

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 SHAWN LOPEZ, Individually and on
12 behalf of all others similarly situated,

13 Plaintiff,

14 v.

15 AGEAGLE AERIAL SYSTEMS,
16 INC., J. MICHAEL DROZD, NICOLE
17 FERNANDEZ-MCGOVERN, BRET
18 CHILCOTT and BARRETT
19 MOONEY,

20 Defendants.

No.

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

CLASS ACTION

JURY TRIAL DEMANDED

21
22 Plaintiff Shawn Lopez (“Plaintiff”), individually and on behalf of all other
23 persons similarly situated, by Plaintiff’s undersigned attorneys, for Plaintiff’s
24 complaint against Defendants (defined below), alleges the following based upon
25 personal knowledge as to Plaintiff and Plaintiff’s own acts, and information and
26 belief as to all other matters, based upon, *inter alia*, the investigation conducted by
27 and through his attorneys, which included, among other things, a review of the
28

1 Defendants' public documents, conference calls and announcements made by
2 Defendants, public filings, wire and press releases published by and regarding
3 AgEagle Aerial Systems, Inc. ("AgEagle" or the "Company"), and information
4 readily obtainable on the Internet. Plaintiff believes that substantial evidentiary
5 support will exist for the allegations set forth herein after a reasonable opportunity
6 for discovery.

7 **NATURE OF THE ACTION**

8 1. This is a class action on behalf of persons or entities who purchased
9 or otherwise acquired publicly traded AgEagle securities between September 3,
10 2019 and February 18, 2021, inclusive (the "Class Period"). Plaintiff seeks to
11 recover compensable damages caused by Defendants' violations of the federal
12 securities laws under the Securities Exchange Act of 1934 (the "Exchange Act").

13 **JURISDICTION AND VENUE**

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

17 3. This Court has jurisdiction over the subject matter of this action
18 pursuant to 28 U.S.C. § 1331, and Section 27 of the Exchange Act (15 U.S.C.
19 §78aa).

20 4. Venue is proper in this judicial district pursuant to 28 U.S.C. §
21 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)) as the alleged
22 misstatements entered and the subsequent damages took place in this judicial
23 district.

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

PARTIES

1
2 6. Plaintiff, as set forth in the accompanying certification, incorporated
3 by reference herein, purchased AgEagle securities during the Class Period and
4 was economically damaged thereby.

5 7. Defendant AgEagle purports to be a commercial drone company.
6 According to AgEagle’s website, the Company is engaged in the design,
7 engineering, and manufacturing of commercial drones, as well as in providing
8 drone services and solutions to the agriculture industry. AgEagle is incorporated
9 in Nevada with its principal office located in Wichita, Kansas. AgEagle’s
10 common stock trades on the New York Stock Exchange (“NYSE”) under the
11 ticker symbol “UAVS.”

12 8. Defendant J. Michael Drozd (“Drozd”) has served as the Company’s
13 Chief Executive Officer (“CEO”) since May 2020.

14 9. Defendant Nicole Fernandez-McGovern (“Fernandez-McGovern”)
15 has served as the Company’s Chief Financial Officer (“CFO”) throughout the
16 Class Period.

17 10. Defendant Bret Chilcott (“Chilcott”) is the founder of the Company,
18 and served as the Company’s President and Executive Chairman of the Board of
19 Directors (“Board”) until May 2020.

20 11. Defendant Barrett Mooney (“Mooney”) served as the Company’s
21 CEO from the beginning of the Class Period until May 2020.

22 12. Defendants Drozd, Fernandez-McGovern, Chilcott and Mooney are
23 collectively referred to herein as the “Individual Defendants.”

24 13. Each of the Individual Defendants:

- 25 (a) directly participated in the management of the Company;
26 (b) was directly involved in the day-to-day operations of the
27 Company at the highest levels;

28

- 1 (c) was privy to confidential proprietary information concerning
2 the Company and its business and operations;
- 3 (d) was directly or indirectly involved in drafting, producing,
4 reviewing and/or disseminating the false and misleading statements
5 and information alleged herein;
- 6 (e) was directly or indirectly involved in the oversight or
7 implementation of the Company’s internal controls;
- 8 (f) was aware of or recklessly disregarded the fact that the false
9 and misleading statements were being issued concerning the
10 Company; and/or
- 11 (g) approved or ratified these statements in violation of the federal
12 securities laws.

13 14. AgEagle is liable for the acts of the Individual Defendants and its
14 employees under the doctrine of *respondeat superior* and common law principles
15 of agency because all of the wrongful acts complained of herein were carried out
16 within the scope of their employment.

17 15. The scienter of the Individual Defendants and other employees and
18 agents of the Company is similarly imputed to AgEagle under *respondeat*
19 *superior* and agency principles.

20 16. Defendants AgEagle and the Individual Defendants are collectively
21 referred to herein as “Defendants.”

22 **SUBSTANTIVE ALLEGATIONS**

23 **Materially False and Misleading Statements Issued During the Class Period**

24 17. On September 3, 2019, AgEagle issued a press release entitled:
25 “AgEagle Enters the Fast-Growing Commercial Drone Package Delivery
26 Market.” The subtitle read: “Initial Purchase Orders Received and Testing
27 Underway.”

28 18. Quoting then-CEO Mooney, the press release stated, in pertinent part:

1 “Over the past year, there has been a surge of prominent companies,
2 including Alphabet (Google), FedEx, Intel, Qualcomm, Amazon,
3 Target, Walmart, Alibaba, UPS, 7-Eleven, Uber and many others,
4 actively developing commercial drone-delivery service initiatives as
5 part of their long-term strategic plans. These companies intend to
6 leverage the latest in unmanned aerial vehicle (UAV) technologies to
7 deliver food, consumer products, medicines and other types of
8 lightweight freight direct to consumers and businesses in the fastest,
9 most cost efficient and environmentally responsible manner possible –
10 a practical alternative to costly auto transport.”

11 *“We have received our first purchase orders to manufacture and
12 assemble UAVs designed to meet the critical specifications for
13 drones that are meant to carry goods in urban and suburban areas.
14 We look forward to providing greater detail in the near future on
15 AgEagle’s plans to address the needs of this highly specialized new
16 market and the specific role we expect to play in its ongoing
17 development[.]”*

18 (Emphasis added.)

19 19. On April 13, 2020, AgEagle filed its annual report on Form 10-K
20 with the SEC for the fiscal year ending on December 31, 2019 (the “2019 10-K”).
21 The 2019 10-K was signed by Defendants Mooney, Fernandez-McGovern and
22 Chilcott. Attached to the 2019 10-K were certifications pursuant to the Sarbanes-
23 Oxley Act of 2002 (“SOX”) signed by Defendants Mooney and Fernandez-
24 McGovern attesting to the accuracy of the financial statements and the disclosure
25 of all fraud. The 2019 10-K expanded on the September 3, 2019 press release by
26 specifying that the first purchase order was from “a major unnamed ecommerce
27 company,” stating in relevant part:

28 *In September 2019, the Company announced that it was actively
pursuing expansion opportunities within the Drone Logistics and
Transportation market, and reported that it had received its first
purchase order from a major unnamed ecommerce company to*

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