REICH RADCLIFFE & HOOVER LLP
Marc G. Reich (SBN 159936)
mgr@reichradcliffe.com
Adam T. Hoover (SBN 243226)
adhoover@reichradcliffe.com
4675 MacArthur Court, Suite 550
Newport Beach, CA 92660
Phone: (949) 975-0512
Fax: (949) 208-2839

LIFSHITZ LAW FIRM, P.C.
Joshua M. Lifshitz (*Pro Hac Vice to be submitted*)
jml@jlclasslaw.com
821 Franklin Ave., Suite 209
Garden City, NY 11530
Phone: (516) 493-9780
Fax: (516) 280-7376

Attorneys for Plaintiff

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

DIEGO FAZIO, Derivatively on Behalf of Nominal Defendant UBER TECHNOLOGIES, INC., Plaintiff, v. DARA KHOSROWSHAHI, NELSON CHAI, GLEN CEREMONY, RONALD SUGAR, H.E. YASIR AL-RUMAYYAN, URSULA BURNS, GARRETT CAMP, MATT COHLER, RYAN GRAVES, ARIANNA HUFFINGTON, TRAVIS KALANICK, WAN LING MARTELLO, JOHN THAIN, and DAVID TRUJILLO, Defendants, and UBER TECHNOLOGIES, INC., Nominal Defendant.	Case No: 3:20-cv-7916 **VERIFIED SHAREHOLDER DERIVATIVE COMPLAINT FOR VIOLATIONS OF THE FEDERAL SECURITIES LAWS** **Demand for Jury Trial**

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Plaintiff Diego Fazio, by and through his undersigned attorneys, brings this shareholder derivative action for the benefit of Nominal Defendant Uber Technologies, Inc. ("Uber," or the "Company"), against certain of the Company's current and former officers and members of the Board of Directors (the "Board") for violations of the Securities Act of 1933 (the "Securities Act").

Plaintiff makes these allegations upon personal knowledge and the investigation of counsel, which includes without limitation: (a) review and analysis of public filings made by Uber and other related parties and non-parties with the United States Securities and Exchange Commission ("SEC"); (b) review of news articles, shareholder communications, and postings on Uber's website; (c) review of the pleadings and other documents in the securities class action captioned *Boston Retirement System v. Uber Technologies, Inc.*, Case No. 3:19-cv-06361-RS (N.D. Cal.) (the "Securities Class Action"); and (d) review of other publicly available information concerning Uber and the Defendants.[1] Plaintiff believes that through reasonable discovery, substantial additional evidence will exist for the allegations and claims set forth herein

1. INTRODUCTION

1. Plaintiff brings this action derivatively for the benefit of Nominal Defendant Uber against certain of the Company's current and former executive officers and directors aiming to rectify Defendants' breaches of fiduciary duty, as well as, violations of the Securities Act from May 10, 2019 through the present (the "Relevant Period") for issuing false and misleading statements and/or omitting material information in the Company's documents in connection with its Initial Public Offering ("IPO") of Uber common stock.

2. On or about May 10, 2019, Uber Technologies—founded and originally incorporated as transportation company Ubercab, Inc. ("Ubercab")—conducted one of the largest and most hotly anticipated IPOs in American history.

[1] While Plaintiff's counsel has conducted its own, independent investigation, many of the allegations herein (and, in particular, the allegations that relate to former employees ("FE") accounts) are contained in a Amended Class Action Complaint for violation of the federal securities laws (the "Securities Complaint") filed against the Company and certain of its officers and directors in the Securities Class Action which has been upheld by the United States District Court on August 7, 2020.

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3. For years, investors debated Uber's dubious path to profitability and whether and at what price Uber should go public, but the Company lured investors into the IPO with a simple rationale: growth now, profits later. Uber committed as a public company to deliver unparalleled and rapid growth and scale, under the premise that the largest player dominates the market, winning both market share and profits. Investors took the bait.

4. Uber was also a Company scarred by scandal. In 2017, for example, Uber was caught utilizing proprietary software tools, called "Greyball," to evade authorities seeking to enforce laws, rules, and regulations applicable to the Company's ridesharing operations. In another example, a former Uber software engineer came forward with allegations that she and fellow colleagues had been sexually harassed by superiors at Uber. After the software engineer reported such misconduct to Uber's human resources ("H.R.") department, she was berated by managers and retaliated against for reporting such incidents to H.R. According to the software engineer, Uber's H.R. department conspired with senior executives to protect abusive managers because they were "high performers."

5. The software engineer's story, which spread like wildfire, helped catalyze the viral #MeToo movement. These scandals led to Defendant Travis Kalanick's ousting as Uber's Chief Executive Officer ("CEO"), as well as a viral #DeleteUber campaign that prompted hundreds of thousands of Uber users to stop using Uber's platform within days. Uber purports to have reformed its culture "fundamentally" by, among other things, replacing Defendant Kalanick as CEO with Defendant Dara Khosrowshahi and developing a new set of "cultural norms," which includes: "Do the right thing. Period." Indeed, the Offering Documents trumpet: "It is a new day at Uber."

6. Through the IPO, Uber raised more than $8.1 billion by offering and selling over 180 million shares of its common stock to the public at a price of $45.00 per share. The Offering was an incredible financial windfall for Defendants. The banks that underwrote the Offering collected over $106 million in fees. The Offering valued the Company at a whopping $75.5 billion and catapulted the value of Uber stock held by corporate insiders, including many of the IPO Defendants (as defined herein).

7. While the Offering was a success for the Company, and indeed for all Defendants, it became what one prominent venture capitalist dubbed a "train wreck" for investors, and it turned

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"what should have been a climactic moment for a transportation colossus instead [into] an embarrassment."

8. Headquartered in San Francisco, California, Uber is a multinational ride-hailing company that offers its passengers peer-to-peer ("P2P") ridesharing ("UberX"), shared peer-to-peer ridesharing ("UberPOOL"), and black car transportation ("UberBLACK" and collectively with UberX and UberPOOL, "Uber Rides" or "Rides"). UberBLACK drivers have commercial registration and commercial insurance. By contrast, the Company does not require its P2P ridesharing drivers to have commercial licenses or commercial registration. Uber also offers on-demand food delivery ("Uber Eats" or "Eats") as well as on-demand shipping that matches freight shippers with truckers ("Uber Freight" or "Freight"), among other "Personal Mobility" and on-demand services. Each of Uber's platforms can be accessed via its website or through one of the Company's mobile applications ("apps").

9. Uber depends on incentives—*e.g.*, $10 per trip for each of a driver's first 100 trips—and brand advertising and direct marketing—*e.g.*, promotional campaigns such as television advertisements, discounts, promotions, and referrals—to attract both drivers and customers and to grow Uber Rides and Uber Eats.

10. Unbeknownst to investors, Uber and its executives premised the Company's growth on an undisclosed, unsustainable, and often illegal "growth at any cost" business model, putting growth first above profits, the law, and even its own passengers' safety.

11. As disclosed post-IPO in recent civil litigation, criminal indictments and plea agreements, governmental and regulatory press releases, and countless news and media reports, and as evidenced by former Uber employee statements, Uber systematically violated local laws by launching and operating its Rides services in new domestic and international jurisdictions— irrespective of whether the Company was licensed or lawfully permitted to operate there. Uber Rides became popular harnessing the trendy power of mobile app-based consumerism, and Uber secretly bet that it could grow and continue to operate in those jurisdictions above or outside the law, sanctioned by mass consumer approval if not by local authorities.

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12. Along with the growing number of Rides bookings and trips came an increasing number of passengers reporting violent and often criminal instances of physical and sexual assault and harassment, including non-consensual kissing, touching, and even rape. In 2018 alone (the calendar year immediately preceding the Offering), there were more than 3,000 reported instances of sexual assault—an average of eight sexual assaults a day.

13. For years and through the Offering, Uber concealed these reports from the public and investors, even as the number of instances of physical and sexual assault reported to the Company continued to grow. Uber upheld its growth at any cost business model to such a degree that it adopted and maintained investigative and safety enforcement policies designed to put the Company's interests ahead of passenger safety.

14. According to more than 20 current and former investigators in Uber's passenger call center, for example, the Company uses a "three-strikes" system that allows bad actors to continue using the Uber Rides app until three allegations are made, but executives can overrule investigators. In one such case, a male driver was allowed to continue picking up passengers until a fourth incident, where a rider reported she had been raped by that driver.

15. In 2018, 92% of Uber Rides rape victims were passengers and 89% of Uber Rides rape victims were female. Yet Uber's policies were designed to silence rather than protect these victims: Company investigators could be reprimanded or even terminated if they contacted the police or advised victims to do so. At most, Uber would notify victims that they would not be matched with the accused driver again—and they might receive a refund.

16. Uber also concealed that its growth at any cost business model was negatively impacting its financial condition, resulting in slowing (not accelerating) growth and billions of dollars in losses. Statements from a former Uber employee support these allegations.

17. For the quarter ended June 30, 2019 ("Q2 2019"), the same quarter as the Offering, for example, Uber reported, after the IPO closed, a staggering $5.2 billion loss—the largest loss in the Company's history. Uber blamed the loss on stock-based compensation paid to early investors ($3.9 billion), but even excluding that figure, the Company's $1.3 billion loss was still its largest loss ever.

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