

1 **THE ROSEN LAW FIRM, P.A.**  
2 Laurence M. Rosen, Esq. (SBN 219683)  
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 **NORTHERN DISTRICT OF CALIFORNIA**

11 \_\_\_\_\_, Individually and On  
12 Behalf of All Others Similarly Situated,  
13  
14 Plaintiff,  
15  
16 v.  
17 GOPRO, INC., NICHOLAS WOODMAN,  
18 and JACK LAZAR,  
19  
20 Defendants.

Case No.:

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

**JURY TRIAL DEMANDED**

1 Plaintiff \_\_\_\_\_ (“Plaintiff”), by and through his attorneys, alleges the  
2 following upon information and belief, except as to those allegations concerning Plaintiff, which  
3 are alleged upon personal knowledge. Plaintiff’s information and belief is based upon, among other  
4 things, his counsel’s investigation, which includes without limitation: (a) review and analysis of  
5 regulatory filings made by GoPro, Inc. (“GoPro” or the “Company”), with the United  
6 States (“U.S.”) Securities and Exchange Commission (“SEC”); (b) review and analysis of  
7 press releases and media reports issued by and disseminated by GoPro; and (c) review of other  
8 publicly available information concerning GoPro.  
9

### 10 **NATURE OF THE ACTION AND OVERVIEW**

11 1. This is a class action on behalf of purchasers of GoPro securities between July 21,  
12 2015 and January 13, 2016, inclusive (the “Class Period”), seeking to pursue remedies under the  
13 Securities Exchange Act of 1934 (the “Exchange Act”).  
14

15 2. GoPro is a camera (or “capture device”) company, and generates substantially all of  
16 its revenue from the sale of cameras and accessories. The Company’s core product is the HERO  
17 line of capture devices, the first HD version of which was introduced in 2009. Since then, the  
18 Company launched the HERO2 camera in 2011, the HERO3 camera in 2012, the HERO3+  
19 camera in 2013, and the HERO4 and HERO cameras in 2014. The Company offers HERO line  
20 cameras with increasingly better image quality, enhanced capture features, and accessory bundles  
21 from model to model at different price points.  
22

23 3. On July 6, 2015, GoPro launched a new camera: the HERO4 Session. GoPro  
24 touted the HERO4 Session as “the smallest, lightest, most convenient GoPro yet.” The Company  
25 set the camera’sMSRP at \$399.99.

26 4. On October 28, 2015, the Company issued a press release announcing poor third  
27 quarter 2015 results. Specifically, GoPro reported revenue of \$400 million, far below the  
28

1 company's own guidance of \$430 million to \$445 million. GoPro also announced EPS of \$0.25,  
2 falling below analysts' expectations by \$0.04.

3           5.       On the same day, during Defendant Woodman's prepared remarks as part of the  
4 Company's quarterly earnings conference call with investors and analysts, Woodman addressed  
5 the reasons for the shortfall:  
6

7           To begin, I want to address our performance in the third quarter. We generated  
8 revenue of \$400 million . . . . [T]his quarter marks the first time as a publicly traded  
9 company that we've delivered results below the expectations that we outlined in  
our guidance. We take this situation very seriously. I want to explain three factors  
we believe led to our underperformance for the third quarter.

10          Factor one: Initial sell-through of HERO4 Session was weak. In retrospect, we  
believe we priced the products too high at \$399 . . . .

11          Factor two: After receiving strong feedback from consumers and retailers,  
12 combined with our recognition that Session's underperformance was likely to  
13 continue, we took action to price-adjust Session to \$299 in September. This  
resulted in \$19 million of price protection and MDF, which is reflected in our  
reduced revenue for the quarter. . . .

14          Factor three: Marketing. Looking back, we now believe we underfunded marketing  
15 in the second quarter and third quarters of this year, which impacted demand. . . .

16          Conclusion: We made some mistakes. . . .

17          Defendant Woodman also admitted – during the question and answer portion of the  
18 conference call – that “our guidance going into the third quarter was actually for a significant  
19 additional amount of Session to ship in. . . . [S]o what you got in the third quarter was Session  
20 didn't sell through as well as we anticipated.”

21           6.       On this news, shares of GoPro's Class A common stock (hereinafter, “shares”) fell  
22 \$4.59 per share, or more than 15%, to close at \$25.62 on October 29, 2015, on unusually heavy  
23 trading volume.  
24

25           7.       On January 13, 2016, GoPro issued a press release entitled “GoPro Announces Q4  
26 and Calendar Year 2015 Preliminary Results.” Therein, the Company disclosed preliminary  
27 fourth quarter 2015 revenue of \$435 million, falling below the Company's guidance of \$500  
28 million - \$550 million. GoPro also announced that it planned to reduce its workforce by

1 approximately 7% and incur approximately \$5 million to \$10 million in restructuring costs,  
2 substantially all of which relates to severance costs. Addressing the cause of the shortfall, the

3 Company stated:

4 Fourth quarter revenue reflects lower than anticipated sales of its capture devices  
5 due to slower than expected sell through at retailers, particularly in the first half of  
6 the quarter. Fourth quarter revenue includes a \$21 million reduction for price  
7 protection related charges resulting from the HERO4 Session repricing in  
8 December.

8 8. On this news, shares of GoPro fell as much as \$4.08 per share, or 27.9%, to lows  
9 of \$10.52 per share during after hours trading on January 13, 2016.

10 9. Throughout the Class Period, Defendants made false and/or misleading statements,  
11 as well as failed to disclose material adverse facts about the Company's business, operations, and  
12 prospects. Specifically, Defendants made false and/or misleading statements and/or failed to  
13 disclose: (1) that the Company was experiencing weak sales of its HERO line of cameras  
14 throughout the Class Period; (2) that the Company was experiencing weak HERO4 Session sales  
15 at the time the third Quarter guidance was announced; (3) that the Company's third quarter 2015  
16 guidance was based on the assumption that GoPro would be able to sell a significant additional  
17 amount of HERO4 Session cameras; (4) that the Company's third and fourth quarter 2015  
18 guidance was inflated and unrealistic; and (5) that, as a result of the foregoing, Defendants'  
19 statements about GoPro's business, operations, and prospects, were false and misleading and/or  
20 lacked a reasonable basis.  
21

22 10. As a result of Defendants' wrongful acts and omissions, and the precipitous decline  
23 in the market value of the Company's securities, Plaintiff and other Class members have suffered  
24 significant losses and damages.  
25

26 **JURISDICTION AND VENUE**

27 11. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange  
28

1 Act (15 U.S.C. §§78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17  
2 C.F.R. § 240.10b-5).

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

5 13. Venue is proper in this Judicial District pursuant to 28 U.S.C. §1391(b) and Section  
6 27 of the Exchange Act (15 U.S.C. §78aa(c)). Substantial acts in furtherance of the alleged fraud  
7 or the effects of the fraud have occurred in this Judicial District. Many of the acts charged herein,  
8 including the dissemination of materially false and/or misleading information, occurred in  
9 substantial part in this Judicial District. In addition, the Company's principal executive offices are  
10 located within this Judicial District.

11 14. In connection with the acts, transactions, and conduct alleged herein, Defendants  
12 directly and indirectly used the means and instrumentalities of interstate commerce, including the  
13 United States mail, interstate telephone communications, and the facilities of a national securities  
14 exchange.  
15  
16

### 17 **PARTIES**

18 15. Plaintiff, as set forth in the accompanying certification, incorporated by reference  
19 herein, purchased GoPro shares during the Class Period, and suffered damages as a result of the  
20 federal securities law violations and false and/or misleading statements and/or material omissions  
21 alleged herein.  
22

23 16. Defendant GoPro is a Delaware corporation with its principal executive offices  
24 located at 3000 Clearview Way, San Mateo, California 94402.

25 17. Defendant Nicholas Woodman ("Woodman") was, at all relevant times, Chief  
26 Executive Officer ("CEO") of GoPro.

27 18. Defendant Jack Lazar ("Lazar") was, at all relevant times, Chief Financial Officer  
28





1 operations, and prospects, were false and misleading and/or lacked a reasonable basis.

2           25.     On October 28, 2015, the Company issued a press release announcing poor third  
3 quarter 2015 results. Specifically, GoPro reported revenue of \$400 million, far below the  
4 company's own guidance of \$430 million to \$445 million. GoPro also announced EPS of \$0.25,  
5 falling below analysts' expectations by \$0.04.  
6

7           26.     On the same day, during Defendant Woodman's prepared remarks as part of the  
8 Company's quarterly earnings conference call with investors and analysts, Woodman addressed  
9 the reasons for the shortfall:

10           To begin, I want to address our performance in the third quarter. We generated  
11 revenue of \$400 million . . . . [T]his quarter marks the first time as a publicly traded  
12 company that we've delivered results below the expectations that we outlined in  
13 our guidance. We take this situation very seriously. I want to explain three factors  
14 we believe led to our underperformance for the third quarter.

15           Factor one: Initial sell-through of HERO4 Session was weak. In retrospect, we  
16 believe we priced the products too high at \$399 . . . .

17           Factor two: After receiving strong feedback from consumers and retailers,  
18 combined with our recognition that Session's underperformance was likely to  
19 continue, we took action to price-adjust Session to \$299 in September. This  
20 resulted in \$19 million of price protection and MDF, which is reflected in our  
21 reduced revenue for the quarter. . . .

22           Factor three: Marketing. Looking back, we now believe we underfunded marketing  
23 in the second quarter and third quarters of this year, which impacted demand. . . .

24           Conclusion: We made some mistakes. . . .

25           Defendant Woodman also admitted – during the question and answer portion of the  
26 conference call – that “our guidance going into the third quarter was actually for a significant  
27 additional amount of Session to ship in. . . . [S]o what you got in the third quarter was Session  
28 didn't sell through as well as we anticipated.”

29           27.     On this news, shares of GoPro fell \$4.59 per share, or more than 15%, to close at  
30 \$25.62 on October 29, 2015, on unusually heavy trading volume.

31           28.     During the same conference call, Defendant Lazar announced fourth quarter 2015  
32 revenue guidance of \$500 million to \$550 million.

1           29.     On December 4, 2015, GoPro issued a press release entitled “\$199 HERO4 Session  
2 is a Game Changer,” announcing that the Company was – yet again – drastically lowering HERO4  
3 Session’s price to just \$199. Therein, the Company, in relevant part, stated:

4           SAN MATEO, Calif., Dec. 4, 2015 /PRNewswire/ -- GoPro, Inc. (NASDAQ:  
5 GPRO) is making it easier than ever to self-capture and share ‘wow’ footage of  
6 your favorite activities with the newly priced \$199 HERO4 Session. GoPro’s  
7 smallest and most convenient camera, HERO4 Session is about the size an ice-  
8 cube, weighs only 2.6 ounces and features a simple one-button, waterproof design  
9 that can go where no smartphone can. Wearable and gear-mountable, Session is  
compatible with GoPro’s expansive array of more than 30 accessories including  
helmet, chest, board, bike, gear and pole mounts. HERO4 Session is Bluetooth and  
WiFi enabled and captures professional quality wide-angle 1080p60 video and  
8MP photos.

10           “The waterproof HERO4 Session is so durable and easy to use... it’s the perfect  
11 way to capture rough-and-tumble family activities this holiday season. From  
12 snowball fights to snowboarding, the footage will look so immersive you’ll feel  
like you’re reliving the experience,” said GoPro’s founder and CEO, Nick  
Woodman. “I’m stoked that for just \$199, everyone can GoPro this Holiday  
season.”

13           HERO4 Session users will enjoy its small, lightweight design and simple one-  
14 button control. Waterproof to 33 feet (10m), Session doesn’t require a separate  
15 waterhousing which means it’s always ready for adventure and captures crisp, clear  
16 audio even when used during snow and watersports. Built-in Bluetooth and WiFi  
enables easy connectivity to the GoPro App, allowing you to use your smartphone  
to view, edit and share content from your GoPro to social media sites such as  
Instagram, Facebook, YouTube, Twitter and more.

17           The \$199 HERO4 Session rounds out an exciting GoPro lineup including the  
18 industry leading \$499 HERO4 Black and \$399 HERO4 Silver.

19           30.     The above statements contained in ¶¶25-26, 28-29 were false and/or misleading, as  
20 well as failed to disclose material adverse facts about the Company’s business, operations, and  
21 prospects. Specifically, these statements were false and/or misleading statements and/or failed to  
22 disclose: (1) that the Company was experiencing weak sales of its HERO line of cameras  
23 throughout the Class Period; (2) that the Company’s third and fourth quarter 2015 guidance was  
24 inflated and unrealistic; and (3) that, as a result of the foregoing, Defendants’ statements about  
25 GoPro’s business, operations, and prospects, were false and misleading and/or lacked a reasonable  
26 basis.  
27

1 **Disclosures at the End of the Class Period**

2 31. On January 13, 2016, GoPro issued a press release entitled “GoPro Announces Q4  
3 and Calendar Year 2015 Preliminary Results.” Therein, the Company disclosed preliminary  
4 fourth quarter 2015 revenue of \$435 million, falling below the Company’s guidance of \$500  
5 million - \$550 million. GoPro also announced that it planned to reduce its workforce by  
6 approximately 7% and incur approximately \$5 million to \$10 million in restructuring costs,  
7 substantially all of which relates to severance costs. Addressing the cause of the shortfall, the  
8 Company stated:  
9

10 Fourth quarter revenue reflects lower than anticipated sales of its capture devices  
11 due to slower than expected sell through at retailers, particularly in the first half of  
12 the quarter. Fourth quarter revenue includes a \$21 million reduction for price  
13 protection related charges resulting from the HERO4 Session repricing in  
14 December.

15 32. On this news, shares of GoPro fell as much as \$4.08 per share, or 27.9%, to lows of  
16 \$10.52 per share during after hours trading on January 13, 2016.

17 **CLASS ACTION ALLEGATIONS**

18 33. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil  
19 Procedure 23(a) and (b)(3) on behalf of a class, consisting of all those who purchased GoPro’s  
20 securities between July 21, 2015 and January 13, 2016, inclusive (the “Class Period”) and who  
21 were damaged thereby (the “Class”). Excluded from the Class are Defendants, the officers and  
22 directors of the Company, at all relevant times, members of their immediate families and their  
23 legal representatives, heirs, successors or assigns and any entity in which Defendants have or had  
24 a controlling interest.

25 34. The members of the Class are so numerous that joinder of all members is  
26 impracticable. Throughout the Class Period, GoPro’s securities were actively traded on the  
27 Nasdaq Stock Market (the “NASDAQ”). While the exact number of Class members is unknown  
28

1 to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff  
2 believes that there are hundreds or thousands of members in the proposed Class. Millions of  
3 GoPro shares were traded publicly during the Class Period on the NASDAQ. As of June 30,  
4 2015, GoPro had 97,082,949 shares of Class A common stock outstanding. Record owners and  
5 other members of the Class may be identified from records maintained by GoPro or its transfer  
6 agent and may be notified of the pendency of this action by mail, using the form of notice similar  
7 to that customarily used in securities class actions.  
8

9         35. Plaintiff's claims are typical of the claims of the members of the Class as all  
10 members of the Class are similarly affected by Defendants' wrongful conduct in violation of  
11 federal law that is complained of herein.  
12

13         36. Plaintiff will fairly and adequately protect the interests of the members of the Class  
14 and has retained counsel competent and experienced in class and securities litigation.  
15

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

19                 (a) whether the federal securities laws were violated by Defendants' acts as  
20 alleged herein;

21                 (b) whether statements made by Defendants to the investing public during the  
22 Class Period omitted and/or misrepresented material facts about the business, operations, and  
23 prospects of GoPro; and

24                 (c) to what extent the members of the Class have sustained damages and the  
25 proper measure of damages.

26         38. A class action is superior to all other available methods for the fair and efficient  
27 adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the  
28

1 damages suffered by individual Class members may be relatively small, the expense and burden of  
2 individual litigation makes it impossible for members of the Class to individually redress the  
3 wrongs done to them. There will be no difficulty in the management of this action as a class  
4 action.

5  
6 **UNDISCLOSED ADVERSE FACTS**

7 39. The market for GoPro's securities was open, well-developed and efficient at all  
8 relevant times. As a result of these materially false and/or misleading statements, and/or failures  
9 to disclose, GoPro's securities traded at artificially inflated prices during the Class Period.  
10 Plaintiff and other members of the Class purchased or otherwise acquired GoPro's securities  
11 relying upon the integrity of the market price of the Company's securities and market information  
12 relating to GoPro, and have been damaged thereby.

13 40. During the Class Period, Defendants materially misled the investing public, thereby  
14 inflating the price of GoPro's securities, by publicly issuing false and/or misleading statements  
15 and/or omitting to disclose material facts necessary to make Defendants' statements, as set forth  
16 herein, not false and/or misleading. Said statements and omissions were materially false and/or  
17 misleading in that they failed to disclose material adverse information and/or misrepresented the  
18 truth about GoPro's business, operations, and prospects as alleged herein.

19 41. At all relevant times, the material misrepresentations and omissions particularized  
20 in this Complaint directly or proximately caused or were a substantial contributing cause of the  
21 damages sustained by Plaintiff and other members of the Class. As described herein, during the  
22 Class Period, Defendants made or caused to be made a series of materially false and/or misleading  
23 statements about GoPro's financial well-being and prospects. These material misstatements  
24 and/or omissions had the cause and effect of creating in the market an unrealistically positive  
25 assessment of the Company and its financial well-being and prospects, thus causing the  
26  
27  
28

1 Company's securities to be overvalued and artificially inflated at all relevant times. Defendants'  
2 materially false and/or misleading statements during the Class Period resulted in Plaintiff and  
3 other members of the Class purchasing the Company's securities at artificially inflated prices, thus  
4 causing the damages complained of herein.

### 5 **LOSS CAUSATION**

6  
7 42. Defendants' wrongful conduct, as alleged herein, directly and proximately caused  
8 the economic loss suffered by Plaintiff and the Class.

9 43. During the Class Period, Plaintiff and the Class purchased GoPro's securities at  
10 artificially inflated prices and were damaged thereby. The price of the Company's securities  
11 significantly declined when the misrepresentations made to the market, and/or the information  
12 alleged herein to have been concealed from the market, and/or the effects thereof, were revealed,  
13 causing investors' losses.

### 14 **SCIENTER ALLEGATIONS**

15  
16 44. As alleged herein, Defendants acted with scienter in that Defendants knew that the  
17 public documents and statements issued or disseminated in the name of the Company were  
18 materially false and/or misleading; knew that such statements or documents would be issued or  
19 disseminated to the investing public; and knowingly and substantially participated or acquiesced  
20 in the issuance or dissemination of such statements or documents as primary violations of the  
21 federal securities laws. As set forth elsewhere herein in detail, Defendants, by virtue of their  
22 receipt of information reflecting the true facts regarding GoPro, his/her control over, and/or receipt  
23 and/or modification of GoPro's allegedly materially misleading misstatements and/or their  
24 associations with the Company which made them privy to confidential proprietary information  
25 concerning GoPro, participated in the fraudulent scheme alleged herein.  
26  
27  
28



1 and/or the NASDAQ;

2 (c) GoPro regularly communicated with public investors *via* established market  
3 communication mechanisms, including through regular dissemination of press releases on the  
4 national circuits of major newswire services and through other wide-ranging public disclosures,  
5 such as communications with the financial press and other similar reporting services; and/or  
6

7 (d) GoPro was followed by securities analysts employed by brokerage firms  
8 who wrote reports about the Company, and these reports were distributed to the sales force and  
9 certain customers of their respective brokerage firms. Each of these reports was publicly available  
10 and entered the public marketplace.

11 48. As a result of the foregoing, the market for GoPro's securities promptly digested  
12 current information regarding GoPro from all publicly available sources and reflected such  
13 information in GoPro's stock price. Under these circumstances, all purchasers of GoPro's  
14 securities during the Class Period suffered similar injury through their purchase of GoPro's  
15 securities at artificially inflated prices and a presumption of reliance applies.  
16

17 **NO SAFE HARBOR**

18 49. The statutory safe harbor provided for forward-looking statements under certain  
19 circumstances does not apply to any of the allegedly false statements pleaded in this Complaint.  
20 The statements alleged to be false and misleading herein all relate to then-existing facts and  
21 conditions. In addition, to the extent certain of the statements alleged to be false may be  
22 characterized as forward looking, they were not identified as "forward-looking statements" when  
23 made and there were no meaningful cautionary statements identifying important factors that could  
24 cause actual results to differ materially from those in the purportedly forward-looking statements.  
25 In the alternative, to the extent that the statutory safe harbor is determined to apply to any forward-  
26 looking statements pleaded herein, Defendants are liable for those false forward-looking  
27  
28

1 statements because at the time each of those forward-looking statements was made, the speaker  
2 had actual knowledge that the forward-looking statement was materially false or misleading,  
3 and/or the forward-looking statement was authorized or approved by an executive officer of  
4 GoPro who knew that the statement was false when made.

5  
6 **FIRST CLAIM**  
7 **Violation of Section 10(b) of**  
8 **The Exchange Act and Rule 10b-5**  
9 **Promulgated Thereunder Against All Defendants**

10 50. Plaintiff repeats and realleges each and every allegation contained above as if fully  
11 set forth herein.

12 51. During the Class Period, Defendants carried out a plan, scheme and course of  
13 conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing  
14 public, including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and  
15 other members of the Class to purchase GoPro's securities at artificially inflated prices. In  
16 furtherance of this unlawful scheme, plan and course of conduct, defendants, and each of them,  
17 took the actions set forth herein.

18 52. Defendants (i) employed devices, schemes, and artifices to defraud; (ii) made  
19 untrue statements of material fact and/or omitted to state material facts necessary to make the  
20 statements not misleading; and (iii) engaged in acts, practices, and a course of business which  
21 operated as a fraud and deceit upon the purchasers of the Company's securities in an effort to  
22 maintain artificially high market prices for GoPro's securities in violation of Section 10(b) of the  
23 Exchange Act and Rule 10b-5. All Defendants are sued either as primary participants in the  
24 wrongful and illegal conduct charged herein or as controlling persons as alleged below.

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

1 well-being and prospects, as specified herein.

2           54. These defendants employed devices, schemes and artifices to defraud, while in  
3 possession of material adverse non-public information and engaged in acts, practices, and a course  
4 of conduct as alleged herein in an effort to assure investors of GoPro's value and performance and  
5 continued substantial growth, which included the making of, or the participation in the making of,  
6 untrue statements of material facts and/or omitting to state material facts necessary in order to  
7 make the statements made about GoPro and its business operations and future prospects in light of  
8 the circumstances under which they were made, not misleading, as set forth more particularly  
9 herein, and engaged in transactions, practices and a course of business which operated as a fraud  
10 and deceit upon the purchasers of the Company's securities during the Class Period.

12           55. Each of the Individual Defendants' primary liability, and controlling person  
13 liability, arises from the following facts: (i) the Individual Defendants were high-level executives  
14 and/or directors at the Company during the Class Period and members of the Company's  
15 management team or had control thereof; (ii) each of these defendants, by virtue of their  
16 responsibilities and activities as a senior officer and/or director of the Company, was privy to and  
17 participated in the creation, development and reporting of the Company's internal budgets, plans,  
18 projections and/or reports; (iii) each of these defendants enjoyed significant personal contact and  
19 familiarity with the other defendants and was advised of, and had access to, other members of the  
20 Company's management team, internal reports and other data and information about the  
21 Company's finances, operations, and sales at all relevant times; and (iv) each of these defendants  
22 was aware of the Company's dissemination of information to the investing public which they  
23 knew and/or recklessly disregarded was materially false and misleading.

26           56. The defendants had actual knowledge of the misrepresentations and/or omissions of  
27 material facts set forth herein, or acted with reckless disregard for the truth in that they failed to  
28

1 ascertain and to disclose such facts, even though such facts were available to them. Such  
2 defendants' material misrepresentations and/or omissions were done knowingly or recklessly and  
3 for the purpose and effect of concealing GoPro's financial well-being and prospects from the  
4 investing public and supporting the artificially inflated price of its securities. As demonstrated by  
5 Defendants' overstatements and/or misstatements of the Company's business, operations, financial  
6 well-being, and prospects throughout the Class Period, Defendants, if they did not have actual  
7 knowledge of the misrepresentations and/or omissions alleged, were reckless in failing to obtain  
8 such knowledge by deliberately refraining from taking those steps necessary to discover whether  
9 those statements were false or misleading.  
10

11         57. As a result of the dissemination of the materially false and/or misleading  
12 information and/or failure to disclose material facts, as set forth above, the market price of  
13 GoPro's securities was artificially inflated during the Class Period. In ignorance of the fact that  
14 market prices of the Company's securities were artificially inflated, and relying directly or  
15 indirectly on the false and misleading statements made by Defendants, or upon the integrity of the  
16 market in which the securities trades, and/or in the absence of material adverse information that  
17 was known to or recklessly disregarded by Defendants, but not disclosed in public statements by  
18 Defendants during the Class Period, Plaintiff and the other members of the Class acquired GoPro's  
19 securities during the Class Period at artificially high prices and were damaged thereby.  
20

21         58. At the time of said misrepresentations and/or omissions, Plaintiff and other  
22 members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff  
23 and the other members of the Class and the marketplace known the truth regarding the problems  
24 that GoPro was experiencing, which were not disclosed by Defendants, Plaintiff and other  
25 members of the Class would not have purchased or otherwise acquired their GoPro securities, or,  
26 if they had acquired such securities during the Class Period, they would not have done so at the  
27  
28



