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14 **UNITED STATES DISTRICT COURT**
15 **NORTHERN DISTRICT OF CALIFORNIA**
16 **SAN FRANCISCO DIVISION**
17

18 HUEI-TING KANG and ARTHUR FLORES,
19 Plaintiffs,
20 - against -
21 PAYPAL HOLDINGS, INC., et al.,
22 Defendants.
23

Case No. 3:21-cv-06468-CRB

**DEFENDANTS' NOTICE OF
MOTION AND MOTION TO
DISMISS; SUPPORTING
MEMORANDUM OF POINTS AND
AUTHORITIES**

The Honorable Charles R. Breyer

Date: July 8, 2022

Time: 10:00 a.m.

Place: Courtroom 6 – 17th Floor

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NOTICE OF MOTION AND MOTION TO DISMISS

PLEASE TAKE NOTICE that on July 8, 2022, at 10:00 a.m., in the courtroom of the Honorable Charles R. Breyer of the United States District Court for the Northern District of California, defendants PayPal Holdings, Inc. (“PayPal” or the “Company”), Daniel Schulman, John Rainey, Doug Bland, and Joseph Gallo (the “Individual Defendants,” and, with PayPal, “Defendants”), will, and hereby do, move to dismiss all claims in the Amended Class Action Complaint for Violations of the Securities Laws (the “Complaint”). Defendants move to dismiss pursuant to Rules 9(b) and 12(b)(6) of the Federal Rules of Civil Procedure and the Private Securities Litigation Reform Act of 1995 (“PSLRA”) on the grounds that lead plaintiffs (“Plaintiffs”) fail to state a claim for violations of Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) and SEC Rule 10b-5, as well as Section 20(a) of the Exchange Act. Defendants’ motion is based on the Memorandum of Points and Authorities below, the Declaration of Geoffrey R. Chepiga and attached exhibits,¹ the [Proposed] Order, the arguments of counsel, and any other matters properly before the Court.

ISSUES TO BE DECIDED

1. Should the Section 10(b) and Rule 10b-5 claims (Counts I and II) be dismissed because Plaintiffs have failed to adequately plead any material misleading statements or omissions by Defendants?
2. Should the Section 10(b) and Rule 10b-5 claims (Counts I and II) be dismissed because Plaintiffs have failed to plead particularized facts giving rise to a strong inference of scienter that is at least as compelling as any opposing inference of nonfraudulent intent?
3. Should the Section 10(b) and Rule 10b-5 claims (Counts I and II) be dismissed because Plaintiffs have failed to plead loss causation by linking any decline in PayPal’s stock price to a disclosure “correcting” any purported misstatement?
4. Should the Section 20(a) control person claim (Count III) be dismissed because Plaintiffs have failed to plead a primary violation of Section 10(b)?

¹ References to “Ex. . . .” are to the Declaration of Geoffrey R. Chepiga.

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