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9 [Additional counsel on signature page.]

10 **UNITED STATES DISTRICT COURT**  
11 **NORTHERN DISTRICT OF CALIFORNIA**

12 DAVID MESSINGER, GERALD ASHFORD,  
13 IRVING S. AND JUDITH BRAUN, ELLIE MARIE  
14 TORONTO ESA, VARGHESE PALLATHU,  
15 JOSEPH CIANCI, and JOHNNY RAMEY,  
16 Individually and on Behalf of All Others Similarly  
17 Situated,

18 **Plaintiffs,**

19 vs.

20 UBER TECHNOLOGIES, INC., DARA  
21 KHOSROSHAH, NELSON CHAI, GLEN  
22 CEREMONY, RONALD SUGAR, URSULA  
23 BURNS, GARRETT CAMP, MATT COHLER,  
24 RYAN GRAVES, ARIANNA HUFFINGTON,  
25 TRAVIS KALANICK, WAN LING MARTELLO,  
26 H.E. YASIR AL-RUMAYYAN, JOHN THAIN,  
27 DAVID TRUJILLO, MORGAN STANLEY & CO.  
28 LLC, GOLDMAN SACHS & CO. LLC, MERRILL  
LYNCH, PIERCE, FENNER & SMITH  
INCORPORATED, BARCLAYS CAPITAL INC.,  
CITIGROUP GLOBAL MARKETS INC., ALLEN &  
COMPANY LLC, RBC CAPITAL MARKETS,  
LLC, SUNTRUST ROBINSON HUMPHREY, INC.,  
DEUTSCHE BANK SECURITIES INC., HSBC  
SECURITIES (USA) INC., SMBC NIKKO  
SECURITIES AMERICA, INC., MIZUHO  
SECURITIES USA LLC, NEEDHAM &  
COMPANY, LLC, LOOP CAPITAL MARKETS  
LLC, SIEBERT CISNEROS SHANK & CO., L.L.C.,  
ACADEMY SECURITIES, INC., BTIG, LLC,  
CANACCORD GENUITY LLC, CASTLEOAK  
SECURITIES, L.P., COWEN AND COMPANY,  
LLC, EVERCORE GROUP L.L.C., JMP  
SECURITIES LLC, MACQUARIE CAPITAL  
(USA) INC., MISCHLER FINANCIAL GROUP,

Case No.

**CLASS ACTION COMPLAINT FOR  
VIOLATIONS OF THE SECURITIES  
ACT OF 1933**

1 INC., OPPENHEIMER & CO. INC., RAYMOND  
2 JAMES & ASSOCIATES, INC., WILLIAM BLAIR  
& COMPANY, L.L.C., THE WILLIAMS CAPITAL  
GROUP, L.P., and TPG CAPITAL BD, LLC,

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4 Defendants.

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1 Plaintiffs David Messinger, Gerald Ashford, Irving S. and Judith Braun, Ellie Marie Toronto ESA,  
2 Varghese Pallathu, Joseph Cianci, and Johnny Ramey (collectively, “Plaintiffs”), individually and on  
3 behalf of all others similarly situated, by Plaintiffs’ undersigned attorneys, allege the following based upon  
4 personal knowledge, as to Plaintiffs and Plaintiffs’ own acts, and upon information and belief, as to all  
5 other matters, based on the investigation conducted by and through their attorneys, which included, among  
6 other things, a review of U.S. Securities and Exchange Commission (“SEC”) filings, analyst and media  
7 reports, and consultations and interviews with persons familiar with the business of Defendant Uber  
8 Technologies, Inc. (“Uber” or the “Company”) and the industry in which it operates. Plaintiffs’  
9 investigation into the matters alleged herein is continuing and many relevant facts are known only to, or  
10 are exclusively within the custody and control of, the Defendants (defined below). Plaintiffs believe that  
11 substantial additional evidentiary support will exist for the allegations set forth herein after a reasonable  
12 opportunity for formal discovery.

### 13 NATURE AND SUMMARY OF THE ACTION

14 1. On May 13, 2019, Uber conducted one of the most anticipated U.S. initial public offerings  
15 (the “IPO”) in recent years, raising over **\$8 billion** (after deducting underwriting discounts and  
16 commissions and estimated offering expenses) by selling over 180 million shares of the Company’s Class  
17 A common stock to the public at the IPO offering price of \$45.00 per share (the “IPO Price”). In addition  
18 to generating a staggering amount of capital for the Company, the IPO also represented an extraordinary  
19 financial windfall for the 29 Underwriter Defendants (defined below), who collected over \$106.2 million  
20 in fees in connection with the IPO (of which roughly \$40 million went to Defendant Morgan Stanley &  
21 Co. LLC (“Morgan Stanley”), roughly \$20 million went to Defendant Goldman Sachs & Co. LLC  
22 (“Goldman Sachs”), and roughly \$10 million went to Defendant Merrill Lynch, Pierce, Fenner & Smith  
23 Incorporated (“Merrill Lynch”).

24 2. Unfortunately for investors, however, the IPO Registration Statement and Prospectus  
25 (collectively, the “Offering Documents”) that Uber and the other Defendants used to conduct the IPO were  
26 materially false, misleading, and incomplete and omitted to disclose material adverse facts about the  
27 Company and its business, including that:

1 (a) The Company was plagued by serious safety problems, which were compounded  
2 by patently defective investigative and safety enforcement policies and practices that were  
3 shamefully insufficient to adequately prevent, punish, and deter acts of sexual assault and other  
4 tortious conduct against Uber customers. For example, at the time of the IPO, the Company was  
5 aware of *thousands* of reports of sexual assaults committed *in just the United States* by Uber  
6 drivers against Uber customers. Accordingly, and contrary to the Offering Documents' statements  
7 concerning the Company's purported commitment to user safety, Uber drivers had engaged in  
8 widespread criminal and other misconduct against Uber passengers that ranged from non-  
9 consensual touching to violent assaults and rapes. Moreover, Uber's process for handling  
10 complaints and reports of wrongful conduct was patently defective, as it effectively prioritized  
11 efforts to limit the Company's liability (and its exposure to negative publicity) over customer  
12 safety. For example, Uber's "Special Investigation Unit" (or "SIU") actively sought to shield Uber  
13 from legal liability and adverse publicity by (among other things) forbidding Uber investigators  
14 from forwarding to the police allegations of criminal misconduct by Uber drivers, and by similarly  
15 forbidding its investigators from advising victims of such criminal conduct to seek legal counsel  
16 or to report the misconduct to law enforcement authorities. At the same time, Uber routinely  
17 allowed miscreant Uber drivers to stay on the road (and to keep generating revenue for the  
18 Company). Such policies and practices helped to mask the true nature and widespread extent of  
19 Uber's serious safety problems as of the IPO, but exposed the Company to brutal adverse publicity  
20 and increased legal liability as investors learned the extent to which Uber's policies – instead of  
21 effectively deterring and preventing sexual assaults and other misconduct against its own  
22 customers – had actually allowed large numbers of dangerous Uber drivers to remain on the road  
23 and to threaten, harass, and sexually assault even more customers.

24 (b) The Company was experiencing accelerating losses. Indeed, as of the May 2019  
25 IPO, Uber was on track to record for the second quarter of 2019 (which closed on June 30, 2019)  
26 ("2Q2019") a shocking loss of *\$5.2 billion*, its largest quarterly loss ever. Relatedly, and also  
27 unbeknownst to investors, the Offering Documents failed to disclose that, as of the IPO, Uber's  
28 revenue growth was stagnating or declining, as was Uber's "Take Rate" (*i.e.*, money retainer per

1 trip) due in substantial part to the Company’s pre-IPO decision to significantly increase the amount  
2 of subsidies given to Uber drivers and customers for using and providing Uber’s ride and meal  
3 delivery services in order to prevent the Company’s competitors from gaining market share in the  
4 run-up to the IPO. At the same time, the Offering Documents also failed to disclose that Uber was  
5 preparing to cut costs in key areas that would significantly undermine Uber’s efforts to grow its  
6 core ridesharing and meal delivery business; and

7 (c) The Company was in violation of and indifferent to existing and pending laws,  
8 rules, and regulations in multiple key markets, including in this state (California, where two of its  
9 five biggest markets –San Francisco and Los Angeles – are located), thereby exposing Uber to  
10 serious regulatory risks and costly liabilities that were either misleadingly understated or  
11 completely omitted from the Offering Documents. For example, the Offering Documents failed  
12 to adequately warn investors of the likelihood that Uber would have to reclassify its drivers as  
13 “employees” (rather than independent contractors) or the likely extent of the adverse impact of  
14 such reclassification on its operations (including, *inter alia*, the extent of the massive costs  
15 associated with having to pay past due and future unemployment, disability, and other employee  
16 benefits). Similarly, the Offering Documents failed to adequately address how Uber’s business  
17 practices and policies subjected it to decreased revenue growth as a result of adverse regulatory  
18 actions by other local, state, and overseas jurisdictions that had the power to shut Uber out of  
19 otherwise lucrative and important markets.

20 3. In the eight months since Uber’s May 2019 IPO, and as the truth concerning the nature and  
21 extent of these and related material adverse problems has gradually been revealed, the price of Uber’s  
22 Class A common stock has plummeted from the IPO Price of \$45.00 per share. Indeed, the price of Uber  
23 shares fell below \$34.00 (a decline of roughly 25% from the IPO Price) ***within just three months of the***  
24 ***IPO***, and it continued to fall in the latter part of 2019.

25 4. Plaintiffs bring this action under §§11, 12(a)(2), and 15 of the Securities Act of 1933 (the  
26 “Securities Act”) against: (i) Uber; (ii) each of Uber’s senior officers and directors who signed the  
27 Registration Statement (the “Individual Defendants,” as further defined below); and (iii) each of the  
28 investment banks (the “Underwriter Defendants,” as further defined below) that acted as underwriters for

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