

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

**IN RE BUMBLE, INC.
SECURITIES LITIGATION**

Civil Action No. 22-cv-624 (DLC)

CLASS ACTION

DEMAND FOR JURY TRIAL

CONSOLIDATED AMENDED CLASS ACTION COMPLAINT

TABLE OF CONTENTS

	<u>Page</u>
I. PRELIMINARY STATEMENT	1
II. JURISDICTION AND VENUE	5
III. PARTIES	6
A. Plaintiffs	6
B. Defendants	7
1. Bumble	7
2. The Executive Defendants	7
3. The Blackstone Defendants	8
4. The Director Defendants	13
5. The Underwriter Defendants	14
IV. SUBSTANTIVE ALLEGATIONS	18
A. Relevant Background	19
1. Bumble’s Business	19
2. Blackstone Acquires A Controlling Interest in Bumble	21
3. Blackstone and Herd Quickly Take Bumble Public Through An IPO	25
B. Bumble’s Growth Falters As Overall Paying Users Decline In The Third Quarter of 2021, Driven By Significant Declines In Badoo Paying Users	28
C. Blackstone Causes Bumble to Conduct the SPO Pursuant to Materially Misleading Offering Materials	32
D. The Truth Concerning Bumble’s Slowing and Declining Growth <u>And</u> Paying User Growth Begins to Emerge	34
E. Subsequent Developments	37
V. DEFENDANTS’ MATERIALLY FALSE AND MISLEADING STATEMENTS AND OMISSIONS IN THE SPO OFFERING DOCUMENTS	38

- A. Misstatements and Omissions About Growth And Increasing Paying Users..... 38
- B. Misstatements and Omissions Presenting Risks As Mere Hypothetical Possibilities When They Had Already Materialized..... 40
- C. Materially False and Misleading Omissions in Bumble’s SPO Offering Documents (Item 303) 42
- VI. INAPPLICABILITY OF STATUTORY SAFE HARBOR AND BESPEAKS CAUTION DOCTRINE 43
- VII. CLASS ACTION ALLEGATIONS 44
- VIII. CLAIMS FOR RELIEF UNDER THE SECURITIES ACT 45
- COUNT I 45
- For Violations of Section 11 of the Securities Act (Against Bumble, the Executive Defendants, the Director Defendants, and the Underwriter Defendants) 45
- COUNT II 47
- For Violations of Section 12(a)(2) of the Securities Act (Against Bumble and the Underwriter Defendants) 47
- COUNT III..... 49
- For Violations of Section 15 of the Securities Act (Against the Blackstone Defendants and the Executive Defendants) 49
- IX. PRAYER FOR RELIEF 52
- X. JURY DEMAND 53

Lead Plaintiff Louisiana Sheriffs' Pension & Relief Fund ("Louisiana Sheriffs" or "Plaintiff"), by and through its attorneys, and on behalf of all others similarly situated, alleges the following upon information and belief, except as to those allegations concerning Plaintiff, which are alleged upon personal knowledge. Plaintiff's information and belief are based on, among other things, counsel's investigation, which includes without limitation: (a) a review and analysis of regulatory filings made by Defendant Bumble Inc. ("Bumble" or the "Company") with the U.S. Securities and Exchange Commission ("SEC"); (b) a review and analysis of press releases and media reports issued and disseminated by the Company; (c) a review of other publicly available information concerning the Company, including news stories, analyst reports and court filings; and (d) investigative interviews with former Bumble employees having first-hand knowledge of the Company's business and operations.

I. PRELIMINARY STATEMENT

1. This federal securities class action asserts strict liability and negligence-based claims under the Securities Act of 1933 (the "Securities Act") arising from Defendants' materially untrue and misleading statements and omissions concerning Bumble's business and financial performance made in a registration statement. As detailed below, Defendants took Bumble, the operator of the online dating applications Bumble and Badoo, public in February 2021. Bumble was controlled by its co-founder and CEO, Whitney Wolfe Herd, and the private equity behemoth Blackstone (defined below), which had sweeping rights to appoint directors to the Company's Board, to require the Company to offer securities to the public and to receive detailed, sensitive, non-public information about the operations and finances of the Company. Seven months after the IPO, Defendants—at Blackstone's request—launched a secondary public offering (the "SPO") which allowed Blackstone to sell millions of shares of Bumble Class A common stock. The September 2021 SPO was based on a misleading story about Bumble's growth and, in particular,

growth in paying users¹ told in materially defective offering documents, including a SPO Registration Statement, Prospectus and other Bumble SEC filings incorporated therein, (collectively, the “SPO Registration Statement” or the “SPO Offering Documents”).

2. In the SPO, Blackstone—aided by the Company, its executives and directors, and the investment banks who underwrote the offering—rushed to unload more than 20 million Bumble shares onto unsuspecting investors, which lined Blackstone’s pockets with over \$1.1 billion. Unbeknownst to investors, at the time of the SPO, Bumble was suffering from a significant decline in growth and paying user growth—driven by *inter alia* a precipitous decline in the number of paying users of Bumble’s Badoo dating app. In November 2021, only two months after Blackstone pocketed over a billion dollars through the SPO, Bumble revealed its declining growth metrics to the investing public. In response, the price of Bumble shares plunged dramatically, declining more than 24.4% over the next two trading days.

3. Bumble is the public holding company that operates two well-known online dating apps Bumble and Badoo (“Bumble App” and “Badoo App,” respectively). In 2020, in the wake of accusations of a misogynistic culture at Badoo, Blackstone purchased a multi-billion-dollar stake in the Bumble parent company (then called MagicLab) from Russian billionaire Andrey Andreev. In early 2021, Blackstone and CEO Herd took Bumble public.

4. At the time of Bumble’s IPO, Blackstone and Herd entered into agreements that cemented their power and control over the Company. These included a Stockholders Agreement, under which Blackstone and Herd beneficially owned 96% of the combined voting power of Class A and Class B common stock, thereby rendering Bumble a “controlled company,” exempt from

¹ Bumble’s SEC filings, including the SPO Offering Documents (defined below), identified as “key operating metrics” paying users, which were reported for each of the Bumble App and the Badoo App as well as Total Paying Users and Average Revenue Per Paying User, which was similarly reported for each of the Bumble App and the Badoo App as well as Total Paying Users.

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.