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 10

11 **UNITED STATES DISTRICT COURT**
 12 **NORTHERN DISTRICT OF CALIFORNIA**
 13 **SAN FRANCISCO DIVISION**

14 BOSTON RETIREMENT SYSTEM,)	Case No. 19-cv-06361-RS
)	
15 Plaintiff,)	ECF CASE
)	
16 v.)	SECOND AMENDED CLASS ACTION
)	COMPLAINT FOR VIOLATIONS OF
17 UBER TECHNOLOGIES, INC., et al.,)	THE FEDERAL SECURITIES LAWS
)	
18 Defendants)	DEMAND FOR JURY TRIAL
)	
)	Dept: Courtroom 3, 17th Floor
)	Judge: Honorable Richard G. Seeborg
)	

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1 Lead Plaintiff Boston Retirement System (“Lead Plaintiff”), and proposed class
2 representatives David Messinger, Sal Toronto on behalf of Ellie Marie Toronto ESA, Joseph
3 Cianci, and Irving S. and Judith Braun (“Proposed Class Representatives”), individually and on
4 behalf of a class of similarly situated persons and entities, alleges the following upon information
5 and belief, except as to those allegations concerning Lead Plaintiff, which are alleged upon
6 personal knowledge. Lead Plaintiff’s information and belief is based upon, among other things,
7 the investigation undertaken by Court-appointed Lead Counsel, Labaton Sucharow LLP, which
8 included a review and analysis of: (i) regulatory filings made by Uber Technologies, Inc.
9 (“Uber,” “Uber Technologies,” or the “Company”) with the U.S. Securities and Exchange
10 Commission (the “SEC”); (ii) Company press releases, transcripts of earnings calls, and other
11 public statements issued and disseminated by the Company; (iii) Company website and
12 marketing materials; (iv) price and volume data for Uber common stock; (v) research reports
13 from securities and financial analysts; (vi) news and media reports concerning the Company and
14 other facts related to this action; (vii) interviews with former Uber employees; and (viii) other
15 publicly available materials and data. Lead Counsel’s investigation into the factual matters
16 alleged herein continues and many of the relevant facts are known only by the Defendants (as
17 defined herein) or are exclusively within their custody or control. Lead Plaintiff believes that
18 substantial additional evidentiary support will exist for the allegations set forth herein after a
19 reasonable opportunity for discovery.

20 **I. NATURE OF THE ACTION**

21 1. The claims asserted herein are strict liability claims for violations of Sections 11,
22 12(a)(2), and 15 of the Securities Act of 1933 (the “Securities Act”) relating to Uber’s initial
23 public offering (the “IPO” or “Offering”), commenced on or about May 10, 2019, of over
24 180,000,000 shares of common stock at a price of \$45.00 per share. This federal securities class
25 action is brought on behalf of a Class (as defined herein) of all persons or entities who purchased
26 or otherwise acquired Uber common stock pursuant and/or traceable to the Offering Documents
27 (as defined herein) issued in connection with the IPO, and who were damaged thereby.

28

1 2. Congress passed the Securities Act in the hopes of restoring investor confidence
2 after corporate scandals and the stock market crash of 1929. The Securities Act requires that
3 those who sell securities to the investing public do so on the basis of accurate and fulsome
4 disclosure. The Securities Act creates liability for false, misleading, and incomplete statements
5 made in connection with public securities offerings in order to protect investors and maintain
6 confidence in our public markets.

7 3. On or about May 10, 2019, Uber Technologies—founded and originally
8 incorporated as transportation company Ubercab, Inc. (“Ubercab”)—conducted one of the largest
9 and most hotly anticipated IPOs in American history.

10 4. For years, investors debated Uber’s dubious path to profitability and whether and
11 at what price Uber should go public, but the Company lured investors into the IPO with a simple
12 rationale: growth now, profits later. Uber committed as a public company to deliver unparalleled
13 and rapid growth and scale, under the premise that the largest player dominates the market,
14 winning both market share and profits. Investors took the bait.

15 5. Uber was also a Company scarred by scandal. In 2017, for example, Uber was
16 caught utilizing proprietary software tools, called “Greyball,” to evade authorities seeking to
17 enforce laws, rules, and regulations applicable to the Company’s ridesharing operations. In
18 another example, a former Uber software engineer came forward with allegations that she and
19 fellow colleagues had been sexually harassed by superiors at Uber. After the software engineer
20 reported such misconduct to Uber’s human resources (“H.R.”) department, she was berated by
21 managers and retaliated against for reporting such incidents to H.R. According to the software
22 engineer, Uber’s H.R. department conspired with senior executives to protect abusive managers
23 because they were “high performers.”

24 6. The software engineer’s story, which spread like wildfire, helped catalyze the
25 viral #MeToo movement. These scandals led to Defendant Travis Kalanick’s ousting as Uber’s
26 Chief Executive Officer (“CEO”), as well as a viral #DeleteUber campaign that prompted
27 hundreds of thousands of Uber users to stop using Uber’s platform within days. Uber purports to
28 have reformed its culture “fundamentally” by, among other things, replacing Defendant Kalanick

1 as CEO with Defendant Dara Khosrowshahi and developing a new set of “cultural norms,”
2 which includes: “*Do the right thing*. Period.” Indeed, the Offering Documents trumpet: “*It is a*
3 *new day at Uber*.”

4 7. Through the IPO, Uber raised more than ***\$8.1 billion*** by offering and selling over
5 180 million shares of its common stock to the public at a price of \$45.00 per share. The Offering
6 was an incredible financial windfall for Defendants. The banks that underwrote the Offering
7 collected over ***\$106 million in fees***. The Offering valued the Company at a whopping ***\$75.5***
8 ***billion*** and catapulted the value of Uber stock held by corporate insiders, including many of the
9 Individual Defendants (as defined herein).

10 8. While the Offering was a success for the Company, and indeed for all Defendants,
11 it became what one prominent venture capitalist dubbed a “train wreck” for investors, and it
12 turned “what should have been a climactic moment for a transportation colossus instead [into] an
13 embarrassment.”

14 9. Headquartered in San Francisco, California, Uber is a multinational ride-hailing
15 company that offers its passengers peer-to-peer (“P2P”) ridesharing (“UberX”), shared peer-to-
16 peer ridesharing (“UberPOOL”), and black car transportation (“UberBLACK” and collectively
17 with UberX and UberPOOL, “Uber Rides” or “Rides”). UberBLACK drivers have commercial
18 registration and commercial insurance. By contrast, the Company does not require its P2P
19 ridesharing drivers to have commercial licenses or commercial registration. Uber also offers on-
20 demand food delivery (“Uber Eats” or “Eats”) as well as on-demand shipping that matches
21 freight shippers with truckers (“Uber Freight” or “Freight”), among other “Personal Mobility”
22 and on-demand services. Each of Uber’s platforms can be accessed via its website or through one
23 of the Company’s mobile applications (“apps”).

24 10. Uber depends on incentives—*e.g.*, \$10 per trip for each of a driver’s first 100
25 trips—and brand advertising and direct marketing—*e.g.*, promotional campaigns such as
26 television advertisements, discounts, promotions, and referrals—to attract both drivers and
27 customers and to grow Uber Rides and Uber Eats.

28

1 11. Unbeknownst to investors, Uber and its executives premised the Company’s
2 growth on an undisclosed, unsustainable, and often illegal “growth at any cost” business model,
3 putting growth first above profits, the law, and even its own passengers’ safety.

4 12. As disclosed post-IPO in recent civil litigation, criminal indictments and plea
5 agreements, governmental and regulatory press releases, and countless news and media reports,
6 and as evidenced by former Uber employee statements, Uber systematically violated local laws
7 by launching and operating its Rides services in new domestic and international jurisdictions—
8 *irrespective of whether the Company was licensed or lawfully permitted to operate there*. Uber
9 Rides became popular harnessing the trendy power of mobile app-based consumerism, and Uber
10 secretly bet that it could grow and continue to operate in those jurisdictions above or outside the
11 law, sanctioned by mass consumer approval if not by local authorities.

12 13. Along with the growing number of Rides bookings and trips came an increasing
13 number of passengers reporting violent and often criminal instances of physical and sexual
14 assault and harassment, including non-consensual kissing, touching, and even rape. In 2018
15 alone (the calendar year immediately preceding the Offering), there were *more than 3,000*
16 *reported instances of sexual assault—an average of eight sexual assaults a day*.

17 14. For years and through the Offering, Uber concealed these reports from the public
18 and investors, even as the number of instances of physical and sexual assault reported to the
19 Company continued to grow. Uber upheld its growth at any cost business model to such a degree
20 that it adopted and maintained investigative and safety enforcement policies designed to put the
21 Company’s interests ahead of passenger safety.

22 15. According to more than 20 current and former investigators in Uber’s passenger
23 call center, for example, the Company uses a “three-strikes” system that allows bad actors to
24 continue using the Uber Rides app until three allegations are made, but executives can overrule
25 investigators. In one such case, a male driver was allowed to continue picking up passengers
26 until a fourth incident, where a rider reported she had been raped by that driver.

27 16. In 2018, 92% of Uber Rides rape victims were passengers and 89% of Uber Rides
28 rape victims were female. Yet Uber’s policies were designed to silence rather than protect these

1 victims: Company investigators could be reprimanded or even terminated if they contacted the
2 police or advised victims to do so. At most, Uber would notify victims that they would not be
3 matched with the accused driver again—and they might receive a refund.

4 17. Uber also concealed that its growth at any cost business model was negatively
5 impacting its financial condition, resulting in slowing (not accelerating) growth and billions of
6 dollars in losses. Statements from a former Uber employee support these allegations.

7 18. For the quarter ended June 30, 2019 (“Q2 2019”), the same quarter as the
8 Offering, for example, Uber reported, after the IPO closed, a staggering **\$5.2 billion loss**—the
9 largest loss in the Company’s history. Uber blamed the loss on stock-based compensation paid to
10 early investors (\$3.9 billion), but even excluding that figure, the Company’s \$1.3 billion loss was
11 still its largest loss ever.

12 19. Perhaps even more shocking, Uber’s Q2 2019 financial results showed it was not
13 growing as the Company had represented in the Offering Documents. In fact, Uber recorded its
14 **slowest growth ever**, on both a Generally Accepted Accounting Principles (“GAAP”) Revenue
15 (14%) and Adjusted Net Revenue (12%) basis. Underlying these figures, Uber also concealed
16 that the Company was experiencing its slowest ever growth in terms of trips (“Trips,” the
17 number of completed rides and food deliveries) as well as monthly active platform consumers
18 (“MAPCs,” the number of unique consumers who completed a ride or received food at least once
19 in a given month)—two key measures of Uber’s financial condition. For Q2 2019, Uber’s Trips
20 and MAPCs grew by only 35% and 30%, respectively—the slowest growth in Trips and MAPCs
21 in Company history.

22 20. As a result, the Offering Documents—which Uber and the other Defendants used
23 to secure more than \$8.1 billion from investors—concealed serious, disturbing, and deeply
24 material problems plaguing the Company behind its “new day at Uber” facade. As further
25 alleged below, the Offering Documents contained materially false and misleading statements of
26 fact and omitted material facts required to be disclosed in order to make the statements in the
27 Offering Documents not misleading. There are three categories of misstatements: (i) illegal
28 business model; (ii) passenger safety; and (iii) financial condition.

1 21. ***First***, Uber’s past and present “success” was premised on an undisclosed,
2 unsustainable, and often illegal growth at any cost business model.

3 22. Uber’s growth at any cost business model was principally manifested in a
4 deceptive and patently illegal business model: knowingly breaking and thwarting existing laws,
5 rules, and regulations in many of the jurisdictions in which the Company operates, and betting
6 that the weight of consumer support will reach a critical mass before governmental authorities
7 and regulators are able to act on or enforce such laws and regulations.

8 23. In Boston, Massachusetts, for example, internal Company emails dating back to
9 2013 (disclosed in a late-July and early-August 2019 bench trial) revealed that Uber executives
10 knew the Company was breaking the law by launching and continuing operations without
11 required licenses. This was not a “grey” area. In one email, a Company executive expressly
12 acknowledged that Uber was “launch[ing] P2P ride-sharing in a market where we do not have
13 formal or tacit approval from regulators.” On June 4, 2013, the Company illegally launched Uber
14 Rides in Boston, and over the next several years, Uber paid approximately \$200,000 in tickets its
15 drivers received for violating a Boston ordinance and Massachusetts State regulations.

16 24. On November 14, 2019, Bloomberg Law reported that the New Jersey
17 Department of Labor and Workforce Development was seeking \$642 million in unpaid
18 unemployment and disability insurances taxes, because Uber had been misclassifying its drivers
19 as independent contractors rather than as employees. Uber was assessed \$523 million in past-due
20 taxes for the four preceding years (2015-2018), as well as \$119 million in interest and penalties
21 on the unpaid amounts, after Uber refused to comply with existing employment laws during each
22 of those four years. According to records obtained by Bloomberg Law, the State of New Jersey
23 obtained a court judgment in 2015 ordering Uber to pay about \$54 million in overdue
24 unemployment and temporary disability insurance contributions, but as of November 2019, it
25 remained unclear whether Uber ever complied with that court order.

26 25. In Tallahassee, Florida, the U.S. Department of Justice (“DOJ”) reached a plea
27 agreement on August 6, 2019 with a former Tallahassee mayor and his business associate, a
28 former head of the Downtown Improvement Authority, stemming from charges that the pair

1 accepted cash bribes from Uber in 2015 in exchange for a favorable result on a local ride-share
2 ordinance that would affect the Company’s future profitability.

3 26. In Colombia—where drivers caught working for Uber face a 25-year driver
4 license suspension—the *Superintendencia de Industria y Comercio* (the “Colombian SIC,” or
5 Superintendency of Industry and Commerce, akin to the U.S. Federal Trade Commission
6 (“FTC”)) announced on August 12, 2019 that it was fining Uber COL\$2.1 billion (more than
7 US\$625,000) for blocking administrators’ access to information and obstructing a 2017
8 regulatory site visit. A few months later, the Colombian SIC ordered Uber to cease operations,
9 effective February 1, 2020.

10 27. A former Uber employee (“FE”) also substantiates the allegations concerning
11 Uber’s illegal business model and growth strategy.¹

12 28. According to Former Employee 1 (“FE-1”), for example, Uber had a
13 “playbook”—that came from Defendant Ryan Graves and the whole operations team that he
14 ran—for how to launch UberX peer-to-peer ridesharing in new territories. Specifically, FE-1
15 stated that Uber had a team of “launchers,” or a group of people tasked with helping a new city
16 go “live.” FE-1 explained that launchers move quickly from city to city and follow Uber’s
17 playbook globally: move into a new territory, secure office space, hire local staff, launch the
18 business, and then let the people on the ground deal with issues such as skirting local regulations.

19 29. FE-1 explained that from 2017 to 2019, Uber knowingly allowed its drivers to
20 operate without commercial licenses and without commercial vehicle registrations in his
21 territory, which is illegal and a crime in Tanzania. FE-1 recalled one instance when the police
22 came to Uber’s Tanzania office, arrested four or five of his employees, and held those employees
23 in detention for a weekend for operating illegally. FE-1 stated that, in Tanzania, detention is
24 worse than jail. According to FE-1, nothing changed after his employees were arrested and put in
25 detention by Tanzanian authorities.

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27
28 ¹ For ease of comprehension and readability, the Amended Complaint uses the pronoun “he”
and possessive “his” in connection with former Uber employees. This convention, however, is
not meant to identify the actual gender of any of the former employees.

1 30. FE-1 described how this was typical of Uber globally: the Company enters
2 markets and disregards local regulations in order to launch and operate in those markets. FE-1
3 stated that countries have their own laws, and companies cannot just disregard them in order to
4 do business, but that was Uber’s playbook for launching in new cities: getting drivers and cars on
5 the road, even if that violated local laws.

6 31. FE-1 advised that Uber wanted “growth at all costs.” FE-1 explained that in
7 Tanzania, there is a clear distinction between cars registered for personal versus commercial use.
8 FE-1 stated that Tanzanian law requires commercial drivers to have a specific commercial
9 license that takes one month to get. Tanzanian law also requires commercial drivers to have their
10 private vehicles registered as commercial vehicles, and after a vehicle has been registered for
11 commercial use, the driver must upgrade their license to a commercial license in order to be
12 compliant. According to FE-1, however, Uber’s drivers in Tanzania had neither proper
13 commercial licenses nor commercially-registered vehicles.

14 32. FE-1 warned and expressed his concerns about Uber’s illegal operations to the
15 launcher, the launcher’s manager, and Alon Lits, the top General Manager for Sub-Saharan
16 Africa. FE-1 explained that he participated in local Policy Communications Legal (“PCL”) call
17 on a monthly or bi-monthly basis, where they discussed concerns related to Uber drivers
18 operating without properly registered commercial vehicles.

19 33. Although Defendant Kalanick and Defendant Graves did not attend the PCL
20 meetings that FE-1 attended, there were higher level calls attended by all the general managers—
21 who reported to Defendant Graves—during which the same concerns regarding Uber’s illegal
22 operations were addressed. These higher levels meetings were held at the same frequency as the
23 local level PCL meetings that FE-1 attended, as often as twice a month. FE-1 stated that Uber
24 exposed itself to such issues and risks that these higher level calls sometimes had to happen more
25 frequently. For example, FE-1 explained, other countries had similar issues with commercial
26 license and commercial vehicle registration non-compliance, specifically Greece and Croatia.
27 FE-1 added that Uber’s lack of compliance in those countries led to alarming consequences,
28 including Uber employees having to flee those countries with private security.

1 34. In addition, FE-1 explained that Uber followed the same playbook of operating
2 illegally in a lot of markets, including all the high growth regions. FE-1 advised that similar
3 situations occurred in India, Latin America, Brazil, Singapore, and China.

4 35. According to FE-1, Uber executives made a “strategic decision” to launch only
5 UberX peer-to-peer ridesharing in Africa because it was faster, easier, and cheaper to find peer-
6 to-peer drivers than to find commercially licensed drivers with commercially-registered vehicles.
7 FE-1 stated that skirting local regulations helped Uber expand quickly in many new territories
8 including Tanzania. FE-1 also confirmed that Uber drivers frequently had to pay fines related to
9 these illegal activities, and Uber reimbursed its drivers the following week.

10 36. FE-1 stated that Uber saw reimbursement of its drivers’ fines as a “cost of doing
11 business.” According to FE-1, Uber drivers would come into the office with their tickets, support
12 staff would upload a picture of the fine or ticket into Uber’s system, and then drivers would be
13 reimbursed the following week. FE-1 explained that Uber reimbursed its drivers for these fines
14 or tickets once per week. FE-1 added that Uber did not reimburse its drivers for other types of
15 tickets and fines, such as speeding. Rather, Uber only reimbursed its drivers for violations of
16 local laws such as lack of commercial license or lack of commercial vehicle registration.

17 37. FE-1 advised that although Uber carefully tracked its drivers’ fines and
18 reimbursements, Uber entered reimbursements for fines under “miscellaneous expenses” on
19 Uber’s balance sheet. According to FE-1, driver reimbursements came from Uber B.V. (Uber’s
20 subsidiary in the Netherlands), which oversaw all African operations for Uber. FE-1 added that
21 fines for lack of a commercial license were not as problematic for Uber financially, at about \$10
22 per fine, whereas the more hefty fines resulted from UberX drivers operating private vehicles
23 that were not commercially registered, at up to \$200 per fine, or even jail time. Drivers were
24 especially susceptible to arrest at airports, where police were often on standby. FE-1 estimated
25 that from 2017 to 2019, for Tanzania alone, Uber paid over \$250,000 in fines. FE-1 also
26 specified that Uber paid the fines knowing that getting the vehicles properly registered for
27 commercial use would impede the growth of the business.

28

1 38. FE-1 recalled how, in 2017, Uber’s Head of Compliance put 24 to 48 hour
2 staggered deactivations in place for drivers that lacked proper commercial licensing or vehicle
3 registration, but this practice did not last for long. Uber quickly realized the adverse business
4 impact and negative financial impact these deactivations were having, and Uber would reinstate
5 the drivers despite their still lacking proper licensing and vehicle registration.

6 39. FE-1 stated that, among the reasons that led him to leave Uber, he was not
7 comfortable continuing to operate Uber Tanzania where 90% of Uber’s drivers had neither
8 commercial licenses nor commercial registration for their private vehicles. FE-1 explained that
9 he was not comfortable with Uber condoning these practices.

10 40. Around March or April 2019, FE-1 advised that Uber finally began enforcing
11 compliance with local laws such as the requirement for drivers to have commercial licenses and
12 commercially registered vehicles. FE-1 explained that, by then, Uber had a saturated market of
13 drivers, so they were able to be more particular about who they allowed to drive in Tanzania. FE-
14 1 noted, however, that Uber still does not have 90% of their drivers properly licensed, because
15 the fines are not that expensive. Drivers have to spend a month in school to be properly licensed,
16 but this rule was not enforced at Uber. FE-1 added that Uber has a proven track record of
17 disregarding compliance issues.

18 41. These are but a few of the countless instances that exemplify Uber’s undisclosed,
19 unsustainable, and often illegal growth at any cost business model.

20 42. **Second**, in furtherance of its growth at any cost business model, Uber deliberately
21 ignored and failed to disclose rampant, dangerous, and even lethal passenger safety issues across
22 the Company’s ridesharing platform.

23 43. In the two calendar years immediately preceding the Offering, for example, Uber
24 received reports of 5,981 instances of sexual assault (including 464 instances of rape), 107 deaths
25 across 97 fatal crashes, and 19 instances of fatal physical assaults—*in the United States alone*.

26 44. The Company kept these facts and statistics from investors, belatedly disclosing
27 them in a post-Offering “US Safety Report” released December 5, 2019 (the “U.S. Safety
28 Report”). The Company has not released corresponding data for any other country across its

1 global operations, even though the Offering Documents touted how Uber operates across six
2 continents and more than 700 cities, and even though the Company professes in its U.S. Safety
3 Report that people have a “right to know” about Uber’s safety records.

4 45. The U.S. Safety Report followed on the heels of a September 25, 2019 article
5 published by *The Washington Post* (the “*WaPo* Article”), which reveals how investigators in the
6 Company’s Special Investigations Unit (“SIU”)—Uber’s call center for passenger complaints—
7 are trained to act first to shield Uber from liability and negative publicity, putting Company
8 interests ahead of passenger safety. Reporting on information gathered from more than 20
9 current and former Uber investigators, the *WaPo* Article describes how Uber uses a “three-
10 strikes” system that permits drivers and passengers to keep using Uber’s ridesharing platform
11 until three separate allegations are made, but even then, Company executives can make
12 exceptions in order to, for example, keep high earning drivers on the road collecting fares. The
13 *WaPo* Article also describes how SIU investigators are “forbidden” from directing allegations to
14 police or from advising victims to contact police or even seek legal counsel—even where
15 investigators receive confessions of felonies. Many investigators said they could be reprimanded
16 or fired if they contacted the police or urged victims to do so.

17 46. While Uber’s SIU investigators work to insulate and distance the Company from
18 liability, Uber also consistently seeks to settle related cases quickly to keep the truth from the
19 public, according to several attorneys interviewed for the *WaPo* Article.

20 47. The alarming facts concerning Uber passenger safety, manifest in the U.S. Safety
21 Report and the *WaPo* Article, demonstrate that the Company has premised its growth and
22 reputation on the jeopardy of countless thousands of nameless, silenced victims.

23 48. **Third**, Uber sold itself to investors promising growth now, profits later, but its
24 growth at any cost business model was defective, and Uber concealed its true financial condition.

25 49. Prior to and at the time of the Offering, Uber had sustained—and would continue
26 to sustain—massive losses and deteriorating growth. Unbeknownst to investors, the Company
27 planned to mitigate its ongoing losses by cutting costs in fundamental areas of its business that
28 would further hinder growth. On August 8, 2019, for example, Uber released its financial results

1 for Q2 2019—the same quarter in which Uber conducted its May 10, 2019 IPO. The Company
2 stunned investors by simultaneously disclosing a \$5.2 billion net loss (its largest ever loss) and a
3 14% year-over-year (“YoY”) quarterly revenue growth rate (its slowest ever growth rate). Even
4 excluding one-time expenses related to the Offering (\$3.9 billion in stock-based compensation
5 paid to early investors), Uber’s Q2 2019 \$1.3 billion loss was still (and remains) the Company’s
6 largest ever quarterly loss.

7 50. About a month later on July 29, 2019, Uber announced the first of three waves of
8 layoffs, terminating 400 marketing employees—about one third of its critical marketing team—
9 in a desperate attempt to cut costs. As a vital source of brand advertising and direct marketing,
10 Uber’s marketing team is responsible for driving growth through, for example, promotional
11 campaigns, discounts, and referrals. With a one-third reduction to this key workforce, Uber
12 reduced its opportunities to deliver the rapid growth it had committed to.

13 51. On September 10, 2019, Uber announced the second wave of layoffs, terminating
14 435 employees across its product and engineering teams (about 8% of the two teams). Uber
15 maintains that its success depends “in large part” on its ability to attract and retain high-quality
16 engineering personnel, but this second round of layoffs—a pure cost cutting measure—stifled the
17 very team and talent that the Company depends on to ensure such success and growth.

18 52. And on October 14, 2019, Uber announced the third wave of layoffs, terminating
19 350 employees across a variety of teams (about 1% of its workforce).

20 53. Former Uber employees or FEs also substantiates the allegations concerning
21 Uber’s defective business model and deteriorating growth.

22 54. According to FE-1, for example, it was clear throughout his tenure that Uber’s
23 pricing was unsustainable in the long-run. FE-1 specified that, historically, Uber had incentivized
24 their drivers, but immediately before the IPO in early 2019, Uber was under massive pressure to
25 lower their operational expenses and cut their spending by reducing incentives to drivers because
26 the price points they had set were unsustainable.

27 55. FE-1 added that Uber senior leadership had taken advantage of their driver
28 employees, especially in the emerging markets where drivers are making extremely low wages,

1 as low as \$2 per day. FE-1 explained that Uber was able to “strong arm” those drivers, as drivers
2 in emerging markets had to take out loans to cover gas and other expenses to meet the criteria for
3 incentives, some of which were “impossible” to achieve. FE-1 stated that Uber was intentionally
4 condoning very unethical and often illegal practices.

5 56. According to Former Employee 2 (“FE-2”), when he started working on Uber
6 Eats, it seemed like it was the clear market leader, but as time went on, it became clear that
7 competitors were doing really well compared to Uber Eats. FE-2 also confirmed there were
8 periods during which his Uber Eats-focused marketing team struggled. FE-2’s team had a weekly
9 marketing budget for the United States and Canada, and growth was measured by the number of
10 new users who signed up for Uber Eats (driven by paid marketing) and then made their first
11 order. FE-2 specified that the marketing budget was supposed to translate into “new user
12 growth,” which is measured by users creating a log-in and placing an order. FE-2 explained that
13 members of his team worked with Uber’s finance and strategy team to set goals for how much
14 user growth FE-2’s team should achieve from paid marketing efforts, but there was quite a
15 stretch of time when the team was falling under those goals. FE-2 stated that the team was failing
16 to meet its growth goals. FE-2 also confirmed that the team got to a point where, consistently for
17 some months or longer, the team was not able to hit its marketing goals.

18 57. These and other facts disclosed after the Offering stand in stark contrast to the
19 high-growth, nearing-profitability company Uber had portrayed itself to be.

20 58. As the news of the adverse facts that existed prior to the IPO concerning the
21 Company’s business model, passenger safety, and financial condition leaked out to the market
22 over the ensuing months, the price of Uber’s common stock dropped from the \$45.00 per share
23 Offering price to \$29.67 per share on the day this Action was commenced (*a 34% decline from*
24 *the Offering price*) and to an all-time low of \$25.99 on November 14, 2019 (*a 42% decline from*
25 *the Offering price*).

26 **II. JURISDICTION AND VENUE**

27 59. The claims asserted herein arise under and pursuant to Section 11, 12(a)(2), and
28 15 of the Securities Act, 15 U.S.C. §§ 77k, 77l(a)(2), and 77o.

1 60. This Court has jurisdiction over this action pursuant to Section 22 of the
2 Securities Act, 15 U.S.C. § 77v, and 28 U.S.C. § 1331.

3 61. Venue is properly laid in this District pursuant to Section 22 of the Securities Act
4 and 28 U.S.C. § 1391(b), (c), and (d). Many of the acts and transactions that constitute violations
5 of law complained of herein, including the dissemination to the public of untrue statements of
6 material facts, occurred in this District.

7 62. In connection with the acts alleged in this complaint, Defendants, directly or
8 indirectly, used the means and instrumentalities of interstate commerce, including, but not
9 limited to, the United States mails, interstate telephone communications, and the facilities of
10 national securities exchanges.

11 **III. PARTIES**

12 **A. Lead Plaintiff**

13 63. As set forth in the Certification filed in this Action on December 3, 2019 (Doc.
14 No. 24-1), Lead Plaintiff Boston Retirement System purchased Uber’s common stock in the IPO
15 and from an Underwriter Defendant (as defined herein) pursuant to and traceable to the Offering
16 Documents. Lead Plaintiff purchased Uber’s common stock at a time when only shares offered
17 in the IPO were in the market. Lead Plaintiff suffered damages as a result of the violations of the
18 federal securities laws alleged herein. On January 3, 2020, the Court appointed Boston
19 Retirement System as Lead Plaintiff in this Action (Doc. No. 59).

20 **B. Proposed Class Representatives**

21 64. As set forth in the Certification filed in *Messinger et al., v. Uber Technologies,*
22 *Inc. et al.*, Case 3:20-cv-08610, filed on December 5, 2020 (Dkt. 3), proposed class
23 representative Plaintiff David Messinger purchased Uber’s common stock in the IPO pursuant to
24 and traceable to the Offering Documents. Plaintiff Messinger purchased Uber’s common stock at
25 a time when only shares offered in the IPO were in the market. Plaintiff Messinger suffered
26 damages as a result of the violations of the federal securities laws alleged herein.

27 65. As set forth in the Certification filed in *Messinger et al., v. Uber Technologies,*
28 *Inc. et al.*, Case 3:20-cv-08610, filed on December 5, 2020 (Dkt. 3), proposed class

1 representative Plaintiff Ellie Marie Toronto ESA purchased Uber’s common stock in the IPO
2 pursuant to and traceable to the Offering Documents. Plaintiff Ellie Marie Toronto ESA,
3 purchased Uber’s common stock at a time when only shares offered in the IPO were in the
4 market. Plaintiff Ellie Marie Toronto ESA suffered damages as a result of the violations of the
5 federal securities laws alleged herein.

6 66. As set forth in the Certification filed in *Messinger et al., v. Uber Technologies,*
7 *Inc. et al.*, Case 3:20-cv-08610, filed on December 5, 2020 (Dkt. 3), proposed class
8 representative Plaintiff Joseph Cianci purchased Uber’s common stock in the IPO pursuant to
9 and traceable to the Offering Documents. Plaintiff Joseph Cianci suffered damages as a result of
10 the violations of the federal securities laws alleged herein.

11 67. As set forth in the Certification filed in *Messinger et al., v. Uber Technologies,*
12 *Inc. et al.*, Case 3:20-cv-08610, filed on December 5, 2020 (Dkt. 3), proposed class
13 representatives Plaintiffs Irving S. Braun and Judith Braun purchased Uber's common stock in
14 the IPO pursuant to and traceable to the Offering Documents. Plaintiffs Irving S. Braun and
15 Judith Braun purchased Uber’s common stock at a time when only shares offered in the IPO
16 were in the market. Plaintiffs Irving S. Braun and Judith Braun suffered damages as a result of
17 the violations of the federal securities laws alleged herein.

18 C. Defendants

19 1. The Corporate Defendant

20 68. Defendant Uber is a Delaware corporation headquartered at 1455 Market Street,
21 San Francisco, California. Uber claims to be a technology company that is primarily in the
22 business of providing car transportation and meal delivery services to customers on an on-
23 demand basis. The Company’s stock is listed under the ticker symbol “UBER” on the New York
24 Stock Exchange (“NYSE”).

25 69. On or about May 10, 2019, Uber conducted its IPO, in which it sold 180,000,000
26 shares of common stock to the public, with an underwriter over-allotment option to sell an
27 additional 27,000,000 shares of common stock from certain selling shareholders. The IPO, which
28 was priced at \$45 per share, generated nearly \$8 billion in proceeds for Uber. The IPO was

1 conducted pursuant to, and the sale of Uber stock was solicited by, several documents that were
2 filed by Uber and the Underwriter Defendants with the SEC and disseminated to the investing
3 public, including (i) an April 11, 2019 registration statement on Form S-1, which following
4 amendment, was declared effective by the SEC on May 5, 2019 (the “Registration Statement”),
5 and (ii) a May 9, 2019 final prospectus, which forms part of the Registration Statement, on Form
6 424(b)(4) (the “Prospectus” and, together with the Registration Statement, the “Offering
7 Documents”).

8 70. The Prospectus states that it “is an offer to sell ... the shares offered [there]by.”
9 Further, the Prospectus states that “[n]either [Uber], the selling stockholders, nor any of the
10 underwriters have authorized anyone to provide [investors] with any information other than the
11 information contained in the prospectus.”

12 2. The Individual, Executive, and Selling Stockholder Defendants

13 71. At the time of the IPO, Defendant Dara Khosrowshahi (“Khosrowshahi”) was
14 Uber’s CEO and served as a member of Uber’s board of directors (the “Board”). In connection
15 with the IPO, Defendant Khosrowshahi received an award of 332,725 restricted stock units
16 (“RSUs”) worth over \$14 million. Defendant Khosrowshahi also owned over 196,000 Uber
17 shares at the time of the Offering that as a result were worth over \$8 million.

18 72. At the time of the IPO, Defendant Nelson Chai (“Chai”) was serving as Uber’s
19 Chief Financial Officer (“CFO”). In connection with the IPO, Defendant Chai received an award
20 of 246,305 RSUs worth over \$11 million.

21 73. At the time of the IPO, Defendant Glen Ceremony (“Ceremony”) was serving as
22 Uber’s Chief Accounting Offering (“CAO”) and Global Corporate Controller. In connection with
23 the IPO, Defendant Ceremony received an award of 126,452 RSUs worth over \$5.6 million.

24 74. At time of the IPO, Defendant Ronald Sugar (“Sugar”) was serving as a director
25 on the Board and was the Board’s Chairperson. In connection with the IPO, Defendant Sugar
26 received an award of 45,567 RSUs worth over \$2 million. Defendant Sugar also owned over
27 130,000 Uber shares at the time of the Offering that as a result were worth over \$5.8 million.

28

1 75. At time of the IPO, Defendant Ursula Burns (“Burns”) was serving as a director
2 on the Board. In connection with the IPO, Defendant Burns received an award of 16,947 RSUs
3 worth over \$700,000. Defendant Burns also owned over 130,000 Uber shares at the time of the
4 Offering that as a result were worth over \$5.8 million.

5 76. At the time of the IPO, Defendant Garrett Camp (“Camp”), a co-founder of the
6 Company, was serving as a director on the Board. According to the Offering Documents,
7 Defendant Camp offered 3,124,000 of his own Uber shares to be sold to investors in the IPO for
8 \$45 per share with the proceeds going to him. Defendant Camp also owned over 78 million Uber
9 shares at the time of the Offering that as a result were worth over \$3.5 billion.

10 77. At the time of the IPO, Defendant Matt Cohler (“Cohler”) was serving as a
11 director on the Board. According to the Offering Documents, Defendant Cohler offered
12 5,748,000 of his own Uber shares to be sold to investors in the IPO for \$45 per share with the
13 proceeds going to him. Defendant Cohler also owned over 144 million Uber shares at the time of
14 the Offering that as a result were worth over \$6.3 billion.

15 78. At the time of the IPO, Defendant Ryan Graves (“Graves”) was serving as a
16 director on the Board. According to the Offering Documents, Defendant Graves offered
17 1,319,000 of his own Uber shares to be sold to investors in the IPO for \$45 per share with the
18 proceeds going to him. In connection with the IPO, Defendant Graves received an award of
19 59,625 RSUs worth over \$2.6 million. Defendant Graves also owned over 31 million Uber
20 shares at the time of the Offering that as a result were worth over \$1.3 billion.

21 79. At the time of the IPO, Defendant Arianna Huffington (“Huffington”) was serving
22 as a director on the Board. In connection with the IPO, Defendant Huffington received an award
23 of 26,468 RSUs worth over \$1.1 million. Defendant Huffington also owned over 22,000 Uber
24 shares at the time of the Offering that as a result were worth over \$900,000.

25 80. At the time of the IPO, Defendant Travis Kalanick (“Kalanick”), a co-founder of
26 the Company and former Uber CEO, was serving as a director on the Board. According to the
27 Offering Documents, Defendant Kalanick offered 3,736,000 of his own Uber shares to be sold to
28 investors in the IPO for \$45 per share with the proceeds going to him. In connection with the

1 IPO, Defendant Kalanick received an award of 389,012 RSUs worth over \$17.5 million.

2 Defendant Kalanick also owned over 113 million Uber shares at the time of the Offering that as a
3 result were worth over \$5 billion.

4 81. At the time of the IPO, Defendant Wan Ling Martello (“Martello”) was serving as
5 a director on the Board. In connection with the IPO, Defendant Martello received an award of
6 26,789 RSUs worth over \$1.2 million. Defendant Martello also owned over 43,000 Uber shares
7 at the time of the Offering that as a result were worth over \$1.9 million.

8 82. At the time of the IPO, Defendant H.E. Yasir Al-Rumayyan (“Al-Rumayyan”)
9 was serving as a director on the Board. Defendant Al-Rumayyan owned over 72 million Uber
10 shares at the time of the Offering that as a result were worth over \$3.2 million.

11 83. At the time of the IPO, Defendant John Thain (“Thain”) was serving as a director
12 on the Board. In connection with the IPO, Defendant Thain received an award of 16,403 RSUs
13 worth over \$700,000. Defendant Thain also owned over 130,000 Uber shares at the time of the
14 Offering that as a result were worth over \$5.8 million.

15 84. At the time of the IPO, Defendant David Trujillo (“Trujillo”) was serving as a
16 director on the Board. Defendant Trujillo was at the time of the IPO a partner at the private
17 equity firm TPG Capital. Investment funds controlled by TPG Capital, L.P. (“TPG Capital”)
18 offered 1,396,000 of their own Uber shares to be sold to investors in the IPO for \$45 per share
19 with the proceeds going to them. TPG Capital’s investment funds also owned over 31 million
20 Uber shares at the time of the Offering that as a result were worth over \$1.3 billion.

21 85. Defendants Khosrowshahi, Chai, Ceremony, Sugar, Burns, Camp, Choler,
22 Graves, Huffington, Kalanick, Martello, Al-Rumayyan, Thain, and Trujillo are collectively
23 referred to herein as the “Individual Defendants.” Defendants Khosrowshahi, Chai, and
24 Ceremony are sometimes collectively referred to herein as the “Executive Defendants.”
25 Defendants Camp, Cohler, Graves, and Kalanick are sometimes collectively referred to herein as
26 the “Selling Stockholder Defendants.”

27 86. Each of the Individual Defendants participated in the preparation of and signed
28 the Registration Statement and in the making of the materially inaccurate, misleading, and

1 incomplete statements alleged herein. The Individual Defendants signed the Registration
2 Statement, participated in the IPO, and solicited the purchase of Uber's common stock in the IPO
3 to serve their financial interests and those of Uber.

4 87. Each of the Executive Defendants, in his capacity as a senior executive of Uber,
5 reviewed, edited, and approved the Offering Documents. They each also reviewed, approved,
6 and delivered to investors the IPO's roadshow presentation, talking points, and script. The
7 Executive Defendants conducted the roadshow along with the Underwriter Defendants to solicit
8 the purchase of Uber's common stock in the IPO and serve their financial interests and those of
9 Uber.

10 88. The Selling Stockholder Defendants solicited the sale of their shares in the IPO by
11 means of the Offering Documents and the roadshow in order to serve their financial interests.

12 3. The Underwriter Defendants

13 89. Defendant Morgan Stanley & Co. LLC ("Morgan Stanley") was an underwriter
14 for the IPO, serving as a financial advisor for and assisting in the preparation and dissemination
15 of the materially inaccurate, misleading, and incomplete Offering Documents. Defendant
16 Morgan Stanley acted as a representative of all of the underwriters. Defendant Morgan Stanley
17 also participated in conducting and promoting the roadshow for the IPO and paying the expenses
18 of the Executive Defendants who participated in the IPO. Defendant Morgan Stanley was
19 allocated 68,796,612 shares in the IPO to sell to the investing public.

20 90. Defendant Goldman Sachs & Co. LLC ("GS&Co.") was an underwriter for the
21 IPO, serving as a financial advisor for and assisting in the preparation and dissemination of the
22 materially inaccurate, misleading, and incomplete Offering Documents. Defendant GS&Co.
23 acted as a representative of all of the underwriters. Defendant GS&Co. also participated in
24 conducting and promoting the roadshow for the IPO and paying the expenses of the Executive
25 Defendants who participated in the IPO. Defendant GS&Co. was allocated 35,864,408 shares in
26 the IPO to sell to the investing public.

27 91. Defendant Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch")
28 was an underwriter for the IPO, serving as a financial advisor for and assisting in the preparation

1 and dissemination of the materially inaccurate, misleading, and incomplete Offering Documents.
2 Defendant Merrill Lynch acted as a representative of all of the underwriters. Defendant Merrill
3 Lynch also participated in conducting and promoting the roadshow for the IPO and paying the
4 expenses of the Executive Defendants who participated in the IPO. Defendant Merrill Lynch was
5 allocated 17,813,560 shares in the IPO to sell to the investing public.

6 92. Defendant Barclays Capital Inc. (“Barclays”) was an underwriter for the IPO,
7 serving as a financial advisor for and assisting in the preparation and dissemination of the
8 materially inaccurate, misleading, and incomplete Offering Documents. Defendant Barclays also
9 participated in conducting and promoting the roadshow for the IPO and paying the expenses of
10 the Executive Defendants who participated in the IPO. Defendant Barclays was allocated
11 11,231,104 shares in the IPO to sell to the investing public.

12 93. Defendant Citigroup Global Markets Inc. (“Citigroup”) was an underwriter for the
13 IPO, serving as a financial advisor for and assisting in the preparation and dissemination of the
14 materially inaccurate, misleading, and incomplete Offering Documents. Defendant Citigroup
15 also participated in conducting and promoting the roadshow for the IPO and paying the expenses
16 of the Executive Defendants who participated in the IPO. Defendant Citigroup was allocated
17 11,231,104 shares in the IPO to sell to the investing public.

18 94. Defendant Allen & Company LLC (“Allen & Company”) was an underwriter for
19 the IPO, serving as a financial advisor for and assisting in the preparation and dissemination of
20 the materially inaccurate, misleading, and incomplete Offering Documents. Defendant Allen &
21 Company also participated in conducting and promoting the roadshow for the IPO and paying
22 the expenses of the Executive Defendants who participated in the IPO. Defendant Allen &
23 Company was allocated 10,296,610 shares in the IPO to sell to the investing public.

24 95. Defendant RBC Capital Markets, LLC (“RBC”) was an underwriter for the IPO,
25 serving as a financial advisor for and assisting in the preparation and dissemination of the
26 materially inaccurate, misleading, and incomplete Offering Documents. Defendant RBC also
27 participated in conducting and promoting the roadshow for the IPO and paying the expenses of
28

1 the Executive Defendants who participated in the IPO. Defendant RBC was allocated 2,994,961
2 shares in the IPO to sell to the investing public.

3 96. Defendant SunTrust Robinson Humphrey, Inc. (“SunTrust”) was an underwriter
4 for the IPO, serving as a financial advisor for and assisting in the preparation and dissemination
5 of the materially inaccurate, misleading, and incomplete Offering Documents. Defendant
6 SunTrust also participated in conducting and promoting the roadshow for the IPO and paying the
7 expenses of the Executive Defendants who participated in the IPO. Defendant SunTrust was
8 allocated 2,745,763 shares in the IPO to sell to the investing public.

9 97. Defendant Deutsche Bank Securities, Inc. (“Deutsche Bank”) was an underwriter
10 for the IPO, serving as a financial advisor for and assisting in the preparation and dissemination
11 of the materially inaccurate, misleading, and incomplete Offering Documents. Defendant
12 Deutsche Bank also participated in conducting and promoting the roadshow for the IPO and
13 paying the expenses of the Executive Defendants who participated in the IPO. Defendant
14 Deutsche Bank was allocated 2,745,763 shares in the IPO to sell to the investing public.

15 98. Defendant HSBC Securities (USA) Inc. (“HSBC”) was an underwriter for the
16 IPO, serving as a financial advisor for and assisting in the preparation and dissemination of the
17 materially inaccurate, misleading, and incomplete Offering Documents. Defendant HSBC also
18 participated in conducting and promoting the roadshow for the IPO and paying the expenses of
19 the Executive Defendants who participated in the IPO. Defendant HSBC was allocated
20 2,288,136 shares in the IPO to sell to the investing public.

21 99. Defendant SMBC Nikko Securities America, Inc. (“SMBC”) was an underwriter
22 for the IPO, serving as a financial advisor for and assisting in the preparation and dissemination
23 of the materially inaccurate, misleading, and incomplete Offering Documents. Defendant SMBC
24 also participated in conducting and promoting the roadshow for the IPO and paying the expenses
25 of the Executive Defendants who participated in the IPO. Defendant SMBC was allocated
26 1,525,424 shares in the IPO to sell to the investing public.

27 100. Defendant Mizuho Securities USA LLC (“Mizuho”) was an underwriter for the
28 IPO, serving as a financial advisor for and assisting in the preparation and dissemination of the

1 materially inaccurate, misleading, and incomplete Offering Documents. Defendant Mizuho also
2 participated in conducting and promoting the roadshow for the IPO and paying the expenses of
3 the Executive Defendants who participated in the IPO. Defendant Mizuho was allocated
4 1,525,424 shares in the IPO to sell to the investing public.

5 101. Defendant Needham & Company, LLC (“Needham”) was an underwriter for the
6 IPO, serving as a financial advisor for and assisting in the preparation and dissemination of the
7 materially inaccurate, misleading, and incomplete Offering Documents. Defendant Needham
8 also participated in conducting and promoting the roadshow for the IPO and paying the expenses
9 of the Executive Defendants who participated in the IPO. Defendant Needham was allocated
10 915,127 shares in the IPO to sell to the investing public.

11 102. Defendant Loop Capital Markets LLC (“Loop”) was an underwriter for the IPO,
12 serving as a financial advisor for and assisting in the preparation and dissemination of the
13 materially inaccurate, misleading, and incomplete Offering Documents. Defendant Loop also
14 participated in conducting and promoting the roadshow for the IPO and paying the expenses of
15 the Executive Defendants who participated in the IPO. Defendant Loop was allocated 838,983
16 shares in the IPO to sell to the investing public.

17 103. Defendant Siebert Cisneros Shank & Co., L.L.C. (“Siebert”) was an underwriter
18 for the IPO, serving as a financial advisor for and assisting in the preparation and dissemination
19 of the materially inaccurate, misleading, and incomplete Offering Documents. Defendant Siebert
20 also participated in conducting and promoting the roadshow for the IPO and paying the expenses
21 of the Executive Defendants who participated in the IPO. Defendant Siebert was allocated
22 915,127 shares in the IPO to sell to the investing public.

23 104. Defendant Academy Securities, Inc. (“Academy”) was an underwriter for the
24 IPO, serving as a financial advisor for and assisting in the preparation and dissemination of the
25 materially inaccurate, misleading, and incomplete Offering Documents. Defendant Academy
26 also participated in conducting and promoting the roadshow for the IPO and paying the expenses
27 of the Executive Defendants who participated in the IPO. Defendant Academy was allocated
28 610,169 shares in the IPO to sell to the investing public.

1 105. Defendant BTIG, LLC (“BTIG”) was an underwriter for the IPO, serving as a
2 financial advisor for and assisting in the preparation and dissemination of the materially
3 inaccurate, misleading, and incomplete Offering Documents. Defendant BTIG also participated
4 in conducting and promoting the roadshow for the IPO and paying the expenses of the Executive
5 Defendants who participated in the IPO. Defendant BTIG was allocated 610,169 shares in the
6 IPO to sell to the investing public.

7 106. Defendant Canaccord Genuity LLC (“Canaccord”) was an underwriter for the
8 IPO, serving as a financial advisor for and assisting in the preparation and dissemination of the
9 materially inaccurate, misleading, and incomplete Offering Documents. Defendant Canaccord
10 also participated in conducting and promoting the roadshow for the IPO and paying the expenses
11 of the Executive Defendants who participated in the IPO. Defendant Canaccord was allocated
12 610,169 shares in the IPO to sell to the investing public.

13 107. Defendant CastleOak Securities, L.P. (“CastleOak”) was an underwriter for the
14 IPO, serving as a financial advisor for and assisting in the preparation and dissemination of the
15 materially inaccurate, misleading, and incomplete Offering Documents. Defendant CastleOak
16 also participated in conducting and promoting the roadshow for the IPO and paying the expenses
17 of the Executive Defendants who participated in the IPO. Defendant CastleOak was allocated
18 610,169 shares in the IPO to sell to the investing public.

19 108. Defendant Cowen and Company, LLC (“Cowen”) was an underwriter for the
20 IPO, serving as a financial advisor for and assisting in the preparation and dissemination of the
21 materially inaccurate, misleading, and incomplete Offering Documents. Defendant Cowen also
22 participated in conducting and promoting the roadshow for the IPO and paying the expenses of
23 the Executive Defendants who participated in the IPO. Defendant Cowen was allocated 610,169
24 shares in the IPO to sell to the investing public.

25 109. Defendant Evercore Group L.L.C. (“Evercore”) was an underwriter for the IPO,
26 serving as a financial advisor for and assisting in the preparation and dissemination of the
27 materially inaccurate, misleading, and incomplete Offering Documents. Defendant Evercore also
28 participated in conducting and promoting the roadshow for the IPO and paying the expenses of

1 the Executive Defendants who participated in the IPO. Defendant Evercore was allocated
2 665,547 shares in the IPO to sell to the investing public.

3 110. Defendant JMP Securities LLC (“JMP”) was an underwriter for the IPO, serving
4 as a financial advisor for and assisting in the preparation and dissemination of the materially
5 inaccurate, misleading, and incomplete Offering Documents. Defendant JMP also participated in
6 conducting and promoting the roadshow for the IPO and paying the expenses of the Executive
7 Defendants who participated in the IPO. Defendant JMP was allocated 610,169 shares in the IPO
8 to sell to the investing public.

9 111. Defendant Macquarie Capital (USA) Inc. (“Macquarie”) was an underwriter for
10 the IPO, serving as a financial advisor for and assisting in the preparation and dissemination of
11 the materially inaccurate, misleading, and incomplete Offering Documents. Defendant
12 Macquarie also participated in conducting and promoting the roadshow for the IPO and paying
13 the expenses of the Executive Defendants who participated in the IPO. Defendant Macquarie was
14 allocated 610,169 shares in the IPO to sell to the investing public.

15 112. Defendant Mischler Financial Group, Inc. (“Mischler”) was an underwriter for the
16 IPO, serving as a financial advisor for and assisting in the preparation and dissemination of the
17 materially inaccurate, misleading, and incomplete Offering Documents. Defendant Mischler also
18 participated in conducting and promoting the roadshow for the IPO and paying the expenses of
19 the Executive Defendants who participated in the IPO. Defendant Mischler was allocated
20 610,169 shares in the IPO to sell to the investing public.

21 113. Defendant Oppenheimer & Co., Inc. (“Oppenheimer”) was an underwriter for the
22 IPO, serving as a financial advisor for and assisting in the preparation and dissemination of the
23 materially inaccurate, misleading, and incomplete Offering Documents. Defendant Oppenheimer
24 also participated in conducting and promoting the roadshow for the IPO and paying the expenses
25 of the Executive Defendants who participated in the IPO. Defendant Oppenheimer was allocated
26 665,547 shares in the IPO to sell to the investing public.

27 114. Defendant Raymond James & Associates, Inc. (“Raymond James”) was an
28 underwriter for the IPO, serving as a financial advisor for and assisting in the preparation and

1 dissemination of the materially inaccurate, misleading, and incomplete Offering Documents.
2 Defendant Raymond James also participated in conducting and promoting the roadshow for the
3 IPO and paying the expenses of the Executive Defendants who participated in the IPO.
4 Defendant Raymond James was allocated 610,169 shares in the IPO to sell to the investing
5 public.

6 115. Defendant William Blair & Company, L.L.C. (“William Blair”) was an
7 underwriter for the IPO, serving as a financial advisor for and assisting in the preparation and
8 dissemination of the materially inaccurate, misleading, and incomplete Offering Documents.
9 Defendant William Blair also participated in conducting and promoting the roadshow for the IPO
10 and paying the expenses of the Executive Defendants who participated in the IPO. Defendant
11 William Blair was allocated 610,169 shares in the IPO to sell to the investing public.

12 116. Defendant The Williams Capital Group, L.P. (“Williams Capital”) was an
13 underwriter for the IPO, serving as a financial advisor for and assisting in the preparation and
14 dissemination of the materially inaccurate, misleading, and incomplete Offering Documents.
15 Defendant Williams Capital also participated in conducting and promoting the roadshow for the
16 IPO and paying the expenses of the Executive Defendants who participated in the IPO.
17 Defendant Williams Capital was allocated 610,169 shares in the IPO to sell to the investing
18 public.

19 117. Defendant TPG Capital BD, LLC (“TPG”) was an underwriter for the IPO,
20 serving as a financial advisor for and assisting in the preparation and dissemination of the
21 materially inaccurate, misleading, and incomplete Offering Documents. Defendant TPG also
22 participated in conducting and promoting the roadshow for the IPO and paying the expenses of
23 the Executive Defendants who participated in the IPO. Defendant TPG was allocated 305,085
24 shares in the IPO to sell to the investing public. Defendant Trujillo is a partner at TPG Capital,
25 an affiliate of TPG.

26 118. Defendants Morgan Stanley, GS&Co., Merrill Lynch, Barclays, Citigroup, Allen
27 & Company, RBC, SunTrust, Deutsche Bank, HSBC, SMBC, Mizuho, Needham, Loop, Siebert,
28 Academy, BTIG, Canaccord, CastleOak, Cowen, Evercore, JMP, Macquarie, Mischler,

1 Oppenheimer, Raymond James, William Blair, Williams Capital, and TPG are collectively
2 referred to herein as the “Underwriter Defendants.” Defendants Uber, the Individual Defendants,
3 and the Underwriter Defendants are collectively referred to herein as the “Defendants.”

4 119. The Underwriter Defendants are investment banking houses which specialize,
5 among other things, in underwriting public offerings of securities. The Underwriter Defendants’
6 participation in and their solicitation of purchases of Uber’s common stock in the IPO was
7 motivated by their financial interests. Collectively, the Underwriter Defendants received over
8 \$106 million in fees and commissions in connection with their sale of Uber common stock in the
9 IPO.

10 120. The Underwriter Defendants determined that in return for their share of the IPO’s
11 proceeds, they were willing to merchandise Uber’s common stock in the IPO. The Underwriter
12 Defendants arranged for the roadshow prior to the IPO during which they, and the Executive
13 Defendants, met with investors and presented highly favorable information about the Company,
14 its operations, and its financial prospects.

15 121. The Underwriter Defendants also demanded and obtained an agreement for Uber
16 that Uber would indemnify and hold the Underwriter Defendants harmless from any liability
17 under the federal securities laws. They also made certain that Uber had purchased millions of
18 dollars of directors’ and officers’ liability insurance.

19 122. The Underwriter Defendants assisted Uber and the Individual Defendants in
20 planning the IPO, and purportedly conducted an adequate and reasonable investigation into the
21 business and operations of Uber, an undertaking known as a “due diligence” investigation. The
22 due diligence investigation was required of the Underwriter Defendants in order to engage in the
23 IPO. During the course of their “due diligence,” the Underwriter Defendants had continual
24 access to confidential corporate information concerning Uber’s operations and financial
25 prospects.

26 123. In addition to availing themselves of virtually unbridled access to internal
27 corporate documents, the Underwriter Defendants had access to the Company’s lawyers,
28 management, and directors and top executives (including the Individual Defendants) to

1 determine: (i) the strategy to best accomplish the IPO; (ii) the terms of the IPO, including the
2 price at which the Company's common stock would be sold; (iii) the language to be used in the
3 Offering Documents; (iv) what disclosures about the Company would be made in the Offering
4 Documents; and (v) what responses would be made to the SEC in connection with its review of
5 the Offering Documents. As a result of those constant contacts and communications between the
6 Underwriter Defendants and the Company's lawyers, management, directors, and top executives
7 (including the Individual Defendants), at a minimum, the Underwriter Defendants were negligent
8 in not knowing of the materially untrue statements and omissions contained in the Offering
9 Documents as detailed herein.

10 124. The Underwriter Defendants caused the Offering Documents to be filed with the
11 SEC and to be declared effective in connection with offers and sales of the Company's common
12 stock pursuant and/or traceable to the IPO and the Offering Documents, including to Lead
13 Plaintiff, the Proposed Class Representatives, and the Class.

14 **IV. FORMER UBER EMPLOYEES WHO SUBSTANTIATE THE ALLEGATIONS**

15 125. The former Uber employees or FEs cited throughout include the following:

16 (a) FE-1, Operations Lead, East Africa from June 2016 to December 2016;
17 and Country Manager, Tanzania from January 2017 to July 2019. At the beginning of FE-1's
18 tenure, FE-1 reported to Nate Anderson, General Manager, East Africa. FE-1 also reported to
19 Alon Lits ("Lits"), General Manager, Sub-Saharan Africa. Lits reported to Defendant Graves.
20 FE-1's job responsibilities included working on Uber's expansion into East Africa, and then
21 more specifically managing all of Uber's operations in Tanzania; and

22 (b) FE-2 was a marketing manager from late 2015 to the summer of 2016 and
23 then a senior marketing manager until late 2019. As a marketing manager, FE-2's job
24 responsibilities included working on paid marketing rider growth in China, India, and the rest of
25 the Asia-Pacific ("APAC") region, focusing on mobile app user acquisition channels. As a senior
26 marketing manager, FE-2's job responsibilities included acting as display and programmatic lead
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1 for consumer, delivery partner, and restaurant paid marketing for Uber Eats in the United States
2 and Canada.²

3 **V. SUBSTANTIVE ALLEGATIONS**

4 **A. Uber’s History as a Transportation Business**

5 126. Originally founded in 2009 and incorporated in July 2010 as Ubercab, Inc., the
6 Company was conceived as a means to an end: providing an “ÜberCab”—borrowing a term from
7 the German language—or the “BestCab” for Defendant Camp and his friends in San Francisco.
8 Defendant Camp had been blackballed or rejected from most of the taxi cab services in the city,
9 and the so-called “complexity” and “confusion”—as well as the cost—of sharing rides with
10 friends via black car services grew to be too messy for his taste.

11 127. In early discussions with Defendant Kalanick, Defendant Camp balked at the
12 known cost of taxi medallions: half a million dollars per year. Defendant Camp was convinced
13 he could create a better, mobile app-based way to give people rides. Best case, ÜberCab would
14 become a market leader in private transportation; worst case, it would be a small transportation
15 service for Defendant Camp and his friends in San Francisco. Either way, the focus was singular:
16 providing the “best” cab that anyone could hail directly from an app on their mobile phone.
17 Dropping the umlaut for sake of clarity to Americans, Defendants Camp and Kalanick created a
18 new, on-demand transportation company: Ubercab.

19 128. In February 2011, Ubercab changed its name to Uber Technologies.

20 129. According to the Offering Documents, Uber’s “mission” is to “ignite opportunity
21 by setting the world in motion.” Uber’s self-described primary business has not deviated from
22 Defendant Camp’s original idea: “Every minute of every day, consumers and Drivers on our
23 platform can tap a button and get a ride or tap a button and get work.”

24 130. Uber offers two main products: Uber Rides and Uber Eats, which the Company
25 refers to collectively as its “Core Platform.” Despite this moniker that refers to both businesses,
26 Uber Rides is the Company’s primary business and principal source of revenue. In 2017 and

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28 ² Lead Plaintiff believes that the details of the FEs identities contained herein are sufficient to satisfy the pleading requirements of Rule 8 of the Federal Rules of Civil Procedure. Lead Plaintiff can provide additional information to the Court through an *in camera* submission.

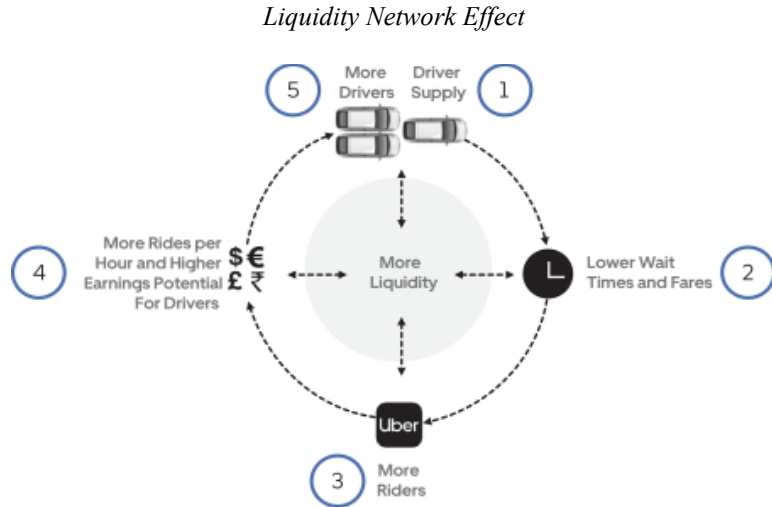
1 2018, for example, Uber Rides accounted for 88% and 81% of Core Platform Revenue and 87%
2 and 81% of total Revenue, respectively. In the same two years, Uber Eats accounted for 7% and
3 13% of both Core Platform Revenue and total Revenue, respectively.

4 131. The Offering Documents organize Uber Rides under yet another two, broader
5 categories: “Ridesharing,” which refers to customers and drivers who use Uber’s app to arrange
6 for on-demand transportation via a variety of vehicles (cars, auto rickshaws, motorbikes,
7 minibuses, or taxis); and “Personal Mobility,” which includes both Ridesharing and “New
8 Mobility,” a category that refers to customers who use Uber’s app to access on-demand
9 alternative modes of transportation, such as dockless “e-bikes” and “e-scooters.”

10 132. The Company’s other main product, Uber Eats, refers to customers and
11 restaurants that use Uber’s app to arrange for on-demand food delivery.

12 133. The Company also offers Uber Freight, which refers to truckers and freight
13 shippers that use Uber’s app to arrange for on-demand shipping and logistics.

14 134. The Offering Documents detail how the “foundation” of Uber’s platform—across
15 its various offerings—is the Company’s “massive network, leading technology, operational
16 excellence, and product expertise,” which together “power movement from point A to point B.”
17 Uber’s “massive network” is of primary importance, and drivers are the key element of both the
18 Company’s network and its “growth now, profits later” rationale:



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135. The foregoing diagram, listed under “Massive Network” in the Company’s Offering Documents, depicts and demonstrates the critical role Uber drivers play in enabling the Company to deliver its primary product: Uber Rides. Uber drivers are the essential condition to Uber Rides, without whom Uber cannot create what it calls a “liquidity network effect”: using promotions or “incentives” to attract drivers and customers until the Company scales sufficiently to create positive margin on rides, *i.e.*, profit. Without Uber drivers, the Company cannot deliver unparalleled—or really any—growth and scale, without which Uber cannot become the largest player, dominate the market, or win market share or profits.

136. Underscoring Uber’s “growth now, profits later” rationale, the Offering Documents explain that the Company uses promotions, such as incentives for drivers and customers, “to attract platform users on both sides of our network, which can result in a negative margin [(*i.e.*, loss)] until [Uber] reach[es] sufficient scale to reduce incentives.” The Company’s only justification for its losses or “negative margin” is that it can grow and increase scale sufficient to “create[] category leadership and a margin advantage.” In other words, Uber’s pitch is that the largest player dominates the market and wins—both market share and profit.

137. Uber recruits and approves all of the Company’s drivers (hereinafter, “Uber Drivers” or “Drivers”) through an “easy” sign-up or qualification process. To recruit, maintain, and grow a “massive” network of Uber Drivers, the Company provides promotions or “incentives” to its Drivers, which are separate from and in addition to the Driver’s portion of the

1 fare provided by the customer. Driver incentives may include, for example, payments Uber
2 makes to its Drivers for completing a consecutive number of Trips or a cumulative number of
3 Trips over a specified period of time, *e.g.*, \$10 per Trip for each of a Driver’s first 100 Trips.

4 138. Driver incentives are distinct from “Excess Driver incentives,” which refers
5 generally to the amount Uber pays each Driver for a Trip in excess of the fare charged to the
6 customer, including Driver incentives but excluding “Driver referrals.” Uber also provides
7 referrals to its Drivers, or payments to existing Drivers for referring new Drivers to Uber.

8 139. In addition to recruiting and approving all Uber Drivers, the Company also sets
9 the rates or fares that customers pay for Uber’s on-demand transportation or food delivery
10 services. Uber arranges for customers to make payments via credit card or other electronic
11 payment means. Uber collects revenue by retaining a portion of the fares that customers pay for
12 Uber’s services. In order to maximize revenue and generate profit (as articulated in Uber’s
13 liquidity network effect), the Company must continuously recruit, maintain, and grow its
14 network of Uber Drivers (supply) sufficient to meet customers’ demands for services, as a
15 shortage of Drivers leads to increased wait times and fares, fewer customers, and less revenue.

16 140. Uber also deploys incentives to expand its customer base: individuals seeking to
17 fulfill their on-demand transportation and food delivery needs. The Company uses promotions,
18 discounts, an “Uber Rewards” program, and other incentives to encourage prospective customers
19 to begin to use Uber’s platform and to motivate existing customers to increase usage of Uber’s
20 platform. As is the case with its Drivers, the Company must continuously attract, maintain, and
21 grow its base of customers (demand) in order to maximize revenue and generate profit.

22 141. Incentive expenses are tracked internally and gauged against a series of metrics
23 used to validate the cost, a practice known as “couponing.” Anyone in Uber’s Performance
24 Marketing department can access that data once they obtain clearance from their managerial
25 channels. Uber relies on data scientists to collect the information because the specific data fields
26 are very detailed. These data scientists help the Company keep track of growth.

27 142. Uber sets its Drivers’ rates or fares using a proprietary formula based on: base rate
28 (determined by the time and distance of a trip), plus booking fee (a flat fee Uber may charge

1 customers to cover operational, regulatory, and safety costs), plus a busy times and areas fee, *i.e.*,
2 “surge” or “dynamic” pricing (when there are more customers than available Drivers, Uber
3 increases pricing until supply and demand stabilize).

4 143. As part of Uber’s pricing formula, the Company derives its revenues principally
5 from service fees it charges to its Drivers for use of Uber’s app and platform—that portion of
6 fares retained by Uber, calculated as a percentage of the Driver’s total fare, *e.g.*, 20%. Uber’s
7 customers (whether passengers or food delivery recipients) remit payments directly to the
8 Company through the Uber app, so Uber is able to and does deduct and retain all of the fees it
9 charges its Drivers directly, before paying Drivers that portion of the fare owed to them.

10 144. Despite controlling the method, means, and delivery of services to its customers
11 (whether transportation or food), as of the date of the Offering, Uber classified its Drivers as
12 “independent contractors” rather than as employees.

13 **B. Uber’s Toxic Culture and its Purported Attempts to Change**

14 145. Following a Glossary of “key terms” designed to guide investors through a
15 dizzying array of proprietary terminology (and financial statements that are “confusing by
16 design”—*see infra* at ¶304), the Offering Documents begin with a “Letter from our CEO”—an
17 unusual feature. Defendant Khosrowshahi concedes that, “in getting from point A to point B
18 [Uber] didn’t get everything right. Some of the attributes that made Uber a wildly successful
19 startup ... led to missteps along the way.”

20 146. In his letter, Defendant Khosrowshahi suggests that building Uber “required a
21 willingness to challenge orthodoxies and reinvent—sometimes even disrupt—ourselves[,]” but
22 underscores that, “over the past 18 months,” *i.e.*, since 2017, “we have improved our governance
23 and Board oversight ... and made the changes necessary to ensure our company culture rewards
24 teamwork and encourages employees to commit for the long term.” Defendant Khosrowshahi
25 concludes with a “commitment” to investors: to “treat our customers, our colleagues, and our
26 cities with respect[,]” and to “run our business with passion, humility, and integrity.”

27 147. Taken out of context, Defendant Khosrowshahi’s letter reads as a heartfelt
28 promise to investors. In reality, Defendant Khosrowshahi’s letter was a strategic *mea culpa* on

1 Uber's behalf intended to pacify and assure anxious investors that the Company had left its toxic
2 culture behind in 2017.

3 148. In one of the Offering Documents' risk factors, titled "[m]aintaining and
4 enhancing our brand and reputation is critical to our business prospects[,]" Uber presents its
5 narrative on how the Company's toxic culture—as revealed by a number of scandals dating back
6 to 2017—is purportedly in the past. These scandals relate to, among other things: allegations of
7 Uber utilizing proprietary tools to evade and deceive authorities from enforcing applicable laws,
8 rules, and regulations (*i.e.*, Greyball, a piece of code affixed to a user's account that identifies a
9 police officer, transportation official, or other person as a threat, which Uber itself describes as
10 designed to "limit the vehicle views available to regulatory enforcement authorities"); a data
11 security breach; and allegations of sexual harassment and other misconduct levelled by
12 employees against superiors and co-workers at Uber.

13 149. The allegations of sexual harassment and misconduct implicating Uber and its
14 executives are largely credited with helping to foster and foment the viral 2017 #MeToo
15 movement. In one particularly well-publicized incident, a former Uber software engineer alleged
16 she had been the target of repeated sexual harassment and workplace mistreatment. After
17 reporting such misconduct to Uber's H.R. department, this same individual was berated by her
18 managers, promised and denied a transfer out of the department where the sexual harassment and
19 misconduct took place, and subjected to fierce retaliation for reporting such incidents to H.R.
20 This individual took her concerns all the way to Uber's Chief Technology Officer, yet still
21 nothing was done until she took matters into her own hands and quit.

22 150. The software engineer's story, first published on her personal blog, spread like
23 wildfire in the media and helped expose Uber as a poorly run company plagued by flagrant
24 misogyny, with an H.R. department that conspired with senior executives and upper management
25 to shield abusive managers from being disciplined so long as they were "high performers." At
26 the same time, Defendant Kalanick came under fire for knowingly enabling this misogynistic
27 culture and failing to act on untold scores of sexual harassment complaints at the Company.

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1 151. As the Offering Documents allude to, such allegations led to “significant media
2 coverage and negative publicity, particularly in 2017,” and the #DeleteUber campaign that
3 followed “prompted hundreds of thousands of consumers to stop using [Uber’s] platform within
4 days.” The media scrutiny, adverse publicity, and negative financial impact was so swift and
5 severe that the Company hired former U.S. Attorney General Eric Holder (“AG Holder”) to
6 conduct an internal investigation into Uber’s culture. AG Holder personally interviewed the
7 software engineer that blew the whistle on Uber, and in total, his investigation team conducted
8 over 200 interviews with current and former employees, as well as a document review that
9 included searching databases containing over 3 million documents.

10 152. AG Holder ultimately issued a scathing report detailing 47 recommendations for
11 improving Uber’s culture, including: first and foremost, “review and reallocate the
12 responsibilities of” Defendant Kalanick, who set a dismal tone at the top; adopt a “zero-tolerance
13 policy for substantiated complaints of discrimination and harassment, without regard to whether
14 an employee is a ‘high performer’ or a long-term employee[;]” use “performance reviews to hold
15 senior leaders accountable[;]” restructure the Board “to include additional independent Board
16 [directors] ... who can exercise independent oversight of Uber’s management[;]” require
17 “mandatory leadership training for key senior management/senior executive team members[;]”
18 and “reformulate Uber’s 14 cultural values[,],” because many of the Company’s adopted values
19 could have been “used to justify poor behavior, including Let Builders Build, Always Be
20 Hustlin’, Meritocracy and Toe-Stepping, and Principled Confrontation.”

21 153. In a section titled “How We Approach the Future,” the Offering Documents draw
22 a hard line in the sand between 2017 Uber and the purportedly new and reformed Uber of today.
23 Uber highlights its attempts at damage control and to stem further media scrutiny, adverse
24 publicity, and negative financial impact. First, Uber hired Defendant Khosrowshahi “in
25 September 2017 following many challenges regarding [its] culture, workplace practices, and
26 reputation.” Defendant Khosrowshahi was brought in primarily to lend an air of credibility to
27 Uber and to take the Company public. In exchange, Uber agreed to pay Defendant Khosrowshahi
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1 \$45 million in cash and RSUs, as well as an additional \$80 to \$100 million if Uber achieved a
2 \$120 billion market capitalization for at least three months within five years of the Offering.

3 154. Uber claims to have made “tremendous progress in creating a program that is
4 designed to prevent and detect violations of corporate policy, law, and regulations.” The
5 Company also: revamped its “senior executive team, hiring respected leaders with extensive
6 public and private sector experience[;]” and “sought to reform [its] culture fundamentally by ...
7 creating and embracing new cultural norms.” Among the Company’s new cultural norms, Uber
8 declares: “Our team came together to write these norms from the ground up to reflect who we are
9 and where we are going.... *We do the right thing.* Period.”

10 155. In sum, the Offering Documents proudly proclaim: “*It is a new day at Uber.*”

11 **C. The Offering Documents Contained Materially False and Misleading**
12 **Statements of Fact and Omitted Material Information**

13 156. The Offering Documents contained materially misleading statements concerning
14 Uber’s undisclosed and unsustainable growth at any cost business model. Specifically, the
15 Offering Documents failed to disclose to the truth about Uber’s: (i) business model and growth
16 strategy; (ii) passenger safety issues; and (iii) financial condition. As a result, the Offering
17 Documents contained untrue statements of material facts, omitted to state other facts necessary to
18 make the statements contained in the Offering Documents not misleading, and were not prepared
19 in accordance with the rules and regulations governing their preparation.

20 **1. The Offering Documents Contained Misstatements and Omissions**
21 **About Uber’s Illegal Business Model and Growth Strategy**

22 157. The Offering Documents repeatedly touted—yet misrepresented—the strength
23 and legality of Uber business model and growth strategy and failed to disclose that the
24 Company’s business model and growth strategy was premised on breaking and thwarting laws,
25 rules, and regulations in many of the domestic and international jurisdictions in which the
26 Company operates. As a result, the Company faced grave consequences at the time of the IPO
27 that would fully materialize afterwards.

28 158. The Offering Documents portrayed to investors that the Company’s problems
were largely in the past and that the Company had “been on a new path forward since hiring ...

1 Chief Executive Officer Dara Khosrowshahi in September 2017. The Offering Documents
2 stated, in pertinent part, as follows under the heading “Reputation and brand”:

3 We believe that *maintaining and enhancing our reputation and*
4 *brand is critical to our ability to attract and retain employees and*
5 *platform users*. For example, our business performance was
6 negatively impacted in early 2017 when we faced many
7 challenges, including the #DeleteUber campaign that encouraged
8 platform users to delete our app and cease use of our offerings.
9 Later in 2017, allegations of discrimination, harassment, and
10 retaliation in the workplace adversely impacted our reputation and
11 further encouraged platform users to cease use of our offerings. *We*
12 *have been on a new path forward since the hiring of our Chief*
13 *Executive Officer Dara Khosrowshahi in September 2017.*

14 159. While Defendant Kalanick’s philosophy for dealing with the localities where
15 Uber operated and the regulators with purview over Uber’s operations was based on
16 “confrontation,” the “new” Uber stated that its number one cultural norm was now “We do the
17 right thing. Period.” The Offering Documents claim that after 2017 “[i]t is a new day at Uber”
18 and that the Company “made tremendous progress in creating a [compliance] program that is
19 designed to prevent and detect violations of corporate policy, law, and regulations” and was
20 “committed to using a proactive and collaborative approach with regulators.” The Offering
21 Documents stated, in pertinent part, as follows:

22 *We are on a new path forward with the hiring of our Chief*
23 *Executive Officer Dara Khosrowshahi in September 2017*
24 *following many challenges regarding our culture, workplace*
25 *practices, and reputation.... Our leadership team has sought to*
26 *reform our culture fundamentally by improving our governance*
27 *structure, strengthening our compliance program, creating and*
28 *embracing new cultural norms, committing to diversity and*
inclusion and rebuilding our relationship with employees,
Drivers, consumers, and regulators.

* * *

29 *We are committed to building a best-in-class compliance*
30 *program. We have made tremendous progress in creating a*
31 *program that is designed to prevent and detect violations of*
32 *corporate policy, law, and regulations. We continue to enhance*
33 *our compliance and ethics program by conducting top-down risk*
34 *assessments and developing policies and practices customized for*
35 *our growing and evolving global business.*

36 We embrace the future with optimism, and *we work towards our*
mission based on eight cultural norms. Our team came together to
write these norms from the ground up to *reflect who we are* and
where we are going.

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- *We do the right thing. Period.*
- *We build globally, we live locally. We harness the power and scale of our global operations to deeply connect with the cities, communities, drivers, and riders that we serve every day.*
- *We are customer obsessed. We work tirelessly to earn our customers’ trust and business by solving their problems, maximizing their earnings, or lowering their costs. We surprise and delight them. We make short-term sacrifices for a lifetime of loyalty.*

* * *

- *We act like owners. We seek out problems, and we solve them. We help each other and those who matter to us. We have a bias for action and accountability. We finish what we start, and we build Uber to last. And when we make mistakes, we’ll own up to them.*

* * *

We are committed to using a proactive and collaborative approach with regulators. As a result, we are rebuilding and strengthening our relationships with regulators around the world and engaging in an ongoing, constructive dialogue. For example, in Berlin and Munich, we have actively worked with regulators to introduce eco-friendly products, such as dockless e-bikes and our all-electric vehicle product, Uber Green, to help those cities decrease air pollution, reduce urban congestion, and increase access to clean transportation options. *Additionally, in 2018, we partnered with officials in the province of Mendoza, Argentina to design the country’s first ridesharing regulations. We believe that this long-term collaborative approach will enable us to drive positive legislative change and allow people all over the globe to benefit from modern and efficient transportation options.*

* * *

It is a new day at Uber.

160. The Offering Documents told investors that a “foundation of [Uber’s] platform” was “operational excellence” which included using “market-specific knowledge to rapidly launch and sale products in cities” and “build and enhance relationships with cities and regulators.” The Offering Documents stated, in pertinent part: “*Operational excellence. Our regional on-the-ground operations teams use their extensive market-specific knowledge to rapidly launch and scale products in cities*, support Drivers, consumers, restaurants, shippers, and carriers, and *build and enhance relationships with cities and regulators.*”

1 161. The Offering Documents also told investors that “*regional on-the-ground teams*
2 *enable [Uber] to better understand and contribute to communities that[the Company] serves.*”

3 162. The Offering Documents touted that Uber “*celebrate[s] cities*” and that it was
4 “*committed to complementing city infrastructure and collaborating with local leaders and*
5 *communities to provide opportunities for cities to thrive.*”

6 163. The Offering Documents told investors that Uber “*derived 24% of [its] Rideshare*
7 *Gross Bookings from five metropolitan areas*—Los Angeles, New York City, and the San
8 Francisco Bay Area in the United States; *London in the United Kingdom*; and Sao Paulo in
9 Brazil.”

10 164. The Offering Documents claimed that Uber’s growth strategy consisted of the
11 following:

12 ***Key elements of our growth strategy*** include:

- 13 • Increasing Ridesharing penetration in existing markets;
- 14 • Expanding Personal Mobility into new markets;
- 15 • Continuing to invest in and expand Uber Eats;
- 16 • Pursuing targeted investments and acquisitions;
- 17 • Leveraging our platform to launch new products;
- 18 • Increasing Driver and consumer engagement;
- 19 • Continuing to invest in and expand Uber Freight;
- 20 • Continuing to innovate and transform our products to meet
21 platform user needs; and
- 22 • Investing in advanced technologies, including autonomous
23 vehicle technologies.

24 165. The Offering Documents also expanded upon Uber’s “Expanding Personal
25 Mobility into new markets” growth strategy by identifying six locations where Uber did not have
26 “a major presence” due to “current regulations,” and, thus, Uber was waiting to expand there.
27 The Offering Documents stated, in pertinent part, as follows:

28 ***Due to current regulations, our Personal Mobility offering does***
not have a major presence in Argentina, Germany, Italy, Japan,
South Korea, or Spain, which represent an aggregate population
of over 400 million people, 0.8 trillion miles, and \$0.5 trillion of

1 ***potential addressable market opportunity. We intend to expand in***
 2 ***each of these markets as regulations permit and as we introduce***
 3 ***products that conform with local regulations such as taxi***
 4 ***products or livery offerings.*** We believe that the popularity of
 Uber Eats, which is available in Japan, Italy, South Korea, and
 Spain, demonstrates that demand exists in these countries for our
 platform and brand.

5 166. The Offering Documents stated that “[r]egulations that permit or limit [Uber’s]
 6 ability to provide Ridesharing in certain markets impact our financial performance” and touted
 7 that when changes to regulations were made, for example in New York City, the Company made
 8 adjustments to address those changes and that “partnerships with regulators have resulted in
 9 favorable changes, for example in Argentina where Uber “partnered with officials” to design
 10 “ridesharing regulations.” The Offering Documents stated, in pertinent part, as follows:

11 ***Regulation that permit or limit our ability to provide Ridesharing***
 12 ***in certain markets impact our financial performance.*** For
 13 example, in August 2018, New York City instituted a limit on new
 14 vehicle licenses for offerings like ours for one year, and in
 15 February 2019, New York City instituted per-mile and per-minute
 16 rates, designed to target minimum hourly earnings, for drivers
 17 providing for-hire services in New York City, such as those
 18 provided by Drivers on our platform. We are still ***working through***
 19 ***adjustments to be made with respect to rider promotions, driver***
 20 ***supply, and other aspects of our business in response to these***
 21 ***regulations.*** Although these regulations positively impacted our
 22 category position in New York City thus far, the regulations had a
 23 negative impact on our financial performance in New York City in
 24 the first quarter of 2019 and may have a similar adverse impact in
 25 the future. ***In other regions, our partnerships with regulators***
 26 ***have resulted in favorable change.*** In 2018, we partnered with
 27 officials in the province of Mendoza to design the first ridesharing
 28 regulations in Argentina.

20 167. The Offering Documents claimed that “[a] ***commercial license is not required for***
 21 ***Drivers on UberX in most cities.***”

22 168. The Offering Documents stated that the Company was subject to a “variety of
 23 U.S. and foreign laws, rules and regulations” and changes could harm Uber’s business. The
 24 Offering Documents also stated that “[i]n the United States, many state and local laws, rules, and
 25 regulations impose legal restrictions and other requirements on operating our Ridesharing
 26 products, including licensing, insurance, screening, and background check requirements.” In
 27 particular, states had adopted Transportation Network Company (“TNC”) regulations,” which
 28

1 required Uber “to comply with rules regarding, among other things, background checks, vehicle
 2 inspections, accessible vehicles driver and consumer safety, insurance, driver training, driver
 3 conduct, and other similar matters.” The Offering Documents stated, in pertinent part, as follows:

4 We operate in a particularly complex legal and regulatory
 5 environment. ***Our business is subject to a variety of U.S. and
 6 foreign laws, rules, and regulations. We are subject to many U.S.
 7 federal, state, local, and foreign laws and regulations, including
 8 those related to internet activities, privacy, rights of publicity, data
 9 protection, intellectual property, health and safety, competition,
 10 protection of minors, consumer protection, payments,
 11 transportation services, and taxation. These laws and regulations
 12 are constantly evolving and may be interpreted, applied, created,
 13 or amended, in a manner that could harm our business.***

14 * * *

15 ***Our platform, and in particular our Ridesharing products, are
 16 subject to differing, and sometimes conflicting, laws, rules, and
 17 regulations in the numerous jurisdictions in which we operate.
 18 In the United States, many state and local laws, rules, and
 19 regulations impose legal restrictions and other requirements on
 20 operating our Ridesharing products, including licensing,
 21 insurance, screening, and background check requirements.
 22 Outside of the United States, certain jurisdictions have adopted
 23 similar laws, rules, and regulations while other jurisdictions have
 24 not adopted any laws, rules, and regulations which govern our
 25 Ridesharing products. Further, certain jurisdictions, including
 26 Argentina, Germany, Italy, Japan, South Korea, and Spain, the six
 27 countries that we have identified as near-term priorities, have
 28 adopted laws, rules, and regulations banning certain ridesharing
 products or imposing extensive operational restrictions. This
 uncertainty and fragmented regulatory environment creates
 significant complexities for our business and operating model.***

* * *

29 ***At least 43 states in the United States and numerous
 30 municipalities in the United States and around the world have
 31 adopted Transportation Network Company (“TNC”)
 32 regulations. These regulations generally focus on companies that
 33 operate websites or mobile apps that connect individual drivers
 34 with their own vehicles to passengers willing to pay to be driven to
 35 their destinations. These regulations often require TNCs to
 36 comply with rules regarding, among other things, background
 37 checks, vehicle inspections, accessible vehicles, driver and
 38 consumer safety, insurance, driver training, driver conduct, and
 other similar matters.***

169. The Offering Documents informed investors that Uber had integrated values and
 ethical conduct into its culture and that employees were expected “to raise concerns or questions

1 regarding ethics, compliance, workplace culture, discrimination, or harassment, and to promptly
 2 report suspected violations of these and other applicable laws, regulations, rules, policies,
 3 procedures, and standards.” The Offering Documents stated, in pertinent part, as follows:

4 ***Guided by our senior management team, we focus on***
 5 ***empowering individuals by establishing global policies,***
 6 ***programs, and processes that integrate our values, cultural***
 7 ***norms, and standards of conduct into our organization and guide***
 8 ***and support our employees in making decisions that adhere to***
 9 ***our values, cultural norms, and standards of conduct. We aim to***
 10 ***put integrity at the core of all of our decisions.***

11 * * *

12 ***Promoting Integrity***

13 ***At Uber, we want to develop an environment where we hold***
 14 ***ourselves to the highest standards of integrity. We expect***
 15 ***employees to raise concerns or questions regarding ethics,***
 16 ***compliance, workplace culture, discrimination, or harassment,***
 17 ***and to promptly report suspected violations of these and other***
 18 ***applicable laws, regulations, rules, policies, procedures, and***
 19 ***standards, including our Business Conduct Guide.***

20 170. The Offering Documents claimed that Uber operated in jurisdictions where laws
 21 and regulations were “ambiguous” or in Uber’s view “invalid or inapplicable.” In discussing
 22 fines that may be imposed on drivers due to laws and regulations governing Uber’s products and
 23 offerings, the Offering Documents stated that “as a gesture of goodwill” the Company will “pay
 24 the fines on behalf of Drivers” or pay for “Drivers’ defense costs.” The Offering Documents
 25 stated, in pertinent part, as follows:

26 ***In certain jurisdictions, we are subject to national, state, local, or***
 27 ***municipal laws and regulations that are ambiguous in their***
 28 ***application or enforcement or that we believe are invalid or***
 29 ***inapplicable.*** In such jurisdictions, we may be subject to regulatory
 30 fines and proceedings and, in certain cases, may be required to
 31 cease operations altogether if we continue to operate our business
 32 as currently conducted, unless and until such laws and regulations
 33 are reformed to clarify that our business operations are fully
 34 compliant. ***In certain of these jurisdictions, we continue to***
 35 ***provide our products and offerings while we assess the***
 36 ***applicability of these laws and regulations to our products and***
 37 ***offerings or while we seek regulatory or policy changes to***
 38 ***address concerns with respect to our ability to comply with these***
 39 ***laws and regulations.*** Our decision to continue operating in these
 40 instances has come under investigation or has otherwise been
 41 subject to scrutiny by government authorities. Our continuation of
 this practice and other past practices may result in fines or other
 penalties against us and Drivers imposed by local regulators,

1 potentially increasing the risk that our licenses or permits that are
 2 necessary to operate in such jurisdictions will not be renewed.
 3 Such fines and penalties have in the past been, and may in the
 4 future continue to be, imposed solely on Drivers, which may cause
 5 Drivers to stop providing services on our platform. ***In many
 instances, we make the business decision as a gesture of goodwill
 to pay the fines on behalf of Drivers or to pay Drivers' defense
 costs, which, in the aggregate, can be in the millions of dollars.***

6 171. The statements referenced above in ¶¶157-170 concerning, *inter alia*, the “new”
 7 Uber’s business model, practices, and legality, as well as growth strategy, compliance, integrity,
 8 and relationships with government entities, Drivers, and customers, were each false and
 9 misleading statements of material fact when made because they failed to disclose and
 10 misrepresented the following material adverse facts, material adverse trends, material
 11 uncertainties, or significant risks that existed at the time of the IPO, including:

12 (a) Uber was not on a “new path” since 2017 nor was it a “new day at Uber.”
 13 Prior to the IPO, Uber developed and implemented a “playbook” for launching ridesharing in
 14 new cities and countries, which included launching in markets throughout the United States and
 15 abroad (including Tanzania, Greece, Croatia, Indonesia, India, Latin America, Singapore, and
 16 China) where it was not legal to operate peer-to-peer ridesharing. Such illegal operations existed
 17 at the time of the IPO. Uber expected and required employees to have a willingness to evade
 18 rules and laws when necessary, as the Company believed that concepts like “breaking the law”
 19 were not applicable to the Company because relevant and applicable laws were “bullshit in the
 20 first place[;]”

21 (b) Uber did not comply with the rules, regulations, and laws that the Offering
 22 Documents identified as applying to or limiting its operations. Nor was Uber waiting on the
 23 sidelines for their operation to become legal in localities. Rather, the Company launched
 24 regardless of illegality and in contradiction of their stated growth strategy;

25 (c) Rather than “doing the right thing” and building, maintaining,
 26 strengthening, and enhancing relationships with cities and regulators, Uber bribed local officials
 27 in various markets, including Indonesia and Tallahassee, Florida, to secure authorities’
 28 acquiescence to the Company’s illegal operations and favorable provisions in local ordinances

1 that regulate the transportation industry that the Company operates in. Uber’s employees
2 considered bribery of local officials in international jurisdictions to be a necessary evil and a cost
3 of doing business for an American company operating on foreign soil;

4 (d) Uber obstructed investigations into the Company’s operations in various
5 markets, including Colombia, by, among other things, adopting and implementing policies that
6 urged employees to deny regulators’ access to information and Company computers, thereby
7 exposing the Company to hundreds of thousands of dollars’ worth of fines;

8 (e) Drivers were operating without commercial licenses and without
9 commercial vehicle registrations in markets where doing so was illegal or a crime;

10 (f) Uber was not paying fines and tickets for Drivers as a gesture of
11 “goodwill.” Rather, Uber paid millions of dollars to reimburse fines and tickets for Drivers that
12 were caught by police operating without proper commercial licenses or commercial vehicle
13 registrations, because Uber had them operating illegally and needed them to continue doing so.
14 Uber considered the reimbursement of Drivers’ fines and tickets to be a “cost of doing business”
15 and entered such reimbursements under “miscellaneous expenses” on its balance sheet. Uber
16 transmitted messages to its Drivers via emails, text messages, and other means reminding
17 Drivers that Uber would reimburse costs associated with violating the law and providing Drivers
18 with a list of tactics to evade police;

19 (g) Uber failed to comply with local regulations in various markets, including
20 London, England, governing background checks on Drivers, vehicle insurance, and passenger
21 safety; and

22 (h) Rather than making short-term sacrifices for a lifetime of loyalty, Uber
23 misclassified its Drivers as independent contractors rather than as employees in various markets,
24 including New Jersey and California, in order to, among other things, avoid applicable minimum
25 wage and benefit laws as well as unemployment and disability insurance taxes, thereby exposing
26 the Company to hundreds of millions of dollars’ worth of assessments.

1 **2. The Offering Documents Contained Misstatements and Omissions**
2 **About Uber Passenger Safety**

3 172. The Offering Documents repeatedly misrepresented how the Company enhances
4 safety for its passengers from pick up to arrival and failed to disclose that, in furtherance of its
5 growth at any cost business model, Uber ignored rampant, dangerous, and even lethal passenger
6 safety issues across its ridesharing platform, which resulted from the Company's own defective
7 safety policies and practices.

8 173. As noted above, the Offering Documents told investors that the Company was on
9 a "new path" since 2017, the Company's philosophy was "do the right thing," and the Company
10 was "rebuilding [its] relationship with ... customers." When the new Uber "make[s] mistakes,
11 [it] own[s] up to them." According to the Company's new cultural norms Uber "work[s]
12 tirelessly to earn [its] customer's trust" and make[s] short-term sacrifices for a lifetime of
13 loyalty. The Offering Documents stated, in pertinent part, as follows:

14 ***We are customer obsessed. We work tirelessly to earn our***
15 ***customers' trust and business*** by solving their problems,
16 maximizing their earnings, or lowering their costs. We surprise and
17 delight them. ***We make short-term sacrifices for a lifetime of***
18 ***loyalty.***

19 174. The Offering Documents stated that a "foundation of [Uber's] platform" was
20 "product expertise," which included delivering to its customers "safety and trust." The Offering
21 Documents stated, in pertinent part, as follows:

22 ***Product expertise. Our products are built with the expertise that***
23 ***allows us to*** set the standard for powering movement on-demand,
24 provide platform users with a contextual, intuitive interface,
25 continually evolve features and functionality, and ***deliver safety***
26 ***and trust.***

27 175. The Offering Documents expanded upon "safety and trust" by claiming that Uber
28 designs its "products to include robust safety tools for all platform users." The Offering
Documents stated, in pertinent part, as follows:

Safety and trust. We design our products to include robust safety
 tools for all platform users. For example, in 2018, we launched
our Safety Toolkit, which allows both Drivers and consumers to
access a menu of safety features directly from the home screen of
our app. We have a two-way ratings system that enables both
Drivers and consumers to rate each other, which increases
accountability on our platform.

1 176. According to the Offering Documents, Uber’s “goal is to make riding in an Uber
2 a safe transportation option in any city.” The Offering Documents also told investors that they
3 provided customers with a “rapid incident response system” and that the Company was
4 “committed to rapidly responding to any reported safety incident with trained teams available 24
5 hours a day.” The Offering Documents stated, in pertinent part, as follows:

6 ***Safety. Our goal is to make riding in an Uber a safe***
7 ***transportation option in any city. From pick up to arrival, we***
8 ***strive to enable a safe experience for riders by providing***
9 ***transparency, real-time tracking, feedback, and rapid incident***
10 ***response systems.*** When we match a rider with a Driver, the rider
11 sees the Driver’s name, license plate number, photo, and rating
12 before entering the car. Once riders begin their trips, our Safety
13 Toolkit, which is available on the home screen of our app in many
14 cities, enables riders to share estimated times of arrival and routes
15 with friends and family or, where available, to contact emergency
16 response services with the tap of a button. After every trip, riders
17 can rate Drivers and provide anonymous feedback about the ride.
18 ***We receive all rider feedback and are committed to rapidly***
19 ***responding to any reported safety incidents with trained teams***
20 ***available 24 hours a day.***

21 177. The Offering Documents also touted that Uber “record[s] the location of every
22 ride in real time, and [its] team can rapidly respond to safety incidents that are reported to us.”
23 The Offering Documents stated, in pertinent part, as follows:

24 ***Increased safety.*** We are continuously developing new technology
25 tools that aim to improve safety in cities. ***We record the location***
26 ***of every ride in real time, and our team can rapidly respond to***
27 ***safety incidents that are reported to us.... We also build***
28 ***relationships with local officials and law enforcement to promote***
safe cities. For example, we have published procedures to enable
law enforcement to access trip data and other information that may
be critical for solving criminal cases quickly and securely through
our Uber Law Enforcement Portal.

29 178. The Offering Documents stated that “***In 2019, we expect to begin reporting***
30 ***information about safety incidents occurring on or in connection with our platform.***”

31 179. The Offering Documents claimed that safety was “at the heart of the Uber
32 experience.” The Offering Documents stated, in pertinent part, as follows:

33 ***Enhancing safety of Drivers and consumers. With over 150***
34 ***employees focused on building new technologies that put safety***
35 ***at the heart of the Uber experience, and thousands of community***
36 ***operations employees dedicated to ensuring safety on our***
37 ***platform, we are committed to enhancing safety.*** To that end, we
38 have formed a Safety Advisory Board composed of outside

1 experts, added additional safety features to our platform, and have
2 strengthened our background checks in the United States. In
3 December 2018, we introduced our partnership with Crime
4 Stoppers International in a few cities across the United States,
5 Canada, and Latin America to provide Drivers with tools to report
6 criminal activity while keeping their identities anonymous. *We*
7 *strive to promote the safety of our employees, Drivers, and*
8 *consumers.*

9 180. The statements referenced above in ¶¶172-179 concerning, *inter alia*, Uber
10 passenger safety and its policies and practices related to passenger safety were each false and
11 misleading statements of material fact when made because they failed to disclose and
12 misrepresented the following material adverse facts, material adverse trends, material
13 uncertainties, or significant risks that existed at the time of the IPO, including:

14 (a) Rather than delivering safety and trust or making short-term sacrifices for
15 a lifetime of loyalty, Uber hired, trained, and staffed a team of investigators dedicated to the
16 Company's Special Investigations Unit, or SIU, who were coached by the Company to act in the
17 Company's interest first, ahead of passenger safety;

18 (b) Uber was not "rapidly responding" to safety incidents. Rather Uber's SIU
19 maintained a "three-strikes" system to determine whether Uber Drivers or passengers reported
20 for misconduct, violence, and other violations (*e.g.*, sexual misconduct and sexual assault)
21 should be deactivated from Uber's app, but Company executives can and did make exceptions to
22 this three-strikes system in order to, for example, keep high earning Uber Drivers on the road
23 collecting fares;

24 (c) Uber was not working with local officials and law enforcement to promote
25 safe cities. Approximately one-third of cases handled by Uber's SIU investigators dealt with
26 sexual misconduct, including rape or unwanted flirtation or advances, yet Uber's SIU
27 investigators were forbidden from routing allegations to police or advising victims to seek legal
28 counsel or make their own police reports, even when SIU investigators received confessions of
29 felonies. Investigators could be reprimanded or fired for contacting the police or advising victims
30 to do so;

1 (d) Uber did not require SIU investigators to have any prior experience
2 conducting investigations or handling safety calls or insurance claims;

3 (e) Uber sought to settle lawsuits related to sexual assaults and other criminal
4 activity (during rides hailed on the Uber Rides app) quickly in order to avoid the scrutiny and
5 negative publicity that may result from open court;

6 (f) Uber breached Transport for London (“TfL” or “London TfL,” London,
7 England’s transportation authority) regulations by failing to address issues with checks on
8 Drivers, insurance, and safety, and a security lapse resulted in at least 14,000 trips involving 43
9 Uber Drivers where someone other than the booked Driver picked up passengers;

10 (g) Uber’s breaches of London TfL regulations resulted in Uber’s customers
11 taking trips with dismissed or suspended Drivers whose licenses had been revoked and at least
12 one Driver whose private hire license had been revoked after he was cautioned for distributing
13 indecent images of children;

14 (h) Prior to the Offering, Uber received reports of 97 fatal crashes, 19 fatal
15 physical assaults, and 5,981 sexual assaults—including non-consensual sexual penetration—in
16 the United States that occurred during 2017 and 2018;

17 (i) Prior to the Offering, Uber received reports of 2,936 and 3,045 sexual
18 assaults in 2017 and 2018, respectively, or an average of eight sexual assaults per day. 75% of
19 reporting parties for non-consensual kissing of a sexual body part were passengers, and 72% of
20 reporting parties for non-consensual sexual penetration were passengers, throughout both 2017
21 and 2018; and

22 (j) Uber charged its customers a purported “Safe Rides Fee” that—contrary to
23 what the Company told its customers—was neither earmarked specifically for safety nor
24 dedicated to industry-leading background checks, regulator motor vehicle checks, Driver safety
25 education, development of safety features in Uber’s app, or insurance, but rather was devised
26 primarily to add about \$1 of pure margin to each trip.

27
28

1 **3. The Offering Documents Contained Misstatements and Omissions**
2 **About Uber’s Financial Condition**

3 181. Throughout the Offering Documents, Uber repeatedly touts the Company’s
4 unparalleled and rapid growth and scale, while failing to disclose that the Company’s growth at
5 any cost business model was defective, Uber had sustained—and would continue to sustain—
6 massive losses and deteriorating growth, and the Company planned to mitigate its ongoing losses
7 by cutting costs in fundamental areas of its business that would further hinder growth.

8 182. The Offering Documents touted to investors that, “[w]hile we have had
9 *unparalleled growth at scale, we are just getting started: only 2% of the population in the 63*
10 *countries where we operate used our offerings in the quarter ended December 31, 2018, based*
11 *on MAPCs.*”

12 183. The Offering Documents explained that the Company’s rapid growth
13 demonstrated the size of Uber’s opportunity. The Offering Documents stated, in pertinent part, as
14 follows:

15 ***The rapid growth and scale of our Ridesharing products, which***
16 ***to date have accounted for virtually all of our Personal Mobility***
17 ***offering, demonstrates the size of our opportunity:***

- 18 • Revenue derived from our Ridesharing products grew from
19 \$3.5 billion in 2016 to \$9.2 billion in 2018.
- 20 • Gross Bookings derived from our Ridesharing products grew
21 from \$18.8 billion in 2016 to \$41.5 billion in 2018.
- 22 • Consumers traveled approximately 26 billion miles on our
23 platform in 2018.

24 We believe that *Personal Mobility represents a vast, rapidly*
25 ***growing, and underpenetrated market opportunity.***

26 184. The Offering Documents touted the value of Uber’s “driver incentives” as driving
27 its ability to grow, and specifically that Uber “*offer[s] a variety of Driver incentives to*
28 *encourage Driver activity on [Uber’s] platform, which consequently allows[it] s to attract and*
engage consumers on [the] platform.”

 185. The Offering Documents told investors, under the title “*Increasing scale,*
creating category leadership and a margin advantage” that Uber would “*continue to use*

1 *Driver incentives and consumer discounts and promotions to grow our business relative to*
 2 *lower-priced alternatives, such as personal vehicle ownership, and to maintain balance*
 3 *between Driver supply and customer demand.”*

4 186. Likewise, the Offering Documents told investors that Uber would continue to
 5 invest in its offerings to “fuel multiple virtuous cycles of growth.” The Offering Documents
 6 stated, in pertinent part, as follows: “*We intend to continue to invest in new platform offerings*
 7 *that we believe will further strengthen our platform and existing offerings and fuel multiple*
 8 *virtuous cycles of growth.”*

9 187. The Offering Documents touted that Uber expected “MAPC growth to continue”
 10 and that the Company would “continue to use incentives, discounts, and promotions ... to grow
 11 these categories and to acquire, engage, and retain MAPCs. The Offering Documents stated, in
 12 pertinent part, as follows:

13 ***MAPCs.***

14 ***Changes in MAPCs are a key factor driving our Gross Bookings. We expect MAPC growth to continue as consumer adoption of***
 15 ***our Personal Mobility and Uber Eats offerings increases, and we***
 16 ***plan to continue to use incentives, discounts, and promotions, as***
 17 ***well as restaurant expansion, to grow these categories and to***
 18 ***acquire, engage, and retain MAPCs.*** These incentives and
 19 promotions may include new consumer referral programs and
 20 coupons for reduced fares on our Ridesharing products or Uber
 21 Eats offering. We believe that new product launches, including the
 22 expansion of existing products into new cities, will grow MAPCs
 23 by addressing more use cases and by increasing MAPC retention.
 24 Over time, we expect to continue to expand into geographies
 25 where we do not currently have scaled presence, including in the
 26 six key countries where our current presence is limited as a result
 27 of the regulatory environments: Argentina, Germany, Italy, Japan,
 28 South Korea, and Spain.

The Offering Documents touted to investors that “[o]n a quarterly basis, our revenue
 increased for all quarters presented as a result of increases in Gross Bookings. ***The increase in***
Gross Bookings was primarily driven by an increase in Trips due to the growth of our MAPCs
as we continue to expand the reach of our platform.”

188. The Offering Documents told investors that Uber would “continue to offer
 significant Driver incentives and consumer discounts and promotions” in order to “remain

1 competitive” and “generate network scale and liquidity.” The Offering Documents stated, in
 2 pertinent part, as follows:

3 ***To remain competitive in certain markets and generate network***
 4 ***scale and liquidity, we have in the past lowered, and expect in the***
 5 ***future to continue to lower, fares of service fees, and we have***
 6 ***offered and expect to continue to offer significant Driver***
 7 ***incentives and consumer discounts and promotions.***

8 189. The statements referenced above in ¶¶181-188 concerning, *inter alia*, Uber’s
 9 financial condition were each false and misleading statements of material fact when made
 10 because they failed to disclose and misrepresented the following material adverse facts, material
 11 adverse trends, material uncertainties, or significant risks that existed at the time of the IPO,
 12 including:

13 (a) At the time of the Offering, Uber’s growth strategy was failing and, as a
 14 result, the Company was in the process of dissolving its COO and CMO positions and planning
 15 to terminate one-third of its marketing team, or about 400 employees;

16 (b) At the time of the Offering, Uber planned to terminate approximately 350
 17 employees across the Company’s Uber Eats, performance marketing, Advanced Technologies
 18 Group, recruiting, and global rides and platform departments;

19 (c) Prior to the Offering, Uber ramped up incentives spending with few limits
 20 and little discretion, including by giving city managers the latitude to spend millions of dollars in
 21 Driver and rider incentives based on little more than a hunch and data from their personal
 22 spreadsheets;

23 (d) At the time of the Offering, Uber was in the processing of sustaining more
 24 than a \$5 billion loss and the slowest quarterly revenue growth, and slowed Uber Rides quarterly
 25 revenue growth, in the Company’s history during Q2 2019;

26 (e) At the time of the Offering, Uber was in the process of sustaining the
 27 slowest quarterly Trips and MAPCs growth in the Company’s history during Q2 2019; and

28 (f) At the time of the Offering, Uber was in the process of incurring total
 costs and expenses that had doubled or even tripled, depending on whether cost of revenue and
 depreciation and amortization (“D&A”) are factored in, during Q2 2019.

1 **4. The Offering Documents Failed to Disclose and Misrepresented**
 2 **Significant Risks That Made the Offering More Speculative and Risky**

3 190. The Offering Documents contained materially misleading risk factors that failed
 4 to warn of the significant risks posed by Uber’s undisclosed and unsustainable growth at any cost
 5 business model. Specifically, the Offering Documents contained materially misleading risk
 6 factors that purported to warn of various risks related to Uber’s (i) business model, (ii) passenger
 7 safety, and (iii) financial condition that “may” adversely affect the Company, while failing to
 8 disclose that these very “risks” had materialized prior to and at the time of the Offering.

9 **(a) Materially Misleading Business Model Risk Factors**

10 191. The Offering Documents inaccurately described as *potential*, certain risks
 11 associated with the Company’s “forward-leading approach,” which “*may*” have adverse impacts
 12 on Uber’s business, financial condition, operating results and prospects, rather than disclosing
 13 the actual events and trends or uncertainties that had already manifested. The Offering
 14 Documents stated, in pertinent part, as follows:

15 ***Our workplace culture and forward-leaning approach created***
 16 ***operational, compliance, and cultural challenges, and a failure***
 17 ***to address these challenges would adversely impact our business,***
 18 ***financial condition, operating results, and prospects.***

19 ***Our workplace culture and forward-leaning approach created***
 20 ***significant operational and cultural challenges that have in the***
 21 ***past harmed, and may in the future continue to harm, our***
 22 ***business results and financial condition.*** Our focus on aggressive
 23 growth and intense competition, and our prior failure to prioritize
 24 compliance, has led to increased regulatory scrutiny globally.
 25 ***Recent changes in our company’s cultural norms and***
 26 ***composition of our leadership team, together with our ongoing***
 27 ***commitment to address and resolve our historical cultural and***
 28 ***compliance problems and promote transparency and***
 29 ***collaboration, may not be successful, and regulators may***
 30 ***continue to perceive us negatively, which would adversely impact***
 31 ***our business, financial condition, operating results, and***
 32 ***prospects.***

33 192. The Offering Documents inaccurately described as *potential*, certain risks
 34 associated with the Company being blocked or limited in operating in certain jurisdiction, which
 35 “*may*” have adverse impacts on Uber’s business, financial condition, and growth, rather than

1 disclosing the actual events and trends or uncertainties that had already manifested. The Offering
 2 Documents stated, in pertinent part, as follows:

3 ***We may continue to be blocked from or limited in providing or***
 4 ***operating our products and offerings in certain jurisdictions, and***
 5 ***may be required to modify our business model in those***
 6 ***jurisdictions as a result.***

7 ***In certain jurisdictions, including key markets such as***
 8 ***Argentina, Germany, Italy, Japan, South Korea, and Spain, our***
 9 ***ridesharing business model has been blocked, capped, or***
 10 ***suspended, or we have been required to change our business***
 11 ***model, due primarily to laws and significant regulatory***
 12 ***restrictions in such jurisdictions.*** In some cases, we have applied
 13 for and obtained licenses or permits to operate and must continue
 14 to comply with the license or permit requirements or risk
 15 revocation. In addition, we may not be able to maintain or renew
 16 any such license or permit. For example, [TfL] announced in
 17 September 2017 that it would not renew our license to operate in
 18 London because it determined that we were not fit and proper to
 19 hold an operator's license. We appealed this decision and in June
 20 2018, we were granted a license to operate in London on a 15-
 21 month term (instead of the usual five-year term). ***If we are not***
 22 ***successful in complying with the terms of the 15-month license***
 23 ***and, as a result, it is terminated or not renewed, we would likely***
 24 ***appeal any such decision as we did in 2017. Any inability to***
 25 ***operate in London, as well as the publicity concerning any such***
 26 ***termination or non-renewal, would adversely affect our business,***
 27 ***revenue, and operating results. We cannot predict whether the***
 28 ***TfL decision, or future regulatory decisions or legislation in***
other jurisdictions, may embolden or encourage other authorities
to take similar actions even where we are operating according to
the terms of an existing license or permit.

19 * * *

20 ***In certain jurisdictions, we are subject to national, state, local, or***
 21 ***municipal laws and regulations that are ambiguous in their***
 22 ***application or enforcement or that we believe are invalid or***
 23 ***inapplicable. In such jurisdictions, we may be subject to***
 24 ***regulatory fines and proceedings and, in certain cases, may be***
 25 ***required to cease operations altogether if we continue to operate***
 26 ***our business as currently conducted, unless and until such laws***
 27 ***and regulations are reformed to clarify that our business***
 28 ***operations are fully compliant.*** In certain of these jurisdictions, we
 continue to provide our products and offerings while we assess the
 applicability of these laws and regulations to our products and
 offerings or while we seek regulatory or policy changes to address
 concerns with respect to our ability to comply with these laws and
 regulations. Our decision to continue operating in these instances
 has come under investigation or has otherwise been subject to
 scrutiny by government authorities. ***Our continuation of this***
practice and other past practices may result in fines or other
penalties against us and Drivers imposed by local regulators,
potentially increasing the risk that our licenses or permits that

1 *are necessary to operate in such jurisdictions will not be*
 2 *renewed. Such fines and penalties have in the past been, and may*
 3 *in the future continue to be, imposed solely on Drivers, which*
 4 *may cause Drivers to stop providing services on our platform.* In
 5 many instances, we make the business decision as a gesture of
 6 goodwill to pay the fines on behalf of Drivers or to pay Drivers’
 7 defense costs, which, in the aggregate, can be in the millions of
 8 dollars. *Furthermore, such business practices may also result in*
 9 *negative press coverage, which may discourage Drivers and*
 10 *consumers from using our platform and could adversely affect*
 11 *our revenue. In addition, we face regulatory obstacles, including*
 12 *those lobbied for by our competitors or from local governments*
 13 *globally, that have favored and may continue to favor local or*
 14 *incumbent competitors, including obstacles for potential Drivers*
 15 *seeking to obtain required licenses or vehicle certifications.* We
 16 have incurred, and expect that we will continue to incur, significant
 17 costs in defending our right to operate in accordance with our
 18 business model in many jurisdictions. *To the extent that efforts to*
 19 *block or limit our operations are successful, or we or Drivers are*
 20 *required to comply with regulatory and other requirements*
 21 *applicable to taxicab and car services, our revenue and growth*
 22 *would be adversely affected.*

23 193. The Offering Documents inaccurately described as *potential*, certain risks
 24 associated with laws and regulations, which “*may*” have adverse impacts on Uber’s business,
 25 financial condition, operating results, and prospects, rather than disclosing the actual events and
 26 trends or uncertainties that had already manifested. The Offering Documents stated, in pertinent
 27 part, as follows:

28 *Our business is subject to numerous legal and regulatory risks*
 29 *that could have an adverse impact on our business and future*
 30 *prospects.*

31 *Our platform is available in over 700 cities across 63 countries.*
 32 *We are subject to differing, and sometimes conflicting, laws and*
 33 *regulations in the various jurisdictions in which we provide our*
 34 *offerings. A large number of proposals are before various*
 35 *national, regional, and local legislative bodies and regulatory*
 36 *entities, both within the United States and in foreign*
 37 *jurisdictions, regarding issues related to our business model.*
 38 *Certain proposals, if adopted, could significantly and materially*
 39 *harm our business, financial condition, and operating results by*
 40 *restricting or limiting how we operate our business, increasing*
 41 *our operating costs, and decreasing our number of platform*
 42 *users.* We cannot predict whether or when such proposals may be
 43 adopted.

44 *Further, existing or new laws and regulations could expose us to*
 45 *substantial liability, including significant expenses necessary to*
 46 *comply with such laws and regulations, and could dampen the*
 47 *growth and usage of our platform.* For example, as we expand our
 48 offerings in new areas, such as non-emergency medical

1 transportation, we may be subject to additional healthcare-related
 2 federal and state laws and regulations. ***Additionally, because our***
 3 ***offerings are frequently first-to-market in the jurisdictions in***
 4 ***which we operate, several local jurisdictions have passed, and we***
 5 ***expect additional jurisdictions to pass, laws and regulations that***
 6 ***limit or block our ability to offer our products to Drivers and***
 7 ***consumers in those jurisdictions, thereby impeding overall use of***
 8 ***our platform.*** We are actively challenging some of these laws and
 9 regulations and are lobbying other jurisdictions to oppose similar
 10 restrictions on our business, especially our ridesharing services.

11 * * *

12 In addition, we are currently involved in litigation in a number of
 13 the jurisdictions in which we operate. We initiated some of these
 14 legal challenges to contest the application of certain laws and
 15 regulations to our business. Others have been brought by taxicab
 16 owners, local regulators, local law enforcement, and platform
 17 users, including Drivers and consumers. These include individual,
 18 multiple plaintiff, and putative class and class action claims for
 19 alleged violation of laws related to, among other things,
 20 transportation, competition, advertising, consumer protection, fee
 21 calculations, personal injuries, privacy, intellectual property,
 22 product liability, discrimination, safety, and employment. ***These***
 23 ***legislative and regulatory proceedings, allegations, and lawsuits***
 24 ***are expensive and time consuming to defend, and, if resolved***
 25 ***adversely to us, could result in financial damages or penalties,***
 26 ***including criminal penalties, incarceration, and sanctions for***
 27 ***individuals employed by us or parties with whom we contract,***
 28 ***which could harm our ability to operate our business as planned***
in one or more of the jurisdictions in which we operate, which
could adversely affect our business, revenue, and operating
results.

194. The Offering Documents inaccurately described as ***potential***, certain risks
 associated inquiries, investigations, and requests for information directed at Uber which “***may***”
 have adverse impacts on Uber’s business, reputation, and financial condition, rather than
 disclosing the actual events and trends or uncertainties that had already manifested. The Offering
 Documents stated, in pertinent part, as follows:

We currently are subject to a number of inquiries, investigations,
and requests for information from the DOJ and other U.S. and
foreign government agencies, the adverse outcomes of which
could harm our business.

We are the subject of DOJ criminal inquiries and investigations, as
 well as related civil enforcement inquiries and investigations by
 other government agencies in the United States and abroad. Those
 inquiries and investigations cover a broad range of matters.... We
 are also subject to inquiries and or investigations by various
 government authorities related to, among other matters, the use of
 a tool to limit the vehicle views available to regulatory

1 enforcement authorities (known as Greyball), alleged deceptive
 2 business practices and fraud, the use of alleged inappropriate
 3 means to obtain a rape victim's medical records, and our
 4 disclosures to certain investors. ***Investigations and enforcement
 actions from such entities, as well as continued negative publicity
 and an erosion of current and prospective platform users' trust,
 could severely disrupt our business.***

5 * * *

6 These government inquiries and investigations are time-consuming
 7 and require a great deal of financial resources and attention from
 8 us and our senior management. ***If any of these matters are
 resolved adversely to us, we may be subject to additional fines,
 penalties, and other sanctions, and could be forced to change our
 business practices substantially in the relevant jurisdictions. Any
 9 such determinations could also result in significant adverse
 publicity or additional reputational harm, and could result in or
 10 complicate other inquiries, investigations, or lawsuits from other
 regulators in future merger control or conduct investigations.
 11 Any of these developments could result in material financial
 damages, operational restrictions, and harm our business.***

12 195. The Offering Documents inaccurately described as ***potential***, certain risks
 13 associated with licensing requirements for Uber's Drivers," which "***may***" have adverse impacts
 14 on Uber's business, growth, and prospects, rather than disclosing the actual events and trends or
 15 uncertainties that had already manifested. The Offering Documents stated, in pertinent part, as
 16 follows:

17 ***Drivers may become subject to increased licensing requirements,
 18 and we may be required to obtain additional licenses or cap the
 number of Drivers using our platform.***

19 ***Many Drivers currently are not required to obtain a commercial
 20 taxi or livery license in their respective jurisdictions. However,
 numerous jurisdictions in which we operate have conducted
 21 investigations or taken action to enforce existing licensing rules,
 including markets within Latin America and the Asia-Pacific
 22 region, and many others, including countries in Europe, the Middle
 East, and Africa, have adopted or proposed new laws or
 23 regulations that require Drivers to be licensed with local authorities
 or require us or our subsidiaries to be licensed as a transportation
 24 company. Local regulations requiring the licensing of us or
 Drivers may adversely affect our ability to scale our business and
 25 operations.***

26 196. The Offering Documents inaccurately described as ***potential***, certain other risk
 27 associated with Uber's classification of Drivers as independent contractors, which "***could***" have
 28 an adverse effect on its business and financial condition, rather than disclosing the actual events

1 and trends or uncertainties that had already manifest. The Offering Documents stated, in
 2 pertinent part, as follows:

3 ***Our business would be adversely affected if Drivers were***
 4 ***classified as employees instead of independent contractors.***

5 The independent contractor status of Drivers is currently being
 6 challenged in courts and by government agencies in the United
 7 States and abroad. We are involved in numerous legal proceedings
 8 globally, including putative class and collective class action
 9 lawsuits, demands for arbitration, charges and claims before
 10 administrative agencies, and investigations or audits by labor,
 11 social security, and tax authorities that claim that Drivers should be
 12 treated as our employees (or as workers or quasi-employees where
 13 those statuses exist), rather than as independent contractors. ***We***
 14 ***believe that Drivers are independent contractors because, among***
 15 ***other things, they can choose whether, when, and where to***
 16 ***provide services on our platform, are free to provide services on***
 17 ***our competitors' platforms, and provide a vehicle to perform***
 18 ***services on our platform. Nevertheless, we may not be successful***
 19 ***in defending the independent contractor status of Drivers in***
 20 ***some or all jurisdictions. Furthermore, the costs associated with***
 21 ***defending, settling, or resolving pending and future lawsuits***
 22 ***(including demands for arbitration) relating to the independent***
 23 ***contractor status of Drivers could be material to our business.***

14 * * *

15 ***Changes to foreign, state, and local laws governing the definition***
 16 ***or classification of independent contractors, or judicial decisions***
 17 ***regarding independent contractor classification, could require***
 18 ***classification of Drivers as employees (or workers or quasi-***
 19 ***employees where those statuses exist). Examples of recent***
 20 ***judicial decisions relating to independent contractor***
 21 ***classification include the California Supreme Court's recent***
 22 ***decision in Dynamex Operations West, Inc. v. Superior Court ,***
 23 ***which established a new standard for determining employee or***
 24 ***independent contractor status in the context of California wage***
 25 ***orders, the Aslam, Farrar, Hoy and Mithu v. Uber BV, et al .***
 26 ***ruling by the Employment Appeal Tribunal in the United Kingdom***
 27 ***that found that Drivers are workers (rather than self-employed),***
 28 ***and a decision by the French Supreme Court that a driver for a***
third-party meal delivery service was under a "subordinate
relationship" of the service, indicating an employment relationship.
In Razak v. Uber Technologies, Inc. , the Third Circuit Court of
Appeals is reviewing misclassification claims by UberBLACK
Drivers in Philadelphia following a summary judgment order in
our favor at the district court level, and we expect a decision in the
near term. If, as a result of legislation or judicial decisions, we
are required to classify Drivers as employees (or as workers or
quasi-employees where those statuses exist), we would incur
significant additional expenses for compensating Drivers,
potentially including expenses associated with the application of
wage and hour laws (including minimum wage, overtime, and
meal and rest period requirements), employee benefits, social

1 ***security contributions, taxes, and penalties. Further, any such***
2 ***reclassification would require us to fundamentally change our***
3 ***business model, and consequently have an adverse effect on our***
4 ***business and financial condition.***

5 197. The statements referenced above in ¶¶191-196 were each inaccurate statements of
6 material fact when made because while noting only the potential negative impacts on Uber’s
7 business, financial condition, and results of operations, the Offering Documents failed to disclose
8 and misrepresented the following significant, then-existing material events and adverse trends or
9 uncertainties that Uber had already been facing at the time of the IPO, including:

10 (a) Uber was not on a “new path” since 2017 nor was it a “new day at Uber.”
11 Prior to the IPO, Uber developed and implemented a “playbook” for launching ridesharing in
12 new cities and countries, which included launching in markets throughout the United States and
13 abroad (including Tanzania, India, Latin America, Singapore, and China) where it was not legal
14 to operate peer-to-peer ridesharing. Such illegal operations existed at the time of the IPO. Uber
15 expected and required employees to have a willingness to evade rules and laws when necessary,
16 as the Company believed that concepts like “breaking the law” were not applicable to the
17 Company because relevant and applicable laws were “bullshit in the first place[;]”

18 (b) Uber was not waiting on the sidelines for their operation to become legal
19 in localities; rather they launched regardless of illegality and in contradiction of their stated
20 growth strategy;

21 (c) Rather than “doing the right thing” and building, strengthening, and
22 enhancing relationships with cities and regulators, Uber bribed local officials in various markets,
23 including Indonesia and Tallahassee, Florida, to secure authorities’ acquiescence to the
24 Company’s illegal operations and favorable provisions in local ordinances that regulate the
25 transportation industry that the Company operates in. Uber’s employees considered bribery of
26 local officials in international jurisdictions to be a necessary evil and a cost of doing business for
27 an American company operating on foreign soil;

28 (d) Uber did not comply with the rules, regulations, and laws that the Offering
Documents identified as applying to or limiting its operations;

1 (e) Uber obstructed investigations into the Company's operations in various
2 markets, including Colombia, by, among other things, adopting and implementing policies that
3 urged employees to deny regulators' access to information and Company computers, thereby
4 exposing the Company to hundreds of thousands of dollars' worth of fines;

5 (f) Drivers were operating without commercial licenses and without
6 commercial vehicle registrations in markets where doing so was illegal or a crime;

7 (g) Uber was not paying fines and tickets for Drivers as a gesture of
8 "goodwill." Rather, Uber paid millions of dollars to reimburse fines and tickets for Drivers that
9 were caught by police operating without proper commercial licenses or commercial vehicle
10 registrations, because Uber had them operating illegally and needed them to continue doing so.
11 Uber considered the reimbursement of Drivers' fines and tickets to be a "cost of doing business"
12 and entered such reimbursements under "miscellaneous expenses" on its balance sheet. Uber
13 transmitted messages to its Drivers via emails, text messages, and other means reminding
14 Drivers that Uber would reimburse costs associated with violating the law and providing Drivers
15 with a list of tactics to evade police;

16 (h) Uber failed to comply with local regulations in various markets, including
17 London, England, governing background checks on Drivers, vehicle insurance, and passenger
18 safety; and

19 (i) Rather than making short-term sacrifices for a lifetime of loyalty, Uber
20 misclassified its Drivers as independent contractors rather than as employees in various markets,
21 including New Jersey and California, in order to, among other things, avoid applicable minimum
22 wage and benefit laws as well as unemployment and disability insurance taxes, thereby exposing
23 the Company to hundreds of millions of dollars' worth of assessments.

24 **(b) Materially Misleading Passenger Safety Risk Factors**

25 198. The Offering Documents inaccurately described as *potential*, certain risks
26 associated with dissatisfaction with Uber, negative publicity, safety incidents, and the
27 Company's culture, which "*could*" have an adverse effect on Uber's ability attract and retain
28 platform users or cause the business to "suffer," rather than disclosing the actual events and

1 trends or uncertainties that had already manifested. The Offering Documents stated, in pertinent
2 part, as follows:

3 Our number of *platform users may decline materially or fluctuate*
4 *as a result of many factors, including*, among other things,
5 *dissatisfaction with the operation of our platform*, the price of
6 fares, meals, and shipments (including a reduction in incentives),
7 *dissatisfaction with the quality of service provided by the Drivers*
8 and restaurants on our platform, *quality of platform user support*,
9 dissatisfaction with the restaurant selection on Uber Eats, *negative*
10 *publicity related to our brand, including as a result of safety*
11 *incidents and corporate reporting related to safety*, perceived
12 political or geopolitical affiliations, treatment of Drivers,
13 perception of a toxic work culture, *perception that our culture has*
14 *not fundamentally changed*, or dissatisfaction with our products
and offerings in general.... In addition, *if we are unable to provide*
high-quality support to platform users or respond to reported
incidents, including safety incidents, in a timely and acceptable
manner, our ability to attract and retain platform users could be
adversely affected. If Drivers, consumers, restaurants, shippers,
and carriers do not establish or maintain active accounts with us, if
a campaign similar to #DeleteUber occurs, *if we fail to provide*
high-quality support, or if we cannot otherwise attract and retain a
large number of Drivers, consumers, restaurants, shippers, and
carriers, *our revenue would decline, and our business would*
suffer.

15 199. The Offering Documents inaccurately described as *potential*, certain risk
16 associated with Uber’s background-check requirements and legislators and regulators passing
17 laws or adopting regulations, which “*may*” have an adverse effect on its business, costs, and
18 growth, rather than disclosing the actual events and trends or uncertainties that had already
19 manifested. The Offering Documents stated, in pertinent part, as follows:

20 *[C]hanges in Driver qualification and background-check*
21 *requirements may increase our costs and reduce our ability to*
22 *onboard additional Drivers to our platform. Our Driver*
23 *qualification and background check process varies by*
24 *jurisdiction, and there have been allegations, including from*
25 *regulators, legislators, prosecutors, taxicab owners, and*
26 *consumers, that our background check process is insufficient or*
27 *inadequate.... Legislators and regulators may pass laws or adopt*
28 *regulations in the future requiring Drivers to undergo a*
materially different type of qualification, screening, or
background check process, or that limit our ability to access
information used in the background check process in an efficient
manner, *which could be costly and time-consuming. Required*
changes in the qualification, screening, and background check
process ... could also reduce the number of Drivers in those
markets or extend the time required to recruit new Drivers to our
platform, which would adversely impact our business and
growth.

1 200. The Offering Documents inaccurately described as *potential*, certain risks
 2 associated with Uber maintaining and enhancing its brand and reputation as well as sexual
 3 assaults and other safety incidents, which “*may*” have adverse impacts on Uber’s business,
 4 brand, financial condition, operating results, and prospects, rather than disclosing the actual
 5 events and trends or uncertainties that had already manifested. The Offering Documents stated,
 6 in pertinent part, as follows:

7 ***Maintaining and enhancing our brand and reputation is critical***
 8 ***to our business prospects. We have previously received***
 9 ***significant media coverage and negative publicity, particularly in***
 10 ***2017, regarding our brand and reputation, and failure to***
 11 ***rehabilitate our brand and reputation will cause our business to***
 12 ***suffer.***

13 We have previously received a high degree of negative media
 14 coverage around the world, which has adversely affected our brand
 15 and reputation and fueled distrust of our company. In 2017, the
 16 #DeleteUber campaign prompted hundreds of thousands of
 17 consumers to stop using our platform within days. Subsequently,
 18 our reputation was further harmed when an employee published a
 19 blog post alleging, among other things, that we had a toxic culture
 20 and that certain sexual harassment and discriminatory practices
 21 occurred in our workplace. Shortly thereafter, we had a number of
 22 highly publicized events and allegations, including investigations
 23 related to a software tool allegedly designed to evade and deceive
 24 authorities, a high-profile lawsuit filed against us by Waymo, and
 25 our disclosure of a data security breach. These events and the
 26 public response to such events, as well as other negative publicity
 27 we have faced in recent years, have adversely affected our brand
 28 and reputation, which makes it difficult for us to attract and retain
 platform users, reduces confidence in and use of our products and
 offerings, invites legislative and regulatory scrutiny, and results in
 litigation and governmental investigations. Concurrently with and
 after these events, our competitors raised additional capital,
 increased their investments in certain markets, and improved their
 category positions and market shares, and may continue to do so.

22 ***In 2019, we plan to release a transparency report, which will***
 23 ***provide the public with data related to reports of sexual assaults***
 24 ***and other safety incidents claimed to have occurred on our***
 25 ***platform in the United States. The public responses to this***
 26 ***transparency report or similar public reporting of safety***
 27 ***incidents claimed to have occurred on our platform, which may***
 28 ***include disclosure of reports provided to regulators, may result in***
 negative media coverage and increased regulatory scrutiny and
 could adversely affect our reputation with platform users.
 Further unfavorable media coverage and negative publicity
 could adversely impact our financial results and future prospects.

* * *

1 ***Our brand and reputation might also be harmed by events***
 2 ***outside of our control.... [I]f Drivers, restaurants, or carriers***
 3 ***provide diminished quality of service, are involved in incidents***
 4 ***regarding safety or privacy, engage in malfeasance, or otherwise***
 5 ***violate the law, we may receive unfavorable press coverage and***
 6 ***our reputation and business may be harmed. As a result, any of***
 7 ***these third parties could take actions that result in harm to our***
 8 ***brand, reputation, and consequently our business.***

9 While we have taken significant steps to rehabilitate our brand and
 10 reputation, the successful rehabilitation of our brand will depend
 11 largely on maintaining a good reputation, minimizing the number
 12 of safety incidents, improving our culture and workplace practices,
 13 improving our compliance programs, maintaining a high quality of
 14 service and ethical behavior, and continuing our marketing and
 15 public relations efforts. ***Our brand promotion, reputation***
 16 ***building, and media strategies have involved significant costs and***
 17 ***may not be successful.*** We anticipate that other competitors and
 18 potential competitors will expand their offerings, which will make
 19 maintaining and enhancing our reputation and brand increasingly
 20 more difficult and expensive. ***If we fail to successfully rehabilitate***
 21 ***our brand in the current or future competitive environment or if***
 22 ***events similar to those that occurred in 2017 occur in the future,***
 23 ***our brand and reputation would be further damaged and our***
 24 ***business may suffer.***

25 201. The Offering Documents inaccurately described as ***potential***, certain risks
 26 associated with Uber's ability to provide a safe environment to customers, background checks on
 27 Drivers, Driver criminal activity, misconduct, and inappropriate conduct, and sexual assaults,
 28 which "***may***" have an adverse impact on Uber's reputation, business, financial condition, and
 operating results, rather than disclosing the actual events and trends or uncertainties that had
 already manifested. The Offering Documents stated, in pertinent part, that:

29 ***If platform users engage in, or are subject to, criminal, violent,***
 30 ***inappropriate, or dangerous activity that results in major safety***
 31 ***incidents, our ability to attract and retain Drivers, consumers,***
 32 ***restaurants, shippers, and carriers may be harmed, which could***
 33 ***have an adverse impact on our reputation, business, financial***
 34 ***condition, and operating results.***

35 ***We are not able to control or predict the actions of platform users***
 36 ***and third parties, either during their use of our platform or***
 37 ***otherwise, and we may be unable to protect or provide a safe***
 38 ***environment for Drivers and consumers as a result of certain***
 39 ***actions by Drivers, consumers, restaurants, carriers, and third***
 40 ***parties. Such actions may result in injuries, property damage, or***
 41 ***loss of life for consumers and third parties, or business***
 42 ***interruption, brand and reputational damage, or significant***
 43 ***liabilities for us. Although we administer certain qualification***
 44 ***processes for users of the platform, including background checks***
 45 ***on Drivers through third-party service providers, these***

1 **qualification processes and background checks may not expose**
 2 **all potentially relevant information and are limited in certain**
 3 **jurisdictions according to national and local laws, and our third-**
 4 **party service providers may fail to conduct such background**
 5 **checks adequately or disclose information that could be relevant**
 6 **to a determination of eligibility.** Further, the qualification and
 7 background check standards for Uber Eats Drivers are generally
 8 less extensive than those conducted for Ridesharing Drivers. In
 9 addition, we do not independently test Drivers' driving skills.
 10 Consequently, we expect to continue to receive complaints from
 11 riders and other consumers, as well as actual or threatened legal
 12 action against us related to Driver conduct. We have also faced
 13 civil litigation alleging, among other things, inadequate Driver
 14 qualification processes and background checks, and general
 15 misrepresentations regarding the safety of our platform.

9 **If Drivers or carriers, or individuals impersonating Drivers or**
 10 **carriers, engage in criminal activity, misconduct, or**
 11 **inappropriate conduct or use our platform as a conduit for**
 12 **criminal activity, consumers and shippers may not consider our**
 13 **products and offerings safe, and we may receive negative press**
 14 **coverage as a result of our business relationship with such**
 15 **Driver or carrier, which would adversely impact our brand,**
 16 **reputation, and business.** There have been numerous incidents and
 17 allegations worldwide of Drivers, or individuals impersonating
 18 Drivers, sexually assaulting, abusing, and kidnapping consumers,
 19 or otherwise engaging in criminal activity while using our
 20 platform. For example, in December 2014, a Driver in New Delhi,
 21 India kidnapped and raped a female consumer, and was convicted
 22 in October 2015. Furthermore, if consumers engage in criminal
 23 activity or misconduct while using our platform, Drivers and
 24 restaurants may be unwilling to continue using our platform. In
 25 addition, certain regions where we operate have high rates of
 26 violent crime, which has impacted Drivers and consumers in those
 27 regions. For example, in Latin America, there have been numerous
 28 and increasing reports of Drivers and consumers being victimized
 by violent crime, such as armed robbery, violent assault, and rape,
 while taking or providing a trip on our platform. **If other criminal,**
inappropriate, or other negative incidents occur due to the
conduct of platform users or third parties, our ability to attract
platform users may be harmed, and our business and financial
results could be adversely affected.

23 **Public reporting or disclosure of reported safety information,**
 24 **including information about safety incidents reportedly**
 25 **occurring on or related to our platform, whether generated by us**
 26 **or third parties such as media or regulators, may adversely**
 27 **impact our business and financial results.**

202. The statements referenced above in ¶¶198-201 were each inaccurate statements of
 material fact when made because while noting only the potential negative impacts on Uber's
 business, financial condition, and results of operations, the Offering Documents failed to disclose

1 and misrepresented the following significant, then-existing material events and adverse trends or
2 uncertainties that Uber had already been facing at the time of the IPO, including:

3 (a) Rather than delivering safety and trust or making short-term sacrifices for
4 a lifetime of loyalty, Uber hired, trained, and staffed a team of investigators dedicated to the
5 Company's Special Investigations Unit, or SIU, who were coached by the Company to act in the
6 Company's interest first, ahead of passenger safety;

7 (b) Uber was not "rapidly responding" to safety incidents. Rather Uber's SIU
8 maintained a "three-strikes" system to determine whether Uber Drivers or passengers reported
9 for misconduct, violence, and other violations (*e.g.*, sexual misconduct and sexual assault)
10 should be deactivated from Uber's app, but Company executives can and did make exceptions to
11 this three-strikes system in order to, for example, keep high earning Uber Drivers on the road
12 collecting fares;

13 (c) Approximately one-third of cases handled by Uber's SIU investigators
14 dealt with sexual misconduct, including rape or unwanted flirtation or advances, yet Uber's SIU
15 investigators were forbidden from routing allegations to police or advising victims to seek legal
16 counsel or make their own police reports, even when SIU investigators received confessions of
17 felonies. Investigators could be reprimanded or fired for contacting the police or advising victims
18 to do so;

19 (d) Uber did not require SIU investigators to have any prior experience
20 conducting investigations or handling safety calls or insurance claims;

21 (e) Uber sought to settle lawsuits related to sexual assaults and other criminal
22 activity (during rides hailed on the Uber Rides app) quickly in order to avoid the scrutiny and
23 negative publicity that may result from open court;

24 (f) Uber breached Transport for London ("TfL" or "London TfL," London,
25 England's transportation authority) regulations by failing to address issues with checks on
26 Drivers, insurance, and safety, and a security lapse resulted in at least 14,000 trips involving 43
27 Uber Drivers where someone other than the booked Driver picked up passengers;

28

1 (g) Uber’s breaches of London TfL regulations resulted in Uber’s customers
2 taking trips with dismissed or suspended Drivers whose licenses had been revoked and at least
3 one Driver whose private hire license had been revoked after he was cautioned for distributing
4 indecent images of children;

5 (h) Prior to the Offering, Uber received reports of 97 fatal crashes, 19 fatal
6 physical assaults, and 5,981 sexual assaults—including non-consensual sexual penetration—in
7 the United States that occurred during 2017 and 2018;

8 (i) Prior to the Offering, Uber received reports of 2,936 and 3,045 sexual
9 assaults in 2017 and 2018, respectively, or an average of eight sexual assaults per day. 75% of
10 reporting parties for non-consensual kissing of a sexual body part were passengers, and 72% of
11 reporting parties for non-consensual sexual penetration were passengers, throughout both 2017
12 and 2018; and

13 (j) Uber charged its customers a purported “Safe Rides Fee” that—contrary to
14 what the Company told its customers—was neither earmarked specifically for safety nor
15 dedicated to industry-leading background checks, regulator motor vehicle checks, Driver safety
16 education, development of safety features in Uber’s app, or insurance, but rather was devised
17 primarily to add about \$1 of pure margin to each trip.

18 (c) **Materially Misleading Financial Condition Risk Factors**

19 203. The Offering Documents contained the following materially false and misleading
20 statements concerning Uber’s financial condition under the section purporting to list the
21 Company’s Risk Factors.

22 204. The Offering Documents inaccurately described as *potential* certain risks
23 associated with Uber’s efforts “increase the number of Drivers [and] consumers ... using our
24 platform through incentives, discounts, and promotions,” as well as “expand marketing channels
25 and operations,” which “*may* prove more expensive than we anticipate” and “*may* not succeed in
26 increasing our revenue sufficiently to offset these expenses,” rather than disclosing the actual
27 events and trends or uncertainties that had already manifested by the time of the Offering. The
28 Offering Documents stated, in pertinent part, as follows:

1 We have incurred significant losses since inception. We incurred
 2 operating losses of \$4.0 billion and \$3.0 billion in the years ended
 3 December 31, 2017 and 2018, and as of December 31, 2018, we
 4 had an accumulated deficit of \$7.9 billion. We will need to
 5 generate and sustain increased revenue levels and decrease
 6 proportionate expenses in future periods to achieve profitability in
 7 many of our largest markets, including in the United States, and
 8 even if we do, we may not be able to maintain or increase
 9 profitability. ***We anticipate that we will continue to incur losses in
 10 the near term as a result of expected substantial increases in our
 11 operating expenses, as we continue to invest in order to: increase
 12 the number of Drivers, consumers, restaurants, shippers, and
 13 carriers using our platform through incentives, discounts, and
 14 promotions; expand within existing or into new markets; increase
 15 our research and development expenses; invest in ATG and Other
 16 Technology Programs; expand marketing channels and
 17 operations; hire additional employees; and add new products and
 18 offerings to our platform. These efforts may prove more expensive
 19 than we anticipate, and we may not succeed in increasing our
 20 revenue sufficiently to offset these expenses.***

205. The Offering Documents inaccurately described as ***potential***, certain risks
 21 associated with the Company's operating result fluctuations, which "***may***" have adverse impacts
 22 on Uber's business, financial condition, and operating results, rather than disclosing the actual
 23 events and trends or uncertainties that had already manifested. The Offering Documents stated,
 24 in pertinent part, that:

***We may experience significant fluctuations in our operating
 25 results. If we are unable to achieve or sustain profitability, our
 26 prospects would be adversely affected and investors may lose
 27 some or all of the value of their investment.***

28 Our operating results may vary significantly and are not
 necessarily an indication of future performance.... In addition to
 seasonality, ***our operating results may fluctuate as a result of
 factors including our ability to attract and retain new platform
 users, increased competition in the markets in which we operate,
 our ability to expand our operations in new and existing markets,
 our ability to maintain an adequate growth rate and effectively
 manage that growth, our ability to keep pace with technological
 changes in the industries in which we operate, changes in
 governmental or other regulations affecting our business, harm
 to our brand or reputation, and other risks described elsewhere
 in this prospectus.*** As such, we may not accurately forecast our
 operating results. We base our expense levels and investment plans
 on estimates. A significant portion of our expenses and
 investments are fixed, and ***we may not be able to adjust our
 spending quickly enough if our revenue is less than expected,
 resulting in losses that exceed our expectations.*** If we are unable
 to achieve sustained profits, our prospects would be adversely
 affected and investors may lose some or all of the value of their
 investment.

1 206. The Offering Documents inaccurately described as *potential*, certain risk
 2 associated with Uber’ growth strategy, which “*may*” have an adverse effect on its financial
 3 results and future prospects, rather than disclosing the actual events and trends or uncertainties
 4 that had already manifested. The Offering Documents stated, in pertinent part, as follows:

5 We believe that *our growth depends on a number of factors,*
 6 *including our ability to:*

- 7 • grow supply and demand on our platform;
- 8 • increase existing platform users’ activity on our platform;
- 9 • continue to introduce our platform to new markets;
- 10 • *provide high-quality support to Drivers, consumers,*
restaurants, shippers, and carriers;
- 11 • expand our business and increase our market share and
 12 category position;
- 13 • *compete with the products and offerings of, and pricing and*
incentives offered by, our competitors;
- 14 • develop new products, offerings, and technologies;
- 15 • identify and acquire or invest in businesses, products,
 16 offerings, or technologies that we believe could complement or
 17 expand our platform (including, for example, our pending
 18 acquisition of Careem);
- 19 • penetrate suburban and rural areas and increase the number of
 20 rides taken on our platform outside metropolitan areas;
- 21 • reduce the costs of our Personal Mobility offering to better
 22 compete with personal vehicle ownership and usage and other
 23 low-cost alternatives like public transportation, which in many
 24 cases can be faster or cheaper than any other form of
 25 transportation;
- 26 • *maintain existing local regulations in key markets where we*
operate;
- 27 • enter or expand operations in some of the key countries in
 28 which we are currently *limited by local regulations, such as*
Argentina, Germany, Italy, Japan, South Korea, and Spain;
 and
- *increase positive perception of our brand.*

*We may not successfully accomplish any of these objectives. A
 softening of Driver, consumer, restaurant, shipper, or carrier
 demand, whether caused by changes in the preferences of such
 parties, failure to maintain our brand, changes in the U.S. or*

1 ***global economies, licensing fees in various jurisdictions,***
2 ***competition, or other factors, may result in decreased revenue or***
3 ***growth and our financial results and future prospects would be***
4 ***adversely impacted.*** We expect to continue to incur significant
5 expenses, and if we cannot increase our revenue at a faster rate
6 than the increase in our expenses, we will not achieve profitability.

7 207. The statements referenced above in ¶¶203-206 were each inaccurate statements of
8 material fact when made because while noting only the potential negative impacts on Uber's
9 business, financial condition, and results of operations, the Offering Documents failed to disclose
10 and misrepresented the following significant, then-existing material events and adverse trends or
11 uncertainties that Uber had already been facing at the time of the IPO, including:

12 (a) At the time of the Offering, Uber's growth strategy was failing and, as a
13 result, the Company was in the process of dissolving its COO and CMO positions and planning
14 to terminate one-third of its marketing team, or about 400 employees;

15 (b) At the time of the Offering, Uber planned to terminate approximately 350
16 employees across the Company's Uber Eats, performance marketing, Advanced Technologies
17 Group, recruiting, and global rides and platform departments;

18 (c) Prior to the Offering, Uber ramped up incentives spending with few limits
19 and little discretion, including by giving city managers the latitude to spend millions of dollars in
20 Driver and rider incentives based on little more than a hunch and data from their personal
21 spreadsheets;

22 (d) At the time of the Offering, Uber was in the processing of sustaining more
23 than a \$5 billion loss and the slowest quarterly revenue growth, and slowed Uber Rides quarterly
24 revenue growth, in the Company's history during Q2 2019;

25 (e) At the time of the Offering, Uber was in the process of sustaining the
26 slowest quarterly Trips and MAPCs growth in the Company's history during Q2 2019; and

27 (f) At the time of the Offering, Uber was in the process of incurring total
28 costs and expenses that had doubled or even tripled, depending on whether cost of revenue and
depreciation and amortization ("D&A") are factored in, during Q2 2019.

1 **5. The Offering Documents Failed to Disclose Adverse Trends,**
2 **Passenger Safety Uncertainties, and Significant Risks Regarding**
3 **Uber’s Business Model**

4 208. Item 303 of SEC Regulation S-K, 17 C.F.R. §229.303(a)(3)(ii), required the
5 Defendants to “[d]escribe any known trends or uncertainties that have had or that the registrant
6 reasonably expects will have a material favorable or unfavorable impact on the sales or revenues
7 or income from continuing operations.” Similarly, Item 105 of SEC Regulation S-K, 17 C.F.R.
8 §229.105, requires, in the “Risk Factors” section of registration statements and prospectuses, “a
9 discussion of the most significant factors that make the offering speculative or risky” and
10 requires each risk factor to “adequately describe[] the risk.” The failure of the Offering
11 Documents to disclose the omitted material facts set forth above in ¶¶157-170, 172-179, 181-
12 188, 191-196, 198-201, and 203-206—including the fact that Uber had been and was continuing
13 to operate illegally in many jurisdictions; as Uber grew but failed to address safety issues, the
14 number of safety incidents affecting its passengers grew; and Uber’s ongoing losses were
15 increasing greatly and growth was slowing driven by massive incentive spending and would
16 slow more as the Company executed on its planned cost-cutting measures—violated Item 303,
17 because these undisclosed facts were known and would (and did) have an unfavorable impact on
18 the Company’s sales, revenues, and income from continuing operations. This also violated Item
19 105, because these specific risks were not adequately disclosed, or disclosed at all, even though
20 they were some of the most significant factors that made an investment in Uber’s stock
21 speculative or risky. Indeed, as alleged above in ¶¶191-196, 198-201, and 203-206, the purported
22 Risk Factors that were provided in the Offering Documents were themselves materially false and
23 misleading when made.

24 **D. Additional Facts Demonstrating That the Offering Documents Were False**
25 **and Misleading at the Time of the Offering**

26 209. Unbeknownst to investors, Uber premised its growth on an undisclosed,
27 unsustainable, and often illegal growth at any cost business model. Prior to the Offering, the
28 Company’s growth at any cost business model principally manifest in three distinct ways,
including an illegal business model, rampant passenger safety issues, and massive losses and

1 slowing growth. In the months following Uber’s IPO, news concerning these adverse facts and
2 conditions that existed prior to and at the time of the Offering leaked out to the market.

3 **1. Post-IPO Events Demonstrating That Uber’s Illegal Business Model**
4 **and the Risks It Posed Existed Prior to the Offering**

5 210. First, Uber maintained an undisclosed and illegal business model that included:
6 (a) illegally launching and continuing to operate P2P ridesharing services in markets where
7 neither Uber nor its Drivers were licensed to offer for-hire transportation services via private,
8 non-commercially registered vehicles; and (b) illegally misclassifying its Drivers as independent
9 contractors rather than as employees in order to, among other things, avoid applicable minimum
10 wage and benefit laws as well as unemployment and disability insurance taxes.

11 **(a) Uber’s Domestic and International Illegal Operations**

12 211. Prior to and at the time of the Offering, Uber pursued its illegal business model
13 both domestically and internationally, illegally launching and operating its P2P ridesharing
14 services using private, non-commercially registered vehicles, and irrespective of whether the
15 Company or its Drivers were licensed, registered, or lawfully permitted to operate there.

16 212. On August 2, 2019, for example, *Law360* published an article titled “Uber
17 Flouted Regs to ‘Destroy’ Mass. Taxis, Judge Hears.” The article described the conclusion of a
18 seven-day bench trial in *Anoush Cab, Inc. v. Uber Techs., Inc.*, No. 16-cv-10142 (D. Mass.), a
19 suit that alleged Uber owed dozens of taxi companies “\$124 million in damages for operating in
20 Boston for three years in violation of city laws.” Plaintiffs’ counsel showed Judge Nathaniel M.
21 Gorton of the U.S. District Court for the District of Massachusetts (“Judge Gorton”) complaints
22 that “Uber received from drivers who got tickets from the Boston Police Department and, in at
23 least one case, said they were threatened with arrest for *operating the company’s UberX product*
24 *in defiance of a city ordinance.*” Judge Gorton also heard how “Uber ‘lied’ to the drivers by
25 telling them they could keep working in Boston and ultimately covered \$200,000 in driver
26 tickets ‘to induce them to keep violating the law.’” Pointing to “*internal emails in which Uber*
27 *executives indicated they knew they were breaking the law[.]*” counsel for plaintiffs described
28 how “Uber knew it was violating local laws when it entered the market in 2013, but continued to

1 do so until Massachusetts passed a 2016 law regulating transportation network companies.”
2 Plaintiffs’ counsel summed up Uber’s brazen and illegal strategy as follows: “***We’ll launch,***
3 ***we’ll break the law and we’ll see if we can get away with it.***”

4 213. The trial transcripts from *Anoush Cab*, filed July 29, 2019 (days one through
5 three) and August 16, 2019 (days four through seven), recount a slew of internal emails from
6 Uber executives that establish Uber knew it was breaking the law by launching and continuing to
7 operate UberX P2P ridesharing in Boston, Massachusetts. The August 2, 2019 transcript (the
8 “Day Seven Transcript,” filed August 16, 2019) is particularly instructive. As early as March 15,
9 2013, Michael Pao (“Pao”), then-General Manager of Uber Boston, states, “***In Boston, the***
10 ***regulation clearly outlines that for-hire private vehicles cannot do pick up, and Police may***
11 ***arrest and fine violators.***” When Meghan Joyce (“Joyce”) replaces Pao as General Manager of
12 Uber Boston in late May 2013, Joyce emails and inquires about the “analysis of the
13 Massachusetts regulations,” asking to see a copy. Nick Mathews, then-Boston Community
14 Manager, replies, “***Sure. Let me find the PowerPoint. There was one law in particular that***
15 ***defines for-hire ride providers and pretty clearly states its illegality.***” Another internal email
16 describes Uber’s executives’ interpretation of the Boston ordinance regulating ride-sharing:
17 “***The legality of ride-sharing rests in the legal definition of “private vehicle” and “for hire.” And***
18 ***in order to make ride-sharing legal, the pick-up cannot be considered for hire.***” In a separate
19 email chain, Matt Marra (“Marra”), then-Operations and Logistics Manager for Uber Boston,
20 poses the critical question: “***Is P2P legal in the State of Massachusetts?***” The answer Marra
21 receives directs him to the same Boston ordinance, which the Uber team had “***already concluded***
22 ***answers the question, No, it’s not legal.***”

23 214. Shortly before the launch, Pao states in another email, “***This will be the first time***
24 ***that Uber launches P2P ride-sharing in a market where we do not have formal or tacit***
25 ***approval from regulators.***”

26 215. Shortly after the Company launches UberX P2P ridesharing in Boston, the Day
27 Seven Transcript describes how police began issuing UberX Drivers “hundreds and hundreds of
28 tickets ... for violating the Boston ordinance and ... the State regulation[,]” and Uber paid

1 “\$200,000 worth of tickets that their drivers had received for violating the Boston ordinance and
 2 the regulations.” As plaintiffs’ counsel neatly sums up, “Uber paid drivers’ citations to induce
 3 them to keep violating the law.” Internal emails show UberX Drivers were alarmed by the
 4 growing number of tickets. In one email to the Company, an UberX Driver queries:

5 “Is it illegal to drive UberX in Boston? I just got a \$500 ticket for
 6 doing my job. I dropped off a rider at Boston South Station and got
 7 pulled over by an undercover State Police Officer, and he wrote me
 8 a ticket for being a ‘passenger vehicle for hire.’ ***I am completely
 outraged that Uber would allow people to work in a city where
 it’s illegal.*** Now I don’t know what to do.”

9 In another email to the Company, an UberX Driver states:

10 “Hello. Yesterday I was pulled over by a Boston PD unmarked car
 11 in front of the station on Sudbury and written a citation for \$500.
 12 The ***Officer informed me that UberX is illegal in the City of
 Boston and that I could be arrested.*** As a new driver to UberX,
 13 I’ve never heard of this, and I’m very upset. Is there something I
 14 should know regarding the legalities of my involvement with this
 15 company?”

16 216. As the Day Seven Transcript further recounts, the Company lied to its own
 17 Drivers about the legality of operating UberX in Boston. When asked during a FED. R. CIV. P.
 18 30(b)(6) deposition whether Uber ever told Drivers that UberX was a legal service, a Company
 19 executive described as “Mr. Holt” states, ““Yes, we did. In conversations with drivers, we
 20 reassured them ... that Uber’s operation in the State of Massachusetts was legal.”” This answer
 21 flies in the face of contemporaneous internal emails and documents, which establish that Uber
 22 knowingly broke the law by launching and continuing to operate UberX in Boston. As late as
 23 June 2015, the Company expresses its real view on operating UberX in Boston in a document
 24 distributed internally: ““Currently ... ***anyone other than a licensed taxicab is prohibited from
 offering vehicle-for-hire services*** for the purposes of transporting, soliciting or picking up a
 25 passenger for hire.””

26 217. On August 6, 2019, the *Tallahassee Democrat* published an article titled
 27 “CORRUPTION CONFIRMED: Scott Maddox, Paige Carter-Smith guilty after 4-year
 28 Tallahassee probe.” The article describes how, following a four year federal criminal
 investigation, former Tallahassee mayor and City Commissioner Scott Maddox (“Maddox”) and

1 his business associate Paige Carter-Smith (“Carter-Smith”), former head of the Downtown
2 Improvement Authority, pled guilty to three counts in a 48-count indictment, including “honest
3 services wire fraud, honest services mail fraud and conspiracy to defraud the United States.” As
4 the article describes, “Maddox and Carter-Smith’s guilty pleas involve their dealings with ride
5 share giant Uber, which sought favorable provisions in a city ordinance.... *Uber paid \$40,000 to*
6 *[Maddox and Carter-Smith’s] consulting firm, Governance, over several months in 2015;*
7 *Governance in turn paid Maddox \$40,000.*” In a DOJ press release issued that same day
8 announcing the guilty pleas (“Suspended City Commissioner Maddox & Associate Carter-Smith
9 Plead Guilty to Corruption & Tax Charges”), the DOJ explained, “*Governance was part of a*
10 *racketeering enterprise that accepted bribes and extorted money from Governance clients*
11 *under color of Maddox’s office through fear of the economic harm Maddox could inflict through*
12 *his influential position as a City Commissioner.*”

13 218. On August 12, 2019, both *Reuters* and *The Associated Press* reported that the
14 Colombian SIC would fine Uber more than \$629,000 for obstructing an investigation into the
15 Company’s operations in Colombia. According to the reports, the fines stemmed from charges
16 that Uber obstructed an October 2017 regulatory site visit to Uber’s Colombian office in Bogota;
17 Uber adopted and implemented a policy urging “employees not to give information to regulators
18 and to block access to company computers.” In a statement, one Colombian SIC regulator
19 explained, ““The Company presented a disrespectful and obstructive attitude in the face of
20 different information requirements on the part of officials.”” The report also described how Uber
21 had “*repeatedly drawn the ire of authorities in Colombia, where use of the service is*
22 *widespread but illegal.* The country ... has said it will suspend for 25 years the licenses of drivers
23 caught working for the platform.” The Colombian SIC also fined three Uber executives
24 separately, in amounts ranging from \$1,469 to \$7,344.

25 219. On September 3, 2019, Mike Isaac (“Isaac”), a technology reporter at *The New*
26 *York Times*, published his book “Super Pumped: The Battle for Uber” (“Super Pumped”). Isaac’s
27 book, which is “[b]ased on hundreds of interviews with current and former Uber employees,
28

1 along with previously unpublished documents,” further establishes how Uber’s business was
2 built on breaking the law in furtherance of the Company’s growth at any cost business model.

3 220. According to Super Pumped, for example, Uber grew by “systematically moving
4 from city to city, sending a strike team of employees to recruit hundreds of drivers, blitz
5 smartphone users with coupons for free rides, and create a marketplace where drivers were
6 picking up passengers faster than the *blindsided local authorities* could possibly track or
7 control.” Indeed, “[w]henver [Uber] entered a new city, the [C]ompany used the same, reliable
8 approach.... Uber only expected that new filed operations staff have ambition, the capacity to
9 work twelve- to fourteen-hour days, and a willingness to evade the rules—even laws—when
10 necessary.” At Uber “[c]oncepts like ‘breaking the law’ weren’t applicable” because the
11 Company believed “the *laws were bullshit in the first place.*”

12 221. Super Pumped recounts how this was the case in foreign countries, as well as
13 domestic cities such as Portland, Philadelphia, and even Uber’s hometown—San Francisco.

14 222. Indeed, just as Uber launched in San Francisco, Super Pumped describes how the
15 San Francisco Municipal Transportation Agency served Uber with a cease and desist order
16 because “the [C]ompany was breaking the law by skirting existing transportation regulations.”
17 According to the book, “[e]very day [Uber] was in operation, the [C]ompany faced fines of up to
18 *\$5,000 per trip.*” When Defendant Graves asked “What are we supposed to do here?” Defendant
19 Kalanick’s response would essentially become Uber’s playbook going forward: “*We ignore it.*”

20 223. Super Pumped also explains how, in Philadelphia, Uber pushed headlong into the
21 market illegally and was fined \$12 million for its 120,000 violations of the transit code, but
22 Defendant Kalanick “*viewed fines and tickets as just another cost of doing business.*” Uber sent
23 text messages like the following to its Drivers:

24 ***UBERX: REMINDER:*** If you are ticketed by the PPA, CALL US
25 at XXX-XXX-XXXX. You have 100% of our support anytime you
26 are on the road using Uber—we are here for you, and we will get
27 you home safe. All costs associated will be covered by us. Thank
28 you for committing to providing safe, reliable rides to the citizens
of Philadelphia. Uber-ON!

1 224. Super Pumped would also send emails to Drivers with “a *list of tactics to evade*
2 *police capture*[,]” including:

3 —Keep your Uber phone off your windshield—put it down in your
4 cupholder [sic]

4 —Ask the rider if they would sit up front

5 —Use the lanes farthest from the terminal curbside for pickup and
5 dropoff [sic]

6 Remember, if you receive a ticket while picking up or dropping off
6 Uber riders at the airport, Uber will reimburse your costs for the
7 ticket and provide any necessary legal support. Take a picture of
7 your ticket and send it to XXXXXXXXXXXX@uber.com.

8 225. Super Pumped also informed readers that Uber was, “as of this writing,” under
9 investigation by the DOJ for “potential violation of the Foreign Corrupt Practices Act.” Why?
10 Uber’s employees “*considered bribery a necessary evil, a cost of doing business for an*
11 *American company operating on foreign soil.*”

12 226. In fact, Super Pumped provided “never-before-reported details” of one case in
13 Indonesia that became an “enormous” problem:

14 As Uber set up shop to compete with Grab in Indonesia [another
15 ride-hailing company], Uber would open “green light hubs,” which
16 were makeshift checkpoints for drivers in the area to receive
17 vehicle inspections, register complaints with district managers, and
18 other activities. The problem was that the hubs were set up in
19 suburban districts zoned for residential use only. Almost overnight,
20 the green light hubs began attracting hundreds of drivers, which
21 clogged the suburban streets and angered the locals. When the
22 police found out, they threatened to shut Uber’s hubs down.

19 Instead of moving the company’s hubs, *local Uber managers*
20 *decided to pay off the cops. Every time a police officer would*
21 *show up, and Uber manager would fork over a cash bribe ... and*
22 *the officer would leave.*

22 227. Uber’s flouting and breaking laws and regulations continued to have serious
23 global consequences over the next few months. On September 24, 2019, for example, the
24 London TfL announced it would only grant Uber a temporary, “two-month private hire operator
25 license to allow for scrutiny of additional information that we are requesting ahead of
26 consideration of any potential further licensing application.” As the *BBC* reported in an article
27 titled “Uber’s London license renewed for two months,” Uber had previously “lost its license in
28 2017 due to public safety concerns, after which a judge granted a 15-month extension which was

1 due to expire on [September 24].” TfL said Uber’s license would “now be renewed temporarily
2 while [TfL] requested additional information from the firm[,]” and that “Uber must also meet
3 new conditions on passenger safety.”

4 228. On November 25, 2019, the TfL announced it had decided not to extend Uber’s
5 London license beyond midnight local time. As reported in *The Guardian* in an article published
6 that day, the TfL disclosed in a prepared statement that it had “identified a *‘pattern of failures’*
7 by Uber, including several breaches that placed passengers and their safety at risk.” Following
8 the two-month extension of its license granted in September, the TfL had informed Uber that it
9 “needed to address issues with checks on drivers, insurance and safety,” but Uber failed to do so.
10 Specifically, the TfL disclosed it had discovered that “more than 14,000 trips were taken with
11 drivers who had faked their identity on the firm’s app.” The TfL also stated, “Despite addressing
12 some of these issues, TfL does not have confidence that similar issues will not reoccur in the
13 future, which has led it to conclude that *the company is not fit and proper at this time.*”

14 229. On December 20, 2019, a judge at the *Colombian SIC ordered Uber to cease*
15 *operations in Colombia*, following a lawsuit filed by taxi service platform Cotech SA (“Cotech”)
16 alleging Uber had violated competition norms. After the market closed, *Bloomberg* published an
17 article that same day explaining that the judge had ordered “an *‘immediate’ service suspension,*”
18 which was the “latest in a series of setbacks for Uber’s global operations.” In a prepared
19 statement, the Colombian SIC explained, “[Uber] violates the rules that regulate the market,
20 generates a significant advantage in the market, and generates a deviation from the clientele of
21 Cotech.” According to the article, Uber “said more than 2 million people use the service [in
22 Colombia], which involves 88,000 drivers.” The article separately noted that “[r]egulators in
23 London, one of Uber’s largest markets, last month yanked its license to operate after concluding
24 it wasn’t ‘fit and proper’ to continue as it risked passenger safety by failing to properly vet
25 drivers[,]” while a court in Germany “ruled Uber had run afoul of its transit dispatch laws.”

1 (b) Uber’s Illegal Misclassification of Workers

2 230. Prior to and at the time of the Offering, Uber also illegally misclassified its
3 workers as independent contractors rather than as employees and broke labor and employment
4 laws in many if not most of the jurisdictions in which the Company operates.

5 231. On May 17, 2019, for example, *Bloomberg* published an article titled “San
6 Francisco’s Uber-Nuisance Probe Gets Go-Ahead From Court,” detailing how a May 17, 2019
7 California appellate court decision paved the way forward for a City of San Francisco probe into
8 how many of Uber’s Drivers are “responsible for illegal parking, traffic congestion and safety
9 hazards.” The City’s probe also sought to determine whether Uber was “underpaying its drivers
10 in *violation of the city’s minimum wage laws.*” *Bloomberg* noted that Uber’s common stock
11 share price had struggled since the Offering “in part under the *weight of questions about the*
12 *viability of its business model*—specifically whether drivers will be compensated as employees
13 or remain independent contractors as Uber treats them now.”

14 232. On May 29, 2019, the California State Assembly passed AB5, which would limit
15 the use of independent contractors in most industries. AB5 codifies the California State Supreme
16 Court’s 2018 landmark decision in *Dynamex Operations W., Inc. v. Super. Ct.*, No. S222732
17 (Cal. Apr. 30, 2018), which creates a presumption that all workers are employees (not
18 independent contractors) and places a burden on hiring entities to prove that workers are
19 independent contractors under a newly adopted ABC test (the “ABC Test”). Under the ABC
20 Test, a worker is an independent contractor only if the hiring entity establishes:

21 (A) that the worker is free from the control and direction of the
22 hirer in connection with the performance of the work, both under
the contract for the performance of such work and in fact;

23 (B) that the worker performs work that is outside the usual course
24 of the hiring entity’s business; and

25 (C) that the worker is customarily engaged in an independently
26 established trade, occupation, or business of the same nature as the
work performed for the hiring entity.

27 233. The California State Assembly passed AB5 by a vote of 53-11, and AB5 would
28 next move to the California Senate and to Governor Gavin Newsom (“Governor Newsom”) for

1 signature. Also on May 29, 2019, *The Guardian* published an article titled “Gig economy:
2 California bill granting employee status passes assembly,” noting Uber Drivers “could be
3 entitled to protections and benefits if the bill is signed.”

4 234. Two weeks later, on June 12, 2019, Defendant Khosrowshahi and two senior Lyft,
5 Inc. (“Lyft”) executives published an Op-Ed (responding to the California State Assembly’s
6 passage of AB5) in the *San Francisco Chronicle* titled “Open Forum: Uber, Lyft ready to do our
7 part for drivers.” Defendant Khosrowshahi and the two Lyft executives conceded that “a change
8 to the employment classification of ride-share drivers would pose a risk to our businesses” and
9 even threatened the State of California with a “wave of litigation” should AB5 pass into law.
10 Like the Offering Documents, Defendant Khosrowshahi’s Op-Ed ignores the fact that AB5
11 merely sought to codify well-settled employee classification law in California, as announced by
12 the California State Supreme Court’s 2018 landmark decision in *Dynamex*.

13 235. The market took notice of the Uber and Lyft executives’ Op-Ed, with one news
14 outlet reporting that AB5 posed an “existential threat” to Uber’s very existence as a public
15 company. On June 12, 2019, *Bloomberg* published an article titled “Uber, Lyft Executives Urge
16 California Compromise on Driver Pay,” which explained:

17 The executives’ public appeal follows months of private efforts by
18 the ride-share giants and other companies to secure support from
19 California’s governor, state lawmakers, and labor leaders for some
20 deal to shield them from a sweeping 2018 state supreme court
21 ruling that makes it difficult for firms to claim their workers aren’t
22 employees.

21 Whether Uber and Lyft drivers remain independent contractors or
22 must be treated like employees goes to the heart of the on-demand
23 economy’s reliance on a casual labor force to keep costs down.
24 ***For both companies, which just went public, the prospect of
25 being compelled in their home state to completely overhaul how
26 drivers are compensated is an existential threat.***

24 Under the April 2018 ruling known as *Dynamex*, workers are
25 employees entitled to state wage-law protections unless they are
26 conducting “work that it [sic] outside the usual course” of the
27 company’s business. For companies whose core service is
28 transporting customers via an army of drivers they claim are all
contractors, that could be a challenging test to pass.

1 236. Two days later on June 14, 2019, *Business Insider UK* published an article titled
2 “Uber and Lyft are trying to make an end-run around unionization,” also addressing the Uber and
3 Lyft executives’ Op-Ed. In response to the Uber and Lyft executives’ concession that AB5
4 “pose[s] a risk to our businesses,” the article stressed that “[t]his severely understates the case.
5 Uber and Lyft can’t afford significantly higher labor costs, if they want to satisfy investors. More
6 growth means more drivers, and that equation doesn’t add up to future profits that would
7 vindicate Uber and Lyft’s market caps, now \$71 billion and \$16 billion[,]” respectively.

8 237. On June 20, 2019, Judge Edward M. Chen of the U.S. District Court for the
9 Northern District of California declined to dismiss allegations that Uber’s misclassification of
10 workers violates the California Unfair Competition Law (“UCL”), finding that the plaintiff there
11 had “adequately alleged a causal link between Uber’s misclassification practices and [plaintiff’s]
12 UCL injury.” *Diva Limousine, Ltd. v. Uber Techs., Inc.*, No. 18-cv-05546 (N.D. Cal. June 20,
13 2019). Citing *Dynamex*, Judge Chen noted that “worker misclassification can violate the policy
14 or spirit of antitrust laws because it significantly threatens or harms competition.”

15 238. In an article published the next day on June 21, 2019, *Bloomberg Law* observed
16 that the *Diva Limousine* ruling was a “significant warning to ride-hailing companies.” The article
17 also noted that Uber had “identified *Dynamex* in regulatory filings as a *long-term [(not*
18 *immediate)] potential risk factor* for its business success.”

19 239. On July 5, 2019, David Weil (“Weil”)—wage and hour administrator at the U.S.
20 Department of Labor (“DOL”) under President Barack Obama from 2014-2017 and a prominent
21 social policy academic—published an Op-Ed in the *Los Angeles Times* titled “Call Uber and Lyft
22 drivers what they are: employees.” Weil argues that while there are “certainly companies whose
23 workers operate in the gray area between employees and contractors[,] ... Uber and Lyft are not
24 among those close, gray area cases. Their *status as employers is really quite clear.*”

25 240. On July 15, 2019, the *Los Angeles Times* published an article titled “Uber and
26 Lyft drivers were paid up to \$100 to protest a bill that could make them employees,” detailing
27 how Uber and other ride-hailing companies “recruited drivers to rally outside the [California]
28 state Capitol ... in advance of a Senate labor hearing” on AB5. The rally sought “changes that

1 would allow drivers to continue working as independent contractors[,]” and drivers who attended
2 the rally were *paid up to \$100* by the “I’m Independent Coalition,” a group funded in part by
3 Uber. In addition to what the coalition offered, “Uber sent drivers an in-app notification offering
4 them a *\$15 lunch voucher* and inviting them, their family ‘and anyone you know who also has a
5 stake in maintaining driver flexibility’ to the rally to talk ‘about the issues.’”

6 241. The *Los Angeles Times* article noted that companies asking workers to “engage in
7 political activity on their behalf can be fraught,” and Ken Jacobs—chairman of the UC Berkeley
8 Center for Labor Research and Education—was quoted stating, ““While it is always good for
9 people to engage in the legislative process, the power relationship inherent in employment raises
10 *concerns about coercion*.... It is especially worrisome in the context of employer threats over
11 what actions they will take if the AB 5 passes.””

12 242. On July 17, 2019, *InvestorPlace* published an article titled “California AB-5 Vote
13 Is Bad News for Uber and Lyft Stock.” The article explains that the “*fact that Uber and Lyft are*
14 *fighting AB-5 so hard is a clear sign the law would be bad news for business*. California has
15 historically been a leader in progressive movements that ultimately sweep nationwide. In other
16 words, the damage for UBER and LYFT stock may not be contained in California.”

17 243. On August 29, 2019, *The New York Times* published an article titled “Uber, Lyft
18 and DoorDash Pledge \$90 Million to Fight Driver Legislation in California” (among other media
19 outlets that reported the same news). AB5’s sponsor, Assemblywoman Lorena Gonzalez
20 (“Gonzalez”), stated she did not “foresee a deal” with Uber or the other two companies:
21 ““Billionaires who say they can’t pay minimum wages to their workers say they will spend tens
22 of millions to avoid labor laws.... Just pay your damn workers!””

23 244. On September 11, 2019, the California Senate passed AB5, which was expected
24 to be signed into law by Governor Newsom in short order. On the same day, *CNN Business*
25 published an article titled “Uber claims new California law still won’t force it to classify drivers
26 as employees.” The article quoted Uber’s Chief Legal Officer Tony West (“CLO West”) who—
27 in defiance of both *Dynamex* and AB5—stated that ““drivers will not be automatically
28 reclassified as employees, even after January of next year,’ when the bill would take effect.” The

1 article also quoted Katie Wells, a fellow at Georgetown University who researches the social and
2 economic effects of on-demand services: ““This is such a *cut to the heart of their business*
3 *practice*.... The fact that they are suggesting that there is a solution to be had acknowledges that
4 there is a problem. *It is a watershed moment.*”

5 245. Market analysts joined the chorus of concern over the implications of AB5 and
6 whether Uber could survive the financial impact of reclassifying its Drivers as employees in
7 California. On September 11, 2019, *Fortune* published an article titled “New Labor Bill Passed
8 by California Senate Would Transform the Gig Economy—And Could Cost Uber \$500 Million a
9 Year.” The article described reporting from two market analysts, Barclays Plc and Macquarie
10 Capital, who estimate that “[g]iving employee status and benefits to workers in California would
11 cost Uber and Lyft an additional \$2,000 to \$3,600 per driver annually.... That would be *as much*
12 *as \$500 million for Uber in the state each year. California often sets the legislative tone for*
13 *other states to emulate, and the costs could quickly add up if more follow suit.*” The article
14 stressed that AB5 would “deal a significant blow to companies that built multi-billion dollar
15 businesses on independent contractors.”

16 246. Other media outlets echoed the same concerns over AB5’s likely impact on Uber.
17 On September 11, 2019, for example, *Bloomberg* published an article titled “Uber Rejects
18 Labeling Drivers as Employees Under California Law.” The article emphasized that Uber was
19 “[f]acing the *most serious threat yet to its business model*” in AB5, which “*threaten[ed] to*
20 *upend [Uber’s] source of cheap labor.*” The article also quoted Jason Lohr, a San Francisco,
21 California-based employment attorney, who stated that “Uber is ‘*whistling past the graveyard*’ if
22 it underestimates how much AB 5 would favor drivers.”

23 247. On September 18, 2019, Governor Newsom signed AB5 into law in California.
24 On the same day, *NPR* published an article titled “California Governor Signs Law Protecting Gig
25 Economy Workers.” The article quoted Governor Newsom, who in his signing statement
26 declared, ““The hollowing out of our middle-class has been 40 years in the making, and the need
27 to create lasting economic security for our workforce demands action.”” The article also stated
28

1 that both “labor groups and the ride-hailing companies, such as Uber, anticipate national
2 implications from the signing of AB5.”

3 248. On October 17, 2019, *Bloomberg Law* published an article titled “Uber, Lyft
4 Being Probed in New Jersey on Misclassifying Drivers,” reporting that New Jersey labor
5 auditors were investigating Uber and Lyft “to see if the rideshare companies are *wrongly*
6 *classifying drivers* as independent contractors and should be on the hook for employment taxes.”
7 The article explained that the New Jersey Department of Labor and Workforce Development (the
8 “N.J. Dep’t of LWD”) had “sent surveys to drivers across the state *over the last year* seeking
9 information about their work arrangements and tax status[,]” and a N.J. Dep’t of LWD staffer
10 confirmed the audit and probe on the condition of anonymity. The article also described how the
11 probe was the “latest challenge to the Uber and Lyft business model” and that the “companies’
12 costs per driver could jump by more than 20% if they have to reclassify workers as employees.”

13 249. On November 14, 2019, the N.J. Dep’t of LWD levied a *\$642 million assessment*
14 *against Uber for unpaid unemployment and disability insurance taxes, after the Company had*
15 *misclassified drivers as independent contractors rather than employees* over the preceding four
16 years (2015-2018). In an article published that day, *Bloomberg Law* reported that Uber and its
17 subsidiary Raiser LLC were “assessed \$523 million in past-due taxes over the last four years,” as
18 well as another “\$119 million in interest and penalties on the unpaid amounts, according to ...
19 internal department documents.” The article also reported that New Jersey had previously
20 informed Uber in 2015 “that it had obtained a court judgment ordering the company to pay about
21 \$54 million in overdue unemployment and temporary disability insurance contributions[,]” but it
22 was “not clear whether the company ever paid any of that bill.” In a prepared statement, N.J.
23 Dep’t LWD Commissioner Robert Asaro-Angelo noted that “‘cracking down on employee
24 misclassification’ is a ‘priority’” for Governor Phil Murphy’s administration.

25 **2. Post-IPO Events Demonstrating That Uber’s Rampant Passenger**
26 **Safety Issues Existed Prior to the Offering**

27 250. Second, and in furtherance of its growth at any cost business model, Uber
28 deliberately ignored and failed to disclose rampant, dangerous, and even lethal passenger safety

1 issues across the Company’s ridesharing platform, including, among other things, thousands of
 2 annual sexual assaults in the United States alone and policies and practices designed to place the
 3 Company’s interests ahead of passenger safety.

4 251. On August 13, 2019, Judge Jon S. Tigar of the U.S. District Court for the
 5 Northern District of California granted final approval to a **\$32.5 million settlement Uber reached**
 6 **with a class of passengers to settle claims related to the Company’s purported “Safe Rides**
 7 **Fee.”** *McKnight v. Uber Techs., Inc.*, No. 14-cv-05615 (N.D. Cal. Aug. 13, 2019). In an article
 8 published August 14, 2019 titled “After Extended Delay, Judge Approves \$32.5M Settlement in
 9 Uber ‘Safe Rides’ Class Action,” *The Recorder* explained that the case was “originally filed in
 10 2014 claiming Uber misled consumers about conducting ‘industry-leading’ background checks
 11 and failed to use the Safe Rides Fee to pay to provide more secure rides.” As part of the
 12 settlement, Uber agreed to “cease charging ‘Safe Rides Fees’ and to refrain from using
 13 statements like ‘safest ride on the road’ and ‘industry-leading’ when describing company safety
 14 measures in advertising.”

15 252. Ten days later, on August 23, 2019, *The New York Times* published an article
 16 titled “How Uber Got Lost,” adapted from Mike Isaac’s then-not yet published book “Super
 17 Pumped.” The article shockingly reveals how Uber’s “Safe Rides Fee” had nothing to do with
 18 passenger safety. In fact, Uber created and added the Safe Rides Fee to each passenger’s trip
 19 simply to boost revenue and margins, while deceiving passengers into believing the Company
 20 would allocate the extra \$1 charge per trip towards safety improvements. The article explains:

21 It was April 2014, and Uber was announcing a new \$1 charge on
 22 fares called the Safe Rides Fee. The start-up described the charge
 23 as necessary to fund “an industry-leading background check
 24 process, regulator motor vehicle checks, driver safety education,
 25 development of safety features in the app, and insurance.” But that
 26 was misleading. Uber’s margin on any given fare was mostly
 27 fixed, at around 20 to 25 percent, with the remainder going to the
 28 driver. According to employees who worked on the project, the
Safe Rides Fee was devised primarily to add \$1 of pure margin to
each trip. Over time, court documents show, it brought in nearly
 half a billion dollars for the company, and after the money was
 collected, it was **never earmarked specifically for improving**
safety. At the time, “driver safety education” consisted of little
 more than a short video course, and in-app safety features weren’t
 a priority until years later.... **“We boosted our margins saying our**
rides were safer,” one former employee told me last year, as I was

1 reporting a book about Uber. ***“It was obscene.”*** (Uber and its
2 founder, Travis Kalanick, declined to comment for this article.)

3 253. News of Uber’s deceptive scheme quickly spread, with a number of other news
4 outlets covering the story that Mike Isaac from *The New York Times* had broken. In an article
5 published that same day titled “Uber’s \$1-per-ride ‘safe rides fee’ had nothing to do with safety,”
6 *The Verge* reported that Uber’s Safe Rides Fee “was ***just a play for profit***[,]” and elaborated that
7 while the Safe Rides Fee “varied from market to market,” passengers were charged as much as
8 \$1.65 per trip. On August 27, 2019, *Business Insider* published a similar article titled “Uber
9 made nearly \$500 million from a ‘safe rides fee’—and that money went straight to the
10 company’s pockets.” The article explains that while passengers understood Uber’s Safe Rides
11 fee would be used to “bolster the company’s background checks, safety education, and more[,] ...
12 ***that fee didn’t actually go anywhere except straight to the company’s coffers.***”

13 254. On September 3, 2019, Mike Isaac published Super Pumped, which recounted in
14 striking detail how, “[u]nbeknownst to outsiders, ***Uber operations teams dealt with thousands of***
15 ***misconduct cases ever year, including increasing instances of sexual assault.***” Indeed, “[t]he
16 problem became so significant” that the Company had to “create its own taxonomy of twenty-
17 one different classifications of sexual misconduct and assault in order to properly organize the
18 sheer number of annual incidents reported.”

19 255. According to Super Pumped, “[w]hen a new rape accusation or lawsuit was
20 leveled against the [C]ompany or a driver, some Uber employees would remind others that
21 drivers are always ‘innocent until proven guilty.’” Even Defendant Kalanick “himself would
22 repeat the phrase often, especially to the security and legal teams.... Uber was the real victim, he
23 felt.” This was the culture at Uber set from the top: “[o]n occasion, when a sexual assault victim
24 decided not to pursue litigation or if the evidence in a police report was not conclusive enough to
25 prosecute, a ***round of cheers would ring out across the fifth floor of Uber HQ.***”

26 256. Super Pumped described how passenger safety was not a priority at Uber, and
27 Uber “had so lowered the bar to becoming a driver that people who might have been prevented
28 from driving in the official taxi industry could easily join Uber.” According to Super Pumped,

1 “[t]axi and livery services used fingerprint testing, which offers a thorough history of a driver’s
2 past, but often took weeks to complete,” but “[w]aiting weeks for a background check was
3 intolerable for Uber.” So the Company “used a background check system that moved new
4 recruits through the system quickly” and “did not require fingerprint tests.” Rather than put
5 passenger safety first, “[i]n states where fingerprint-based background checks were legally
6 required, Uber hired lobbyists to get laws rewritten.” Nevertheless, Uber was telling passengers
7 that it was using “an industry-leading background check process.”

8 257. As previously reported in *The New York Times*, Super Pumped also blew Uber’s
9 cover on its purported “Safe Rides Fee,” explaining:

10 Uber’s margins were fixed for the most part; they took an
11 approximately 20 to 25 percent cut of every ride while giving the
driver the remainder of the fare.

12 Until 2014, that is, when one executive had the brilliant idea of
13 introducing the “Safe Rides Fee,” a new charge that added \$1 to
14 the cost of each trip. At the time Uber billed it as necessary for
15 passengers: “This Safe Rides Fee supports our continued efforts to
16 ensure the safest possible platform for Uber rides and drivers,
including an industry leading background check process, regular
motor vehicle checks, driver safety education, development of
safety features in the apps, and insurance....”

17 After the money was collect it was never earmarked specifically
18 for improving safety. “Driver safety education” consisted of little
more than a short, online video course.”

19 258. As also reported in *The New York Times*, Super Pumped confirmed a former Uber
20 employee’s account of the Company’s strategy behind its Safe Rides Fees: Uber “boosted [its]
21 margins saying [its] rides were safer.... It was obscene.”

22 259. The *WaPo* Article, first published on *The Washington Post*’s website after the
23 market closed on September 25, 2019 and then in the newspaper’s print edition the following
24 day, reveals a stunning account of how Uber puts its own interests ahead of passenger safety—
25 even when the Company receives reports of sexual misconduct and sexual assault. Titled “When
26 rides go wrong: How Uber’s investigations unit works to limit the company’s liability,” the
27 *WaPo* Article recounts in shocking detail how investigators in Uber’s SIU (or Special
28

1 Investigations Unit, the Company’s call center for passenger complaints) are “*coached by Uber*
2 *to act in the company’s interest first, ahead of passenger safety.*”

3 260. Based on interviews with more than 20 current and former investigators, the
4 *WaPo* Article describes how Uber maintains a “three-strikes” system that keeps “bad actors” on
5 the road collecting fares and provides little, if any, recourse to victims:

6 ***Uber relies on a three-strikes system that can allow bad actors —***
7 ***both drivers and riders — to keep using the app until three***
8 ***uncorroborated allegations are made,*** according to the more than
9 ***20 current and former investigators. For more egregious claims, it***
10 ***is generally two such strikes, they said. Without corroborating***
11 ***evidence, such as a police report or rape kit, they said, they don’t***
12 ***have the time, resources or encouragement to delve deeply into***
13 ***most allegations.*** If drivers or passengers deny the allegations,
14 investigators said they often have little recourse with Uber but to
15 briefly suspend access to the app and possibly refund a passenger’s
16 money....

17 [I]nvestigators say Uber’s process leaves bad actors on the road.
18 One investigator recalled the ***San Francisco driver who***
19 ***purportedly forced his way into the back seat and put his hand up***
20 ***a passenger’s blouse before she struggled free. Another heard***
21 ***from riders that their driver threatened them with a hammer***
22 ***hidden under his seat. Neither lost their driving privileges at the***
23 ***time.***

24 Perhaps more egregious, Company executives can make “exceptions” to the three-strikes system
25 or overrule SIU investigators in order to, for example, keep high earning Drivers on the road:

26 Uber has a three-strikes system, investigators said, but executives
27 have made exceptions to keep drivers on the road. For instance, a
28 New York-area driver allegedly made three separate sexual
advances on riders, said an investigator assigned to the case. ***After***
an executive overruled the investigator, the driver was allowed to
continue working until a fourth incident, when a rider claimed
he raped her....

[T]he ***strikes system can be superseded by Uber executives who***
may be motivated to keep as many drivers on the road as possible,
investigators said. In one case, an investigator said he had
recommended a driver — who already had two strikes — be
permanently deactivated after the driver attempted to rub the leg of
a female passenger without her consent. (The driver denied the
allegations, according to the investigator.) ***An Uber executive,***
noting the driver was a high earner and had completed more
than 10,000 rides, allowed him to continue taking fares,
according to the investigator.

1 One former investigator in Phoenix, Arizona, Lilli Flores (“Flores”), recalls how “in her time
2 there *about one-third of cases handled by investigators dealt with sexual misconduct,*
3 *including rape or unwanted flirtation or advances.*”

4 261. The *WaPo* Article also describes how SIU investigators are “forbidden” from
5 taking direct steps to assist victims: “The *agents are forbidden by Uber from routing allegations*
6 *to police or from advising victims to seek legal counsel or make their own police reports, even*
7 *when they get confessions of felonies*, said Lilli Flores, a former investigator in Phoenix — a
8 guideline corroborated in interviews with investigators, alleged victims and plaintiffs’ attorneys.”

9 262. In fact, the consequences of taking such direct steps to aid victims can be severe:
10 “Many investigators said they understood that if they contacted the police or advised victims to
11 do so, they could be *reprimanded or even fired.*” As one former SIU investigator explained, this
12 is because Uber designed the SIU to shield the Company from liability and negative publicity,
13 rather than help and protect victims: “*Investigators are there first to protect Uber*; and then
14 next to protect the customer,” said Flores, who worked nearly two years for Uber as an
15 investigator and investigations trainer before leaving in November. *‘Our job is to keep the tone*
16 *of our conversations with customers and drivers so that Uber is not held liable.’”*

17 263. The *WaPo* Article further describes how Uber trains SIU investigators to avoid
18 asking questions, and the Company provides investigators with scripted “responses” designed to
19 distance Uber from victims and from liability: “The *investigators said they are taught to avoid*
20 *asking alleged perpetrators directly about the claims against them. And to alleged victims, to*
21 *only offer condolences that distance Uber from a purported incident*: ‘No one should have to
22 go through something like that’ rather than ‘I am so sorry that happened to you.’”

23 264. SIU investigators also explained that, although investigations may last “just
24 minutes” or “stretch for hours or days[,] ... [b]ecause of the sheer number of tickets that flow
25 through investigators’ queue, they rarely have time to spend more than a few minutes at a stretch
26 talking to victims and the accused.... Several investigators said *managers send instant messages*
27 *to nudge them when a call lasts too long.*” SIU investigators stressed that “*alleged crimes —*
28 *especially sexual misconduct — happen during ride-hailing trips at an alarming rate.*”

1 265. In Chicago alone, for example, the *WaPo* Article reports that “more than 300
2 drivers were banned from Uber, Lyft and rival Via for allegations of sexual misconduct between
3 January 2016 and August 2019, according to data obtained by a Freedom of Information Act
4 request.” Among nearly 70,000 active registered drivers in Chicago, “[m]ore than 1,100 ... were
5 barred for matters of safety during that time, according to the data, which showed that drug use
6 or possession and traffic accidents ranked after sexual misconduct as the top reasons for a driver
7 being blocked.” As explained by SIU investigators, “the number of drivers banned would
8 probably be higher” if they “pursued accusations of misconduct more aggressively.”

9 266. The *WaPo* Article further reports that “[e]ven while arguing it shouldn’t be held
10 liable for driver or rider conduct, Uber has sought to settle cases quickly to avoid the scrutiny of
11 open court,” according to numerous attorneys familiar with such cases. In 2018, for example, the
12 Company settled one such highly publicized case for \$25 million, when “20 women ... alleged
13 various sexual assaults in rides hailed” through the Uber Rides app.

14 267. In another civil suit filed in Chattanooga, Tennessee (pending as of the date the
15 *WaPo* Article was published but since settled), “two female riders allege a *driver sexually*
16 *assaulted them because Uber failed to keep him off the road* following the first woman’s claim
17 he groped her breast and compelled her to grab his penis. Within 15 days of that alleged incident,
18 he exposed himself to the second woman and tried to grab her, according to the complaint.”

19 268. Despite the fact that SIU investigators “handle sensitive incidents, like sexual
20 assaults or fatal accidents,” the *WaPo* Article reports that Uber said it “only recently began
21 requiring a minimum of one year’s prior experience conducting investigations or handling safety
22 calls or insurance claims.” Underscoring the degree to which Uber takes passenger safety
23 seriously, the article describes how “[a]mong those *Uber has previously hired for the [SIU]*
24 *post are a former fry cook, grocery store cashier and barista.*”

25 269. Tellingly, when reached for comment on the *WaPo* Article, Tracey Breeden
26 (“Breeden”)—Head of Global Women’s Safety at Uber—told *The Washington Post*, “At the end
27 of the day, we’re not the judge and jury to determine whether a crime has occurred.... *We’re here*
28

1 *to gather information, make a business decision.* We're not law enforcement." Breeden's
2 comment exposes how Uber prioritizes its business interests over passenger safety.

3 270. The *WaPo* Article's revelations about passenger safety issues drew an immediate
4 backlash against the Company, including from sitting members of Congress. On September 25,
5 2019, in a public letter addressed to Defendant Khosrowshahi (the "Blumenthal Letter"), U.S.
6 Senator Richard Blumenthal—a member of the Committee on Commerce, Science, and
7 Transportation, which has "jurisdiction over a variety of domestic and international commercial
8 areas" including "transportation infrastructure"—opens his letter by stating he is writing "in the
9 wake of *deeply disturbing reports about sexual assault and harassment* that have occurred
10 through your ride-sharing app and your responses to those incidents."

11 271. Senator Blumenthal stresses that the *WaPo* Article's "report about Uber's
12 handling of these claims raises *serious concerns about whether your company takes sexual*
13 *misconduct seriously.*" Senator Blumenthal notes he is "further alarmed by Uber's public
14 statements about this issue," and he castigates Defendant Khosrowshahi for the Company's
15 "*brazenly careless attitude about your responsibility to your customers.*" In response to
16 Breeden's comment that Uber is only "here to gather information, make a business decision[,]"
17 Senator Blumenthal emphasizes, "*This is simply unacceptable.*"

18 272. The Blumenthal Letter draws a sharp contrast between the way Uber has
19 marketed itself and its business model and the Company's actual policies and practices with
20 respect to passenger safety:

21 Uber has repeatedly marketed itself as a way of ensuring a safe
22 ride home after a night of drinking. If marketing your company as
23 providing safe rides for young, intoxicated women is going to be
24 part of your business model, then *it is especially crucial that you*
ensure that these rides are in fact safe. Otherwise, these
advertisements serve as a signal to sexual predators that driving for
Uber is an effective way to prey on vulnerable young women....

25 Citing the *WaPo* Article, Senator Blumenthal continues:

26 It has also been reported that Uber's policy is to not share findings
27 from complaints of sexual assault with background check firms,
28 competitors or law enforcement. Apparently, the reason for this
policy is to allow "a survivor to be able to own their story" and
"choose whether they provide that information to police." Yet
news reports indicate that investigators are urged not to advise

1 victims to contact the police at all. ***Putting the onus on a victim of***
2 ***sexual assault to report it to law enforcement, to your competitors***
3 ***and to background checking companies while simultaneously***
4 ***directing your employees not to advise victims to go to the police***
5 ***demonstrates your lack of seriousness about the sexual***
6 ***misconduct that occurs through your app.***

7 The Blumenthal Letter concludes that Uber “must clearly do more to ensure rider safety.”

8 273. News about Uber’s extensive passenger safety issues, as reported in the *WaPo*
9 Article, also drew the ire of Assemblywoman Gonzalez, AB5’s sponsor and author. On
10 September 26, 2019, in an article titled “California lawmaker seeks to hold Uber accountable for
11 sexual assault investigations,” *The Washington Post* reported that Assemblywoman Gonzalez
12 was seeking to hold Uber accountable by introducing “legislation that would ensure Uber and
13 Lyft properly investigate claims of sexual assault and harassment.” Specifically, the article
14 explained that Assemblywoman Gonzalez was “considering mandatory reporting requirements
15 for allegations of sexual assault after” the *WaPo* Article revealed “Uber’s internal investigators
16 are forbidden to share them with law enforcement or other ride-hailing companies.” Speaking
17 with *The Washington Post*, Assemblywoman Gonzalez explained that if “a customer reports a
18 crime, ... it must be properly investigated. ***There does need to be a responsibility to truly***
19 ***investigate.... That’s clearly not happening.***”

20 274. News of the passenger safety issues reported in the *WaPo* Article also made its
21 way to national television. On September 26, 2019, for example, the national *CBS This Morning*
22 television program aired an interview with former SIU investigator Lilli Flores, who explained
23 that “[i]nvestigators do not report any of the incidents that happen on the Uber app to law
24 enforcement.... The lack of communication between the rideshare apps really ***puts people in a***
25 ***very dangerous position.***”

26 275. Also on September 26, 2019, in an article titled “Uber makes changes amid
27 swarm of criticism over rider safety,” *The Washington Post* reported that Uber was rolling out a
28 “suite of initiatives ... aimed at keeping riders safe.” As the article explains, these purported
changes were announced only after “Uber has faced increase scrutiny of its safety practices ... as
some critics complain the company hasn’t done enough to protect both riders and drivers who

1 use the app. *Many riders have alleged sexual harassment and other types of misconduct,*
2 *sparking lawmaker scrutiny.*”

3 276. The article also quoted Sachin Kansal, Uber’s head of safety products, who
4 stating, “[U]nderreporting is a big issue in every industry and we want to be able to help with
5 that.... If a user has a bad experience, we want to hear about that.” Kansal’s statement belies
6 statements from the 20 current and former SIU investigators interviewed for the *WaPo* Article,
7 who described in startling detail how Company executives discourage inexperienced
8 investigators from asking questions or from taking “too long” on calls.

9 277. Contemporaneous news reports also contradict Uber’s newfound interest in
10 “keeping riders safe.” On September 29, 2019, for example, *The Register-Guard* (a Eugene,
11 Oregon-based daily newspaper) published an article, titled “Uber, Lyft driver checks miss
12 convicted murderer, sex offender,” describing how the Company had failed to perform adequate
13 background checks on its Drivers, jeopardizing passengers. While Uber and Lyft were “pushing
14 for statewide legislation that would eliminate stringent background checks[,] ... [f]or about a
15 week, a convicted murderer was working as a driver for a ride-hailing company in the Eugene-
16 Springfield[, Oregon] area.”

17 278. As *The Register-Guard* article further explained:

18 In another case, a registered sex offender was behind the wheel.

19 In all, according to city statistics, about *two dozen drivers for Lyft*
20 *and Uber were allowed to drive passengers in their personal*
21 *vehicles for a short time after they cleared the companies’ third-*
party background checks but failed the local check conducted
after they were allowed to work.

22 It was background checks by the Eugene Police Department that
23 ultimately prompted a city regulator to take the for-hire drivers off
24 the road. *Police discovered the offenses while running their own*
more stringent check and recommended the revocation of the
drivers’ city-issued license....

25 [T]he number illustrates the potential public safety risk in the
26 compromise that city leaders made to bring ride-hailing back into
27 the market. And it raises questions as Uber and Lyft continue to
28 push for statewide regulations that would pre-empt local
background checks....

1 The city provided the following information about ride-sharing
2 drivers using conditional licenses who failed the local EPD
background check from September through late spring:

- 3 • Five for public safety concerns, including one registered sex
4 offender and a convicted murderer
- 5 • 10 for misdemeanor arrests within three years
- 6 • Three for felony arrests within seven years
- 7 • Three for felony arrests within 10 years
- 8 • Four for having currently open court cases, including one open
felony case

9 279. All this took place in the city of Eugene, Oregon alone, but as Tracey Breeden
10 told *CBS This Morning* in her televised interview, Uber “do[es] 17 million trips across the world
11 every day. *Every day.*”

12 280. On September 30, 2019, with media scrutiny on Uber passenger safety
13 intensifying, several media outlets—including *U.S. News & World Report*, *Yahoo Finance*, and
14 *The Washington Times*—picked up a report from *The Associated Press* describing how an Uber
15 Driver had kidnapped and sexually assaulted a female passenger in North Carolina. According to
16 a Kernersville, North Carolina police detective, an “unidentified woman summoned the Uber
17 service early Friday.... [T]he Uber driver didn’t take the woman to her intended destination, but
18 instead took her to a different location without her consent and committed the sexual offense
19 against her while she was physically helpless.”

20 281. On October 1, 2019, responding to a September 27, 2019 *Wired* tweet that Uber
21 was “rolling out a raft of new safety features[,]” Senator Blumenthal tweeted that “*Uber’s new*
22 *safety features are a meager start*. They do nothing to address the fundamental problems of
23 ensuring drivers pass rigorous background checks & preventing predatory drivers from jumping
24 from one app to another.”

25 282. Senator Blumenthal also tweeted: “Drivers with credible allegations of sexual
26 assault should be kicked off the app & when companies get complaints, law enforcement must be
27 notified immediately. *Uber & Lyft should not be telling employees to dissuade victims from*
28 *notifying authorities—this is unacceptable.*”

1 283. In a separate tweet posting images of the Blumenthal Letter, Senator Blumenthal
2 denounced Uber and Lyft directly: “Uber/Lyft have stated they ‘do not tolerate harassment or
3 violence’ on their platform, but *if they aren’t taking reports of harassment & violence*
4 *seriously, this is difficult to believe*. I’ve written to these companies demanding they must do
5 more to ensure rides are in fact safe.”

6 284. In mid-October 2019, numerous media outlets (including *The Washington Post*,
7 *Insurance Journal*, and *Business Insider*) reported that Uber and Lyft executives had refused to
8 appear before the U.S. House of Representatives’ Committee on Transportation and
9 Infrastructure for an October 16, 2019 hearing called to examine so-called “transportation
10 network companies” that have “flooded our roadways with disruptive technologies.”

11 285. In his opening remarks, Representative and Committee Chairman Peter DeFazio
12 (whose congressional district includes Eugene, Oregon) lambasted Uber and Lyft for failing to
13 attend the hearing:

14 ***Their failure to appear at this hearing is a telling sign that they***
15 ***would rather suffer a public lashing than answer questions on***
16 ***the record about their operations. Perhaps they don’t want to talk***
17 ***about their public safety problems....*** In my district, a dozen
18 applicants with serious criminal convictions, including a convicted
19 murderer and a registered sex offender, were cleared through Uber
20 and Lyft’s screening process and allowed to drive passengers. It
21 wasn’t until the local police department performed their own, more
22 comprehensive background checks that the drivers’ criminal
23 records were discovered, and they were removed from service.

24 286. As detailed *supra* at ¶228, on November 25, 2019, the TfL announced its decision
25 not to renew Uber’s license to operate in London. As reported in *The Guardian* that day, the TfL
26 had told Uber it “needed to address issues with checks on drivers, insurance and safety,” but
27 Uber had “failed to satisfy the capital’s transport authorities.” The TfL “said it had found *several*
28 *breaches that put Uber passengers at risk*[,]” including a “security lapse [that] resulted in at
least 14,000 trips—involving 43 drivers—where someone other than the booked driver picked up
passengers.” According to the TfL, these “*incidents mostly occurred from late 2018 until early*
2019,” and among the “43 fraudulent drivers discovered were some whose licenses had been
revoked.” In an article published that same day titled “Uber loses license to operate in London,”

1 the *BBC* elaborated that the TfL “found dismissed or suspended drivers had been able to create
 2 Uber accounts and carry passengers. In one example, a *driver was able to continue working for*
 3 *Uber, despite the fact his private hire license had been revoked after he was cautioned for*
 4 *distributing indecent images of children.*”

5 287. Months later on January 24, 2020, in an article titled “Uber in London Failed to
 6 Flag Assault Complaints, Monitor Drivers’ Insurance Status,” *Insurance Journal* reported that
 7 the TfL released a “*scathing*” 62-page report “detailing why it moved to ban” Uber from
 8 London. The TfL focused on “charges that Uber failed to adequately verify drivers’ identities
 9 and safeguard the service for passengers.” The TfL said Uber had “blamed [a] ‘system or human
 10 error’ for its failing to promptly notify [TfL] about seven incidents that led the company to
 11 suspend a driver. A *number of these related to allegations of rape and sexual assault.*”

12 288. After the market closed on December 5, 2019, following months of shocking
 13 revelations of rampant passenger safety issues across Uber’s ridesharing platform (and the
 14 defective policies and practices that failed to keep passengers safe), the Company finally released
 15 its U.S. Safety Report. The 84-page document reveals a startling account of 107 deaths across 97
 16 fatal crashes, 19 fatal physical assaults, and **5,981 sexual assaults** that occurred during 2017 and
 17 2018 (the two calendar years immediately preceding the Offering)—*in the Unites States alone.*

18 289. With respect to sexual assault, the U.S. Safety Report describes how, based on the
 19 “5 most serious categories of sexual assault,” Uber received reports of **2,936 and 3,045 instances**
 20 **of sexual assault for 2017 and 2018**, respectively, or **eight sexual assaults per day** each year.
 21 The U.S. Safety Report does not present these top-line figures, but rather presents the number of
 22 annual incident reports according to each of the five “most serious categories” of sexual assault:

<i>Serious Category of Sexual Assault</i>	<i>2017 (# of incident reports)</i>	<i>2018 (# of incident reports)</i>
Non-Consensual Kissing of a Non-Sexual Body Part	570	594
Attempted Non-Consensual Sexual Penetration	307	280
Non-Consensual Touching of a Sexual Body Part	1,440	1,560

1	Non-Consensual Kissing of a Sexual Body Part	390	376
2	Non-Consensual Sexual Penetration	229	235

3
4 290. The U.S. Safety Report presents “breakdowns” of the combined five categories of
5 sexual assault by “reporting party” and also by “accused party,” indicating that, overall, 56% of
6 reporting parties were passengers and 54% of accused parties were Drivers.

7 291. These overall reporting and accused party figures seem to be at odds with the
8 specific “reporting party” figures presented for the first four categories of sexual assault: non-
9 consensual kissing of a sexual body part (*75% of reporting parties were passengers*); attempted
10 non-consensual sexual penetration (*72% of reporting parties were passengers*); non-consensual
11 kissing of a non-sexual body part (46% of reporting parties were passengers); and non-
12 consensual touching of a sexual body part (oddly, the percentage of reporting parties that were
13 passengers is not presented, but the percentage of reporting parties that were Drivers is: 51%). A
14 small minority of reports of sexual assault were made by third parties, *i.e.*, neither passengers nor
15 Drivers. The U.S. Safety Report does not present the specific “accused party” figures for any of
16 the five categories, nor does it present the specific “reporting party” figures for the fifth and
17 “most serious” category: non-consensual sexual penetration.

18 292. The U.S. Safety Report does, however, present “data on victims” for non-
19 consensual sexual penetration, the only category of sexual assault for which this figure is
20 presented. For non-consensual sexual penetration (and “[a]cross both years”), the “*survivor was*
21 *the rider in roughly 92% (n=429) of incident reports, and 25% (n=109) of those were guest*
22 *riders*. Drivers were survivors in about 7% (n=31) of incident reports.” In addition, “*women and*
23 *female-identifying survivors made up 89% of the survivors in the dataset[,]”* while “men and
24 male-identifying survivors comprised about 8%” of non-consensual sexual penetration survivors.
25 Less than “1% of survivors identified as gender minorities.”

26 293. The U.S. Safety Report also presents “a preview of estimated 2019 sexual assault
27 data” for January through June of 2019, *i.e.*, the four months preceding and the two months
28 following Uber’s May 2019 IPO. The U.S. Safety Report does not present raw figures for the

1 number of incident reports across any of the five categories, but it does present “% estimated
2 incident rate change vs. full year 2018” for each category, from which raw figures can be
3 calculated and tallied. Based on “reports as of November 15, 2019[.]” Uber received
4 approximately **2,500 reports of “serious sexual assaults” in the first six months of 2019 alone.**

5 294. In its Executive Summary, the U.S. Safety Report proclaims that Uber does not
6 “believe corporate secrecy will make anyone safer. **People have a right to know about the safety**
7 **records of the companies and organizations they rely on every day.** And we believe that
8 publishing this data will help us develop best practices that will prevent serious safety incidents
9 from occurring in the first place.” These tell-tale statements suggest Uber omitted at least two
10 material facts from the Offering Documents: first, Uber kept this shocking data a “secret” prior
11 to and at the time of the IPO, and second, the Company had neither developed nor implemented
12 sufficient policies or practices with respect to passenger safety at the time of the IPO.

13 295. Uber’s release of the U.S. Safety Report—and the passenger safety issues it
14 disclosed—promptly drew an onslaught of negative publicity and indignation from the public,
15 but also criticism that the U.S. Safety Report does not go far enough in terms of transparency.

16 296. On December 5, 2019, for example, in an article titled “Uber Says 3,045 Sexual
17 Assaults Were Reported in U.S. Rides Last Year,” *The New York Times* stressed that while “the
18 ride-hailing company detailed sexual assaults, murders and fatal crashes through its platform[.]”
19 the report “**did not give a comprehensive picture of safety across Uber’s operations. It provided**
20 **no information on the 65 countries outside the United States where Uber offers its services.** In
21 Brazil, India and elsewhere, murders and assaults stemming from ride-hailing services have been
22 widely reported.” The article also quoted CLO West: “The **numbers are jarring and hard to**
23 **digest.**” In another article published that same day titled “Uber releases safety report revealing
24 5,981 incidents of sexual assault,” *CNN Business* notes that “Uber repeatedly attempted to
25 contextualize the number of sexual assaults as a percentage of total rides.... It also contextualized
26 its incidents of sexual assault and homicide by citing national rates.” The *CNN Business* article
27 also stressed that the “84-page report contained **data that Uber had from 2017 and 2018,** and
28 included incident reports resolved on or before October 31, 2019[.]” *i.e.*, prior to the IPO.

1 297. On December 6, 2019, *The Washington Post* published an article titled “On Uber,
2 hundreds of rape allegations go unreported to police.” The article explains how the data
3 presented in the U.S. Safety Report offers an incomplete picture of passenger safety at Uber:

4 Buried inside Uber’s inaugural safety report this week that detailed
5 thousands of sexual assaults and more than 100 deaths was another
6 staggering revelation: ***Hundreds of rape allegations have gone
undisclosed to law enforcement....***

7 That suggests police weren’t aware of nearly 300 rape allegations,
8 potential felonies. Uber didn’t disclose the involvement of law
9 enforcement in the 6,000 reports of sexual assault. That means
10 police are potentially unaware of thousands more cases of sexual
11 assaults....

12 The ***finding that Uber knows vastly more than police about the
13 scale of rape and sexual assault during its rides is raising alarms
14 among law enforcement, regulators and victims [sic] advocates
15 who say the company keeps valuable information to itself*** — and
16 struggles to take responsibility for what happens on its platform.

17 ***“These numbers represent a staggering systemic failure,”*** said
18 Sen. Richard Blumenthal (D-Conn.), a frequent critic of ride-
19 hailing services who accuses them of dodging responsibility for
20 safety concerns....

21 Former San Francisco [D]istrict Attorney [G]eorge Gascón ... said
22 the company’s revelation raises serious issues with the platform
23 and its aggressive expansion.

24 ***“I think it’s extremely troubling that we’re finding out now that
25 only a third of [offenses] have been reported because what we
26 know also is that people who engage in sexual assault and receive
27 no consequences tend to reoffend,”*** said Gascón....

28 Victims [sic] rights groups and other experts said the thousands of
reports of sexual assault could represent just a fraction of the
incidents during ride-hailing trips....

***“Nothing that they have done is defensible regarding not reporting
these incidents to police,” [Mike Bomberger said, an attorney with
Estey & Bomberger, LLP]. “Look at the consequences of not
reporting: What’s the message you send to your drivers if you
know a crime’s been committed in the car, you’re aware of it and
it’s not been reported to police? Number two: You know that a
particular driver has committed a crime, is a sexual predator,
and now you’re going to let that sexual predator back into the
public to do whatever sexual predators do. You look at the pros
and cons, and there’s no way you can defend not reporting that”*** to
police....

 Some of the reporting issues stem from ***systemic issues*** at Uber’s
Special Investigations Unit, a call center in Phoenix that is charged
with handling the most sensitive reports from passengers and

1 drivers. The Post revealed in September that workers in that unit
2 were charged with serving the company's interest first, seeking to
3 avoid liability for safety issues, guided by a policy that prohibited
4 reporting to police.

5 298. The U.S. Safety Report even drew the ire of major presidential candidates. On
6 December 6, 2019, responding to Faiz Siddiqui's (a reporter at *The Washington Post*) December
7 5, 2019 tweet reporting that Uber had "disclosed 3,000 sexual assaults in U.S. rides last year,
8 including 235 people raped," U.S. Senator Elizabeth Warren ("Senator Warren") tweeted to her
9 millions of followers on Twitter, "***Uber's safety investigators are reportedly more concerned
10 about protecting their company from liability than protecting passengers and drivers.
11 Misclassifying their employees as contractors is just another way to avoid responsibility. Uber
12 must be held accountable.***"

13 299. On December 6, 2019, *Wired* published an article titled "A Criminologist Says
14 Uber's Crime Report Is 'Highly Alarming.'" The article described how "***there were more than
15 3,000 sexual assaults related to Uber rides last year, up 4% from the year before.***" The article
16 also quoted John Roman (a senior fellow at NORC at the University of Chicago, an independent
17 social research institution), who explained why the data is so troubling:

18 More than 3,000 people reported sexual assaults related to Uber
19 rides in the US last year, the ride-hail company said Thursday in a
20 long-awaited report on violence and safety—an average of eight
21 per day....

22 The data is difficult to put in context....

23 Still, one criminologist said that, unlike [CLO] West, he was
24 surprised by the numbers contained in the Uber safety report, and
25 not in a good way. "***It's highly alarming,***" says John Roman....

26 Data on violence, and particularly sexual violence, is fraught, as
27 victims historically have been loath to involve law enforcement.
28 Uber noted in its report that police were involved in just 37 percent
of the rape incidents reported through its app; that likely makes
Uber's reported numbers look artificially high when compared with
national crime statistics. Plus, the FBI's data on sexual assault has
been bedeviled by issues of classification. In fact, Uber worked
with advocacy groups to create a "taxonomy" of sexual assault—
five categories ranging from nonconsensual kissing of a nonsexual
body part to nonconsensual penetration—for the report. Still,
"stranger rape" is relatively rare: Just 27,000 incidents occurred
last year, according to the Rape, Abuse & Incest National
Network, fewer than 20 percent of the total rape incidents reported
to the FBI.

1 Uber, meanwhile, reported 235 rapes last year, about one in every
2 5 million trips. To Roman, that seems very high, especially given
3 that most of these incidents are between strangers who interact
4 fleetingly during an Uber ride. That goes for “stranger” homicides
5 too—just about 450 arguments between strangers led to murders in
6 the US last year. According to Uber data, 19 of those were related
7 to the company’s rides.

8 ***“We all think being victimized by a stranger is just the price of ...
9 living in America,” says Roman. “But I think people don’t
10 understand how rare stranger homicides and stranger rapes are.
11 To see all these [Uber-related] rapes and murders—that’s the
12 thing that makes me really alarmed”*** here....

13 Uber cautions against comparing the rate of incidents on rides with
14 national data because its riders tend to be more urban and more
15 affluent than other Americans.

16 But ***Roman surmises that Uber’s model contributes to crimes.
17 For one, unlike taxi drivers, Uber drivers use their own vehicles,
18 which typically don’t include your classic plexiglass divider. A
19 study in the Baltimore area in the mid-1990s suggests that assaults
20 on taxi drivers dropped precipitously after the city required taxi
21 owners to put partitions into all their vehicles. The intimate
22 quarters of an Uber car ride might invite inappropriate behavior—
23 and a partition might prevent it.***

24 The ***violence may also be related to Uber’s controversial
25 employment model, which classifies drivers as independent
26 contractors rather than full-time employees.*** “There’s a big
27 literature in criminology that finds people are less likely to commit
28 crimes if they fear losing their job because of it,” says Roman. But
if drivers only view their job as an occasional, part-time gig—not a
job—Roman says they’re less likely to approach driving with
professionalism, or with fear of termination.

300. Also on December 6, 2019, after the market closed, *The Mercury News* (a San
Jose, California-based daily newspaper) published an article titled “Uber loses \$1.4 billion in
value after reporting thousands of sexual assaults in its rides.” As reported in the article, ***“Uber’s
stock market value fell by \$1.4 billion”*** on Friday, December 6, 2019, “on the heels of the
company’s release of a safety report revealing that 3,000 incidents of sexual assault took place
during its U.S. rides in 2018.” The article also quoted Dan Ives (Managing Director at Wedbush
Securities), who stated, ***“The safety report[] paints another black eye for Uber as the company
continues [to] have business model issues*** which need to [be] addressed.”

301. On the same day, *Barron’s* published an article titled “If Uber Thought Its Safety
Report Would Help Its Reputation, Wall Street Didn’t Buy It.” The article explained: “though

1 [Uber] tried its best to frame the figures within the context of national averages, the headline
 2 numbers, especially for sexual assaults, didn't help." The article also quoted Ives, who stated,
 3 "*It's a disaster and another major black eye for Uber with safety issues front and center.*"

4 3. Post-IPO Events Demonstrating That Uber's Financial Condition 5 Was Worse Than the Offering Documents Led Investors to Believe

6 302. Third, Uber failed to disclose that its growth at any cost business model was
 7 defective, and as a result the Company had sustained massive losses and decelerating growth.
 8 Moreover, the Company was in the process of implementing purported cost saving measures that
 9 would only exacerbate the problem.

10 303. After the market closed on May 30, 2019, within a month of Uber's IPO, the
 11 Company reported its financial results for the quarter ended March 31, 2019 ("Q1 2019")—a
 12 quarter that ended more than a month before the Offering. In its Q1 2019 earnings release, Uber
 13 reported a *\$1.012 billion loss and the slowest quarterly revenue growth in the Company's*
 14 *history*, on both a GAAP Revenue (20% YoY) and an Adjusted Net Revenue (14% YoY) basis.
 15 *Uber Rides—the Company's most important offering and main source of revenue—posted its*
 16 *slowest quarterly revenue growth ever: 9% and 10% YoY on a GAAP Revenue and Adjusted*
 17 *Net Revenue basis, respectively. Q1 2019 marked the first time in the Company's history that*
 18 *Uber Rides' revenue growth slowed into the single digits. Moreover, Uber reported its slowest*
 19 *ever growth in terms of trips (36% YoY) and 10% slower growth in MAPCs (33% YoY) than*
 20 *the same quarter the prior year—both key measures of the Company's financial condition.*

21 304. On the same day, *Quartz* published an article titled "Uber's earnings are
 22 confusing by design." Although Uber's revenue was up "20% from the same period in 2018[,]"
 23 the article reported that "[m]ost of that growth came from food-delivery platform Uber Eats,"
 24 which grew 89% YoY. *Quartz* explained that Uber's financial reports are "so complicated you
 25 need a glossary of terms to get through a single sentence." During the Q1 2019 earnings call,
 26 Defendant Khosrowshahi claimed that Uber's "story is simple," but *Quartz* questioned this line:

27 Why does such a simple story require such a complicated financial
 28 report? Perhaps because *there are certain key elements of that*
story Uber doesn't want investors to focus on. For instance, Uber
 may not want investors to pay too much heed to the excess driver
 incentives and referrals it pays out, the former of which ballooned

1 to \$291 million on Eats in the latest quarter, a 200% increase over
 2 the first quarter of 2018. ***That 89% boost in Eats revenue looks***
 3 ***less impressive when you realize Uber tripled incentive payouts to***
 4 ***achieve it.***

5 305. The article stressed that Uber’s \$1.012 billion loss, or “[n]et income, meanwhile,
 6 ***was so much lower than the same time last year***—the first and to date only quarter in which
 7 Uber reported a profit, thanks to sales of international operations—***that the company described***
 8 ***the year-over-year change as ‘not meaningful.’***”

9 306. The *Quartz* article further questioned whether investors should “even be looking
 10 at revenue and net income, [(or loss),] anyway,” as Uber also reports a slew of other figures:

11 Uber also reports “adjusted net revenue” and “core platform
 12 adjusted net revenue.” Uber calculates these adjusted figures,
 13 known in industry terminology as non-GAAP financial measures
 14 ... by taking its original revenue figures and deducting certain
 15 incentives it pays to its independent-contractor workforce.
 16 Adjusted net revenue is consistently lower than revenue.

17 What is “core platform,” you ask? Why, one of Uber’s two
 18 operating segments. It includes rides, Eats, and “other core
 19 platform,” the last of which is primarily Uber’s “Vehicle
 20 Solutions” business. This “other core platform” shouldn’t be
 21 confused with “Other Bets,” which is Uber’s second operating
 22 segment. “Other Bets” mainly includes the company’s trucking
 23 business, Uber Freight, plus “new mobility” (electric bikes and
 24 scooters).

25 ***Got that? No? Confused? Yeah, me too. The market seemed***
 26 ***equally uncertain what to make of it.*** Uber’s stock drifted upward
 27 immediately after the company shared its results, then dipped
 28 down.... ***Uber closed out regular trading on May 30 at \$39.80,***
11% below its \$45 IPO price.

307. On June 7, 2019, less than a month after the Offering, Uber announced that its
 Chief Operating Officer Barney Harford (“COO Harford”) and Chief Marketing Officer Rebecca
 Messina (“CMO Messina”) were “stepping down.” On the same day, *CNBC* published an article
 titled “Uber’s chief operating officer and chief marketing officer are stepping down,” which
 included an internal email Defendant Khosrowshahi sent to employees announcing COO Harford
 and CMO Messina’s departure. In the email, Defendant Khosrowshahi states, “[A]t every critical
 milestone, it’s important to step back and think about how best to organize for the future. ***Given***
that we’re a month past the IPO, now is one of those times, and I’ve been discussing this topic

1 *a lot with [COO Harford] and the leadership team.*” Defendant Khosrowshahi explains that
2 from now on he would be “more involved in the day-to-day operations of ... the core platform of
3 Rides and Eats,” with both Rides and Eats reporting directly to him, and “[g]iven this, [COO
4 Harford] and I have agreed that the COO role no longer makes sense, and he’s decided to leave
5 Uber.”

6 308. With respect to CMO Messina, Defendant Khosrowshahi states in the email that
7 he had “decided to combine [Uber’s] Marketing, Communications, and Policy teams into one,
8 led by Jill [Hazelbaker]. Given this, [CMO Messina] and I have agreed it makes sense for her to
9 move on.” Defendant Khosrowshahi concludes, “*There’s never really a right time to announce*
10 *departures or changes like this, but with the IPO behind us, I felt this was a good moment to*
11 *simplify our org and set us up for the future.*”

12 309. In other words, Defendant Khosrowshahi waited until after the Offering to
13 announce these material changes to the Company. The *CNBC* article notes that shares of Uber
14 common stock “slipped more than 1% in after-hours trading.”

15 310. On July 29, 2019, less than three months after the Offering, Uber announced its
16 first wave of layoffs, revealing that the Company was *terminating one-third of its marketing*
17 *team, or about 400 employees.*

18 311. In an article published that same day titled “Uber Lays Off 400 as Profitability
19 Doubts Linger After I.P.O.,” *The New York Times* reported that the “cuts ... are ... the latest
20 shake-up since [Uber] went public two months ago.”

21 312. In another article published that day titled “Uber Lays Off 400 Employees From
22 Marketing Team” *Forbes* reported that the layoffs were announced “as the *company contends*
23 *with worries about slowing growth* and internal dissatisfaction on the marketing team.”

24 313. Then, on August 7, 2019, in an article titled “Stuck In Traffic: Uber Set To Report
25 Earnings As Stock Still Under Pressure,” *Forbes* explained that such sizeable layoffs are “*not*
26 *usually a sign of things going swimmingly.*”

27 314. After the market closed on August 8, 2019, Uber reported its financial results for
28 the quarter ended June 30, 2019 (“Q2 2019”), the same quarter in which Uber conducted its IPO.

1 In its Q2 2019 earnings release, Uber reported a ***\$5.236 billion loss—the largest ever quarterly***
2 ***loss in the Company’s history by more than five times***. Uber blamed this massive loss on one-
3 time expenses, *i.e.*, \$3.9 billion of stock-based compensation expenses in connection with its
4 IPO, but even excluding these one-time expenses, the Company’s \$1.336 billion loss was still
5 (and remains) its largest quarterly loss ever. ***For the second quarter in a row, Uber also***
6 ***reported the slowest quarterly revenue growth in the Company’s history***, on both a GAAP
7 Revenue (14% YoY) and an Adjusted Net Revenue (12% YoY) basis.

8 315. While Q1 2019 was the first time in the Company’s history that Uber Rides’
9 revenue growth slowed into the single digits, Q2 2019 marked the first time that ***Uber Rides’***
10 ***revenue growth nearly flatlined***. Uber Rides, the Company’s main source of revenue, posted its
11 ***slowest ever quarterly growth for the second quarter in a row***: 2% YoY and 4% YoY on a
12 GAAP Revenue and Adjusted Net Revenue basis, respectively. Regarding rides and trips, two
13 key measures of the Company’s financial condition, Uber reported its ***slowest ever trips growth***
14 ***for the second quarter in a row*** (35% YoY) and its ***slowest ever MAPCs growth*** (30% YoY).

15 316. Uber’s slowing growth across a variety of measures stunned investors, especially
16 because its ***total costs and expenses doubled or even tripled***, depending on whether cost of
17 revenue (which includes Excess Driver Incentives, one of Uber’s largest costs) and D&A are
18 factored in. Uber’s Q2 2019 costs and expenses totaled \$8.651 billion, or 147% more than the
19 same quarter the prior year. Excluding cost of revenue and D&A, Uber’s costs and expenses
20 totaled \$6.788 billion, or 228% more than the same quarter the prior year. Moreover, Uber’s
21 sales and marketing expenses (part of total costs and expenses by either calculation) increased by
22 \$507 million YoY, or 71%, to \$1.222 billion. Expressed differently, on a YoY basis, Uber’s Q2
23 2019 total revenue grew by only 14%, while total expenses grew by 147%, so ***total expenses***
24 ***grew much faster than revenue***.

25 317. The market’s reaction was fierce and unsympathizing. On August 8, 2019,
26 *TechCrunch* published an article titled “Uber lost more than \$5B last quarter,” reporting:

27 ***\$5.2 billion in net losses represents the company’s largest-ever***
28 ***quarterly loss. Revenue, for its part, is up only 14% year-over-***
year, igniting concerns over slower-than-ever growth. The
company says a majority of 2Q losses are a result of stock-based

1 compensation expenses for employees following its May IPO.
2 Stock compensation aside, Uber still lost \$1.3 billion, up 30% from
3 Q1.

4 Analysts had expected losses per share of \$3.12 versus Uber's
5 \$4.72. As for revenue, analysts, per CNBC, had expected \$3.36
6 billion, or an additional \$200 million.

7 318. That same day, in an article titled "Uber loses \$5 billion, misses Wall Street
8 targets despite easing price war," *Reuters* reported that the Company had posted a "**record \$5.2
9 billion loss and revenue that fell short of Wall Street targets ... as growth in its core ride-
10 hailing business slowed, sending its shares down 6%.**" The article also explained:

11 The company said a price war in the United States was easing and
12 that an important measure of profitability topped its target, but
13 **slowing revenue growth raised questions about Uber's ability to
14 expand and fend off competition.**

15 "Losses are widening and the competition is cut-throat," said Haris
16 Anwar, analyst at financial markets platform Investing.com.
17 **"What's sapping investor confidence and hitting its stock hard
18 after this report is the absence of a clear path to grow revenue
19 and cut" costs....**

20 Uber reported that **revenue growth slowed to 14% to \$3.2 billion
21 and fell short of the average analyst estimate of \$3.36 billion,
22 according to IBES data from Refinitiv. The company's core
23 business, ride-hailing, grew revenue only 2% to \$2.3 billion.**

24 319. In addition, *Reuters* reported that Uber was "keeping less money per car ride."
25 Also on August 8, 2019, the *BBC* published an article titled "Uber shares tumble as profit figures
26 disappoint Wall Street," noting that while Uber said "price pressure is easing[.]" the Company's
27 **"costs still rose an astonishing 147%."** The *BBC* also quoted Alyssa Altman, an analyst from
28 Publicis Sapient, who stated, "**Uber has turned into the magical money burning machine.**"

320. On August 9, 2019, *The Economist* published an article titled "Uber lost over
\$5bn in the second quarter," explaining that "even the company's preferred measure of profits,
'adjusted-[earnings before interest, taxes, depreciation, and amortization ("EBITDA"),]' showed
a loss of \$656m, better than the first quarter of the year but worse than the same period a year
earlier. And **the rapid growth that the losses are intended to sustain seems to be faltering.**" On
the same day, Michael Hewson of CMC Markets posted his analysis, stating: "Against the low

1 expectations, *Uber's Q2 numbers still managed to disappoint on pretty much every level,*
 2 *posting an eye-watering loss of \$5.2bn for the quarter.*"

3 321. Also on August 9, 2019, in an article titled "Uber burned through \$5.2 billion last
 4 quarter, its biggest quarterly loss ever," *CNN Business* reasoned that "[e]ven by Uber's
 5 standards, the *company burned through a staggering amount of money in its most recent*
 6 *quarter.*" The article elaborated:

7 Uber ... said Thursday that it lost \$5.2 billion in the three months
 8 ending in June, its *largest quarterly loss ever, fueled mostly by*
 9 *\$3.9 billion in stock-based compensation expenses* related to its
 10 public offering during the quarter.

11 *Without those charges, however, the company still lost about \$1.3*
 12 *billion during the quarter, a roughly 50% spike from the year*
 13 *prior.* The mounting losses come as Uber continues to invest in
 14 freight shipping, meal deliveries and offering discounts for its core
 15 ride-hailing business to attract new customers and compete with
 16 companies like Lyft....

17 *But even as it invests aggressively, Uber's revenue growth*
 18 *continues to slow. The company posted revenue of \$3.1 billion*
 19 *during the quarter, a 14% increase from the year prior* — hardly
 20 the rocket ship growth that investors typically expect from newly
 21 public technology firms.

22 *Uber's core ride-hailing business was all but flat. Revenue in this*
 23 *sector ticked up just 2% from the same quarter a year ago....*

24 *Shares of Uber fell by as much as 12% in after hours trading*
 25 *Thursday following the disappointing earnings report.*

26 322. After the market closed on August 9, 2019, Uber instituted a hiring freeze for
 27 software engineers and product managers across the United States and Canada. In an article
 28 published that day titled "Uber Freezes Hiring of U.S. Tech Staff, Seeks to Cut Costs,"
Bloomberg noted the freeze was initiated as the Company "faces mounting losses.... The decision
 ... comes after a painful second quarter for Uber. The company missed revenue expectations and
 posted a \$5.24 billion net loss, its biggest ever. The stock is down 11% from its May [IPO]
 price."

323. In another article published that day titled "Uber imposes engineer hiring freeze
 as losses mount: Exclusive," *Yahoo Finance* reported that the "*hiring freeze comes after 400*
layoffs in its marketing department last week, which raised concerns and fears company-wide."

1 324. In addition to the record losses and slowest ever growth reported in Uber’s Q2
2 2019 earnings release, the Company’s hiring freeze weighed on its common stock share price.
3 On August 13, 2019, *MarketWatch* published an article titled “Uber closes at record low as
4 losses, hiring freeze continue to weight [sic] on stock,” explaining that “Uber’s share[s] have
5 dropped 15% in the past month.”

6 325. As late as September 11, 2019, in an article titled “Why Uber Stock Crashed 23%
7 in August,” *The Motley Fool* reported that Uber’s common stock shares “were moving in reverse
8 last month after the ridesharing pioneer reported another underwhelming quarter, featuring
9 slowing revenue growth and wide losses. As a result, the *stock fell 23% during August.*” The
10 article also explained:

11 [M]ost of the stock's losses for the month came during the second
12 week of August after its second-quarter earnings report came out....

13 **Revenue in the quarter rose just 14% to \$3.17 billion, badly**
14 **missing estimates at \$3.36 billion**, though gross bookings grew
15 faster, increasing by 31%, or 37% in constant currency, to \$15.8
16 billion. Revenue, adjusted for currency and a one-time driver
17 award associated with the IPO, was up 26%.

18 **More concerning may have been that the company's adjusted**
19 **EBITDA loss more than doubled in the period, increasing 125%**
20 **to \$625 million**, a sign that profitability is only getting further
21 away for the ride-hailing juggernaut. That translated into a per-
22 share loss of \$4.72 versus analyst expectations of a \$3.12 loss.

23 **The stock continued to decline following the report as news**
24 **emerged that Uber had instituted a hiring freeze, a warning sign**
25 **for a growth stock....**

26 **At this point, Uber looks like a broken IPO.** Growth is sharply
27 decelerating, and it’s still losing billions of dollars a year. The
28 company has plenty of ideas and several secondary businesses in
addition to its core ridesharing operation, but that doesn’t really
matter if the numbers don’t add up. If top-line growth continues to
slow, look for the stock to fall even lower.

326. Super Pumped, published on September 3, 2019, revealed in striking detail how
Uber had ramped up incentives spending with few limits and little discretion. According to the
book, “city managers were given the latitude to spend millions of dollars in driver and rider
incentives—freebies to get people to use the service—in order to spur demand and, later, to lure
riders away from other ride-hailing competitors.” These city mangers “rarely had to check with

1 headquarters[,]” and “[l]ocal managers were greenlighting seven-figure promotional campaigns
2 based on little more than a hunch and data from their personal spreadsheets.”

3 327. On September 10, 2019, four months after the Offering, Uber announced its
4 second wave of layoffs, revealing that the Company was *terminating another 435 employees,*
5 *this time from the Company’s product and engineering teams.* In an article published that day
6 titled “Uber Lays Off Hundreds More Workers as It Struggles to Make Money,” *The New York*
7 *Times* reported that the “cuts, which total about 8% of Uber’s global product and engineering
8 group, follow 400 layoffs in July from the marketing team. In a message to employees about the
9 layoffs ..., Uber’s chief executive, *[Defendant] Khosrowshahi, said the company had gone off*
10 *course* as it grew and must streamline to regain its competitive edge.”

11 328. On October 14, 2019, Uber announced its third wave of layoffs, revealing that
12 another 350 employees had been terminated across the Company’s Uber Eats, performance
13 marketing, Advanced Technologies Group, recruiting, and global rides and platform
14 departments. In an article published that day titled “Uber’s Layoff Total Rises Past 1,000 With
15 Latest Cuts,” *The New York Times* reported that the “cuts, the third round in recent months, were
16 focused in the autonomous vehicle unit, operations, recruiting and customer support [teams]....
17 Since July, the *company has cut more than 1,000 jobs, more than 2 percent of its work force.*”

18 329. Three weeks later, after the market closed on November 4, 2019, Uber reported its
19 financial results for the quarter ended September 30, 2019 (“Q3 2019”). In its Q3 2019 earnings
20 release, Uber reported another *massive \$1.162 billion loss*, or \$761 million excluding one-time
21 stock-based compensation expenses in connection with its IPO. For the third quarter in a row,
22 Uber reported its *slowest ever growth in terms of trips* (31% YoY); for the second quarter in a
23 row, the Company reported its *slowest ever MAPCs growth rate* (26% YoY). Uber’s costs and
24 expenses also continued to balloon, totaling \$4.919 billion, or 33% more than the same quarter
25 the prior year. Excluding cost of revenue and D&A, Uber’s costs and expenses totaled \$2.957
26 billion, or 43% more than the same quarter the prior year. Moreover, Uber’s sales and marketing
27 expenses (part of total costs and expenses by either calculation) increased by \$328 million YoY,
28 or 42%, to \$1.113 billion.

1 330. As with Q2 2019, the market reacted adversely to Uber’s third quarter earnings
2 release. In an article published the same day titled “Uber’s quarterly loss widens as costs rise;
3 shares fall,” *Reuters* reported that the Company had “***posted a wider third-quarter loss as the***
4 ***company tries to outspend competitors through discounts*** and invests heavily in loss-making
5 business ventures, sending its shares down 5.5% in after-hours trading.” The article also noted
6 that “Uber’s costs jumped about 33% to \$4.92 billion in the latest quarter.”

7 331. In another article published that day titled “Uber falls after reporting that it lost
8 more than \$1 billion in the last 3 months,” *MarketsInsider* reported that “***[b]ig quarterly losses***
9 ***are adding up for Uber***. Shares of the ride-sharing company fell as much as 7.4% in early
10 trading Tuesday after it reported it lost \$1.1 billion in its third-quarter earnings release Monday.”

11 332. As the news of the adverse facts that existed prior to the IPO concerning the
12 Company’s business model, passenger safety, and financial condition leaked out to the market
13 over the ensuing months, the price of Uber’s common stock dropped from the \$45.00 per share
14 Offering price to \$29.67 per share on the day this Action was commenced (***a 34% decline from***
15 ***the Offering price***) and to an all-time low of \$25.99 on November 14, 2019 (***a 42% decline from***
16 ***the Offering price***).

17 VI. CLASS ALLEGATIONS

18 333. Lead Plaintiff brings this action as a class action pursuant to Rules 23(a) and
19 23(b)(3) of the Federal Rules of Civil Procedure on behalf of a class consisting of all persons and
20 entities who purchased or otherwise acquired Uber’s publicly traded common stock pursuant
21 and/or traceable to the Offering Documents for Uber’s IPO, and who were damaged thereby (the
22 “Class”). Excluded from the Class: the Defendants and the Individual Defendants’ immediate
23 family members; the officers, directors, affiliates of Uber and the Underwriter Defendants, at all
24 relevant times, including Uber’s employee retirement and/or benefit plan(s) and their participants
25 and/or beneficiaries to the extent they purchased or acquired Uber’s common stock through any
26 such plan(s); any entity in which Defendants have or had a controlling interest; and the legal
27 representatives, heirs, successors, or assigns of any such excluded person or entity.

28

1 334. The members of the Class are so numerous that joinder of all members in
2 impracticable. The exact number of Class members is unknown to Lead Plaintiff at this time and
3 can only be ascertained through appropriate discovery. Lead Plaintiff believes there are at least
4 thousands of members in the proposed Class as the Company offered over 180 million shares of
5 common stock in the IPO. Record owners and other members of the Class may be identified
6 from records maintained by Uber or its transfer agent and may be notified of the pendency of this
7 action by mail, using the form of notice similar to that customarily used in securities class
8 actions.

9 335. Lead Plaintiff's and the Proposed Class Representatives' claims are typical of the
10 claims of the members of the Class as all members of the Class are similarly affected by
11 Defendants' wrongful conduct in violation of the Securities Act as set forth herein.

12 336. Lead Plaintiff and the Proposed Class Representatives will fairly and adequately
13 protect the interests of the members of the Class and has retained counsel competent and
14 experienced in class and securities litigation.

15 337. Common questions of law and fact exist as to all members of the Class and
16 predominate over any questions solely affecting individual members of the Class. Among the
17 questions of law and fact common to the Class are:

- 18 (a) whether Defendants violated the Securities Act;
19 (b) whether the Offering Documents contained inaccurate statements of
20 material fact and/or omitted material information required to be stated therein; and
21 (c) to what extent the members of the Class have sustained damages and the
22 proper measure of damages.

23 338. A class action is superior to all other available methods for the fair and efficient
24 adjudication of this controversy since joinder of all members is impracticable. Furthermore, as
25 damages suffered by individual Class members may be relatively small, the expense and burden
26 of individual litigation make it impossible for members of the Class to individually redress the
27 wrongs done to them. There will be no difficulty in the management of this action as a class
28 action.

1 **VII. CAUSES OF ACTION**

2 **COUNT I**
3 **FOR VIOLATION OF SECTION 11 OF THE SECURITIES ACT**
4 **Against All Defendants**

5 339. Lead Plaintiff repeats and realleges each and every allegation above as if fully set
6 forth herein.

7 340. This cause of action is brought pursuant to Section 11 of the Securities Act, 15
8 U.S.C. § 77k, on behalf of the Class, against Defendant Uber, each of the Individual Defendants,
9 and each of the Underwriter Defendants,.

10 341. This cause of action does not sound in fraud. Lead Plaintiff does not claim that
11 any of the Defendants committed intentional or reckless misconduct or that any of the
12 Defendants acted with scienter or fraudulent intent. This Count is based solely on strict liability
13 as to Uber and negligence as to the remaining Defendants. Lead Plaintiff expressly disclaims any
14 allegations of scienter or fraudulent intent in these non-fraud claims except that any challenged
15 statements of opinion or belief made in connection with the IPO are alleged to have been
16 materially misstated statements of opinion or belief when made.

17 342. The Registration Statement issued in connection with the IPO was inaccurate and
18 misleading, contained untrue statements of material facts, omitted material facts necessary to
19 make the statements made not misleading, and omitted material facts required to be stated
20 therein.

21 343. Uber is the registrant and issuer of the common stock sold pursuant to the
22 Registration Statement. As such, Uber is strictly liable for the materially inaccurate statements
23 contained in the Registration Statement and the failure of the Registration Statement to be
24 complete and accurate. By virtue of the Registration Statement containing material
25 misrepresentations and omissions of material fact necessary to make the statements therein not
26 false and misleading, Uber is liable under Section 11 of the Securities Act to Lead Plaintiff and
27 the Class.
28

1 344. None of the Defendants named herein made a reasonable investigation or
2 possessed reasonable grounds for the belief that the statements contained in the Registration
3 Statement were true and without omissions of any material facts and were not misleading.

4 345. The Individual Defendants each signed the Registration Statement and caused its
5 issuance. The Individual Defendants each had a duty to make a reasonable and diligent
6 investigation of the truthfulness and accuracy of the statements contained in the Registration
7 Statement. They each had a duty to ensure that such statements were true and accurate and that
8 there were no omissions of material fact that would make the statements misleading. By virtue of
9 each of the Individual Defendants' failure to exercise reasonable care, the Registration Statement
10 contained misrepresentations of material facts and omissions of material facts necessary to make
11 the statements therein not misleading. As such, each of the Individual Defendants is liable under
12 Section 11 of the Securities Act to Lead Plaintiff and the Class.

13 346. Each of the Underwriter Defendants served as the underwriters for the IPO and
14 qualify as such according to the definition contained in Section 2(a)(11) of the Securities Act, 15
15 U.S.C. § 77b(a)(11). As such, they participated in the solicitation, offering, and sale of the
16 securities to the investing public pursuant to the Offering Documents. Each of the Underwriter
17 Defendants, as an underwriter of the securities offered in the IPO pursuant to the Registration
18 Statement, had a duty to make a reasonable and diligent investigation of the truthfulness and
19 accuracy of the statements contained in the Registration Statement. They each had a duty to
20 ensure that such statements were true and accurate and that there were no omissions of material
21 fact that would make the statements misleading. By virtue of each of the Underwriter
22 Defendants' failure to exercise reasonable care, the Registration Statement contained
23 misrepresentations of material facts and omissions of material facts necessary to make the
24 statements therein not misleading. As such, each of the Underwriter Defendants is liable under
25 Section 11 of the Securities Act to Lead Plaintiff and the Class.

26 347. None of the untrue statements or omissions of material fact in the Registration
27 Statement alleged herein was a forward-looking statement. Rather, each such statement
28 concerned existing facts. Moreover, the Registration Statement did not properly identify any of

1 the untrue statements as forward-looking statements and did not disclose information that
2 undermined the putative validity of those statements.

3 348. Each of the Defendants named in this Count issued, caused to be issued, and
4 participated in the issuance of materially untrue and misleading written statements to the
5 investing public that were contained in the Registration Statement, which misrepresented and
6 failed to disclose, *inter alia*, the facts set forth above. By reasons of the conduct herein alleged,
7 each such Defendant violated Section 11 of the Securities Act.

8 349. Lead Plaintiff and the Class have sustained damages. The value of Uber common
9 stock has declined substantially subsequent to and due to violations by Defendants named in this
10 Count.

11 350. At the time of their purchases of Uber common stock, Lead Plaintiff and other
12 members of the Class were without knowledge of the facts concerning the wrongful conduct
13 alleged herein and could not have reasonably discovered those facts prior to the disclosures
14 alleged herein. Less than one year has elapsed from the time that Lead Plaintiff discovered or
15 reasonably could have discovered the facts upon which this Complaint is based and the time that
16 this action was commenced. Less than three years has elapsed between the time that the
17 securities upon which this cause of action is brought were offered to the public and the time that
18 this action was commenced.

19 **COUNT II**
20 **FOR VIOLATION OF SECTION 12(a)(2) OF THE SECURITIES ACT**
21 **Against All Defendants**

22 351. Lead Plaintiff repeats and realleges each and every allegation above as if fully set
23 forth herein.

24 352. This cause of action is brought pursuant to Section 12(a)(2) of the Securities Act,
25 15 U.S.C. § 771(a)(2), on behalf of the Class, against Uber, the Individual Defendants, and the
26 Underwriter Defendants.

27 353. This cause of action does not sound in fraud. Lead Plaintiff does not allege that
28 any of the Defendants committed intentional or reckless misconduct or that any of the
Defendants acted with scienter or fraudulent intent, which are not elements of a Section 12(a)(2)

1 claim. This Count is based solely on negligence and/or strict liability. Lead Plaintiff expressly
2 disclaims any allegations of scienter or fraudulent intent in these non-fraud claims except that
3 any challenged statements of opinion or belief made in connection with the IPO are alleged to
4 have been materially misstated statements of opinion or belief when made.

5 354. Each of the Defendants named in this Count were sellers, offerors, and/or
6 solicitors of purchasers of the Company's common stock pursuant to the defective Prospectus.
7 The actions of solicitation by the Defendants named in this Count included participating in the
8 preparation of the false and misleading Prospectus, roadshow, and marketing of Uber common
9 stock to investors, such as Lead Plaintiff and the other members of the Class.

10 355. The Prospectus contained untrue statements of material fact, omitted to state other
11 facts necessary to make statement made therein not misleading, and omitted to state material
12 facts required to be stated therein.

13 356. Each of Defendants named in this Count owed to the purchasers of Uber's
14 common stock, including Lead Plaintiff and other members of the Class, the duty to make a
15 reasonable and diligent investigation of the statements contained in the Registration Statement to
16 ensure that such statements were true and that there was no omission to state a material fact
17 required to be stated in order to make the statements contained therein not misleading. By virtue
18 of each of these Defendants' failure to exercise reasonable care, the Registration Statement
19 contained misrepresentations of material facts and omissions of material facts necessary to make
20 the statements therein not misleading.

21 357. Lead Plaintiff did not know, nor in the exercise of reasonable diligence could
22 Plaintiff have known, of the untruths and omissions contained in the Prospectus at the time Lead
23 Plaintiff purchased Uber shares.

24 358. By reason of the conduct alleged herein, the Defendants named in this Count
25 violated Section 12(a)(2) of the Securities Act. As a direct and proximate result of such violation,
26 Lead Plaintiff and the other members of the Class who purchased Uber shares pursuant to the
27 Registration Statement sustained substantial damages in connection with their share purchases.
28 Accordingly, Lead Plaintiff and the other members of the Class who hold the shares issued

1 pursuant to the Registration Statement have the right to rescind and recover the consideration
2 paid for their shares with interest thereon or damages as allowed by law or in equity. Class
3 members who have sold their Uber shares seek damages to the extent permitted by law.

4 **COUNT III**
5 **FOR VIOLATION OF SECTION 15 OF THE SECURITIES ACT**
6 **Against the Individual Defendants**

7 359. Lead Plaintiff repeats and realleges each and every allegation above as if fully set
8 forth herein.

9 360. This cause of action is brought pursuant to Section 15 of the Securities Act, 15
10 U.S.C. § 77o, on behalf of the Class, against each of the Individual Defendants.

11 361. This cause of action does not sound in fraud. Lead Plaintiff does not allege that
12 any of the Defendants committed intentional or reckless misconduct or that any of the
13 Defendants acted with scienter or fraudulent intent, which are not elements of a Section 15
14 claim. This Count is based solely on negligence and/or strict liability. Lead Plaintiff expressly
15 disclaims any allegations of scienter or fraudulent intent in these non-fraud claims except that
16 any challenged statements of opinion or belief made in connection with the IPO are alleged to
17 have been materially misstated statements of opinion or belief when made.

18 362. The Individual Defendants each were control persons of Uber by virtue of their
19 positions as directors and/or senior officers of Uber. The Individual Defendants each had a series
20 of direct and/or indirect business and/or personal relationships with other directors and/or
21 officers and/or major shareholders of Uber.

22 363. Each of the Individual Defendants participated in the preparation and
23 dissemination of the Offering Documents, and otherwise participated in the process necessary to
24 conduct the IPO. Because of their positions of control and authority as senior officers and/or
25 directors each of the Individual Defendants were able to, and did, control the contents of the
26 Offering Documents, which contained materially untrue information and/or omitted material
27 information required to be disclosed to prevent the statements made therein from being
28 misleading.

1 364. As control persons of Uber, each of the Individual Defendants is liable jointly and
2 severally with and to the same extent as Uber for its violation of Sections 11 and 12(a)(2) of the
3 Securities Act.

4 **VIII. PRAYER FOR RELIEF**

5 365. WHEREFORE, Lead Plaintiff on behalf of itself and the other members of the
6 Class, prays for relief and judgment as follows:

7 (a) Determining that this action is a proper class action under Rule 23(a) and
8 (b)(3) of the Federal Rules of Civil Procedure on behalf of the Class defined herein;

9 (b) Awarding all damages and other remedies set forth in the Securities Act in
10 favor of Lead Plaintiff and other Class members against all Defendants, jointly and severally, in
11 an amount to be proven at trial, including interest thereon;

12 (c) Awarding Lead Plaintiff and the Class their reasonable costs and expenses
13 incurred in this action, including attorneys' fees, accountants' fees, and expert fees, and other
14 costs and disbursements; and

15 (d) Awarding Lead Plaintiff and the Class such other relief as may be deemed
16 just and proper by the Court.

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1 **IX. JURY TRIAL DEMANDED**

2 366. Lead Plaintiff demands a trial by jury.

3 Dated: May 14, 2021

Respectfully submitted,

4 LABATON SUCHAROW LLP

5
6 /s/ Alfred L. Fatale III

7
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on May 14, 2021, I was authorized to electronically file the foregoing with the Clerk of Court using the CM/ECF system, which will send a Notice of Electronic Filing to all counsel of record

/s/ Alfred L. Fatale III
Alfred L. Fatale III