

1 Laurence M. Rosen (SBN 219683)
2 **THE ROSEN LAW FIRM, P.A.**
3 355 South Grand Avenue, Suite 2450
4 Los Angeles, CA 90071
5 Telephone: (213) 785-2610
6 Facsimile: (213) 226-4684
7 Email: lrosen@rosenlegal.com

8 *Counsel for Plaintiff*

9 UNITED STATES DISTRICT COURT
10 CENTRAL DISTRICT OF CALIFORNIA

11 _____, Individually and on behalf of
12 all others similarly situated,

13 Plaintiff,

14 v.

15 LENDLEASE CORPORATION
16 LIMITED, STEPHEN B. MCCANN,
17 and DAVID CRAWFORD,

18 Defendants.
19

No.

20 **CLASS ACTION COMPLAINT**
21 **FOR VIOLATIONS OF THE**
22 **FEDERAL SECURITIES LAWS**

23 CLASS ACTION

24 JURY TRIAL DEMANDED
25
26
27
28

1 Plaintiff _____ (“Plaintiff”), individually and on behalf of all other
2 persons similarly situated, by Plaintiff’s undersigned attorneys, for Plaintiff’s
3 complaint against Defendants (defined below), alleges the following based upon
4 personal knowledge as to Plaintiff and Plaintiff’s own acts, and information and
5 belief as to all other matters, based upon, *inter alia*, the investigation conducted
6 by and through his attorneys, which included, among other things, a review of the
7 Defendants’ public documents, announcements made by Defendants, public
8 filings, wire and press releases published by and regarding Lendlease Corporation
9 Limited (“Lendlease,” the “Group,” or the “Company”), and information readily
10 obtainable on the Internet. Plaintiff believes that substantial evidentiary support
11 will exist for the allegations set forth herein after a reasonable opportunity for
12 discovery.

13 **NATURE OF THE ACTION**

14 1. This is a class action on behalf of persons or entities who purchased
15 or otherwise acquired publicly traded Lendlease securities between August 28,
16 2017 and December 19, 2019, inclusive (the “Class Period”). Plaintiff seeks to
17 recover compensable damages caused by Defendants’ violations of the federal
18 securities laws under the Securities Exchange Act of 1934 (the “Exchange Act”).

19 **JURISDICTION AND VENUE**

20 2. The claims asserted herein arise under and pursuant to Sections
21 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule
22 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

23 3. This Court has jurisdiction over the subject matter of this action
24 pursuant to 28 U.S.C. § 1331, and Section 27 of the Exchange Act (15 U.S.C.
25 §78aa).

26 4. This Court has jurisdiction over each defendant named herein
27 because each defendant has sufficient minimum contacts with this judicial district
28

1 so as to render the exercise of jurisdiction by this Court permissible under
2 traditional notions of fair play and substantial justice. Lendlease also operates an
3 office at 555 South Flower St, Suite 600, Los Angeles, CA 90071, and touts its
4 “proud history in Southern California, managing construction projects throughout
5 the region since 1986[,]” on its website.

6 5. Venue is proper in this judicial district pursuant to 28 U.S.C. §
7 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)) as the alleged
8 misstatements entered, the subsequent damages took place in.

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

14 **PARTIES**

15 7. Plaintiff, as set forth in the accompanying Certification, purchased
16 the Company’s securities at artificially inflated prices during the Class Period and
17 was damaged upon the revelation of the alleged corrective disclosure.

18 8. Defendant Lendlease purports to provide property and infrastructure
19 solutions in Australia, Asia, Europe, and the Americas. It operates through
20 Development, Construction, Investments, and formerly Engineering and Services
21 segments.

22 9. Lendlease is incorporated in Australia and its head office is located
23 at Tower Three, International Towers Sydney, Level 14 Exchange Place 300
24 Barangaroo Avenue, Barangaroo, New South Wales 2000, Australia. Lendlease’s
25 sponsored American depositary receipts (“ADRs”) trade on the OTC Pink Market
26 under the ticker symbol “LLESY” and Lendlease’s ordinary shares trade on the
27 OTC Pink Market under the ticker symbol “LLESF.”
28

1 10. Defendant Stephen B. McCann (“McCann”) has served as Chief
2 Executive Officer (“CEO”) of the Company since December 2008 and as the
3 Managing Director of the Board since March 2009.

4 11. Defendant David Crawford (“Crawford”) served as the Chairman of
5 the Board of Directors of the Company during the Class Period until November
6 2018.

7 12. Defendants McCann and Crawford are collectively referred to herein
8 as the “Individual Defendants.”

9 13. Each of the Individual Defendants:

- 10 (a) directly participated in the management of the Company;
11 (b) was directly involved in the day-to-day operations of the
12 Company at the highest levels;
13 (c) was privy to confidential proprietary information concerning
14 the Company and its business and operations;
15 (d) was directly or indirectly involved in drafting, producing,
16 reviewing and/or disseminating the false and misleading
17 statements and information alleged herein;
18 (e) was directly or indirectly involved in the oversight or
19 implementation of the Company’s internal controls;
20 (f) was aware of or recklessly disregarded the fact that the false
21 and misleading statements were being issued concerning the
22 Company; and
23 (g) approved or ratified these statements in violation of the federal
24 securities laws.
25

26 14. The Company is liable for the acts of the Individual Defendants and
27 its employees under the doctrine of *respondeat superior* and common law
28

1 principles of agency because all of the wrongful acts complained of herein were
2 carried out within the scope of their employment.

3 15. The scienter of the Individual Defendants and other employees and
4 agents of the Company is similarly imputed to the Company under *respondeat*
5 *superior* and agency principles.

6 16. The Company and Individual Defendants are referred to herein,
7 collectively, as the “Defendants.”

8 SUBSTANTIVE ALLEGATIONS

9 **Materially False and Misleading**

10 **Statements Issued During the Class Period**

11 17. On August 28, 2017, Lendlease filed with the Australian Securities
12 Exchange (“ASX”) its 2017 Annual Report, signed by Defendants Crawford and
13 McCann, which stated in the Directors’ report the following, in pertinent part,
14 regarding the Company’s Engineering division:

15 Our Construction backlog revenue remains stable at \$20.6 billion,
16 with approximately \$10 billion of preferred work globally at balance
17 date. The focus over the medium term will be on improving
18 underlying performance across the segment. *The pipeline outlook*
19 *remains strong particularly in the transport infrastructure space for*
20 *the Australian Engineering business.*

21 * * *

22 Engineering revenue accelerated during the year as delivery activity
23 increased. We continued to invest in the business during the year,
24 including associated bid costs for the anticipated higher level of work
25 over the medium term. *The full benefit of this investment is*
26 *expected to be realised over future periods.*

27 * * *

28 The decline in Engineering backlog revenue reflects the timing of

1 major bid activity during the year in Australia. *We remain optimistic*
2 *regarding the medium term pipeline outlook for the business,*
3 *particularly in the transport sector.*

4 * * *

5 BOARD REGIONAL PROGRAM 2016-2017

6 The Board program is formulated to reflect the geographic spread of
7 the Lendlease businesses, with Board meetings scheduled in
8 Australia and each of the regions where Lendlease operates.

9 Generally, a Board program runs over two or three days and
10 comprises formal meetings, business briefings, presentations from
11 external sources, project site visits and networking events with
12 employees and key stakeholders. Board members attend program
13 activities in addition to formal meetings. *Where deeper project*
14 *reviews are required, the program may take up to five days or site*
15 *visits may take place outside of a scheduled Board program by*
16 *individual Directors. The varied program enables Directors to*
17 *obtain a deeper understanding of the activities and operations*
18 *within each region.*

19 This covers the program from 1 January 2016 to 31 July 2017.

20 AUSTRALIA

21 * * *

- 22 • *Review of Engineering businesses* (January 2017)

23 (Emphasis added.)

24 18. Also on August 28, 2017, Lendlease filed with the ASX an
25 announcement entitled “Lendlease Group FY17 Full Year Results Announcement,
26 Presentation and Appendix” which touted its Engineering business: “*Engineering*
27 *activity accelerating, on track for larger earnings contribution*”. (Emphasis
28 added.)

1 19. On February 21, 2018, Lendlease filed with the ASX an
2 announcement entitled “Lendlease Group Half Year 2018 Results Announcement,
3 Presentation and Appendix” which quoted Defendant McCann downplaying the
4 Engineering division’s underperformance:

5 While we saw underperformance in our Construction segment, *this*
6 *was confined to a small number of engineering projects*. We have
7 continued to invest in our capability and have been selective and
8 disciplined in our recent origination. *We have positive momentum*
9 *behind the business and continue to make progress*, securing \$3
10 billion of transport infrastructure projects in Australia.

11 (Emphasis added.)

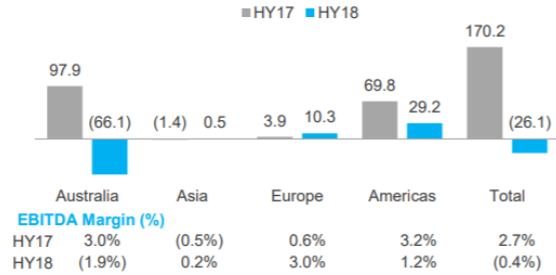
12 20. Further, the Lendlease Group Half Year 2018 Results
13 Announcement, Presentation and Appendix, while downplaying “a small number
14 of underperforming Engineering projects”, touted the Company’s engineering
15 outlook in the following slides:
16
17
18
19
20
21
22
23
24
25
26
27
28

Construction

Performance highlights¹

- Global EBITDA margin (0.4%)
- Australian margin impacted by a small number of underperforming engineering projects
 - HY18 EBITDA includes the reversal of previously booked margin and recognition of expected losses
 - Projects all at least 50% complete
 - Margin impact until completion
- Solid Building performance in Australia
- Americas margin lower compared with performance upside in HY17
- New work secured of \$8.8 billion:
 - Building \$5.4 billion (including c.\$1 billion Defence)
 - Engineering \$3.0 billion (Transport infrastructure)
 - Services \$0.4 billion
- Backlog revenue of \$22.4 billion, up 9%
- Preferred bidder status of c.\$12 billion

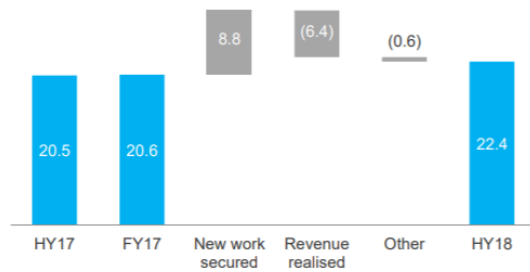
EBITDA (\$m)



EBITDA Margin (%)

	Australia	Asia	Europe	Americas	Total
HY17	3.0%	(0.5%)	0.6%	3.2%	2.7%
HY18	(1.9%)	0.2%	3.0%	1.2%	(0.4%)

Backlog (\$b)



1. Comparative period the year ended 31 December 2016 (the prior corresponding period)

Outlook

Laying the foundations for future growth

- Well positioned for future success:
 - Earnings visibility from extensive pipeline across our business segments
 - Financial strength, capital discipline, resilient and diversified business model
- Development pipeline of \$56.7 billion:
 - Two major urbanisation projects secured: High Road West, London, and Milano Santa Giulia, Milan
 - Preferred bidder on Haringey Development Vehicle, London and Arexpo, Milan
 - International operations expected to provide a key source of growth
- Construction backlog revenue of \$22.4 billion:
 - Diversified by client, sector and geography
 - Management focus on underperforming Engineering projects
- Investments segment with \$3.1 billion of investments and \$28.3 billion in FUM:
 - Integrated model key source of product with c.\$4 billion¹ of additional secured future FUM
 - Two additional asset classes for investment platform: UK Residential for Rent and US Telecommunications Infrastructure
- Focused on execution excellence through strong risk management and governance frameworks:
 - Unwavering commitment to health and safety
 - Disciplined approach to origination and managing individual project and property cycle risk
 - Diversification across segment, sector and geography provides resilience

1. Represents secured future FUM from funds with development projects in delivery

Market opportunity for Engineering and Services in Australia

Engineering construction¹ c.\$75b² **Major transport construction^{1,4} (\$b)**
 Value of work done, inflation adjusted⁵

Projected composition¹:

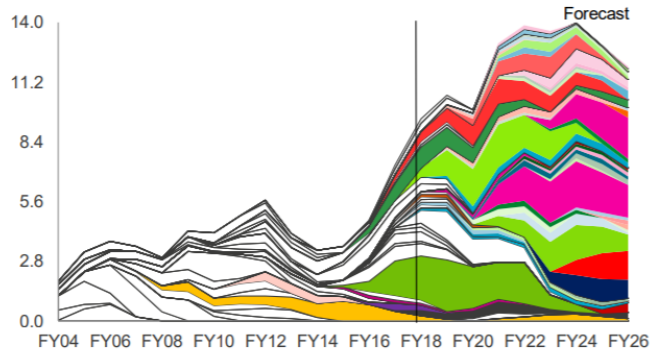
- Transport c.\$30 billion
- Resources c.\$15 billion
- Utilities c.\$25 billion
- Other civil c.\$5 billion

Sector outlook^{1,3}:

- Transport 
- Resources 
- Utilities 
- Other civil 

Transport project outlook^{1,3,4}:

- Major  
- Minor 



1. Lendlease Group Research estimates incorporating Australian Bureau of Statistics historic data
 2. Estimated annual engineering construction activity in real terms, adjusted for imported component of mining
 3. Direction of activity versus decade to FY17
 4. Includes major projects > \$500 million. Colours represent individual projects
 5. FY16 prices

21. On August 22, 2018, Lendlease filed with the ASX its 2018 Annual Report which again downplayed the Engineering division’s underperformance in the Directors’ report signed by Defendants Crawford and McCann stating, in pertinent part: “The underperformance in the Construction segment related to a small number of Engineering projects in Australia. Operations across the Building businesses in each of the regions remained solid in the year.”

22. The statements contained in ¶¶ 17-21 were materially false and/or misleading because they misrepresented and failed to disclose the following adverse facts pertaining to the Company’s business, operations and prospects, which were known to Defendants or recklessly disregarded by them. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (1) Lendlease lacked effective internal controls and risk management; (2) Lendlease’s Engineering Business was significantly underperforming; (3) as a result, Lendlease required a AU\$350M provision; (4) further, Lendlease’s

1 Engineering business would need to be sold at “a bargain basement price” while
2 keeping the most problematic projects; and (5) as a result, Defendants’ statements
3 about its business, operations, and prospects, were materially false and misleading
4 and/or lacked a reasonable basis at all relevant times.

5 **THE TRUTH BEGINS TO EMERGE**

6 23. On November 9, 2018, Lendlease filed with the ASX an
7 announcement entitled “Australian Engineering and Services Business Update”
8 which stated, in pertinent part, that:

9 *Lendlease announces it has identified further underperformance in*
10 *the financial position of its Engineering and Services Business. To*
11 *account for this underperformance it is anticipated Lendlease will*
12 *take a provision in the order of \$350 million after tax for 1H19.*

13 This underperformance predominantly relates to further deterioration
14 in the small number of projects previously identified. This is
15 attributed to a number of issues including lower productivity in the
16 post tunneling phases of NorthConnex; and excessive wet weather,
17 access issues and remedial work arising from defective design on
18 other projects.

19 (Emphasis added.)

20 24. On this news, Lendlease’s ADRs fell \$3.12 per ADR, or over 24%,
21 over the next full trading day, to close at \$9.48 per ADR on November 12, 2018,
22 damaging investors.

23 25. On February 25, 2019, Lendlease filed with the ASX an
24 announcement entitled “Lendlease Group 2019 Half Year Results Announcement,
25 Presentation and Appendix” which stated the following, in pertinent part,
26 regarding the Engineering business:

27 **Strategic Review of Engineering and Services**

28 In announcing the HY19 results, Lendlease group CEO and

1 Managing Director, Steve McCann reiterated his disappointment with
2 the previously announced underperformance of the Group's
3 Engineering business.

4 "This was a difficult period where cumulative issues in a number of
5 engineering projects materially impacted the Group's overall result.
6 The management team and I are very disappointed with this
7 underperformance and are committed to working to restore
8 securityholder value and confidence in Lendlease," Mr McCann said.

9 A review of Engineering and Services has determined the business is
10 non-core, and is no longer a required part of the Group's strategy.
11 Alternatives for the business are being considered.

12 The review concluded that it is in the best interests of clients,
13 employees and securityholders to consider alternatives that will allow
14 both the Engineering and Services business and Lendlease Group to
15 focus on their core competitive advantages. *The review also*
16 *reaffirmed the attractiveness of Australia's engineering sector –*
17 *particularly transport engineering where the pipeline of Federal*
18 *and state government work is forecast to drive growth of*
19 *approximately five per cent per annum during the next five years.*

20 (Emphasis added.)

21 26. On this news, Lendlease's ADRs fell \$1.09 per ADR, or over 10%,
22 over the next three trading days, to close at \$9.11 per ADR on February 27, 2020,
23 damaging investors.

24 27. The statements contained in ¶¶ 23 and 25 were materially false
25 and/or misleading because they misrepresented and failed to disclose the
26 following adverse facts pertaining to the Company's business, operations and
27 prospects, which were known to Defendants or recklessly disregarded by them.
28 Specifically, Defendants made false and/or misleading statements and/or failed to
disclose that: (1) Lendlease's Engineering Business was significantly
underperforming and overvalued; (2) Lendlease's Engineering business would

1 need to be sold at “a bargain basement price” while keeping the most problematic
2 projects; and (3) as a result, Defendants’ statements about its business, operations,
3 and prospects, were materially false and misleading and/or lacked a reasonable
4 basis at all relevant times.

5 THE TRUTH EMERGES

6 28. On June 6, 2019, *The Age* published an article entitled “Metro Tunnel
7 builders battle claimed \$2bn blowout” which reported the following, in pertinent
8 part, regarding the Melbourne Metro rail tunnel project’s issues:

9 ***The cost of the Victorian government's flagship \$11 billion***
10 ***infrastructure project, the Melbourne Metro rail tunnel, may have***
11 ***blown out by as much as \$2 billion.***

12 Well-placed sources from a variety of stakeholders involved in the
13 mega project are warning of delays and major cost blowouts amid
14 claims contractors have encountered unexpected problems including
geological issues.

15 ***The costs are expected to be worn by the consortium Cross Yarra***
16 ***Partnership (CYP), led by listed construction giant Lendlease, John***
17 ***Holland Group and Bouygues Construction Australia, not the state***
18 ***government.***

19 ***“They (representatives of the consortium) are openly telling staff***
20 ***on site that the project is not on budget,” said one source who had***
21 ***recently visited the project.***

22 Predictions of the massive cost blow out on the \$11 billion project
23 come as the state’s auditor general released a report on Thursday
24 which found the cost of early construction works is set to blow out by
25 \$150 million and warned there were bad signs for the rest of the
project.

26 * * *

27 Sources involved in the project - which will see nine kilometres of
28 tunnel carved beneath the CBD for a new rail line - said the density

1 of the soil was continuing to cause digging delays while another
2 construction specialist blamed a lack of senior engineering staff for
3 the issues.

4 ***“There is a lack of experienced supervision. They’ve got ‘kids’ on
5 site doing big jobs,” said a source close to the project.***

6 ***Recent research by a leading analyst Rob Freeman from
7 Macquarie Group estimates the delays and cost overruns will result
8 in Lendlease booking a \$300 million provision to cover its
9 additional costs on the project. Lendlease’s share of the project’s \$6
10 billion first major stage is worth \$1.7 billion, he said.*** Assuming the
11 other partners also incur the same costs, as sources predict, the total
12 cost blow out could be more than \$1bn.

13 “[The \$300 million] represents about 17 per cent of contract value
14 which we believe is conservative,” Mr Freeman said in a note to
15 clients.

16 * * *

17 The report found the early stages of the project has exceeded the
18 original approved budget of \$476 million, with a final forecast cost of
19 \$625.5 million. The 31.2 per cent increase has been covered by
20 contingency funds.

21 But the auditor general warned government's heavy reliance on the
22 rapidly depleting back-up funds, which are meant to last for the
23 length of the entire project, was an “early warning flag” of a project
24 cost blowout.

25 “With at least five years of complex and risky construction to go, this
26 raises some risk that the project may exceed the publicly announced
27 \$11 billion budget,” Auditor General Andrew Greaves warns in the
28 report.

(Emphasis added.)

29. On this news, Lendlease’s ADRs fell 3% over the next day, to close

1 at \$9.19 per ADR on June 6, 2019, further damaging investors.

2 30. On December 19, 2019, the *Sydney Morning Herald* published an
3 article entitled “Lendlease sells troubled engineering business to Spain's Acciona”
4 which stated the following, in pertinent part, regarding the sale:

5 *Lendlease has sold its troubled engineering business, which is*
6 *behind the over-budget and delayed Melbourne Metro and the*
7 *Sydney NorthConnex projects, to Spanish construction group*
8 *Acciona.*

9 But the Spaniards have left the Victorian government's flagship
10 Melbourne Metro rail tunnel project on the negotiating table, and it is
11 not part of the deal.

12 *As revealed in June this year, market sources close to the company*
13 *and the Melbourne Metro project have put the cost blowout on*
14 *project at as much as \$2 billion, though more recently sources have*
15 *put the blowout at \$3 billion.*

16 *Acciona will pay \$180 million to Lendlease in a bargain basement*
17 *price for the division beset with infrastructure projects weighed*
18 *down with cost overruns and delays.*

19 *Analysts at Merrill Lynch have forecast the business to be worth*
20 *\$500 million, but concerns over cost blowouts could shift that*
21 *amount downwards.*

22 Under the terms of the engineering sale agreement, Acciona will
23 acquire the business *excluding the NorthConnex and Kingsford*
24 *Smith Drive projects*, which will be completed by Lendlease and are
25 at least 90 per cent complete.

26 “*The Melbourne Metro project is currently excluded*, however is
27 subject to further negotiation,” Lendlease chief executive Steve
28 McCann said.

* * *

Lendlease is also still in the process of selling its services business.

1 *Mr McCann apologised to shareholders and staff over the problems*
2 *in its engineering business.*

3 (Emphasis added.)

4 31. On this news, Lendlease's ADRs fell almost 5% over the next three
5 trading days, to close at \$12.29 per ADR on December 23, 2019, further
6 damaging investors.

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

10 **PLAINTIFF'S CLASS ACTION ALLEGATIONS**

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

19 34. The members of the Class are so numerous that joinder of all
20 members is impracticable. Throughout the Class Period, the Company's
21 securities were actively traded on the OTC Pink Market. While the exact number
22 of Class members is unknown to Plaintiff at this time and can be ascertained only
23 through appropriate discovery, Plaintiff believes that there are hundreds or
24 thousands of members in the proposed Class. Record owners and other members
25 of the Class may be identified from records maintained by the Company or its
26
27
28

1 transfer agent and may be notified of the pendency of this action by mail, using
2 the form of notice similar to that customarily used in securities class actions.

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

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

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

- 13 • whether the Exchange Act was violated by Defendants' acts as
14 alleged herein;
- 15 • whether statements made by Defendants to the investing public
16 during the Class Period misrepresented material facts about the
17 financial condition and business of Lendlease;
- 18 • whether Defendants' public statements to the investing public during
19 the Class Period omitted material facts necessary to make the
20 statements made, in light of the circumstances under which they
21 were made, not misleading;
- 22 • whether the Defendants caused Lendlease to issue false and
23 misleading filings during the Class Period;
- 24 • whether Defendants acted knowingly or recklessly in issuing false
25 filings;
- 26
- 27
- 28

- 1 • whether the prices of Lendlease securities during the Class Period
2 were artificially inflated because of the Defendants' conduct
3 complained of herein; and
4 • whether the members of the Class have sustained damages and, if so,
5 what is the proper measure of damages.

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

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

- 15 • Lendlease ADRs met the requirements for listing, and were listed
16 and actively traded on OTC Pink, an efficient market;
17 • As a public issuer, Lendlease filed periodic public reports;
18 • Lendlease regularly communicated with public investors via
19 established market communication mechanisms, including through
20 the regular dissemination of press releases via major newswire
21 services and through other wide-ranging public disclosures, such as
22 communications with the financial press and other similar reporting
23 services; and
24 • Lendlease was followed by a number of analysts employed by major
25 firms who wrote reports that were widely distributed and publicly
26 available.
27
28

1 40. Based on the foregoing, the market for Lendlease securities
2 promptly digested current information regarding Lendlease from all publicly
3 available sources and reflected such information in the prices of the securities,
4 and Plaintiff and the members of the Class are entitled to a presumption of
5 reliance upon the integrity of the market.

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

11 **COUNT I**
12 **For Violations of Section 10(b) And Rule 10b-5 Promulgated Thereunder**
13 **Against All Defendants**

14 42. Plaintiff repeats and realleges each and every allegation contained
15 above as if fully set forth herein.

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

19 44. During the Class Period, Defendants, individually and in concert,
20 directly or indirectly, disseminated or approved the false statements specified
21 above, which they knew or deliberately disregarded were misleading in that they
22 contained misrepresentations and failed to disclose material facts necessary in
23 order to make the statements made, in light of the circumstances under which
24 they were made, not misleading.

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

- 27 • employed devices, schemes and artifices to defraud;

- made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- engaged in acts, practices and a course of business that operated as a fraud or deceit upon plaintiff and others similarly situated in connection with their purchases of Lendlease securities during the Class Period.

46. Defendants acted with scienter in that they knew that the public documents and statements issued or disseminated in the name of Lendlease were materially false and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated, or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the securities laws. These Defendants by virtue of their receipt of information reflecting the true facts of Lendlease, their control over, and/or receipt and/or modification of Lendlease's allegedly materially misleading statements, and/or their associations with the Company which made them privy to confidential proprietary information concerning Lendlease, participated in the fraudulent scheme alleged herein.

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

1 48. As a result of the foregoing, the market price of Lendlease securities
2 was artificially inflated during the Class Period. In ignorance of the falsity of
3 Defendants' statements, Plaintiff and the other members of the Class relied on the
4 statements described above and/or the integrity of the market price of Lendlease
5 securities during the Class Period in purchasing Lendlease securities at prices that
6 were artificially inflated as a result of Defendants' false and misleading
7 statements.

8 49. Had Plaintiff and the other members of the Class been aware that the
9 market price of Lendlease securities had been artificially and falsely inflated by
10 Defendants' misleading statements and by the material adverse information
11 which Defendants did not disclose, they would not have purchased Lendlease
12 securities at the artificially inflated prices that they did, or at all.

13 50. As a result of the wrongful conduct alleged herein, Plaintiff and
14 other members of the Class have suffered damages in an amount to be established
15 at trial.

16 51. By reason of the foregoing, Defendants have violated Section 10(b)
17 of the 1934 Act and Rule 10b-5 promulgated thereunder and are liable to the
18 plaintiff and the other members of the Class for substantial damages which they
19 suffered in connection with their purchase of Lendlease securities during the
20 Class Period.

21 **COUNT II**

22 **Violations of Section 20(a) of the Exchange Act**

23 **Against the Individual Defendants**

24 52. Plaintiff repeats and realleges each and every allegation contained in
25 the foregoing paragraphs as if fully set forth herein.

26 53. During the Class Period, Individual Defendants participated in the
27 operation and management of Lendlease, and conducted and participated, directly
28

1 and indirectly, in the conduct of Lendlease business affairs. Because of his senior
2 positions, they knew the adverse non-public information about Lendlease
3 misstatement of revenue and profit and false financial statements.

4 54. As an officer and/or director of a publicly owned company, the
5 Individual Defendants had a duty to disseminate accurate and truthful information
6 with respect to Lendlease's financial condition and results of operations, and to
7 correct promptly any public statements issued by the Company which had
8 become materially false or misleading.

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

19 56. By reason of the above conduct, Individual Defendants are liable
20 pursuant to Section 20(a) of the Exchange Act for the violations committed by
21 the Company.
22

23 **PRAYER FOR RELIEF**

24 **WHEREFORE**, Plaintiff, on behalf of himself and the Class, prays for
25 judgment and relief as follows:

26 (a) declaring this action to be a proper class action, designating plaintiff
27 as Lead Plaintiff and certifying plaintiff as a class representative under Rule 23 of
28

1 the Federal Rules of Civil Procedure and designating plaintiff's counsel as Lead
2 Counsel;

3 (b) awarding damages in favor of plaintiff and the other Class members
4 against all defendants, jointly and severally, together with interest thereon;

5 (c) awarding plaintiff and the Class reasonable costs and expenses
6 incurred in this action, including counsel fees and expert fees; and

7 (d) awarding plaintiff and other members of the Class such other and
8 further relief as the Court may deem just and proper.

9 **JURY TRIAL DEMANDED**

10 Plaintiff hereby demands a trial by jury.

11
12 **THE ROSEN LAW FIRM, P.A.**

13
14 Laurence M. Rosen (SBN 219683)
15 355 South Grand Avenue, Suite 2450
16 Los Angeles, CA 90071
17 Telephone: (213) 785-2610
18 Facsimile: (213) 226-4684
19 Email: lrosen@rosenlegal.com

20 *Counsel for Plaintiff*