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8	UNITED STATES DISTRICT COURT						
9	CENTRAL DISTRIC	CT OF CALIFORNIA					
10	GARY CHENG, Individually and on	G N 221 06240 DA IEM					
11	behalf of all others similarly situated,	Case No. 2:21-cv-06240-PA-JEM					
12		SECOND AMENDED CLASS					
13	Plaintiff,	ACTION COMPLAINT FOR					
14		VIOLATIONS OF THE FEDERAL SECURITIES					
15	V.	LAWS					
	ACTIVISION BLIZZARD, INC.,	CLACCACTION					
16	ROBERT A. KOTICK, DENNIS	<u>CLASS ACTION</u>					
17	DURKIN, SPENCER NEUMANN, ARMIN ZERZA, and BRIAN KELLY,	JURY TRIAL DEMANDED					
18	ARIVIIN ZERZA, and DRIAN RELLT,						
19	Defendants.						
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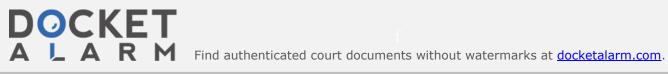


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2)	The DFEH Begins Requesting Information From Activision Blizzard in 2017 and Initiates a Formal Investigation Into Systemic Misconduct by Serving the Company with a Director's Complaint on October 12, 2018			
D.	Defendants Did Not Disclose the EEOC and DFEH Investigations, and Instead Stated Repeatedly During the Class Period that the Company was Party to Only "RoutineInvestigations" that Arose in "the Ordinary Course of Business," Were "Not Significant," and Not Expected "to Have a Material Adverse Effect" on Activision Blizzard's Business			
E.	The EEOC and DFEH Investigations Were Not "Routine" and in the "Ordinary Course of Business;" The EEOC and DFEH Investigations Were "Significant" and Likely "to Have a Material Adverse Effect" on Activision Blizzard's Business			



1	1)	EEOC Commissioner's Charges and DFEH Director's Complaints Are Rarely Used Mechanisms That Those Agencies Use for Investigations into
2		Systemic Harassment and Discrimination
3 4	a.	The EEOC's Commissioner's Charge against Activision Blizzard was one of only 11 filed in 2018
5 6 7 8	b.	The DFEH Filed Only 4 Director's Complaints in 2019 and 3 Director's Complaints in 2020 and in Each of Those Years the Director's Complaint Against Activision Blizzard was Only One of 10 Additional Director's Complaints Under Investigation
9 10 11 12	2)	In Response to the Investigations, Activision Blizzard Made Significant Changes to its Human Resources Procedures, Which Included Instituting a Formal Process for Investigating Sexual Harassment Complaints For the First Time and Instituting Regular Meetings Between Human Resources and its Legal Team
13 14	3)	The EEOC and DFEH Investigations Caused Activision Blizzard to Fire Important Employees Before the Investigations Became Public29
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21 22 23 24	6)	Endemic Sexual Harassment and Discrimination at Activision Blizzard and The Inevitable Fact that the that the EEOC and DFEH Would Discover It Rendered the Investigations Non-Routine and Significant, and Precluded the Possibility that they Would Not Have a Material Effect on the Company. 36
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20		as Routine Matters and that They Were Significant and Could Have a
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22		and Significant by Stating in its Public Filings Two Weeks After the
23		DFEH Complaint Was Filed That its Business Could be Adversely Impacted
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25	1	On July 20, 2021, the DFEH Publicly filed its Complaint Against Activision
26	1	Blizzard, Revealing the Pervasive Misconduct at the Company, and Leading to Enormous Reputational Damage, Employee Walkouts, and the Decline of
27	1	the Company's Share Price
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1	G.	The Fallout From the DFEH Lawsuit Continues, Including the Resignations of Blizzard's President and Head of Human Resources and the Firing of the
2		Director of Diablo IV
3 4	Н.	The DFEH Amends Its Complaint to Add Claims that Activision Blizzard Obstructed its Investigation
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14 15		Policy"; Waives Required Arbitration of Sexual Harassment and Discrimination Claims; and Defendant Kotick Cuts his Own Base Salary to \$62,500
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18		Would Cause the Latest Installments of Those Games to be Delayed and that Jennifer Oneal was Departing from her Position as Co-leader of Blizzard,
19 20		Leading to a Huge Drop in the Company's Stock
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22		Defendant Kotick Knew About Sexual-Misconduct Allegations at Activision
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