

**UNITED STATES DISTRICT COURT
DISTRICT OF COLORADO**

UNITED FOOD AND COMMERCIAL
WORKERS INTERNATIONAL UNION
LOCAL 464A, THE TRUSTEES OF
WELFARE AND PENSION FUNDS OF
LOCAL 464A – PENSION FUND, THE
TRUSTEES OF RETIREMENT PLAN FOR
OFFICERS, BUSINESS
REPRESENTATIVES AND OFFICE
EMPLOYEES OF LOCAL 464A, THE
TRUSTEES OF LOCAL 464A FINAST
FULL TIME EMPLOYEES PENSION
PLAN, THE TRUSTEES OF LOCAL 464A
WELFARE AND PENSION BUILDING
INC., and THE TRUSTEES OF NEW
YORK-NEW JERSEY AMALGAMATED
PENSION PLAN FOR ACME
EMPLOYEES, Individually and on Behalf of
All Others Similarly Situated,

Plaintiffs,

v.

PILGRIM'S PRIDE CORPORATION,
JAYSON J. PENN, WILLIAM W.
LOVETTE, and FABIO SANDRI,

Defendants.

Case No. _____

JURY TRIAL DEMANDED

CLASS ACTION COMPLAINT

Plaintiffs United Food and Commercial Workers International Union Local 464A, the Trustees of Welfare and Pension Funds of Local 464A – Pension Fund, the Trustees of Retirement Plan for Officers, Business Representatives and Office Employees of Local 464A, the Trustees of Local 464A Finast Full Time Employees Pension Plan, the Trustees of Local 464A Welfare and

Pension Building Inc., and the Trustees of New York-New Jersey Amalgamated Pension Plan for ACME Employees (“Local464A” or “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, including the investigation of Plaintiffs’ counsel, which included, among other things, a review of Defendants’ (defined below) United States Securities and Exchange Commission (“SEC”) filings, wire and press releases published by Pilgrim’s Pride Corporation (“Pilgrim’s Pride” or the “Company”), analyst reports and advisories about the Company, media reports concerning the Company, judicial filings and opinions, and other publicly available information, including the public record in *United States v. Penn*, No. 20-cr-00152-PAB (D. Colo.). Plaintiffs believe that substantial additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

I. NATURE OF THE ACTION AND OVERVIEW

1. This is a federal class action on behalf of a class of all persons and entities who purchased or otherwise acquired Pilgrim’s Pride common stock between February 9, 2017, and June 3, 2020, inclusive (the “Class Period”), seeking to pursue remedies under the Securities Exchange Act of 1934 (the “Exchange Act”).

2. Pilgrim’s Pride, a Delaware corporation headquartered in Greeley, Colorado, is one of the largest chicken producers in the United States. Pilgrim’s Pride’s common stock trades on the NASDAQ under the ticker symbol “PPC.”

3. Throughout the Class Period, in annual reports and earnings calls, Defendants touted the Company’s competitive strengths, advantages, and market positioning, which

Defendants claimed had been achieved through legitimate business strategies such as a broad product portfolio and disciplined capital allocation.

4. On June 3, 2020, however, investors learned the truth about the source of the Company's competitive advantages when the United States Department of Justice (the "DOJ") announced criminal charges (the "Indictment") against two Pilgrim's Pride high level executives (including its current Chief Executive Officer) and two other executives in the chicken industry, alleging that they and other unnamed co-conspirators had participated in an illegal antitrust conspiracy to fix prices and rig bids from at least as early as 2012 and continuing through at least early 2017.

5. On this news, the price of Pilgrim's Pride common stock declined \$2.58 per share, or approximately 12.4%, from a close of \$20.87 per share on June 2, 2020, to close at \$18.29 per share on June 3, 2020.

6. This Complaint alleges that, throughout the Class Period, Defendants made materially false and/or misleading statements, as well as failed to disclose material adverse facts, about the Company's business and operations. Specifically, Defendants misrepresented and/or failed to disclose that: (1) the Company and its executives had participated in an illegal antitrust conspiracy to fix prices and rig bids from at least as early as 2012 and continuing through at least early 2017; (2) the Company received competitive advantages, which persisted during the Class Period, from its anticompetitive conduct; and (3) as a result, Defendants' statements about the Company's business, operations, and prospects lacked a reasonable basis.

7. As a result of Defendants' wrongful acts and omissions, and the significant decline in the market value of the Company's common stock, Plaintiffs and other members of the Class have suffered significant damages.

II. JURISDICTION AND VENUE

8. Plaintiffs' claims arise under Sections 10(b) and 20(a) of the Exchange Act, 15 U.S.C. §§ 78j(b) and 78t(a), and the rules and regulations promulgated thereunder, including SEC Rule 10b-5, 17 C.F.R. § 240.10b-5.

9. This Court has jurisdiction over the subject matter of this action under 28 U.S.C. § 1331 and Section 27 of the Exchange Act, 15 U.S.C. § 78aa.

10. Venue is proper in this District under Section 27 of the Exchange Act, 15 U.S.C. § 78aa, and 28 U.S.C. § 1391(b), because Pilgrim's Pride is headquartered in this District, Defendants conduct business in this District, and many of the acts and conduct that constitute the violations of law complained of herein, including the preparation and dissemination to the public of materially false and misleading information, occurred in this District. In addition, the DOJ's criminal case against certain of the Defendants is pending in this District. *See United States v. Penn*, No. 20-cr-00152-PAB (D. Colo.).

11. In connection with the acts, conduct, and other wrongs alleged in this Complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including the United States mails, interstate telephone communications, and the facilities of the national securities markets.

III. PARTIES

12. Plaintiffs, as set forth in the accompanying certification, incorporated by reference herein, purchased Pilgrim's Pride common stock at artificially inflated prices during the Class Period and have been damaged thereby.

13. Defendant Pilgrim's Pride is a Delaware corporation with its principal executive offices located at 1770 Promontory Circle, Greeley, Colorado 80634.

14. Defendant Jayson J. Penn ("Penn") has been the Company's President and Chief Executive Officer since March 2019. Penn was also President of Pilgrim's USA from October 2017 to March 2019, and an Executive Vice President at Pilgrim's Pride from January 2012 to October 2017. As of June 14, 2020, Penn is on a paid leave of absence from the Company.

15. Defendant William W. Lovette ("Lovette") was, from January 2011 to March 2019, the Company's President and Chief Executive Officer. Lovette was also a Company director from February 2011 to March 2019.

16. Defendant Fabio Sandri ("Sandri") has been the Company's Chief Financial Officer since June 2011. Additionally, as of June 14, 2020, Sandri is the Company's interim President and Chief Executive Officer.

17. Defendants Penn, Lovette, and Sandri are collectively referred to herein as the "Individual Defendants."

18. The Individual Defendants, because of their positions with the Company, possessed the power and authority to control the contents of Pilgrim's Pride reports to the SEC, press releases, and presentations to securities analysts, money and portfolio managers, and institutional investors, *i.e.*, the market. Each Individual Defendant was provided with copies of the Company's reports

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