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20	UNITED STATES DISTRICT COURT								
21	FOR THE NORTHERN DISTRICT OF CALIFORNIA								
22	OAKLAND DIVISION								
23	In re NVIDIA CORPORATION	Case No. 4:18-cv-07669-HSG							
24	SECURITIES LITIGATION	CONSOLIDATED CLASS ACTION							
		COMPLAINT FOR VIOLATIONS OF THE							
25		FEDERAL SECURITIES LAWS							
26	This Document Relates to: All Actions.	DEMAND FOR JURY TRIAL							
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28	Judge: Hon. Haywood S. Gilliam, Jr. Courtroom: 2								
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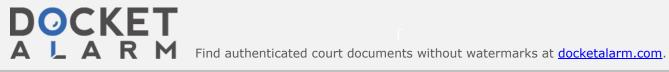


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Lead Plaintiffs E. Öhman J:or Fonder AB ("Öhman Fonder") and Stichting Pensioenfonds PGB ("PGB," and together with Öhman Fonder, "Lead Plaintiffs") bring this action individually and on behalf of all others who purchased or otherwise acquired the common stock of NVIDIA Corporation ("NVIDIA" or the "Company") between May 10, 2017, and November 14, 2018 (the "Class Period"), and were injured thereby.

Lead Plaintiffs allege the following based upon personal knowledge as to themselves and their own acts and upon information and belief as to all other matters. Lead Plaintiffs' information and belief are based on the ongoing independent investigation of their undersigned counsel. This investigation includes review and analysis of, among other things: (i) NVIDIA's public filings with the U.S. Securities and Exchange Commission ("SEC"); (ii) research reports by securities and financial analysts; (iii) videos and transcripts of NVIDIA's conference calls with analysts and investors; (iv) Company presentations, press releases, and reports; (v) news and media reports concerning NVIDIA and other facts related to this action; (vi) price and volume data for NVIDIA securities; (vii) information from consultations with relevant experts; and (viii) information provided by former NVIDIA employees, some of whom expressed concern about providing Lead Counsel with information for fear of retaliation by NVIDIA. Lead Counsel's investigation into the factual allegations continues, and many of the relevant facts are known only by Defendants or are exclusively within their custody or control. Lead Plaintiffs believe that substantial additional evidentiary support is likely to exist for the allegations set forth herein after a reasonable opportunity for discovery.

I. INTRODUCTION

- 1. Defendant NVIDIA is a multinational technology company that purports to have invented in 1999 the graphics processing unit ("GPU"), a type of processor that electronics manufacturers incorporate into their devices, including graphics cards for video games. NVIDIA's most popular product line is its "GeForce" brand of GPUs, a favorite among video-game enthusiasts ("gamers").
- 2. In early 2017, NVIDIA faced an unusual problem: its flagship product was flying off the shelves. Under normal circumstances, such a trend would be cheered. But Defendants knew that the spike in GeForce GPU sales was not sustainable. The enormous sales growth owed not to an increase in demand from gamers, NVIDIA's traditional consumer, but rather from bands of online upstarts who were



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buying up the processors by the thousands and deploying them in massive datacenters to solve complex mathematical problems in pursuit of digital tokens called "cryptocurrencies."

- 3. These so-called "crypto-miners" were chasing a modern-day gold rush unfolding in cyberspace and based on an esoteric new technology called "blockchain." Instead of picks and shovels, the crypto-miners relied on computing power and processors. They had discovered that GeForce GPUs were particularly adept at quickly processing the computations required by cryptocurrency mining—and at a fraction of the cost of more powerful chips designed for scientific and industrial settings.
- 4. As the financial rewards of cryptocurrency mining escalated rapidly, so, too, did demand for GeForce GPUs, the crown jewel of NVIDIA's all-important Gaming segment. The Gaming segment produced more revenues than the Company's four other segments combined, with GeForce sales making up the lion's share. Moreover, nowhere was cryptocurrency mining more popular than in China, where NVIDIA earned more than half of its revenues and made up to 50% of its worldwide GeForce sales. This confluence of skyrocketing demand for NVIDIA's most important product in its largest market had the effect of supercharging the Company's revenues.
- 5. By early 2017, NVIDIA's executive team in Santa Clara, California was awash in data showing that cryptocurrency miners were behind the burgeoning GeForce sales in China and elsewhere. Near the start of the year, the Company's China sales team had begun tracking crypto-related GeForce sales based on transaction data provided by NVIDIA's manufacturing partners. The data expressly identified GeForce sales to crypto-miners, who had begun to make bulk purchases of tens of thousands of GPUs at a time from these partners. Well before the start of the Class Period, the Company was consolidating this data in its internal sales database, of which NVIDIA's executive team in the United States made ready use. Indeed, a former Senior Account Manager in China who was contacted by Lead Counsel stated that the U.S.-based executive team was "obsessed" with it. Furthermore, key U.S. executives received weekly sales reports aggregating GeForce sales to crypto-miners from the week before, supplemented by quarterly spreadsheets. This data reflected that, throughout 2017, 60% to 70% of NVIDIA's GeForce revenue in China came from sales to crypto-miners.
- 6. Among those who received this data were the head of NVIDIA's Gaming segment and the GeForce business unit, Defendant Jeff Fisher, who reported directly to the Company's CEO, Defendant

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