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8 **UNITED STATES DISTRICT COURT**
9 **NORTHERN DISTRICT OF CALIFORNIA**

10 JAMES E. THORSEN, Individually and on
11 Behalf of All Others Similarly Situated,

12 Plaintiff,

13 v.

14 INTEL CORPORATION, ROBERT H. SWAN,
15 GEORGE S. DAVIS,

16 Defendants.
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Case No.

CLASS ACTION COMPLAINT

DEMAND FOR JURY TRIAL

1 Plaintiff James E. Thorsen (“Plaintiff”), individually and on behalf of all others similarly situated,
2 by and through Plaintiff’s attorneys, alleges the following upon information and belief, except as to those
3 allegations concerning Plaintiff, which are alleged upon personal knowledge. Plaintiff’s information and
4 belief is based upon, among other things, Plaintiff’s counsel’s investigation, which includes, without
5 limitation: (a) review and analysis of regulatory filings made by Intel Corporation (“Intel” or the
6 “Company”) with the United States (“U.S.”) Securities and Exchange Commission (“SEC”); (b) review
7 and analysis of press releases and media reports issued by and disseminated by Intel; and (c) review of
8 other publicly available information concerning Intel.
9

10 NATURE OF THE ACTION AND OVERVIEW

11 1. This is a class action on behalf of persons and entities that purchased or otherwise acquired
12 Intel securities between April 23, 2020, and July 23, 2020, inclusive (the “Class Period”), seeking to
13 pursue remedies under the Securities Exchange Act of 1934 (the “Exchange Act”).
14

15 2. Intel is a technology company that provides computing, networking, data storage, and
16 communication solutions worldwide. It operates through Data Center Group, Internet of Things Group,
17 Non-Volatile Memory Solutions Group, Programmable Solutions Group, Client Computing Group, and
18 All Other segments.
19

20 3. According to Intel, its 7-nanometer CPU technology is the next generation following
21 Intel’s 10-nanometer technology. Intel claims that 7-nanometer technology offers double the area
22 efficiency of 10-nanometer products, and will offer 20% higher performance per watt. In May 2019,
23 Intel projected to ship its first 7-nanometer products in 2021.
24

25 4. On July 23, 2020, after the market closed, Intel disclosed production delays for its 7-
26 nanometer products after the Company had “identified a defect mode in [its] seven-nanometer process
27 that resulted in yield degradation.”
28

1 dissemination of materially false and/or misleading information, occurred in substantial part in this
2 Judicial District. In addition, the Company's principal executive offices are located in this District.

3 11. In connection with the acts, transactions, and conduct alleged herein, Defendants directly
4 and indirectly used the means and instrumentalities of interstate commerce, including the U.S. mail,
5 interstate telephone communications, and the facilities of a national securities exchange.

6
7 **PARTIES**

8 12. Plaintiff, as set forth in the accompanying Certification, incorporated by reference herein,
9 purchased Intel securities during the Class Period, and suffered damages as a result of the federal
10 securities law violations and false and/or misleading statements and/or material omissions alleged herein.

11 13. Defendant Intel is incorporated under the laws of Delaware with its principal executive
12 offices located in Santa Clara, California. Intel's common stock trades on the NASDAQ exchange under
13 the symbol "INTC."

14
15 14. Defendant Robert H. Swan ("Swan") was the Chief Executive Officer ("CEO") of the
16 Company at all relevant times.

17 15. Defendant George S. Davis ("Davis") was the Chief Financial Officer ("CFO") of the
18 Company at all relevant times.

19
20 16. Defendants Swan and Davis (collectively the "Individual Defendants"), because of their
21 positions with the Company, possessed the power and authority to control the contents of the Company's
22 reports to the SEC, press releases and presentations to securities analysts, money and portfolio managers
23 and institutional investors, *i.e.*, the market. The Individual Defendants were provided with copies of the
24 Company's reports and press releases alleged herein to be misleading prior to, or shortly after, their
25 issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected.
26 Because of their positions and access to material non-public information available to them, the Individual
27 Defendants knew that the adverse facts specified herein had not been disclosed to, and were being
28

CLASS ACTION COMPLAINT

1 concealed from, the public, and that the positive representations which were being made were then
2 materially false and/or misleading. The Individual Defendants are liable for the false statements pleaded
3 herein.

4 **SUBSTANTIVE ALLEGATIONS**

5 **Background**

6 17. Intel is a technology company that provides computing, networking, data storage, and
7 communication solutions worldwide. It operates through Data Center Group, Internet of Things Group,
8 Non-Volatile Memory Solutions Group, Programmable Solutions Group, Client Computing Group, and
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11 18. According to Intel, its 7-nanometer CPU technology is the next generation following
12 Intel's 10-nanometer technology. Intel claims that 7-nanometer technology offers double the area
13 efficiency of 10-nanometer products, and will offer 20% higher performance per watt. In May 2019,
14 Intel projected to ship its first 7-nanometer products in 2021.
15

16 **Materially False and Misleading Statements Issued During the Class Period**

17 19. The Class Period begins on April 23, 2020. On that day, Intel announced its first quarter
18 2020 financial results in a press release that stated, in relevant part:

- 19 • First-quarter revenue was \$19.8 billion, up 23% year-over-year (YoY). Datacentric
20 revenue* grew 34 percent and PC-centric revenue grew 14 percent YoY.
- 21 • First-quarter GAAP earnings-per-share (EPS) was \$1.31, up 51 percent YoY; non-
22 GAAP EPS of \$1.45 was up 63 percent.
- 23 • Generated \$6.2 billion cash from operations and \$2.9 billion of free cash flow while
24 strengthening liquidity with \$10.3 billion in new debt and suspension of share
25 buybacks.
- 26 • Expecting second-quarter revenue of \$18.5 billion; GAAP EPS of \$1.04 and non-
27 GAAP EPS of \$1.10; not providing full-year guidance given significant economic
28 uncertainty.

20. On April 24, 2020, Intel filed its quarterly report on Form 10-Q with the SEC for the

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