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11 UNITED STATES DISTRICT COURT
12 NORTHERN DISTRICT OF CALIFORNIA

13 UA LOCAL 38 DEFINED CONTRIBUTION)
14 PENSION PLAN, on Behalf of Itself and All)
Others Similarly Situated,)

15 Plaintiff,)

16 vs.)

17 SEAGATE TECHNOLOGY HOLDINGS)
18 PLC, WILLIAM D. MOSLEY, and)
19 GIANLUCA ROMANO,)

20 Defendants.)

Case No. 3:23-cv-03431

CLASS ACTION

COMPLAINT FOR VIOLATIONS OF THE
FEDERAL SECURITIES LAWS

DEMAND FOR JURY TRIAL

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1 Plaintiff UA Local 38 Defined Contribution Pension Plan (“plaintiff”), on behalf of itself
2 and all other persons similarly situated, by plaintiff’s undersigned attorneys, for plaintiff’s
3 complaint against defendants, alleges the following based upon personal knowledge as to plaintiff
4 and plaintiff’s own acts, and upon information and belief as to all other matters based on the
5 investigation conducted by and through plaintiff’s attorneys, which included, among other things,
6 a review of U.S. Securities and Exchange Commission (“SEC”) filings, press releases, earnings
7 presentations, conference call transcripts, and other information prepared for investors by Seagate
8 Technology Holdings plc (“Seagate” or the “Company”), as well as media and analyst reports
9 about the Company. Plaintiff believes that substantial evidentiary support will exist for the
10 allegations set forth herein after a reasonable opportunity for discovery.

11 **NATURE OF THE ACTION**

12 1. This is a securities class action on behalf of all purchasers of Seagate common stock
13 between September 15, 2020 and October 25, 2022, inclusive (the “Class Period”). Plaintiff seeks
14 to pursue remedies against Seagate and certain of the Company’s current and former senior
15 executives under §§10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”),
16 and Rule 10b-5 promulgated thereunder.

17 **JURISDICTION AND VENUE**

18 2. Jurisdiction is conferred by §27 of the Exchange Act. The claims asserted herein
19 arise under §§10(b) and 20(a) of the Exchange Act, 15 U.S.C. §§78j(b) and 78t(a), and Rule 10b-
20 5 promulgated thereunder, 17 C.F.R. §240.10b-5. This Court has jurisdiction over the subject
21 matter of this action under 28 U.S.C. §1331 and §27 of the Exchange Act, 15 U.S.C. §78aa.

22 3. Venue is proper in this District pursuant to §27 of the Exchange Act and 28 U.S.C.
23 §1391(b), because the Company conducts business in this District and the events and omissions
24 giving rise to the claims asserted herein occurred in substantial part in this District, including the
25 dissemination of false and misleading statements into this District. Defendant Seagate maintains
26 principal product development facilities in this District.
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1 4. In connection with the acts alleged in this complaint, defendants, directly or
2 indirectly, used the means and instrumentalities of interstate commerce, including, but not limited
3 to, the mails, interstate telephone communications, and the facilities of the national securities
4 markets.

5 **PARTIES**

6 5. Plaintiff UA Local 38 Defined Contribution Pension Plan, as set forth in the
7 accompanying Certification, which is incorporated by reference herein, purchased Seagate
8 common stock during the Class Period and has been damaged thereby.

9 6. Defendant Seagate Technology Holdings plc is an Irish corporation with its
10 principal product development facilities in Fremont, California. The Company's common stock
11 is listed on the Nasdaq Global Select Market ("Nasdaq") under the ticker symbol "STX." As of
12 April 24, 2023, there were more than 207 million shares of Seagate stock issued and outstanding
13 held by thousands of record holders.

14 7. Defendant William D. Mosley ("Mosley") served as the Chief Executive Officer
15 ("CEO") of Seagate and a member of the Company's Board of Directors (the "Board") at all
16 relevant times. As CEO, defendant Mosley spoke on Seagate's behalf in releases, conference calls
17 and SEC filings. Pursuant to §906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. §1350, defendant
18 Mosley certified the Company's Forms 10-Q filed with the SEC on October 29, 2020, January 28,
19 2021, April 29, 2021, October 28, 2021, January 27, 2022, and April 28, 2022.

20 8. Defendant Gianluca Romano ("Romano") served as the Chief Financial Officer
21 ("CFO") of Seagate at all relevant times. As CFO during the Class Period, defendant Romano
22 spoke on Seagate's behalf in releases, conference calls, and SEC filings. Pursuant to §906 of the
23 Sarbanes-Oxley Act of 2002, 18 U.S.C. §1350, defendant Romano certified the Company's Forms
24 10-Q filed with the SEC on October 29, 2020, January 28, 2021, April 29, 2021, October 28, 2021,
25 January 27, 2022, and April 28, 2022.

26 9. Defendants referenced above in ¶¶7-8 are sometimes referred to herein as the
27 "Individual Defendants." During the Class Period, the Individual Defendants ran the Company as
28 hands-on managers, overseeing Seagate's operations, business practices, and finances, and made

1 the materially false and misleading statements described herein. The Individual Defendants had
2 intimate knowledge about core aspects of Seagate’s financial and business operations, including
3 the Company’s proprietary technologies and business relationships. They were also intimately
4 involved in deciding which disclosures would be made by the Company.

5 **BACKGROUND**

6 10. Seagate is a leading global supplier of data storage products, including hard disk
7 drives (“HDDs”). In its fiscal year 2021, Seagate reported \$10.7 billion of revenue and \$1.3 billion
8 of net profit. By geographic region, roughly half of Seagate’s sales were to customers in the Asia
9 Pacific region. By distribution channel, roughly 70% of Seagate’s sales were to original equipment
10 manufacturers (“OEMs”) with the remainder going to distributors and retailers. The Company has
11 increased its market share in recent years, and controlled more than 40% of the world market for
12 HDDs at the start of the Class Period. Seagate’s main competitors are other manufacturers of data
13 storage solutions, including Micron Technology, Inc., SK hynix Inc., Toshiba Corporation, and
14 Western Digital Corporation.

15 11. By the start of the Class Period, Huawei Technologies Co. Ltd. (“Huawei”), a
16 Chinese multinational technology corporation headquartered in Shenzhen, China, had emerged as
17 a significant global purchaser of data storage products, including HDDs, produced by Seagate and
18 other U.S.-based suppliers including Western Digital. Huawei utilized the HDDs in the PC and
19 server products it manufactured and sold to consumers, as well as in its own data centers, servers,
20 and other bulk-data storage applications. At the start of the Class Period, Huawei was estimated
21 to spend around \$800 million annually on HDDs.

22 12. On May 16, 2019, Huawei and certain of its non-U.S. affiliates were added to the
23 U.S. Department of Commerce Bureau of Industry and Security’s (“BIS”) Export Administration
24 Regulations (“EAR”) Entity List (“Entity List”). The EAR Entity List is a list of names of certain
25 foreign persons – including businesses, research institutions, government and private
26 organizations, individuals, and other types of legal persons – that are subject to specific license
27 requirements for the export, re-export, and/or transfer (in-country) of specified items. The Entity
28 List designation was based on a determination made by multiple U.S. government agencies “*that*

1 *there is reasonable cause to believe that Huawei has been involved in activities contrary to the*
2 *national security or foreign policy interests of the United States.”* Specifically, the End-User
3 Review Committee, composed of representatives of the U.S. Departments of Commerce, State,
4 Defense, and Energy, determined that the listings were necessary to protect U.S. national security
5 or foreign policy.

6 13. Then, on August 17, 2020, the BIS imposed export controls over certain foreign-
7 produced items “to better address the continuing threat to U.S. national security and U.S. foreign
8 policy interests posed by Huawei and its non-U.S. affiliates.” Specifically, effective August 17,
9 2020, the BIS implemented the foreign direct product (“FDP”) rule, imposing license requirements
10 on certain foreign-produced items when (i) there is knowledge that a listed Huawei entity is a party
11 to the transaction and (ii) the foreign-produced item is produced by an overseas plant or major
12 component of a plant that is itself a direct product of U.S.-origin technology or software subject to
13 the EAR and specified in certain Export Control Classification Numbers. The BIS explained that
14 the FDP rule “narrowly and strategically target[ed] Huawei’s acquisition of semiconductors that
15 are the direct product of certain U.S. software and technology.” The BIS reference to “certain U.S.
16 software and technology” covered not only the end products (e.g., HDDs) but also any equipment
17 that was “involved in any essential ‘production’ or ‘development’ . . . including product
18 engineering, manufacture, integration, assembly (mounting), inspection, testing and quality
19 assurance” of such products.

20 14. Seagate’s HDD manufacturing sites in China, Northern Ireland, Malaysia,
21 Singapore, Thailand, and the United States used equipment, including testing equipment, subject
22 to the EAR and the FDP rule. For example, Seagate used a fully automated laser-based surface
23 inspection system manufactured by a third party to detect and classify critical defects on HDDs’
24 substrates and media such as micro pits, bumps, and particles. At all relevant times, Seagate’s
25 equipment was subject to the EAR and was the direct product of U.S.-origin ECCN 3E991
26 technology.

27 15. Shortly after the new BIS export rules were put in place, Seagate’s competitors,
28 including two of the three companies capable of making HDDs, promptly – and publicly – stated

1 that they had ceased sales to Huawei. Several other suppliers of semiconductors used by the top
2 global producers of HDDs also suspended sales directly to Huawei after the rules went into effect.

3 16. Unbeknownst to investors, Seagate capitalized on the lack of competition and
4 expanded its relationship with Huawei. By late 2020, Seagate had become Huawei's sole source
5 provider of the HDDs and entered a three-year Strategic Cooperation Agreement. The agreement
6 named Seagate as "Huawei's strategic supplier," granting Seagate "priority basis over other
7 Huawei suppliers." The undisclosed increase in sales to Huawei allowed defendants to report
8 strong revenue growth in Seagate's HDD business during the Class Period. In total, between
9 August 2020 and September 2021, Seagate transacted with Huawei on 429 occasions, shipping
10 more than 7.4 million HDDs in violation of the BIS export rules, and generating more than \$1.1
11 billion in revenue.

12 **DEFENDANTS' MATERIALLY FALSE AND MISLEADING**
13 **STATEMENTS DURING THE CLASS PERIOD**

14 17. The Class Period begins on September 15, 2020. One day prior, September 14,
15 2020, after the market closed, defendants spoke at Deutsche Bank's 2020 Technology Conference
16 investor conference. During the conference, defendant Romano was asked about how the new
17 Huawei export restrictions would impact the Company. The CFO responded as follows: "I don't
18 see any particular restriction for us in terms of being able to continue to ship to Huawei or any
19 other customers in China. So we don't think we need to have a specific license."

20 18. On October 22, 2020, Seagate issued a release providing the Company's financial
21 and operational results for the quarter ended October 2, 2020 ("Q1 2021"). The release stated that
22 Seagate had achieved total revenue of \$2.31 billion during the quarter. That same day, Seagate
23 held an earnings call with analysts and investors to discuss the Company's Q1 2021 results, hosted
24 by defendants Mosley and Romano. During the earnings call, an analyst asked: "First question
25 is – relates to Huawei. I just want to confirm that, can you talk about whether you are continuing
26 to ship to Huawei? And what is included in your December quarter guidance? It looks like your
27 competitor may have stopped shipping maybe back in middle of September. And do you think
28

1 you're seeing some benefits of that in your December quarter?" Instead of disclosing an accurate
2 picture of its ongoing relationship with Huawei, defendant Mosley stated:

3 [W]e don't talk about individual customers. I think if I go back 5 or 6 quarters now,
4 we've been talking about how demand has been fairly disrupted, particularly in
5 China. And there's a lot of reasons for pulling in or pushing out demand, different
6 projects that people are doing, financial planning that they might be doing.

* * *

7 We're a global tech company. We have a broad network of suppliers and
8 customers. We continually monitor and remain in compliance with all the rules
9 and regulations around.

10 19. On October 29, 2020, Seagate filed with the SEC its quarterly results for Q1 2021
11 on Form 10-Q, which was signed by defendants Mosley and Romano, who also filed certifications
12 attesting to the Form 10-Q's accuracy and completeness. The Form 10-Q incorporated the risk
13 disclosures from the Company's August 7, 2020 Form 10-K concerning compliance with U.S.
14 export rules, which stated in pertinent part as follows:

15 ***Our business is subject to various laws, regulations and governmental***
16 ***policies that may cause us to incur significant expense.***

17 Our business is subject to regulation under a wide variety of U.S. federal
18 and state and non-U.S. laws, regulations and policies. . . .

19 In addition, regulation or government scrutiny may impact the requirements
20 for marketing our products and slow our ability to introduce new products, resulting
21 in an adverse impact on our business. Although we have implemented policies and
22 procedures designed to ensure compliance, there can be no assurance that our
23 employees, contractors or agents will not violate these or other applicable laws,
24 rules and regulations to which we are and may be subject. Violations of these laws
25 and regulations could lead to significant penalties, restraints on our export or import
26 privileges, monetary fines, government investigations, disruption of our operating
27 activities, damage to our reputation and corporate brand, criminal proceedings and
28 regulatory or other actions that could materially adversely affect our results of
operations. The political and media scrutiny surrounding a governmental
investigation for the violation of such laws, even if an investigation does not result
in a finding of violation, could cause us significant expense and collateral
consequences, including reputational harm, that could have an adverse impact on
our business, results of operations and financial condition.

20. On January 21, 2021, Seagate issued a release providing the Company's financial
and operational results for the quarter ended January 1, 2021 ("Q2 2021"). The release stated that
Seagate had achieved total revenue of \$2.62 billion during the quarter, an increase of 13% over
the previous quarter and exceeding the high end of the Company's revenue guidance range. That

1 same day, Seagate held an earnings call with analysts and investors to discuss the Company's Q2
2 2021 results, hosted by defendants Mosley and Romano. During the earnings call, an analyst again
3 asked about Huawei: "I know I asked this question last quarter on Huawei. But given the current
4 restrictions on the shipment to Huawei, does that change the way you think about the total
5 addressable market for this calendar year for nearline drives?" In response, defendant Mosley
6 stated:

7 Yes. So like I said last time, we don't comment on any specific customers.
8 I think that the market demand globally will not change on how it's ultimately
9 serviced. So if that answers your question. So the net demand for data storage
products is out there, and it will get serviced by one customer or another, by one
supply chain or another, and these are very, very complex supply chains.

10 21. On January 28, 2021, Seagate filed with the SEC its quarterly results for Q2 2021
11 on Form 10-Q, which was signed by defendants Mosley and Romano, who also filed certifications
12 attesting to the Form 10-Q's accuracy and completeness. The Form 10-Q incorporated the risk
13 disclosures concerning compliance with U.S. export rules, described above at ¶19.

14 22. On April 22, 2021, Seagate issued a release providing the Company's financial and
15 operational results for the quarter ended April 2, 2021 ("Q3 2021"). The release stated that Seagate
16 had achieved total revenue of \$2.73 billion during the quarter, an increase of 4% over the previous
17 quarter and exceeding the mid-point of the Company's revenue guidance range. That same day,
18 Seagate held an earnings call with analysts and investors to discuss the Company's Q3 2021
19 results, hosted by defendants Mosley and Romano.

20 23. On April 29, 2021, Seagate filed with the SEC its quarterly results for Q3 2021 on
21 Form 10-Q, which was signed by defendants Mosley and Romano, who also filed certifications
22 attesting to the Form 10-Q's accuracy and completeness. The Form 10-Q incorporated the risk
23 disclosures concerning compliance with U.S. export rules, described above at ¶19.

24 24. On July 21, 2021, Seagate issued a release providing the Company's financial and
25 operational results for the quarter ended July 2, 2021 ("Q4 2021"). The release stated that Seagate
26 had achieved total revenue of \$3.01 billion during the quarter, an increase of 10% over the previous
27 quarter and 20% over the same quarter in the previous year. That same day, Seagate held an
28

1 earnings call with analysts and investors to discuss the Company's Q4 2021 results, hosted by
2 defendants Mosley and Romano.

3 25. On August 6, 2021, Seagate filed with the SEC its annual results for FY 2021 on
4 Form 10-K, which was signed by defendants Mosley and Romano, who also filed certifications
5 attesting to the Form 10-K's accuracy and completeness. The Form 10-K contained risk
6 disclosures concerning compliance with U.S. export rules, stating in pertinent part as follows:

7 ***Legal, Regulatory and Compliance Risks***

- 8 • Our business is subject to various laws, regulations, governmental policies,
9 litigation, governmental investigations or governmental proceedings that
10 may cause us to incur significant expense or adversely impact our results or
11 operations and financial condition.
12 • Some of our products and services are subject to export control laws and
13 other laws affecting the countries in which our products and services may
14 be sold, distributed, or delivered, and any changes to or violation of these
15 laws could have a material adverse effect on our business, results of
16 operations, financial condition and cash flows.

17 26. On October 22, 2021, Seagate issued a release providing the Company's financial
18 and operational results for the quarter ended October 1, 2021 ("Q1 2022"). The release stated that
19 Seagate had achieved total revenue of \$3.12 billion during the quarter, an increase of 3% over the
20 previous quarter. That same day, Seagate held an earnings call with analysts and investors to
21 discuss the Company's Q1 2022 results, hosted by defendants Mosley and Romano.

22 27. On October 28, 2021, Seagate filed with the SEC its quarterly results for Q1 2022
23 on Form 10-Q, which was signed by defendants Mosley and Romano, who also filed certifications
24 attesting to the Form 10-Q's accuracy and completeness. The Form 10-Q incorporated the risk
25 disclosures from the August 6, 2021 Form 10-K concerning compliance with U.S. export rules,
26 described, above at ¶25.

27 28. On January 27, 2022, Seagate filed with the SEC its quarterly results for Q2 2022
28 on Form 10-Q, which was signed by defendants Mosley and Romano, who also filed certifications
attesting to the Form 10-Q's accuracy and completeness. The Form 10-Q incorporated the risk
disclosures from the August 6, 2021 Form 10-K concerning compliance with U.S. export rules,
described, above at ¶25.

1 29. On April 28, 2022, Seagate filed with the SEC its quarterly results for Q3 2022 on
2 Form 10-Q, which was signed by defendants Mosley and Romano, who also filed certifications
3 attesting to the Form 10-Q's accuracy and completeness. The Form 10-Q incorporated the risk
4 disclosures from the August 6, 2021 Form 10-K concerning compliance with U.S. export rules,
5 described, above at ¶25.

6 30. On August 5, 2022, Seagate filed with the SEC its annual results for FY 2022 on
7 Form 10-K, which was signed by defendants Mosley and Romano, who also filed certifications
8 attesting to the Form 10-K's accuracy and completeness. The Form 10-K contained risk
9 disclosures concerning compliance with U.S. export rules, stating in pertinent part as follows:

10 **LEGAL, REGULATORY AND COMPLIANCE RISKS**

11 * * *

12 *Some of our products and services are subject to export control laws and*
13 *other laws affecting the countries in which our products and services may be sold,*
14 *distributed, or delivered, and any changes to or violation of these laws could have*
a material adverse effect on our business, results of operations, financial
condition and cash flows.

15 Due to the global nature of our business, we are subject to import and export
16 restrictions and regulations, including the Export Administration Regulations
17 administered by the U.S. Commerce Department's Bureau of Industry and Security
18 ("BIS") and the trade and economic sanctions regulations administered by the U.S.
19 Treasury Department's Office of Foreign Assets Control ("OFAC"). We
20 incorporate encryption technology into certain of our products and solutions. These
21 encryption products and the underlying technology may be exported outside of the
22 United States only with export authorizations, including by license, a license
23 exception or other appropriate government authorizations, including the filing of
24 an encryption registration. The U.S., through the BIS and OFAC, places
25 restrictions on the sale or export of certain products and services to certain
countries, persons and entities, as well as for certain end-uses, such as military,
military-intelligence and weapons of mass destruction end-uses. The U.S.
government also imposes sanctions through executive orders restricting U.S.
companies from conducting business activities with specified individuals and
companies. Although we have controls and procedures to ensure compliance with
all applicable regulations and orders, we cannot predict whether changes in laws or
regulations by the U.S., China or another country will affect our ability to sell our
products and services to existing or new customers. Additionally, we cannot ensure
that our interpretation of relevant restrictions and regulations will be accepted in all
cases by relevant regulatory and enforcement authorities.

26 Violators of any U.S. export control and sanctions laws may be subject to
27 significant penalties, which may include monetary fines, criminal proceedings
28 against them and their officers and employees, a denial of export privileges, and
suspension or debarment from selling products to the U.S. government. Moreover,
the sanctions imposed by the U.S. government could be expanded in the future.

1 Our products could be shipped to those targets or for restricted end-uses by third
2 parties, including potentially our channel partners, despite our precautions. In
3 addition, if our partners fail to obtain appropriate import, export or re-export
4 licenses or permits, we may also be adversely affected, through reputational harm
5 as well as other negative consequences including government investigations and
6 penalties. A significant portion of our sales are to customers which are located in
7 geographies that have been the focus of recent changes in U.S. policies. Any further
8 limitation that impedes our ability to export or sell our products and services could
9 materially adversely affect our business, results of operations and financial
10 condition.

11 31. The statements referenced in ¶¶17-30 above were materially false and/or
12 misleading when made because they failed to disclose the following facts pertaining to Seagate’s
13 business, operations, and financial condition, which were known to or recklessly disregarded by
14 defendants:

15 (a) the nature and magnitude of Seagate’s HDD sales to Huawei, including that
16 Seagate experienced a significant acceleration in sales to Huawei immediately after the BIS rules
17 went into effect and Seagate’s competitors stopped selling to Huawei; and

18 (b) that the underlying details of Seagate’s HDD manufacturing process,
19 including the use of covered U.S. software and technology in “essential ‘production’” processes,
20 rendered its sales to Huawei in violation of the BIS export rules.

21 32. In addition, as a result of ¶31(a)-(b) above, Seagate was in blatant violation of the
22 BIS export rules which resulted in an ongoing investigation by the U.S. Department of Commerce
23 and exposed the Company to hundreds of millions of dollars in fines and penalties.

24 33. Then, on October 26, 2022, Seagate issued a Form 8-K disclosing that it had
25 received a Proposed Charging Letter from the BIS. The Form 8-K stated:

26 On August 29, 2022, Seagate Technology Holdings plc (“Seagate” or the
27 “Company”) received a proposed charging letter (“PCL”) from the U.S. Commerce
28 Department’s Bureau of Industry and Security (“BIS”), alleging violations of the
U.S. Export Administration Regulations (“EAR”). The PCL alleges Seagate acted
in violation of the EAR by providing Seagate hard disk drives (“HDDs”) to a
customer and its affiliates listed on the BIS Entity List between August 2020 and
September 2021. . . .

The matters raised by the PCL remain unresolved at this time, and there can
be no assurance as to the timing or terms of any final outcome. Seagate is unable
at this time to estimate the range of loss and/or penalty, if any, although it is possible
that the outcome could have a material impact on our business, results of operations,
financial condition, and cash flows.

1 34. Analysts reacted negatively to the BIS news and commented on the potential for a
2 material monetary fine to resolve the matter. For example, a Credit Suisse analyst stated: “We see
3 this as an additional overhang until resolved.” Following this news, the price of Seagate common
4 stock fell by nearly 8% to close at \$53.39 on October 26, 2022, on unusually heavy trading volume.
5 Over the following three trading days, Seagate’s stock price continued to drift lower, falling an
6 additional nearly 7% to close at \$49.66 on October 31, 2022.

7 35. Following the end of the Class Period the anticipated penalties stemming from
8 Seagate’s conduct, as outlined the BIS Proposed Charging Letter, were confirmed. On April 19,
9 2023, the BIS issued a press release stating:

10 BIS issued an order today against Seagate imposing an administrative
11 penalty of \$300 million, mandatory multi-year audit requirement, and a five-year
12 suspended Denial Order. As part of the BIS settlement, Seagate admitted to the
13 conduct set forth in the Proposed Charging Letter

14 36. As a result of defendants’ wrongful acts and omissions, and the decline in the price
15 of Seagate common stock as detailed herein, plaintiff and other members of the Class (as defined
16 below) have suffered significant losses and damages.

17 **ADDITIONAL SCIENTER ALLEGATIONS**

18 37. As alleged herein, defendants acted with scienter in that defendants knew, or
19 recklessly disregarded, that the public documents and statements they issued and disseminated to
20 the investing public in the name of the Company, or in their own name, during the Class Period
21 were materially false and misleading.

22 38. The Individual Defendants, because of their positions with Seagate, controlled the
23 contents of Seagate’s public statements during the Class Period. The Individual Defendants were
24 each provided with or had access to the information alleged herein to be false and/or misleading
25 prior to or shortly after its issuance and had the ability and opportunity to prevent its issuance or
26 cause it to be corrected. Because of their positions and access to material, non-public information,
27 the Individual Defendants knew or recklessly disregarded that the adverse facts specified herein
28 had not been disclosed to and were being concealed from the public and that the positive
representations that were being made were false and misleading. As a result, each of the

1 defendants are responsible for the accuracy of Seagate's corporate statements and are, therefore,
2 responsible and liable for the representations contained therein.

3 **APPLICATION OF PRESUMPTION OF RELIANCE:**
4 **FRAUD ON THE MARKET AND *AFFILIATED UTE***

5 39. Plaintiff will rely upon the presumption of reliance established by the fraud-on-the-
6 market doctrine in that, among other things:

7 (a) defendants made public misrepresentations or failed to disclose material
8 facts during the Class Period;

9 (b) the omissions and misrepresentations were material;

10 (c) the Company's common stock traded in an efficient market;

11 (d) the misrepresentations and omissions alleged would tend to induce a
12 reasonable investor to misjudge the value of the Company's common stock; and

13 (e) plaintiff and other members of the Class purchased Seagate common stock
14 between the time defendants misrepresented or failed to disclose material facts and the time the
15 true facts were disclosed, without knowledge of the misrepresented or omitted facts.

16 40. At all relevant times, the market for Seagate common stock was efficient for the
17 following reasons, among others:

18 (a) Seagate common stock met the requirements for listing and was listed and
19 actively traded on the Nasdaq, a highly efficient market;

20 (b) as a regulated issuer, Seagate filed periodic public reports with the SEC;
21 and

22 (c) Seagate regularly communicated with public investors via established
23 market communication mechanisms, including through the regular dissemination of press releases
24 on major news wire services and through other wide-ranging public disclosures, such as
25 communications with the financial press, securities analysts, and other similar reporting services.

26 41. As a result of the foregoing, the market for Seagate common stock promptly
27 digested current information regarding Seagate from publicly available sources and reflected such
28 information in the price of Seagate common stock. Under these circumstances, all purchasers of

1 Seagate common stock during the Class Period suffered similar injury through their purchases of
2 Seagate common stock at artificially inflated prices, and a presumption of reliance applies.

3 42. A presumption of reliance is also appropriate in this action under the Supreme
4 Court's holding in *Affiliated Ute Citizens v. United States*, 406 U.S. 128 (1972), because plaintiff's
5 claims are based, in significant part, on defendants' material omissions. Because this action
6 involves defendants' failure to disclose material adverse information regarding Seagate's business,
7 operations, and risks, positive proof of reliance is not a prerequisite to recovery. All that is
8 necessary is that the facts withheld be material in the sense that a reasonable investor might have
9 considered them important in making investment decisions. Given the importance of defendants'
10 material misstatements and omissions set forth above, that requirement is satisfied here.

11 **LOSS CAUSATION/ECONOMIC LOSS**

12 43. During the Class Period, as detailed herein, defendants made false and misleading
13 statements and engaged in a scheme to deceive the market and a course of conduct that artificially
14 inflated the price of Seagate common stock and operated as a fraud or deceit on Class Period
15 purchasers of Seagate common stock by misrepresenting the value of the Company's business and
16 prospects by concealing the significant defects in its underwriting and due diligence practices and
17 deficiencies in its commercial credit portfolio and related securitized assets. As defendants'
18 misrepresentations and fraudulent conduct became apparent to the market, the price of the
19 Company's stock fell precipitously as the prior artificial inflation came out of the stock's price.
20 As a result of their purchases of Seagate common stock during the Class Period, plaintiff and other
21 members of the Class suffered economic loss, *i.e.*, damages, under the federal securities laws.

22 **CLASS ACTION ALLEGATIONS**

23 44. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil
24 Procedure 23(a) and (b)(3) on behalf of a class consisting of all purchasers of the common stock
25 of Seagate during the Class Period (the "Class"). Excluded from the Class are defendants and
26 members of their immediate families, the officers and directors of the Company, at all relevant
27 times, and members of their immediate families, the legal representatives, heirs, successors, or
28

1 assigns of any of the foregoing, and any entity in which defendants have or had a controlling
2 interest.

3 45. The members of the Class are so numerous that joinder of all members is
4 impracticable. Throughout the Class Period, Seagate common stock was actively traded on the
5 Nasdaq. While the exact number of Class members is unknown to plaintiff at this time and can
6 only be ascertained through appropriate discovery, plaintiff believes that there are thousands of
7 members in the proposed Class because there were more than 207 million shares of Seagate stock
8 issued and outstanding as of April 24, 2023. Record owners and other members of the Class may
9 be identified from records maintained by Seagate or its transfer agent and may be notified of the
10 pendency of this action by mail, using the form of notice similar to that customarily used in
11 securities class actions.

12 46. Plaintiff's claims are typical of the claims of the members of the Class as all
13 members of the Class are similarly affected by defendants' wrongful conduct in violation of federal
14 law that is complained of herein.

15 47. Plaintiff will fairly and adequately protect the interests of the members of the Class
16 and has retained counsel competent and experienced in class and securities litigation.

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

- 20 (a) whether the defendants violated the Exchange Act as alleged herein; and
21 (b) to what extent the members of the Class have sustained damages and the
22 proper measure of damages.

23 49. 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 the
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 action.

28

COUNT I

**For Violation of §10(b) of the Exchange Act and Rule 10b-5
Against All Defendants**

50. Plaintiff incorporates ¶¶1-49 by reference.

51. Defendants are liable for making false statements and failing to disclose adverse facts known to them about Seagate. Defendants' fraudulent scheme and course of business that operated as a fraud or deceit on those who transacted in Seagate common stock during the Class Period was a success, as it: (i) deceived the investing public regarding Seagate's business and financial condition; (ii) artificially inflated the price of Seagate common stock; and (iii) caused plaintiff and other members of the Class to transact in Seagate common stock at inflated prices.

52. During the Class Period, defendants disseminated or approved the false statements specified above, which they knew or recklessly disregarded were misleading in that they contained misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

53. Defendants violated §10(b) of the Exchange Act and Rule 10b-5 in that they:

(a) employed devices, schemes, and artifices to defraud;

(b) made untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and/or

(c) engaged in acts, practices, and a course of business that operated as a fraud or deceit upon plaintiff and others similarly situated in connection with their purchases of Seagate common stock during the Class Period.

54. Defendants, individually and together, directly and indirectly, by the use, means, or instrumentalities of interstate commerce and/or the mails, engaged and participated in a continuous course of conduct to conceal the truth and/or adverse material information about Seagate's business, operations, and financial condition as specified herein.

55. Plaintiff and the Class have suffered damages in that, in reliance on the integrity of the market, they paid artificially inflated prices for Seagate common stock. Plaintiff and the Class

1 would not have purchased Seagate common stock at the prices they paid, or at all, if they had been
2 aware that the market prices had been artificially and falsely inflated by defendants' misleading
3 statements.

4 **COUNT II**

5 **For Violation of §20(a) of the Exchange Act**
6 **Against All Defendants**

7 56. Plaintiff incorporates ¶¶1-55 by reference.

8 57. The Individual Defendants acted as controlling persons of the Company within the
9 meaning of §20(a) of the Exchange Act:

10 (a) By reason of their positions as executive officers and/or directors, their
11 participation in and awareness of the Company's operations and intimate knowledge of the false
12 statements and omissions made by the Company and disseminated to the investing public, the
13 Individual Defendants had the power to influence and control and did influence and control,
14 directly or indirectly, the decision-making of the Company, including the content and
15 dissemination of the various statements which plaintiff contends are false and misleading;

16 (b) The Individual Defendants participated in conference calls with investors
17 and were provided with or had unlimited access to copies of the Company's reports, press releases,
18 public filings, and other statements alleged by plaintiff to be misleading before or shortly after
19 these statements were issued and had the ability to prevent the issuance of the statements or cause
20 the statements to be corrected; and

21 (c) Because of their positions as CEO and CFO, the Individual Defendants
22 directly participated in the Company's management and were directly involved in Seagate's day-
23 to-day operations. The Individual Defendants also controlled the contents of Seagate's quarterly
24 reports and other public filings, press releases, conference calls, and presentations to securities
25 analysts and the investing public. The Individual Defendants prepared, reviewed, and/or were
26 provided with copies of the Company's reports, press releases, and presentation materials alleged
27 to be misleading, before or shortly after their issuance, and had the ability and opportunity to
28 prevent their issuance or cause them to be corrected and failed to do so.

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PRAYER FOR RELIEF

WHEREFORE, plaintiff prays for relief and judgment, as follows:

- A. Determining that this action is a proper class action, designating plaintiff as Lead Plaintiff and certifying plaintiff as a class representative under Rule 23 of the Federal Rules of Civil Procedure and plaintiff’s counsel as Lead Counsel;
- B. Declaring that defendants violated the Exchange Act, as alleged herein;
- C. Awarding compensatory damages in favor of plaintiff and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of defendants’ wrongdoing, in an amount to be proven at trial, including interest thereon;
- D. Awarding plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and
- E. Awarding such equitable/injunctive or other relief as deemed appropriate by the Court.

JURY DEMAND

Plaintiff demands a trial by jury.

DATED: July 10, 2023

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