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6 UNITED STATES DISTRICT COURT
7 FOR THE WESTERN DISTRICT OF WASHINGTON
8 AT SEATTLE

9 CWA LOCAL 1180 MEMBERS' ANNUITY
10 FUND AND CWA LOCAL 1180
11 ADMINISTRATIVE BENEFITS FUND,
12 INDIVIDUALLY AND ON BEHALF OF ALL
13 OTHERS SIMILARLY SITUATED,

14 Plaintiffs,

15 v.

16 AMAZON.COM, INC., ANDREW R. JASSY,
17 JEFFREY P. BEZOS, BRIAN T. OLSAVSKY,
18 DAVID A. ZAPOLSKY, and NATE SUTTON,

19 Defendants.

NO.

CLASS ACTION COMPLAINT

JURY TRIAL DEMANDED

20 Plaintiffs CWA Local 1180 Members' Annuity Fund and CWA Local 1180
21 Administrative Benefits Fund (collectively "CWA 1180 Funds" or "Plaintiffs"), individually and
22 on behalf of all others similarly situated, allege the following upon information and belief except
23 as to allegations specific to Plaintiffs, which are alleged upon personal knowledge. Allegations
based on information and belief are based on, *inter alia*, the investigation of counsel which, in
turn, is based on the analysis and review of, among other things, public statements and filings
with the United States Securities Exchange Commission ("SEC") made by Amazon.com, Inc.

1 (“Amazon”), news releases issued by Amazon, news articles and analyst reports regarding
2 Amazon, and other publicly available information.

3 **I. NATURE AND SUMMARY OF THE ACTION**

4 1. This is a class action on behalf of persons and entities that acquired Amazon
5 common stock between February 1, 2019 and April 28, 2022, inclusive (the “Class Period”),
6 against the Defendants Amazon; Founder, Current Executive Chair, and Former Chief Executive
7 Officer Jeffrey P. Bezos (“Bezos”); Current Chief Executive Officer Andrew R. Jassy (“Jassy”);
8 Chief Financial Officer Brian T. Olsavsky (“Olsavsky”); General Counsel David A. Zapolsky
9 (“Zapolsky”); and Associate General Counsel Nate Sutton (“Sutton”) (collectively,
10 “Defendants”), for Defendants’ violations of sections 10(b) and 20(a) of the Securities Exchange
11 Act of 1934, (the “Exchange Act”), 15 U.S.C. §§ 78j(b) and 78t(a), and Rule 10b-5 promulgated
12 by the SEC, 17 C.F.R. § 240.10b-5.

13 2. Amazon, headquartered in Seattle, Washington and incorporated in Delaware, is
14 one of the largest technology companies, and is involved in online retail, cloud computing, data,
15 and streaming, among other services.

16 3. While Amazon is most known for being an online retailer, Amazon actually is a
17 “big data” company. On Amazon.com, Amazon acts as a merchant and retailer for third-party
18 merchandise and its own line of Amazon-branded products, while collecting data the entire time.

19 4. As the owner and operator of Amazon.com, Amazon collects and analyzes the
20 data of its sales, customers, spending habits, and seller information.

21 5. As Amazon collects data, it learns which items are best sellers, and how to
22 outcompete its own third-party sellers.

23

1 6. Once Amazon has collected the data of the best-selling third-party merchandise,
2 it replicates the merchandise, brands it as its own private-label “Amazon Basic”, and advertises
3 it at the top of its customer’s searches.

4 7. In June 2019, the U.S. House Committee on the Judiciary (the “House Judiciary
5 Committee”) initiated a bipartisan investigation into the state of the competition online,
6 investigating Amazon, Apple, Facebook, and Google.¹

7 8. The House Judiciary Committee held eight hearings, and received testimony from
8 Amazon’s employees and counsel, including Amazon’s then-Chief Executive Officer, Jeff
9 Bezos.

10 9. The House Judiciary Committee concluded that Amazon, as well as the other
11 investigated companies, “run the marketplace while also competing in it – a position that enables
12 them to write one set of rules for others, while they play by another, or to engage in a form of
13 their own private *quasi* regulation that is unaccountable to anyone but themselves.”

14 10. The House Judiciary Committee concluded that Amazon made false and
15 misleading statements to the Committee, then refused to turn over evidence that would either
16 “corroborate its claims or correct the record.”

17 11. On March 9, 2022, the House Judiciary Committee requested that the U.S.
18 Department of Justice (“DOJ”) open a criminal investigation into Amazon and its executives for
19 criminal obstruction of Congress in violation of applicable federal law.

20 12. In response, Amazon asserted that there was “no factual basis” for the House
21 Judiciary Committee’s allegations.

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23 ¹ https://judiciary.house.gov/uploadedfiles/competition_in_digital_markets.pdf?utm_campaign=4493-519, last visited, June 26, 2022.

1 13. On April 6, 2022, news outlets reported that Amazon was under investigation by
2 the Securities and Exchange Commission (“SEC”) regarding its use of third-party seller data for
3 its own private-label business.

4 14. On this news, Amazon’s stock fell 2% from \$161.65 at open to \$158.76 on close
5 on April 6, 2022.²

6 15. Beyond Amazon’s anticompetitive misuse of third-party seller data, throughout
7 much of 2020 and the remainder of the Class Period, Amazon was engaged in a spending spree
8 on warehouse and fulfillment space. At the end of 2019, Amazon’s distribution, warehouse and
9 data center space covered approximately 192 million square feet. Beginning in 2020, the
10 Company engaged in a massive expansion spree, expanding its data and fulfillment centers until
11 they covered approximately 387.1 million square feet by the end of 2021, doubling its size in two
12 years and resulting in an excess of space and employees that forced the Company to pivot into
13 “cost efficiency” mode.

14 16. On April 28, 2022, Amazon posted its first quarterly loss in seven years. The loss
15 reflected, in part, \$2 billion in “incremental costs” arising from the Company’s doubling of its
16 warehouse, fulfillment, and data center space, from 192 million square feet in December 2019 to
17 approximately 387.1 million square feet at the end of 2021. This over-expansion forced the
18 Company to pivot into “cost efficiency” mode, halting further expansion and even cancelling
19 some planned expansion projects.

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23 ² On June 3, 2022, Amazon completed a 20 for 1 Stock Split. Accordingly, all numbers reflect
valuations and stock prices based on that 20 for 1 split.

1 17. On this news, Amazon’s stock fell 14.05% from \$144.59 per share, to \$124.28
2 per share on close on April 29, 2022.

3 18. Throughout the Class Period, Defendants made materially false and misleading
4 statements regarding Amazon’s business, operations, and policies. Specifically, Defendants
5 made false and/or misleading statements and/or failed to disclose that: (i) Amazon engaged in
6 anticompetitive conduct; (ii) Amazon’s anticompetitive behavior exposes it to a heightened risk
7 of regulatory scrutiny; (iii) Amazon’s revenues derived from its Amazon Basics business were a
8 result of its anticompetitive conduct; and (iv) Amazon was engaged in an overly aggressive
9 expansion of its warehouse and fulfillment network that would expose it to billions in
10 unnecessary “incremental costs.”

11 19. Defendants’ wrongful acts and omissions, and the substantial decline in the
12 trading price of Amazon securities when those wrongful acts and omissions became known to
13 investors, caused significant losses and damages to Plaintiffs and the members of the Class.

14 **II. JURISDICTION AND VENUE**

15 20. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange
16 Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17
17 C.F.R. § 240.10b-5).

18 21. This Court has jurisdiction over the subject matter of this action pursuant to 28
19 U.S.C. § 1331 and Section 27 of the Exchange Act (15 U.S.C. § 78aa).

20 22. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b) and
21 Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts in furtherance of the
22 alleged fraud or the effects of the fraud have occurred in this Judicial District. Many of the acts
23 charged herein, including the dissemination of materially false and/or misleading information,

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