francisco, CA 94103. Twitter’s common stock trades on
3 the NYSE under the symbol “TWTR.”

4 16. Defendant Dorsey was the Chief Executive Officer of Twitter at all relevant times.

5 17. Defendant Ned Segal (“Segal”) was the Chief Financial Officer of Twitter at all
6 relevant times.

7 18. Defendants Twitter, Dorsey and Segal are collectively referred to as “Defendants”.

8 19. Defendants Dorsey and Segal are also referred to herein as the “Individual
9 Defendants.” The Individual Defendants, because of their positions with the Company, possessed
10 the power and authority to control the contents of Twitter’s press releases, tweets, SEC filings and
11 presentations to securities analysts, money and portfolio managers and institutional investors, *i.e.*,
12 the market. The Individual Defendants were provided with copies of the Company’s press releases
13 and statements alleged herein to be misleading prior to or shortly after their issuance and had the
14 ability and opportunity to prevent their issuance or cause them to be corrected. Because of their
15 positions and access to material non-public information available to them but not to the public, the
16 Individual Defendants knew, or ignored with deliberate reckless, that the adverse facts specified
17 herein had not been disclosed to and were being concealed from the public and that the positive
18 representations which were being made were then materially false and misleading.

19 **IV. CLASS ACTION ALLEGATIONS**

20 20. Plaintiff brings this action as a class action pursuant to Federal Rules of Civil
21 Procedure 23(a) and 23(b)(3) on behalf of a class of all persons and entities who purchased the
22 publicly traded common stock of Twitter during the Class Period.

23 21. The members of the Class are so numerous that joinder of all members is
24 impracticable. While the exact number of Class members is unknown to Plaintiff at the present
25 time and can only be ascertained through appropriate discovery, Plaintiff believes that there are
26 hundreds of members of the Class located throughout the United States. As of July 27, 2019,
27 Twitter reported over 773 million shares of common stock outstanding.

1 22. Plaintiff’s claims are typical of the claims of the members of the Class. Plaintiff and
2 all members of the Class have sustained damages because of Defendants’ unlawful activities
3 alleged herein. Plaintiff has retained counsel competent and experienced in class and securities
4 litigation and intends to pursue this action vigorously. The interests of the Class will be fairly and
5 adequately protected by Plaintiff. Plaintiff has no interests which are contrary to or in conflict with
6 those of the Class that Plaintiff seeks to represent.

7 **V. FALSE AND MISLEADING STATEMENTS**

8 23. On August 6, 2019, Defendants caused Twitter to issue a statement through a tweet
9 that stated “**We recently discovered and fixed** issues related to your settings choices for the way
10 we deliver personalized ads, and when we share certain data with trusted measurement and
11 advertising partners.” (Emphasis added.) The tweet linked to a statement on Twitter’s help center
12 that further explained, as follows:

13 At Twitter, we want to give you control over your data, including when we share
14 that data. Of course, those options are only good if we follow the choices you
15 make, and we recently found issues where your settings choices may not have
worked as intended. This may have resulted in two things:

16 If you clicked or viewed an advertisement for a mobile application and subsequently
17 interacted with the mobile application since May 2018, we may have shared [certain](#)
18 [data](#) (e.g., country code, if you engaged with the ad and when, information about the
ad, etc) with trusted [measurement](#) and advertising partners, even if you didn’t give
us permission to do so.

19 As part of a process we use to try and serve more relevant advertising on Twitter
20 and other services since September 2018, we may have shown you ads based
21 on [inferences](#) we made about the devices you use, even if you did not give us
22 permission to do so. The data involved stayed within Twitter and did not contain
things like passwords, email accounts, etc.

23 We fixed these issues on August 5, 2019. We know you will want to know if you
24 were personally affected, and how many people in total were involved. We are still
25 conducting our investigation to determine who may have been impacted and If we
discover more information that is useful we will share it. . . .

26 24. Defendants’ representation that “[w]e recently discovered and fixed issues related to
27 your settings choices” and “[w]e fixed these issues on August 5, 2019” were materially false and
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1 misleading and failed to disclose material adverse facts because Defendants failed to disclose that
2 the “fix” Defendants caused Twitter to implement negatively affected Twitter’s advertising
3 revenue.

4 25. On September 4, 2019, Defendant Segal attended the Citi Global Technology
5 Conference in New York City, at which he made the following representations in response to an
6 analyst’s questions:

7 **Kevin Toomey, Citi - Analyst**

8 And just -- you mentioned advertising earlier. In terms of advertising spend, what
9 are you doing to make Twitter more attractive to marketers and increase their
10 spending on the platform?

11 **Ned D. Segal, Twitter, Inc. – CFO**

12 The first thing is to drive clarity around the best use cases for Twitter . . . we
13 continue to work hard to deliver better ROI [return on investment] for them, that can
14 be through better relevance. . . .

15 26. Defendant Segal’s representations were materially false and misleading and failed to
16 disclose material adverse facts because Defendant Segal failed to disclose that the as a result of the
17 “fix” Defendants caused Twitter to implement, Twitter’s advertising became less “relevant” to
18 Twitter advertisers and users, which was adversely affecting Twitter’s advertising revenue.

19 27. Furthermore, Defendant Segal made the following representations concerning
20 Twitter’s advertising revenue growth in response to an analyst’s question:

21 **Kevin Toomey, Citi - Analyst**

22 Okay. Just shifting back to advertising for a second. US advertising revenue grew
23 29% year-over-year in the second quarter. What were the primary drivers of that
24 strength and what’s resonating well with US advertisers?

25 **Ned D. Segal, Twitter, Inc. - CFO**

26 Well, the topics -- when we talk about launching new products and services, and we
27 talk about connecting with what’s happening, it’s really resonating with the largest
28 advertisers all over the world, and the U.S. did come back to growth and later than
the rest of the world did. Remember our business recovery began in the first half of
2017 outside of the United States. Then it came to United States in the second half
of last year.

And so the growth that you saw in the first half of this year was just the results of
continuing that dialogue around launching new products and services, connecting

1 with what's happening, better relevance and great formats. When you are about \$3
2 billion of a \$200 billion advertising market, \$100 billion or more of which is online,
3 there is a lot of market share to ask for and it's our job to go out and deliver great
4 outcomes for advertisers in the U.S. and all over the world so that we can earn the
5 right to ask for more.

6 28. Defendant Segal's representations were materially false and misleading and failed to
7 disclose material adverse facts because Defendant Segal failed to disclose that the as a result of the
8 "fix" Defendants caused Twitter to implement, Twitter's advertising became less "relevant" to
9 Twitter advertisers and users, which was adversely affecting Twitter's advertising revenue.

10 29. Moreover, in response to an analyst's question, Defendant Segal discussed the next
11 generation of Twitter's MAP product, while failing to disclose the material software defects then
12 negatively affecting Twitter's MAP product and the negative affects those defects were having on
13 Twitter's advertising revenue:

14 **Kevin Toomey, Citi – Analyst**

15 You mentioned the mobile app product earlier. Why is it taking so long to roll it out
16 and address the DR [direct response] community? Where are you now in that
17 initiative?

18 **Ned D. Segal, Twitter, Inc. – CFO**

19 So our MAP work is ongoing. When you want to rebuild a product from the bottom
20 up, and you want to make sure you get it right where you make it so that somebody
21 can launch a campaign quickly, so that you're not giving them so many choices that
22 it's a confusing experience, when you want to improve the relevance so that they
23 can drive more downloads with fewer impressions. You want to make sure you get
24 it right. You want to allow people to test it. When the tests come back you want to
25 learn from them and apply the learning, sometimes going back and iterating further
26 on some of the improvements that you've done. And it's just a process that takes
27 time as you do it. We've continued to sell the existing MAP product but people
28 know that new one is coming, and we haven't really talked about a timeline around
29 it.

30 30. Defendant Segal's representations were materially false and misleading and failed to
31 disclose material adverse facts because Defendant Segal failed to disclose that the "fix" Defendants
32 caused Twitter to implement to Twitter's "existing MAP product" was then adversely affecting
33 Twitter's advertising revenue.

1 **VI. THE TRUTH BEGINS TO EMERGE**

2 31. On October 24, 2019, before the market opened, Twitter disclosed its financial
3 results for the quarter ended September 30, 2019 and conducted a conference call with investors.
4 Twitter’s revenue of \$823.7 million lagged analysts’ estimate of \$874.0 million.

5 32. During the conference call, Defendant Dorsey, disclosed that Twitter “had some
6 missteps and bugs in our map ads . . . We discovered and took steps to remediate bugs that largely
7 affected our legacy map product. These bugs affected our ability to target ads and share data with
8 measurement and partners. We also discovered that certain personalization and data sightings were
9 not operating as expected.”

10 33. Defendant Segal disclosed the following in response to an analyst question:

11 **Douglas Till Anmuth JP Morgan Chase & Co, Research Division – MD**

12 I have two. First, just Ned, on MAP. Could just help us understand a little bit kind
13 of when you learned of the issues around MAP around targeting and then sharing
14 data? And then the degree to which they been fixed at this point and how that kind
of informs the 4 points of impact that you’re talking about for 4Q?

15 **Ned D. Segal Twitter, Inc. - CFO**

16 Okay. Thanks, Doug. I’ll take both. Jack can add anything afterwards [i]f it
17 make[s] sense. First of all, our other product-related issues, so this came up over the
18 course of the quarter and it was 1 particular day, there were more than one of these
things. Let me give you a couple of examples, which can help them come to life.

19 The first is, we asked people a series of questions when we put them -- me before
20 we put you into a timeline when you’re new to Twitter. Among the questions we
21 asked are, if we can use your device settings to figure out best ads to show you. **It**
turns out there that setting wasn’t working as expected and we were using
device settings even if people had asked us not to do so.

22 **So when we discovered that, the one we tweeted about, which we often do to try**
to be transparent with people when things aren't working as expected. And
two, we turned off the setting so that it would work as expected. That has a
negative impact [on] the revenue because it’s one less input that you’ve got
when you are figuring out which ads to show people.

26 So instead of getting a partial quarter impact, you get a full quarter impact in Q4.

27 A second example is specific to MAP where we typically will share data with
28 measurement partners who will then share it with advertisers so they can see the

1 effectiveness of their campaigns not just on Twitter but across platforms. And
2 another one of the questions that we asked people before we put them into a
3 timeline is if we can share their data with measurement partners? **That setting also
4 was not working as expected and we were passing on data, which we had not
5 intended to.**

6 **So we stopped doing that and although we're working on remediation, there
7 isn't remediation yet in place and so the effects of that will continue into Q4.**
8 As you can imagine, the remediation would be sharing aggregated data as opposed
9 to personalized data when people have asked us not to share their data.

10 So those are 2 good examples. Hopefully help the issues come to life a little bit,
11 that this wasn't one thing, there were things that we found out over the course of the
12 quarter and that when you get a full quarter's impact even if you're working to
13 remediate, there can be negative impact to revenue. . . .

14 (Emphasis added.)

15 34. On this news, Twitter's shares declined from a closing price of \$38.83 per share on
16 October 23, 2019, to close at \$30.73 per share, a decline of \$8.10 per share, or over 20%, on
17 heavier than average trading volume.

18 **VII. ADDITIONAL SCIENTER ALLEGATIONS**

19 35. As alleged herein, Defendants acted with scienter in that Defendants knew that the
20 public documents and statements issued or disseminated in the name of the Company were
21 materially false and misleading, knew that such statements or documents would be issued or
22 disseminated to the investing public; and knowingly and substantially participated or acquiesced in
23 the issuance or dissemination of such statements or documents as primary violations of the federal
24 securities laws. As set forth elsewhere herein in detail, defendants, by virtue of their receipt of
25 information reflecting the true facts regarding Twitter, their control over, and/or receipt and/or
26 modification of Twitter's allegedly materially misleading misstatements and/or their associations
27 with the Company which made them privy to confidential proprietary information concerning
28 Twitter, participated in the fraudulent scheme alleged herein.

36. Defendants knew, or at least deliberately recklessly disregarded, the falsity and
misleading nature of the information which they caused to be disseminated to the investing public.
The ongoing fraudulent scheme described in this complaint could not have been perpetrated over a

1 substantial period of time, as has occurred, without the knowledge and complicity of the personnel
2 at the highest level of the Company, including the Individual Defendants.

3 37. Defendants had the motive and opportunity to perpetrate the fraudulent scheme and
4 course of business described herein because the Individual Defendants were the most senior
5 officers of Twitter, issued statements and press releases on behalf of Twitter and had the
6 opportunity to commit the fraud alleged herein.

7 38. During the Class Period, Defendant Segal sold 22,000 shares of Twitter common
8 stock at prices per share between \$40.37 and \$43.88 for proceeds of approximately \$917,900.

9 **VIII. LOSS CAUSATION/ECONOMIC LOSS**

10 39. During the Class Period, as detailed herein, Defendants engaged in a scheme to
11 deceive the market and a course of conduct that artificially inflated Twitter's common share price
12 and operated as a fraud or deceit on Class Period purchasers of Twitter common stock by
13 misrepresenting the Company's operating condition and future business prospects. Defendants
14 achieved this by making positive statements about Twitter's business while they knew, or
15 disregarded with deliberate recklessness, the adverse facts alleged above.

16 40. Later, however, when Defendants' prior misrepresentations were disclosed and
17 became apparent to the market, the price of Twitter's common stock fell precipitously as the prior
18 artificial inflation came out of Twitter's share price.

19 41. As a result of their purchases of Twitter common stock during the Class Period,
20 Plaintiff and other members of the Class suffered economic loss, *i.e.*, damages under the federal
21 securities laws.

22 42. As a direct result of the public revelations regarding the truth about the condition of
23 Twitter's business and the negative adverse factors that had been impacting Twitter's advertising
24 revenue during the Class Period, the price of Twitter's common stock materially declined. This
25 drop removed the inflation from Twitter's share price, causing real economic loss to investors who
26 purchased Twitter common stock during the Class Period.

1 43. The decline in Twitter’s share price at the end of the Class Period was a direct result
2 of the nature and extent of Defendants’ fraud finally being revealed to investors and the market.
3 The timing and magnitude of Twitter’s share price declines negate any inference that the loss
4 suffered by Plaintiff and other Class members was caused by changed market conditions,
5 macroeconomic or industry factors, or Company-specific facts unrelated to the Defendants’
6 fraudulent conduct.

7 **IX. FRAUD-ON-THE-MARKET DOCTRINE**

8 44. At all relevant times, the market for Twitter’s common stock was an efficient
9 market for the following reasons, among others:

10 (a) The Company’s common stock met the requirements for public listing and
11 were listed and actively traded on the NYSE, a highly efficient market;

12 (b) As a regulated issuer, the Company filed periodic public reports with the
13 SEC; and

14 (c) The Company regularly issued press releases and tweets which were carried
15 by national news wires, including *Reuters*. Each of these releases was publicly available and
16 entered the public marketplace.

17 45. As a result, the market for the Company’s publicly traded common stock promptly
18 digested current information with respect to Twitter from all publicly available sources and
19 reflected such information in the price of the Company’s common stock. Under these
20 circumstances, all purchasers of the Company’s publicly traded common stock during the Class
21 Period suffered similar injury through their purchase of the publicly traded common stock of
22 Twitter at artificially inflated prices and a presumption of reliance applies.

23 **X. NO SAFE HARBOR**

24 46. The statutory safe harbor provided for forward-looking statements under certain
25 circumstances does not apply to any of the allegedly false statements pleaded in this complaint.
26 The specific statements pleaded herein were not identified as “forward-looking statements” when
27 made.

1 47. To the extent there were any forward-looking statements, there were no meaningful
2 cautionary statements identifying important factors that could cause actual results to differ
3 materially from those in the purportedly forward-looking statements.

4 48. Alternatively, to the extent that the statutory safe harbor does apply to any forward-
5 looking statements pleaded herein, Defendants are liable for those false forward-looking statements
6 because at the time each of those forward-looking statements was made, the particular speaker
7 knew that the particular forward-looking statement was false, and/or the forward-looking statement
8 was authorized and/or approved by an executive officer of Twitter who knew that those statements
9 were false when made.

10 **XI. RELIEF REQUESTED**

11 **FIRST CLAIM FOR RELIEF**
12 **For Violation of Section 10(b) of the 1934 Act**
and Rule 10b-5 Against All Defendants

13 49. Plaintiff repeats and re-alleges each and every allegation contained above as if fully
14 set forth herein.

15 50. During the Class Period, Defendants disseminated or approved the false statements
16 specified above, which they knew, or deliberately recklessly disregarded, were materially false and
17 misleading in that they contained material misrepresentations and failed to disclose material facts
18 necessary in order to make the statements made, in light of the circumstances under which they
19 were made, not misleading.

20 51. Defendants violated Section 10(b) of the 1934 Act and Rule 10b-5 in that they:
21 (a) Employed devices, schemes and artifices to defraud;
22 (b) Made untrue statements of material facts or omitted to state material facts
23 necessary in order to make statements made, in light of the circumstances under which they were
24 made not misleading; or
25 (c) Engaged in acts, practices, and a course of business that operated as a fraud
26 or deceit upon Plaintiff and others similarly situated in connection with their purchases of Twitter's
27 publicly traded common stock during the Class Period.

1 52. Plaintiff and the Class have suffered damages in that, in reliance on the integrity of
2 the market, they paid artificially inflated prices for Twitter’s publicly traded common stock.
3 Plaintiff and the Class would not have purchased Twitter’s common stock at the prices they paid,
4 or at all, if they had been aware that the market prices had been artificially and falsely inflated by
5 Defendants’ misleading statements.

6 53. As a direct and proximate result of these Defendants’ wrongful conduct, Plaintiff
7 and the other members of the Class suffered damages in connection with their purchases of
8 Twitter’s common stock during the Class Period.

9 **SECOND CLAIM FOR RELIEF**
10 **For Violation of Section 20(a) of the 1934 Act**
11 **Against the Individual Defendants**

12 54. Plaintiff repeats and re-alleges each and every allegation contained above as if full
13 set forth herein.

14 55. The Individual Defendants each acted as a controlling person of Twitter within the
15 meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level
16 positions, and ownership and contractual rights, participation in and/or awareness of the
17 Company’s operations and/or intimate knowledge of the statements filed by the Company with the
18 SEC and disseminated to the investing public, the Individual Defendants had the power to
19 influence and control and did influence and control, directly or indirectly, the decision-making of
20 the Company, including the content and dissemination of the various statements or tweets that
21 Plaintiff contends are false and misleading. The Individual Defendants were provided with or had
22 unlimited access to copies of the Company’s reports, press releases, public filings, tweets and other
23 statements alleged by Plaintiff to be misleading prior to and/or shortly after these statements were
24 issued and had the ability to prevent the issuance of the statements or cause the statements to be
25 corrected.

26 56. In particular, the Individual Defendants had direct and supervisory involvement in
27 the day-to-day operations of the Company and, therefore, are presumed to have had the power to
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1 control or influence the particular transactions giving rise to the securities violations as alleged
2 herein, and exercised the same.

3 57. As set forth above, Twitter and the Individual Defendants each violated Section
4 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of their
5 positions each as a controlling person, the Individual Defendants are liable pursuant to Section
6 20(a) of the Exchange Act. As a direct and proximate result of Twitter's and the Individual
7 Defendants' wrongful conduct, Plaintiff and other members of the Class suffered damages in
8 connection with their purchases of the Company's common stock during the Class Period.

9 **XII. PRAYER FOR RELIEF**

10 WHEREFORE, Plaintiff prays for judgment as follows:

11 A. Declaring this action to be a proper class action;

12 B. Awarding damages, including interest; awarding reasonable costs, including
13 attorneys' fees; and

14 C. Such equitable/injunctive relief as the Court may deem proper.

15 **XIII. JURY DEMAND**

16 Plaintiff demands a trial by jury.

17 Dated: October 29, 2019
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