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8 UNITED STATES DISTRICT COURT
9 NORTHERN DISTRICT OF CALIFORNIA

10 _____, Individually and On Behalf of All
11 Others Similarly Situated,

12 Plaintiff,

13 v.

14 ARCHER AVIATION, INC., ADAM
15 GOLDSTEIN, BRETT ADCOCK, BEN LU,
16 and MARK MESLER,

17 Defendants.

Case No.

CLASS ACTION

COMPLAINT FOR VIOLATIONS OF THE
FEDERAL SECURITIES LAWS

DEMAND FOR JURY TRIAL

18
19 Plaintiff ___ (“Plaintiff”), individually and on behalf of all others similarly situated, by
20 Plaintiff’s undersigned attorneys, for Plaintiff’s complaint against Defendants, alleges the
21 following based upon personal knowledge as to Plaintiff and Plaintiff’s own acts, and
22 information and belief as to all other matters, based upon, *inter alia*, the investigation conducted
23 by and through Plaintiff’s attorneys, which included, among other things, a review of the
24 Defendants’ public documents, conference calls and announcements made by Defendants, United
25 States (“U.S.”) Securities and Exchange Commission (“SEC”) filings, wire and press releases
26 published by and regarding Archer Aviation, Inc. (“Archer” or the “Company”), analysts’ reports
27 and advisories about the Company, and information readily obtainable on the Internet. Plaintiff

1 believes that substantial, additional evidentiary support will exist for the allegations set forth herein
2 after a reasonable opportunity for discovery.

3 NATURE OF THE ACTION

4 1. This is a federal securities class action on behalf of a class consisting of all persons
5 and entities other than Defendants that purchased or otherwise acquired Archer securities between
6 September 17, 2021 and August 15, 2023, both dates inclusive (the “Class Period”), seeking to
7 recover damages caused by Defendants’ violations of the federal securities laws and to pursue
8 remedies under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange
9 Act”) and Rule 10b-5 promulgated thereunder, against the Company and certain of its top officials.
10

11 2. Archer purports to design and develop electric vertical takeoff and landing
12 (“eVTOL”) aircraft for use in urban air mobility (“UAM”) networks. Archer’s shares began
13 publicly trading on the New York Stock Exchange (“NYSE”) in September 2021 when it entered
14 into a business combination with Atlas Crest Investment Corp. (“Atlas Crest”), a special purpose
15 acquisition company (“SPAC”).¹
16

17 3. Since its inception, Archer has consistently touted the efficacy of its eVTOL aircraft
18 design and flight testing procedures, the profitability of its business partnerships, and its ability to
19 secure from the Federal Aviation Administration (“FAA”)² the necessary regulatory certification
20 for the mass production of aircraft for commercial use. Indeed, the Company has stated that it
21 “optimize[s] [its] eVTOL aircraft design for both manufacturing and certification by using
22 advancements in key enabling technologies” and has “secured and strengthened excellent
23 relationships with global leaders and innovators, such as United Airlines, Stellantis, Reef, and the
24

25 _____
26 ¹ A SPAC is a publicly traded company created for the purpose of acquiring or merging with
an existing company.

27 ² The FAA is a transportation agency responsible for, among other things, regulating the
certification of aviation personnel and aircraft in the U.S.
28

1 [U.S.] Air Force.” Moreover, the Company claims that “by bringing together a mix of talent with
2 both eVTOL and traditional commercial aerospace backgrounds[,] [it is] building a team that will
3 allow [it] to move through the design, development, and certification of [its] eVTOL aircraft with
4 the [FAA] in an efficient manner[.]”

5
6 4. Throughout the Class Period, Defendants made materially false and misleading
7 statements regarding the Company’s business, operations, and prospects. Specifically, Defendants
8 made false and/or misleading statements and/or failed to disclose that: (i) the Company relied on
9 heavily edited videos of earlier flights to exaggerate the amount of flight testing it had actually
10 performed and the sophistication of its eVTOL aircraft; (ii) the Company had misrepresented the
11 nature and profitability of its business partnerships, (iii) the Company was unlikely to secure FAA
12 certification in the timeframe it had represented to investors, thereby delaying the start of mass
13 production of its aircraft for commercial sales; (iv) accordingly, the Company had overstated its
14 financial position and/or prospects; (v) all of the foregoing, once revealed, was likely to subject
15 the Company to significant financial and/or reputational harm; and (vi) as a result, the Company’s
16 public statements were materially false and misleading at all relevant times.

17
18 5. On August 16, 2023, before the market opened, Grizzly Research released a report
19 on Archer (the “Grizzly Report”). The Grizzly Report alleged, among other issues, that Archer,
20 relies on heavily edited videos of earlier flights to misrepresent the amount of flight testing the
21 Company has actually performed, and to misrepresent the sophistication of Archer’s eVTOL
22 aircraft. Further, the report alleged that investigators who had spoken to former Archer employees,
23 and businesses in close proximity to its flight-testing facilities who witness its flights, confirmed
24 that Archer conducts far fewer flights than the Company has claimed. Finally, the Grizzly Report
25 also alleged that Archer has misrepresented the timelines for (i) its lab and manufacturing facility
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1 in San Jose, California, becoming operational, and (ii) securing FAA certification of its prototype
2 aircraft.

3 6. On this news, Archer's stock price fell \$0.41 per share, or 6.46%, to close at \$5.94
4 per share on August 16, 2023.

5 7. As a result of Defendants' wrongful acts and omissions, and the precipitous decline
6 in the market value of the Company's securities, Plaintiff and other Class members have suffered
7 significant losses and damages.
8

9 **JURISDICTION AND VENUE**

10 8. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of
11 the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the
12 SEC (17 C.F.R. § 240.10b-5).
13

14 9. This Court has jurisdiction over the subject matter of this action pursuant to 28
15 U.S.C. § 1331 and Section 27 of the Exchange Act.

16 10. Venue is proper in this Judicial District pursuant to Section 27 of the Exchange Act
17 (15 U.S.C. § 78aa) and 28 U.S.C. § 1391(b). Archer is headquartered in this Judicial District,
18 Defendants conduct business in this Judicial District, and a significant portion of Defendants'
19 activities took place within this Judicial District.
20

21 11. In connection with the acts alleged in this complaint, Defendants, directly or
22 indirectly, used the means and instrumentalities of interstate commerce, including, but not limited
23 to, the mails, interstate telephone communications, and the facilities of the national securities
24 markets.
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1 **PARTIES**

2 12. Plaintiff, as set forth in the attached Certification, acquired Archer securities at
3 artificially inflated prices during the Class Period and was damaged upon the revelation of the
4 alleged corrective disclosures.

5 13. Defendant Archer is a Delaware corporation with principal executive offices
6 located at 190 West Tasman Drive, San Jose, California, 95134. Archer’s common stock and
7 redeemable warrants trade in an efficient market on the NYSE under the ticker symbols “ACHR”
8 and “ACHR WS”, respectively.

9 14. Defendant Adam Goldstein (“Goldstein”) served as the Company’s Co-Chief
10 Executive Officer (“CEO”) from prior to the start of the Class Period until April 2022 and has
11 served as the Company’s CEO since April 2022.

12 15. Defendant Brett Adcock (“Adcock”) served as the Company’s Co-CEO from prior
13 the start of the Class Period until April 2022.

14 16. Defendant Ben Lu (“Lu”) served as the Company’s Chief Financial Officer
15 (“CFO”) from prior to the start of the Class Period until his resignation effective January 21, 2022.

16 17. Defendant Mark Mesler (“Mesler”) has served as the Company’s CFO since
17 February 7, 2022.

18 18. Defendants Goldstein, Adcock, Lu, and Mesler are sometimes referred to herein as
19 the “Individual Defendants.”

20 19. The Individual Defendants possessed the power and authority to control the
21 contents of Archer’s SEC filings, press releases, and other market communications. The
22 Individual Defendants were provided with copies of Archer’s SEC filings and press releases
23 alleged herein to be misleading prior to or shortly after their issuance and had the ability and
24 opportunity to prevent their issuance or to cause them to be corrected. Because of their positions
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1 with Archer, and their access to material information available to them but not to the public, the
2 Individual Defendants knew that the adverse facts specified herein had not been disclosed to and
3 were being concealed from the public, and that the positive representations being made were then
4 materially false and misleading. The Individual Defendants are liable for the false statements and
5 omissions pleaded herein.
6

7 20. Archer and the Individual Defendants are collectively referred to herein as
8 “Defendants.”

9 **SUBSTANTIVE ALLEGATIONS**

10 **Background**

11 21. Archer purports to design and develop electric vertical takeoff and landing aircraft
12 for use in urban air mobility networks.

13 **Materially False and Misleading Statements Issued During the Class Period**

14 22. The Class Period begins on September 17, 2021, when Archer began trading on the
15 NYSE under the ticker “ACHR” following its business combination with the SPAC Atlas Crest.

16 In a press release published that day, the Company stated, in relevant part:
17

18 “Completing our go-public transaction and having Archer trade on the New York
19 Stock Exchange is a huge milestone for our business. This is the culmination of a
20 lot of hard work by the great team we have at Archer, but it is also the beginning of
the next phase of our development and growth,” said [Defendant] Adcock[.]

21 “We are working to build an urban air mobility network that can change the way
22 people travel in and around cities forever. We believe we have the team, the
technology and the strategic partners to make our vision a reality,” said [Defendant]
23 Goldstein[.]

24 23. On September 20, 2021, Archer issued a press release entitled “Archer Rings
25 Opening Bell to Celebrate the Closing of its Business Combination and Listing on the NYSE.”

26 The press release stated, in relevant part:

27 Archer’s story has been one of pragmatic planning, incredible teamwork and a
28 relentless dedication to always moving forward. Because of this, Archer’s

1 momentum continues to build, further bolstered by recent milestones like agreeing
2 to its G-1 Certification Basis with the FAA, its Maker Aircraft unveiling, and its
3 partnership with REEF. With a world-class Board of Directors and experienced
4 team, Archer is well positioned to continue to drive the development and adoption
5 of a more efficient and sustainable form of transportation.

6 “We believe Archer’s eVTOL aircraft can be the future of how people will travel
7 in and around cities. In a market projected by Morgan Stanley to be worth \$1 trillion
8 by 2040, it’s exciting that Archer is among the first publicly-traded companies
9 working to build this future,” said [Defendant] Adcock. “Closing this transaction
10 will help fund Archer’s vision of bringing an eVTOL to market and launching an
11 urban air mobility network.”

12 24. On November 10, 2021, Archer issued a press release entitled “Ahead of First
13 Hover Flight, Maker Aircraft Receives FAA COA and Relocates from Development Lab to Flight
14 Test Facility.” The press release stated, in relevant part:

15 Archer [. . .] announced that the FAA has issued a [Certificates of Waiver or
16 Authorization (“CoA”)] and the Aircraft Limitations covering Maker, its flagship
17 demonstrator aircraft. The CoA and the Aircraft Limitations are key components of
18 the Special Airworthiness Certificate, which will be the FAA basis that permits the
19 Maker aircraft to commence test flights.

20 Archer has now relocated its Maker aircraft to its California flight test facility. Here,
21 the aircraft is undergoing final preparations for its first hover flight later this year,
22 as well as a thorough program of ongoing systems testing. Previously, the full-scale
23 eVTOL aircraft was housed exclusively at the development lab within Archer’s
24 Palo Alto headquarters where it was designed and built.

25 ***

26 “The relocation of Maker to our dedicated flight test facility marks the next chapter
27 in our journey towards the future of flight,” said [Defendant] Adcock[.] “This
28 transition will allow our team to shift gears from our ‘ground phase’ to the ‘flight
phase’ of our Maker roadmap.”

29 25. On November 11, 2021, Archer issued a shareholder letter reporting the Company’s
30 Q3 2021 financial and operational results. In that letter, Archer stated, in relevant part:

31 **MAKER AIRCRAFT ASSEMBLED, INTEGRATED, AND PREPARING
32 FOR FLIGHT:**

33 In June 2021, we unveiled our full-scale demonstrator eVTOL aircraft, Maker, to
34 the world. *That unveiling video, which can be found on our YouTube channel,
35 has already captured the attention of over 40 million viewers.* From Maker, we

1 will gather data and information that will help us accelerate our design,
2 development, and certification of our production aircraft.

3 We are pleased to announce that we have relocated Maker from our design and
4 development facility to the hangar facility from which we will conduct our Maker
5 test flights. The aircraft is currently undergoing preparations for its first hover
6 flight, which we anticipate will take place later this year. A group of our engineers
7 are working on site to integrate Maker's mechanical and software systems for its
8 upcoming test flights. Significantly, the FAA recently issued a Certificate of
9 Authorization ("CoA") and the Aircraft Limitations covering Maker. The CoA and
10 the Aircraft Limitations are key components of a Special Airworthiness Certificate,
11 which would be the FAA basis that permits the Maker aircraft to start test flights.
12 The period from Maker's initial design to its anticipated first flight date is only two
13 years. We believe we were able to move this efficiently because of the quality of
14 our experienced team. *Archer has built seven generations of subscale eVTOL
15 aircraft of various designs and has flown over one thousand subscale test flights.*
16 Our team has worked tirelessly to get us here."

17 ***

18 **BUSINESS OUTLOOK**

19 While we've accomplished a lot so far in 2021, we recognize that we still have key
20 challenges and critical milestones ahead on our path to commercialization of our
21 aircraft and UAM ecosystem.

22 Top of mind for us right now is conducting Maker's first test flight, which is
23 planned to be a hover flight occurring later this year. Following that first test flight,
24 our flight testing plan for Maker (and the additional Maker aircraft we are currently
25 building) includes performing progressively more advanced test flights throughout
26 2022, with the goal of Maker conducting its first full transition and cruise flight in
27 2H 2022.

28 As discussed earlier, we continue to make strong progress on our path to Type
Certification of our production aircraft. We agreed upon a G-1 Certification Basis
with the FAA in September and have been working on the Means of Compliance
(MoC) for the G-2 Issue Paper with the FAA since earlier this year, as well as the
necessary testing and methods required to demonstrate safety and compliance of
our aircraft. Once the MoC steps are complete, our production aircraft design will
be evaluated and measured to the certification requirements established by the G-1
Issue Paper. We continue to work towards our goal of receiving our G-2 Issue Paper
in 2022 and our Type Certification of our production aircraft before the end of 2024.

In addition to our work on Maker, we have been quietly designing our production
aircraft and working with the FAA on the certification process for this aircraft. As
mentioned above, we intend to unveil this aircraft in 2023. Also as mentioned
above, we are currently in the final stages of choosing our manufacturing site. We

1 plan to begin construction on this manufacturing facility in 2022 and target having
2 construction completed in 2023.³

3 26. That same day, Archer hosted an earnings call with investors and analysts to discuss
4 the Company's Q3 2021 results (the "Q3 2021 Earnings Call"). During the scripted portion of the
5 Q3 2021 Earnings Call, Defendant Adcock stated, in relevant part:

6 Archer has developed plans that demonstrate that technology is here today to make
7 this work and we believe we'll be one of the first eVTOL manufacturers to achieve
8 FAA type certification.

9 Archer's near-term focus is on designing, certifying, and manufacturing an eVTOL
10 aircraft. That aircraft will lock a diversified business model across both consumer
11 and commercial categories.

12 27. Also during the scripted portion of the Q3 2021 Earnings Call, Defendant Goldstein
13 stated, in relevant part:

14 We received our signed FAA G-1 certification basis, the first major step in the FAA
15 certification process. Our progress with the FAA is going well. We believe this
16 positions Archer for being one of the first-to-market in the U.S.

17 We assembled an outstanding Board of Directors and continue to hire some of the
18 most talented people in the world for our industry. We secured and strengthened
19 excellent relationships with global leaders and innovators, such as United Airlines,
20 Stellantis, Reef, and the United States Air Force.

21 ***

22 In June of 2021, we unveil to the world, Maker, our full scale eVTOL aircraft. We
23 are pleased to announce that we have relocated Maker from our design and
24 development facilities to the hangar facility from which we will conduct our Maker
25 test flights. The aircraft is currently undergoing preparations for its hover flight,
26 which we anticipate will take place by the end of this year.

27 28. On December 2, 2021, Archer issued a press release entitled "Archer Receives
28 Special Airworthiness Certificate for its Maker eVTOL Aircraft Following Successful FAA
Inspection." The press release stated, in relevant part:

³ All emphases included herein are added unless otherwise noted.

1 “Earning our Special Airworthiness Certificate from the FAA marks a significant
2 moment for our company as we take another leap ahead toward our goal of bringing
3 eVTOL travel to the world,” said [Defendant] Adcock[.] “We’re glad to share a
4 commitment with the FAA to create urgently-needed air transportation solutions.
5 We’re grateful to have developed a strong relationship with their Center for
6 Emerging Concepts & Innovation as we continue to work to ensure our eVTOL
7 aircraft adheres to the highest standards of safety and compliance. In a year of
8 exciting milestones for Archer, this moment serves as a key validator for the
9 incredible work our team is doing to transform our vision for urban air mobility
10 into a reality.”

11 29. On December 20, 2021, Archer issued a press release entitled “Archer Takes to the
12 Skies with First Hover Flight of Maker Aircraft.” The press release stated, in relevant part:

13 “The past six months has been an incredible journey, from unveiling Maker to
14 watching it take its first flight,” said [Defendant] Adcock[.] “It’s been humbling to
15 build a leading eVTOL company and educate the public on clean transportation
16 alternatives. Today is a milestone for both Archer and the future of travel. I’m
17 extremely proud of this exceptional team.”

18 “Everything we’ve accomplished this year, every milestone hit and partnership
19 struck, was all with one goal in mind: developing both an aircraft and a UAM
20 ecosystem that could scale and change the face of intra-city travel,” shared
21 [Defendant] Goldstein[.] “With our first hover flight now completed, we’re one
22 major step closer to that goal and have proven that Archer can work at a fast pace
23 without sacrificing safety or quality. Our team stands ready to continue that pace as
24 we work toward launching an aerial ridesharing service in late 2024.”

25 30. On March 14, 2022, Archer issued a press release announcing the Company’s Q4
26 and full year 2021 results. The press release stated, in relevant part:

27 Key Archer operating highlights from the fourth quarter and full year 2021 include:

- 28 • **Maker Update:** Maker’s first hover flight was successfully executed with a performance in line with expectations. As a reminder, Maker is Archer’s full-scale demonstrator eVTOL aircraft, which will inform the design and build of Archer’s production aircraft.
- **Production Aircraft Update:** The production aircraft, designed to carry up to 4 passengers and a pilot, is intended to be used for commercial operations. After completing the Conceptual Design Review process for Archer’s production aircraft in October 2021, the Company is currently progressing towards its Preliminary Design Review milestone.
- **FAA Certification Update:** In November of 2021, Archer formally received its Special Airworthiness Certificate from the FAA on Maker, allowing it to begin conducting test flights. Separately, the Company

1 continues to focus on finalizing its G-2 Issue Paper, which will set forth the
2 means of compliance with the certification basis established in its G-1 Issue
3 Paper last fall. The Company remains on track to achieve this milestone in
2022.

4 31. That same day, Archer filed an Annual Report on Form 10-K with the SEC,
5 reporting the Company's financial and operating results for the year ended December 31, 2021
6 (the "2021 10-K"). In providing an overview of the Company's business, the 2021 10-K stated,
7 in relevant part:

8 Our mission is to advance the benefits of sustainable air mobility. Our goal
9 is to move people throughout the world's cities in a quick, safe, sustainable, and
10 cost-effective manner. To accomplish this goal, we are designing and developing
11 an electric vertical takeoff and landing ("eVTOL") aircraft for use in future urban
air mobility ("UAM") networks.

12 ***

13 We continue to work to optimize our eVTOL aircraft design for both
14 manufacturing and certification by using advancements in key enabling
15 technologies such as high-energy batteries, high-performance electric motors, an
16 advanced fly-by-wire flight control system, and a lightweight and efficient aircraft
structure.

17 The development of an eVTOL aircraft that meets our business
18 requirements demands significant design and development efforts on all facets of
19 the aircraft. We believe that by bringing together a mix of talent with both eVTOL
20 and traditional commercial aerospace backgrounds we are building a team that will
21 allow us to move through the design, development, and certification of our eVTOL
aircraft with the Federal Aviation Administration ("FAA") in an efficient manner,
22 thus allowing us to achieve our end goal of bringing to market our eVTOL aircraft
as soon as possible.

23 **Our Planned Lines of Business**

24 Upon receipt of all necessary FAA certifications and any other government
25 approvals necessary for us to manufacture and operate our aircraft, we intend to
operate two complementary lines of business. Our core focus is direct-to-consumer
26 ("Archer UAM") with our secondary focus being business-to-business ("Archer
Direct").

- 27 • Archer UAM: We plan to operate our own UAM ecosystem initially in
28 select major U.S. cities, such as Los Angeles and Miami. Our UAM
ecosystem will operate using our eVTOL aircraft, which is currently in
development. We project that the cost to manufacture and operate our

1 eVTOL aircraft will be such that it will be able to enter the UAM ride-
2 sharing market at a price point that is competitive with ground-based
3 ride sharing services today. We will continue to evaluate our go-to-
4 market strategy based on, among other things, estimated demand,
5 readiness of the required infrastructure, and the scale of our UAM
6 aircraft fleet.

- 7 • Archer Direct: We also plan to selectively sell a certain amount of our
8 eVTOL aircraft to third parties. We have entered into a purchase
9 agreement with United Airlines Inc. (“United”) for the conditional
10 purchase of up to \$1 billion worth of aircraft, with an option for another
11 \$500 million worth of aircraft (the “Purchase Agreement”). We will
12 look to determine the right mix of selling our eVTOL aircraft versus
13 using them as part of our UAM ecosystem based on, among other
14 factors, our capital needs, our volume of manufacturing, our ability to
15 ramp Archer UAM operations, and the purchase demand from our
16 Archer Direct customers.

17 32. Further, in discussing the Company’s market opportunity, the 2021 10-K stated, in
18 relevant part:

19 We believe the primary drivers for adoption of UAM network services will
20 be the time savings and value proposition offered by UAM relative to more
21 traditional ground-based transportation options. We expect that the following
22 additional factors will also impact the pace of adoption of UAM: regulatory
23 requirements for eVTOL aircraft and UAM network operations, public acceptance
24 of eVTOL aircraft (including perception regarding the safety of eVTOL aircraft)
25 and access to the infrastructure necessary to enable UAM network services. In
26 addition, macroeconomic factors could impact demand for UAM services,
27 particularly if more permanent work-from-home behaviors persist as a result of the
28 COVID-19 pandemic. If the market for UAM does not develop as expected, this
would impact our ability to generate revenue or grow our business.

32 33. Finally, in discussing government regulation and compliance, the 2021 10-K stated,
33 in relevant part:

34 In the near-term, we will continue to focus our efforts on obtaining
35 certification of our aircraft in the U.S. and engaging with key decision makers in
36 the cities in the U.S. in which we plan to initially operate our UAM network. Our
37 aircraft will be required to comply with regulations governing aircraft design,
38 production and airworthiness. In the U.S., this primarily includes regulations put
forth by the FAA and Department of Transportation (“DOT”). Outside the U.S.,
similar requirements are generally administered by the national civil aviation and
transportation authorities of each country. The following describes the key
certifications necessary for us to design, manufacture, sell and operate our eVTOL
aircraft in the U.S.:

- 1 • Designing our aircraft: Type certification is the FAA’s approval process
2 for new aircraft designs and covers the design of the aircraft and all
3 component parts. Our aircraft will be required to meet the criteria set
4 forth by the FAA as defined in Part 23 of the Federal Aviation
5 Regulations (FARs) (14 CFR Part 23) as a normal category piloted
6 aircraft with certain special conditions introduced to address
7 requirements specific to eVTOL aircraft. In September 2021, we agreed
8 to a certification basis with the FAA covering our planned production
9 aircraft through a G-1 Issue Paper. We are now focused on finalizing
10 our G-2 Issue Paper with the FAA, which will set forth the means of
11 compliance to meet the requirements set forth in the G-1 Issue Paper.
12 We have been working on the means of compliance for the G-2 Issue
13 Paper with the FAA since early 2021.
- 14 • Producing our aircraft: Production certification is the FAA’s approval
15 for us to be able to manufacture our aircraft under an FAA-approved
16 type design. To obtain production certification from the FAA, we must
17 demonstrate that our organization and our personnel, facilities, and
18 quality system can produce our aircraft such that they conform to its
19 approved design. We are working to develop the systems and processes
20 we will need to obtain FAA production certification with the goal of
21 obtaining such certification shortly following receipt of our type
22 certificate.
- 23 • Selling our aircraft: Airworthiness certification from the FAA signifies
24 that an aircraft meets its approved type design and is in a condition for
25 safe operation in the National Airspace System. As is the industry
26 standard, each of the aircraft manufactured by us will need to be issued
27 an airworthiness certificate. We expect that the airworthiness
28 certificates issued to our aircraft will be a Standard Airworthiness
certificate in the Normal Category, as defined by the FAA.

34. Appended to the 2021 10-K as exhibits were signed certifications pursuant to the Sarbanes-Oxley Act of 2002 (“SOX”) by Defendants Adcock, Goldstein, and Mesler, attesting that “the information contained in the [2021 10-K] fairly presents, in all material respects, the financial condition and results of operations of the Company.”

35. Also on March 14, 2022, Archer hosted an earnings call with investors and analysts to discuss the Company’s Q4 2021 results (the “Q4 2021 Earnings Call”). During the scripted portion of the Q4 2021 Earnings Call, Defendant Adcock stated, in relevant part:

1 To recap, in 2021, we accomplished receiving a signed G-1 Certification Basis from
2 the FAA; unveiling Maker, which is our full-scale eVTOL demonstrator;
3 completing our conceptual design review for our production aircraft, a piloted four-
4 passenger vehicle; and completing Maker's first hover flight. In 2022, we are on
5 track to achieve our G-2 means of compliance with the FAA. Notably, no other
6 company in the world have achieved this yet, completing Maker's first full
7 transition cruise flight, and lastly, to select our manufacturing site and begin the
8 construction process.

9 36. Also during the scripted portion of the Q4 2021 Earnings Call, Defendant Goldstein
10 stated, in relevant part:

11 In terms of our Maker aircraft, over 2 years ago, Archer's goal was set to begin
12 flying in 2021 and we are so proud to have achieved this ambitious goal. In
13 December of 2021, our Maker aircraft conducted its first hover flight. Critically,
14 the flight results were consistent with our expectations, providing validation for our
15 systems, instruments and acoustics. This was a historic milestone for Archer. As
16 Brett mentioned earlier, we remain on track to conduct Maker's first full transition
17 cruise flight in 2022.

18 With regards to FAA certification, we continue to move efficiently through the
19 process. We are focused on agreeing upon our means of compliance with our
20 already established certification basis via a G-2 issue paper with the FAA. This
21 process remains on track and we continue to anticipate achieving our G-2 issue
22 paper in 2022.

23 37. On April 27, 2022, Archer issued a press release entitled "Archer and United
24 Airlines Form Joint eVTOL Advisory Committee to Support Archer's Future Airline Operations."

25 The press release stated, in relevant part:

- 26 • The committee is a forum for United to share its expertise on maintenance
27 and operational matters as Archer moves forward in its aircraft development
28 process
- The committee will advise on the development of systems and features
intended to improve operations and other ideas to further the widespread
adoption of urban air mobility (UAM) and eVTOL aircraft
- This is another milestone in Archer's ongoing relationship with United
Airlines that began in February of 2021 when United signed an industry-
first agreement to purchase, subject to United's business and operating
requirements, \$1 billion of Archer's aircraft, with an option for an additional
\$500 million of aircraft
- United's stellar track record in airline operations and its existing
collaboration with Archer make it an ideal stakeholder to advise the
company about the scope and build out of maintenance and operations plans

- 1 • Completing the definition of its production aircraft’s outer mold line
2 (OML), which defines the exact geometry and aerodynamic shape of the
3 aircraft. This milestone allows the Company to kick-off detailed part design
4 and begin procurement of long lead production tooling for the aircraft
5 structure.
- 6 • Advancing a number of its key strategic relationships:
 - 7 ○ United and Archer formed a Joint eVTOL Advisory Committee to
8 support Archer’s future airline operations.
 - 9 ○ Hexcel and Archer entered into a letter of intent for Hexcel to
10 provide Archer with high-performance carbon fiber and resin
11 systems for the Company’s production eVTOL aircraft.
 - 12 ○ Carlos Tavares, CEO of Stellantis, and key members of his
13 executive leadership team visited the Company’s headquarters to
14 review progress on the Stellantis-Archer strategic relationship and
15 to discuss ways to further advance it.

16 39. That same day, Archer hosted an earnings call with investors and analysts to discuss
17 the Company’s Q1 2022 results (the “Q1 2022 Earnings Call”). During the scripted portion of the
18 Q1 2022 Earnings Call, Defendant Goldstein stated, in relevant part:

19 Our operating and financial performance were consistent with our expectations and
20 we are on track to achieve all of our 2022 milestones. We remain well capitalized
21 and well-positioned as a leader in the eVTOL sector, with key strategic
22 relationships, a growing team of dedicated, experienced, and committed designers,
23 engineers, and operators, and with a business plan and strategy that is unique,
24 compelling, and clearly differentiated.

25 ***

26 In parallel, we are rapidly advancing our production aircraft through the
27 preliminary design phase, while working with the FAA to finalize our G2 means of
28 compliance to the G1 certification basis we agreed to last year. Our executive team
and board are fully aligned behind this approach, which is about efficiency,
effectiveness, and safety as we drive to commercialization. Since the beginning of
the year, we have made significant progress on our production aircraft design. We
have finalized key system architectures, advance the development of our critical
propulsion and flight control technologies, and matured our supply base, including
the selection of several key suppliers. A major technical achievement this quarter
was defining our aircraft Oil, Mel or outer mold line.

40. On June 28, 2022, Archer issued a press release entitled “Archer Flight Testing
Gains Momentum, On Pace to Achieve Transition Flight By Year End.” The press release stated,
in relevant part:

- 1
- Archer is conducting multiple tests weekly as it progresses through Maker’s flight test campaign.
- 2

3 Archer [. . .] today announced that based on the recent successes seen in its Maker
4 flight testing program, it is confident it will achieve its goal of flying full transition
5 flights with Maker by year end. The work the team put in during the first half of
6 this year to upgrade and test the aircraft’s Tilt Propeller System (TPS) is proving
7 successful. Archer believes that its progress from first hover flight through full
8 transition will be the fastest pace any eVTOL company has reached this milestone.
9 Archer’s industry leading talent and its focus on using key enabling technologies
10 that are in the market today have unlocked this historic progress.

11 ***

12 “What differentiates Archer from other players in our industry is our approach to
13 commercialization as well as our laser focus on achieving that goal. The
14 advancements we are making in our flight test campaign are nothing short of
15 remarkable. I wake up every day inspired by our team,” said [Defendant]
16 Goldstein[.]

17 41. On July 28, 2022, Archer issued a press release entitled “Archer Successfully
18 Completes Second Phase of Maker Flight Testing, Moves on to Third Phase Towards Full
19 Transition.” The press release stated, in relevant part:

20 Archer [. . .] today announced that it has successfully completed all of its “critical
21 azimuth” flight tests, marking the completion of the second of three key phases of
22 flight testing. The purpose of these tests are to validate the crosswind capabilities
23 of Archer’s eVTOL aircraft configuration and flight control systems. The company
24 has now successfully flown Maker at increasing speeds of up to 15 knots, in various
25 directions and attitudes.

26 ***

27 Archer’s flight test campaign has been designed to carefully evaluate the
28 company’s systems and technology. The rapid progress made by the company with
Maker has allowed the validation of a number of technologies for Archer’s
production aircraft. Having successfully validated various systems through this
second phase of flight testing, Archer is now shifting into the third phase of its
program during which it will evaluate the aircraft’s performance at increasing
forward speeds. At the current rate of progress, the company continues to anticipate
expanding to full transition flight by the end of the year.

“Every flight test we conduct provides us with a treasure trove of data, validating
our design and rapidly propelling us towards our vision for eVTOL air travel,” said
[Defendant] Goldstein[.] “This latest milestone is truly exciting and not only
reinforces the capabilities of our aircraft design, but of our highly innovative team.

1 We're excited to share more updates as we move the campaign even further forward
2 in the coming months."

3 42. On August 10, 2022, Archer issued a press release entitled "Archer Receives \$10
4 million Pre-Delivery Payment From United Airlines for 100 eVTOL Aircraft; Advances Path to
5 Commercialization." The press release stated, in relevant part:

6 Archer [. . .] today announced that it has received a \$10 million pre-delivery
7 payment from United Airlines for 100 of the company's initial production eVTOL
8 aircraft. The payment represents a watershed moment for the eVTOL industry,
9 validating confidence in the commercialization of eVTOL aircraft and Archer's
10 leadership. United is making the deposit on 100 of Archer's production aircraft
11 which it agreed to purchase in 2021.

12 Archer recently completed its production aircraft's Preliminary Design Review
13 (PDR) and is now advancing to the next stage of its development and
14 commercialization efforts. The PDR is a meticulous review of the aircraft design to
15 ensure the program is on track and the design is mature enough to proceed to the
16 next development phase and kick-off of production of long lead time hardware. The
17 PDR lays out all aspects of the aircraft's specifications and manufacturing
18 requirements, necessary pre-conditions for determinations that the design is
19 feasible for regulatory compliance and viable to bring to market. United's decision
20 to place a deposit for 100 of Archer's eVTOL aircraft signals its desire to be one of
21 the first airline operators in the U.S. to bring eVTOL aircraft to market.

22 ***

23 "I am incredibly proud of the entire Archer team as we reach this milestone in our
24 partnership with United Airlines. To receive a cash deposit is validation of Archer's
25 achievements to date, not only with flight testing and product development, but also
26 a great signal of confidence in our roadmap to commercialization," said
27 [Defendant] Goldstein[.] "We're thankful to United for their continued partnership
28 as we usher in this new era in air travel."

43. That same day, Archer issued a press release announcing the Company's Q2 2022
results. The press release stated, in relevant part:

The Company's recent key operating highlights include:

- We announced earlier today that we have received a \$10 million deposit from United Airlines for 100 of the company's initial production eVTOL aircraft

- Successfully completed two phases of Maker’s test flight campaign, validating key technical data enabling advancements in Archer’s production aircraft
- Successfully completed preliminary design review, PDR, for our four-passenger, piloted production aircraft named Midnight[]
- Validated critical performance metrics for Midnight, which is expected to have a payload of 1,000+ pounds and charging turnaround time of approximately 10 minutes on our target missions, enabling our UAM network operating model

Commenting on second quarter results, [Defendant] Goldstein [. . .] said:

“Archer is now advancing our commercialization efforts. We are executing our plan including the development and certification of our production aircraft, Midnight, and initiating efforts for our early launch markets for commercial operations. Our recent successful completion of Midnight’s Preliminary Design Review provides us confidence that our technology supports our commercial objectives. These accomplishments are validated by United Airlines \$10 million pre-delivery payment. It’s an exciting time at Archer.”

44. Also on August 10, 2022, Archer hosted an earnings call with investors and analysts to discuss the Company’s Q2 2022 results (the “Q2 2022 Earnings Call”). During the scripted portion of the Q2 2022 Earnings Call, Defendant Goldstein stated, in relevant part:

We are now at an inflection point in the company where we are advancing our commercialization efforts.

This includes the development and certification of our production aircraft, building out the supply chain and manufacturing infrastructure needed to produce the aircraft and kicking off efforts to prepare for our initial launch markets and routes for commercial operations. The proof point and the confidence of our development can also be seen by the actions of our partners.

As we announced earlier today, we have received a \$10 million pre-delivery payment from United Airlines on 100 aircrafts as part of their purchase agreement for up to 200 aircrafts. We believe this is the first such pre-delivery payment of its kind in the eVTOL space, and it reflects the maturity of our aircraft development program and the confidence United Airlines has in our commercialization efforts.

I believe the progress we have made with Maker has been nothing short of incredible and industry-leading in terms of time to execution. It’s important to remember that the purpose of Maker is to be a test bed to support the development

1 of our pilot plus 4 passenger production aircraft that we are working to certify with
2 the FAA.

3 45. On November 10, 2022, Archer issued a press release announcing the Company's
4 Q3 2022 results. The press release stated, in relevant part:

5 The Company's recent key operating highlights include:

- 6 • Completion of the first wing-borne flight with Maker demonstrator aircraft;
7 on-track to complete first full transition flight in the coming weeks.
- 8 • In partnership with United Airlines, announcement of the industry's first
9 specific commercial eVTOL aircraft route in the US: between Newark
10 Liberty International Airport and the Downtown Manhattan Heliport.
- Unveiling of our production aircraft, Midnight[], at our upcoming Open
House event.

11 Commenting on third quarter results, [Defendant] Goldstein [. . .] said:

12 "With the announcement of our first urban air mobility route in New York with our
13 partner, United Airlines, and the completion of our first full wingborne flight by
14 our Maker aircraft, we are building on our momentum towards commercialization.
15 In addition to these milestones, Archer's world-class team is executing successfully
across all areas of our business. We are looking forward to sharing more on
Midnight's capabilities at our upcoming Open House Event."

16 46. That same day, Archer hosted an earnings call with investors and analysts to discuss
17 the Company's Q3 2022 results (the "Q3 2022 Earnings Call"). During the scripted portion of the
18 Q3 2022 Earnings Call, Defendant Goldstein stated, in relevant part:

19 From day one, Archer's strategy has always been about finding the most efficient
20 path to commercializing eVTOL aircraft. That translates to one, designing for
21 certification, which is why we are confident that we do not have any design gaps
and we believe that we have a clear path to certifying midnight and late 2024.

22 Two, building an aircraft that fits our business case. That means 1000 pounds of
23 payload to enable a pilot plus four passenger aircraft, low direct operating cost and
24 the ability to conduct rapid back-to-back 20 mile trips. And three, focusing our in-
25 house development on only the key enabling technologies that cannot be sourced
26 from the existing aerospace supply base. Under this approach, we rely on partners
to supply components that are already being used on certified aircraft today,
dramatically reducing our certification risk as well as our development timeline and
27 cost.
28

1 We believe this strategy and our team’s ability to execute on it has allowed us to
2 establish our leadership position in the market, and it’s why we are confident we
3 will be the first company to certify an eVTOL aircraft in the US with the FAA.

4 ***

5 Earlier in the year, we announced three goals that we aim to achieve in 2022. One,
6 Maker transition flight; two, FAA acceptance of our means of compliance; and
7 three, selecting our site for manufacturing. As we sit here in November, we are on
8 the doorstep of achieving all three goals.

9 47. On December 1, 2022, Archer issued a press release entitled “Archer Completes
10 Maker’s First Full Transition Flight.” The press release stated, in relevant part:

11 Archer [. . .] today announced that Maker successfully completed its first transition
12 to full wing-borne flight on November 29, 2022. Maker has 12 propellers attached
13 to six booms on a fixed wing. All 12 propellers provide vertical lift during take-off
14 and landing. The forward 6 propellers tilt forward to cruise position to provide
15 propulsion during forward flight, with the wing providing aerodynamic lift like a
16 conventional airplane. During this flight, Maker’s tilt propellers were locked in
17 cruise position for the first time and the aircraft flew at a calibrated airspeed of 91
18 knots (105 mph).

19 ***

20 “From day one, Archer’s strategy has always been about finding the most efficient
21 path to commercializing eVTOL aircraft,” said [Defendant] Goldstein[.] “The data
22 and experience we’ve gathered from Maker’s rigorous flight testing program has
23 been invaluable to the development and certification path of Midnight, and lends
24 further confidence to our belief that Archer will be the first company to certify an
25 eVTOL aircraft in the US with the FAA.”

26 48. On March 9, 2023, Archer issued a press release announcing the Company’s Q4
27 and full year 2022 results. The press release stated, in relevant part:

28 The Company’s recent key operating highlights include:

- Nearing completion of the final assembly of its first build of Midnight, the production aircraft it unveiled last November;
- Significantly expanded Company’s relationship with Stellantis with the companies joining forces to manufacture Midnight; and
- Ramping manufacturing and test capabilities across multiple facilities, including the recent announcement that Archer has now begun construction on its high volume manufacturing facility in Covington, GA.

1 Commenting on fourth quarter results, [Defendant] Goldstein [. . .] said:

2 “The Archer team achieved significant milestones throughout 2022 across four key
3 areas: technology, certification, manufacturing and commercial operations, giving
4 us tremendous momentum heading into 2023. Our focus continues to be on
5 achieving the most efficient path to commercialization and we are aiming to
6 complete the first build of our conforming Midnight aircraft later this year with
7 piloted flight tests of this aircraft beginning in early 2024.”

8 49. That same day, Archer hosted an earnings call with investors and analysts to discuss
9 the Company’s Q4 2022 results (the “Q4 2022 Earnings Call”). During the scripted portion of the
10 Q4 2022 Earnings Call, Defendant Goldstein stated, in relevant part:

11 Our strategy is unwavering. We have advanced towards this goal faster than anyone
12 thought was possible. I want to reiterate the key aspects of our strategy. One,
13 designing, building and optimizing an aircraft for the UAM business case. That
14 means bringing to market a safe low noise aircraft that can carry approximately
15 1,000 pounds of payload to enable a pilot plus four passenger aircraft operation that
16 has low direct operating costs and the ability to conduct rapid back-to-back trips in
17 and around urban areas. Two, designing an aircraft for certification and mass
18 manufacturing from day one. And three, focusing our in-house development on
19 only the key enabling technologies that cannot be sourced from the existing
20 aerospace supply base.

21 We believe that our strategy, coupled with our team’s industry leading experience
22 across eVTOL aircraft and electric propulsion systems is what allows us to make
23 such demonstrable and clear progress. We entered 2022 with an aggressive
24 roadmap to advance our business across four key areas: technology development,
25 manufacturing build out, certification and commercial operations. We exited 2022
26 with tremendous momentum with the Archer team achieving significant milestones
27 in each area.

28 ***

29 Additionally, component manufacturing is already underway for our first
30 conforming Midnight aircraft, which will be flown with the pilot. As we noted in
31 our shareholder letter, we are planning to build six or more conforming aircraft
32 four-credit testing with the FAA in support of our type certification.

33 We are targeting completion of our initial conforming aircraft in 4Q 2023. And in
34 turn, we will begin piloted flight test operations with this conforming aircraft in
35 early 2024. These conforming aircraft will be built at our San Jose, California
36 manufacturing facility and integrated test lab located strategically just around the
37 corner from our HQ.

1 50. On March 15, 2023, Archer filed an Annual Report on Form 10-K with the SEC,
2 reporting the Company’s financial and operating results for the year ended December 31, 2022
3 (the “2022 10-K”). The 2022 10-K contained substantively similar descriptions of the Company’s
4 business, market opportunity, and government regulation and compliance as discussed, *supra*, in
5 ¶¶ 31-33. In addition, in discussing the Company’s “Key Strategic Partners,” the 2022 10-K stated,
6
7 in relevant part:

8 ***Stellantis***

9 In 2020, we established a key strategic relationship with Stellantis, one of
10 the world’s leading automakers including of brands Jeep®, Ram, Maserati, Dodge,
11 and Chrysler. The goal was to allow us to leverage Stellantis’ deep manufacturing,
12 supply chain, and design expertise in connection with our efforts to design, develop,
13 and commercialize our eVTOL aircraft. In 2021, Stellantis invested in Archer as
14 part of the Business Combination (as defined below). Then, in January 2023, we
15 announced a significant expansion of our partnership. As a result, Stellantis will
16 work with us to stand up our manufacturing facility in Covington, Georgia. This
17 unique approach will continue to leverage each company’s respective strengths and
18 competencies in an effort to bring our Midnight aircraft to market at scale to support
19 our commercialization plans. The goal over the long term is for Stellantis to mass
20 produce our eVTOL aircraft as our contract manufacturer. As a further sign of its
21 commitment, Stellantis has agreed to provide up to \$150 million in equity capital
22 for potential draw by Archer at its discretion in 2023 and 2024, subject to
23 achievement of certain business milestones which Archer expects to occur in 2023.
24 The two companies are taking these important steps together as we share the goal
25 of redefining urban transportation.

19 ***United***

20 In 2021, we established a key strategic relationship with United as part of
21 the airline’s broader effort to invest in emerging technologies that decarbonize air
22 travel. The goal has been for United, as our flagship customer, to contribute its
23 expertise in aircraft operations as we work together to commercialize our eVTOL
24 aircraft. As part of establishing that relationship, we entered into a purchase
25 agreement with United covering their purchase of up to \$1.5 billion of our eVTOL
26 aircraft. United has indicated its plans to acquire a fleet of our eVTOL aircraft that
27 would be deployed in a manner to give their customers a quick, economical and
28 low-carbon way to get to and from United’s hub airports and commute in dense
urban environments. United also invested in Archer as part of the Business
Combination.

 Since 2021, we have also been working closely with United on
commercialization efforts. In April of 2022, we formed a joint eVTOL Advisory

1 Committee to support operations of our eVTOL aircraft, including maintenance and
2 operational standards. In August of 2022, United paid us \$10 million in pre-delivery
3 payments for 100 aircraft covered under our purchase agreement. Then, in
4 November of 2022, we jointly announced the first specific UAM route in the US:
5 Downtown Manhattan Heliport to Newark Liberty International Airport. Our
6 shared purpose is connecting people, and we continue to work closely to ensure our
7 eVTOL aircraft will amplify their broader efforts to do that in a sustainable way.

8 51. Appended to the 2022 10-K as exhibits were signed certifications pursuant to SOX
9 by Defendants Goldstein and Mesler, attesting that “the information contained in the [2022 10-K]
10 fairly presents, in all material respects, the financial condition and results of operations of the
11 Company.”

12 52. On May 10, 2023, Archer issued a press release entitled “Archer Aviation Forms
13 Government Services Advisory Board to Support Planned Expansion of its Existing Relationship
14 With the U.S. Department of Defense.” The press release stated, in relevant part:

15 Archer [. . .] today announced the formation of a Government Services Advisory
16 Board to support Archer’s planned expansion of its existing relationship with the
17 U.S. Department of Defense (“DoD”). Over the last few years, Archer has
18 completed several projects with the DoD and has several still underway. As
19 Archer’s Midnight aircraft progresses toward commercialization, it is garnering
20 significant interest from the Department of Defense as a result of its performance
21 specifications, including Midnight’s payload of ~1,000 lbs.

22 ***

23 “We understand the importance of fostering strong and purposeful relationships
24 across the whole-of-government to enable and support the safe integration of
25 eVTOL aircraft in the U.S.,” said [Defendant] Goldstein[.] “The development and
26 commercialization of AAM technologies must remain a strategic national priority
27 and having such decorated and informed military veterans advising us will help us
28 ensure that is the case.”

53. On May 11, 2023, Archer issued a press release entitled “Archer Rolls Out First
Midnight Aircraft; Prepares for Flight Test.” The press release stated, in relevant part:

Archer [. . .] today announced it has now completed the final assembly of its first
Midnight aircraft. With final assembly and initial testing complete, last week the
aircraft was shipped from Archer’s Palo Alto facility to its flight test facility in
Salinas, California and reassembled. Archer will now take this aircraft through a
series of ground tests leading up to its planned first flight this summer. The

1 Midnight aircraft has recently garnered significant attention from the U.S.
2 Department of Defense given its payload capabilities.

3 This Midnight aircraft will enable Archer to perform critical “company testing” to
4 accelerate and reduce risk on its certification program with the Federal Aviation
5 Administration (“FAA”) in advance of “for credit” certification testing that the
6 company plans to begin early next year with piloted Midnight aircraft. Our strategy
7 with this aircraft is to allow Archer to fly many of the same test points that will be
8 needed during piloted “for credit” flight testing in order to further validate the
9 aircraft before the FAA witnesses and participates in the testing - a customary
10 practice in many aircraft certification programs.

11 Component manufacturing is already underway for Archer’s conforming Midnight
12 aircraft. Archer is targeting the completion of final assembly of its initial
13 conforming Midnight aircraft in Q4 2023 and to begin piloted flight test operations
14 in early 2024.

15 “Today we announced our exciting progress that the final assembly of our first
16 Midnight aircraft is now complete and it is preparing for its flight test program,”
17 said [Defendant] Goldstein[.] “This aircraft will accelerate and reduce risk on our
18 certification program paving the way for our team to focus on building and
19 conducting piloted operations with conforming aircraft to support the goal of
20 entering into service in 2025.”

21 54. That same day, Archer issued a press release announcing the Company’s Q1 2023
22 results. The press release stated, in relevant part:

23 The Company’s recent key operating highlights include:

- 24 • Final assembly is now complete on Archer’s first Midnight aircraft and
25 Archer is preparing the aircraft for its planned first flight this summer.
- 26 • Archer continues to lead the industry in terms of the buildout of
27 manufacturing capabilities--its San Jose, California integrated test lab and
28 manufacturing facility is now coming online and construction is underway
on Archer’s Covington, Georgia high volume manufacturing facility.
- Archer continues to steadily progress its certification program with the FAA
in support of its planned entry into service in 2025 Archer has now
submitted 15 of its 18 Subject Specific Certification Plans to the FAA.
- Archer continues to maintain a strong liquidity position with cash, cash
equivalents and short-term investments of \$450M as of March 31st, coupled
with its previously announced strategic funding of up to \$150M from
Stellantis.

Commenting on first quarter results, [Defendant] Goldstein [. . .] said:

“I am thrilled with the milestones our team has achieved in the first quarter of 2023.
We have continued to make significant progress towards our goal of revolutionizing

1 urban mobility, and our accomplishments are a testament to the dedication and hard
2 work of our world-class team. We remain steadfast in our commitment to delivering
safe, sustainable, and low noise urban air mobility beginning in 2025.”

3 55. Also on May 11, 2023, Archer hosted an earnings call with investors and analysts
4 to discuss the Company’s Q1 2023 results (the “Q1 2023 Earnings Call”). During the scripted
5 portion of the Q1 2023 Earnings Call, Defendant Goldstein stated, in relevant part:
6

7 2023 is a landmark year for the leaders in our industry. Efforts are shifting to
8 building the conforming aircraft that will be used as part of certification testing in
advance of commercialization in 2025. I want to reiterate Archer strategy: build an
9 aircraft with the most efficient path to certification and manufacturing at scale.

10 ***

11 Our execution has and continues to focus on leveraging our team’s industry-leading
12 expertise to make simultaneous progress across all work streams: technology,
certification, manufacturing and commercial operations. The substantial progress
13 we’ve made to-date gives us high confidence that we will be in a position to begin
commercial operations in 2025 with the ability to rapidly scale.

14 56. On July 31, 2023, Archer issued a press release entitled “U.S. Air Force and Archer
15 Enter Into Contracts Worth Up to \$142 Million Representing Landmark Investment In eVTOL
16 Technology by U.S. Military.” The press release stated, in relevant part:
17

18 Archer [. . .] today announced that it has significantly expanded its partnership with
the DoD by signing new contracts with the U.S. Air Force with a total value of up
19 to \$142 million. The new contracts signal the U.S. military’s recognition of the
transformative potential Archer’s innovative eVTOL aircraft brings to our
20 country’s Armed Forces. This new execution phase of the partnership includes the
delivery of up to six of Archer’s Midnight aircraft to the Air Force, the sharing of
21 additional flight test data and certification related test reports, pilot training, and the
development of maintenance and repair operations. As a result of these contracts,
22 Archer will create and provide innovative capabilities that will strengthen the
national defense of the United States of America.
23

24 ***

25 “This historic agreement reflects the steadfast commitment by our Armed Forces
26 to embrace the cutting-edge technology our eVTOL aircraft offer,” said
[Defendant] Goldstein[.] “It’s clear that the development and commercialization of
27 eVTOL technology continues to remain a national priority. We look forward to
working closely with the U.S. Department of Defense and the U.S. Air Force to
28

1 integrate Midnight into their operational fleet with a focus on transport, logistics
2 and rescue operations.”

3 57. On August 10, 2023, Archer issued a press release entitled “Archer Accelerates
4 Path to Market: Secures \$215M Investment From Stellantis, Boeing, United Airlines, ARK Invest
5 and Others; FAA Issues Archer Certificate to Begin Flying Midnight; On Track to Complete First
6 Ever eVTOL Aircraft Customer Delivery.” The press release stated, in relevant part:

7 Archer [. . .] today announced operating and financial results for the second quarter
8 ended June 30, 2023. In tandem with earnings, Archer made a series of
9 announcements that reinforce its path to FAA certification and commercial
10 operations in 2025. Archer has landed a \$215 million equity investment from
11 industry leaders Stellantis, Boeing and United Airlines, as well as other financial
12 institutions, including ARK Invest, increasing the company’s total funding to over
13 \$1.1 billion to date, received FAA approval to begin flying its Midnight eVTOL
14 aircraft, and reached an agreement with Boeing and Wisk to enter into an
15 autonomous flight collaboration and settle litigation between the companies.
16 Additionally, Archer announced that it is on track to complete what it believes will
17 be the first ever eVTOL aircraft delivery to a customer as part of its recently
18 announced contracts with the Department of Defense (DoD). These announcements
19 come on the heels of the FAA Administrator leaving to join Archer and the DoD
20 awarding Archer the largest total contract value of any eVTOL company.

21 ***

22 “Over the last quarter, we’ve seen the U.S. government make an unwavering
23 commitment that America will lead the way in commercializing eVTOL aircraft,
24 the FAA validated the timeline for eVTOL aircraft to begin operations in the U.S.
25 in 2025, and leaders in the mobility industry, Stellantis, United Airlines and Boeing,
26 have come together to invest in Archer’s future,” said [Defendant] Goldstein[.]
27 “The pace at which our industry is advancing is unprecedented. Our team’s hard
28 work and dedication have brought us to this exciting moment, and we can’t wait to
see Midnight soar,” added [Defendant] Goldstein.

58. That same day, Archer hosted an earnings call with investors and analysts to discuss
the Company’s Q2 2023 results (the “Q2 2023 Earnings Call”). During the scripted portion of the
Q2 2023 Earnings Call, Defendant Goldstein stated, in relevant part:

First, we’re grateful to share multiple points of endorsement from across the United
States government. I’m extremely proud to announce that just last week, the Federal
Aviation Administration issued our special airworthiness certificate for our first
midnight aircraft, allowing us to begin flying. With this certificate in hand, our team
will ramp up both our flight schedule and our fleet size as we work towards our

1 planned 2025 commercial launch. This is a great milestone for Archer, and I'm
2 proud of the teams at both Archer and the FAA, who worked tirelessly to ensure
3 our aircraft to begin flying on our desired timeline.

4 ***

5 Today, we're announcing that we have accelerated our plans and hope to deliver
6 the first aircraft within the next 6 months as early as Q4 2023. We believe this
7 would be the first eVTOL aircraft in history to be delivered to a paying customer.
8 Given the strength of the team that is working on this at Archer, we anticipate
9 leveraging this contract as a platform for future partnerships with the other branches
10 of the Armed Forces, which would increase the total value of our relationship with
11 the DoD.

12 ***

13 Today, I'm excited to announce a strategic relationship with the biggest aerospace
14 giant of the all following. Boeing was actually one of the first to fly of fixed-wing
15 VTOL aircraft, the V-22 Osprey, over 30 years ago. And today, I'm excited to call
16 them one of Archer's investors.

17 59. The statements referenced in ¶¶ 22-58 were materially false and misleading because
18 Defendants made false and/or misleading statements, as well as failed to disclose material adverse
19 facts about the Company's business, operations, and prospects. Specifically, Defendants made
20 false and/or misleading statements and/or failed to disclose that: (i) the Company relied on heavily
21 edited videos of earlier flights to exaggerate the amount of flight testing it had actually performed
22 and the sophistication of its eVTOL aircraft; (ii) the Company had misrepresented the nature and
23 profitability of its business partnerships, (iii) the Company was unlikely to secure FAA
24 certification in the timeframe it had represented to investors, thereby delaying the start of mass
25 production of its aircraft for commercial sales; (iv) accordingly, the Company had overstated its
26 financial position and/or prospects; (v) all of the foregoing, once revealed, was likely to subject
27 the Company to significant financial and/or reputational harm; and (vi) as a result, the Company's
28 public statements were materially false and misleading at all relevant times.

1 **The Truth Emerges**

2 60. On August 16, 2023, before the market opened, Grizzly Research released the
3 Grizzly Report. The Grizzly Report stated, in relevant part:

4 Scarce Flight Activity; Recycled Video material; Misleading DoD Contract;
5 Partners bought with cheap Warrants

- 6
- 7 • Archer Aviation Inc (ACHR) is an eVTOL company that is seeking to be a
8 leader in urban air mobility. Brought public through a SPAC, we believe
9 the company has made a series of misrepresentations the latest of which
10 being a contract award from the DoD which led a 40% run up in the stock.
 - 11 • The DoD contracts ACHR received is a noncompetitive award with
12 indefinite quantity and indefinite delivery, meaning the revenue could also
13 be minimal and is also capped at \$1.3m total revenue in 2023.
 - 14 • The latest rise in the stock came after ACHR spun its last earnings
15 announcement, which included the costly settlement of a legal dispute, as a
16 big success: “ACHR secures \$215M Investment from Stellantis, Boeing,
17 United Airlines, ARK Invest ...”. In reality, ACHR dished out \$100M in
18 free warrants for a \$12,000,000 investment by Boeing, diluted shareholders
19 by 25%, and must now purchase key tech from a competitor.
 - 20 • ACHR’s CEO has stated that ACHR is conducting daily test flights,
21 sometimes multiple times per day. ACHR frequently uploads new videos
22 that showcase flight testing.
 - 23 • Our investigators visited ACHR’s flight testing facilities in early August
24 2022 and late July 2023. Neighboring businesses and former employees
25 reported seeing only a handful of flights conducted solely for special events,
26 far fewer than the company’s statements claimed.
 - 27 • Our analysis shows that ACHR is recycling heavily edited videos of their
28 earlier test flights to portray longer flight performance, more frequent
testing, and a generally more advanced product than reality.
 - ACHR has bought credibility through partnerships with two big companies,
United Airlines and Stellantis. In both cases, the company awarded millions
of shares for questionable or no compensation. Worse yet, ACHR discreetly
amended and/or activated clauses to vest warrants early.
 - Archer’s stealthy divorce from one of its founders and co-CEO included
accelerated vesting of a huge chunk of insider stock to permit selling sooner
(which has commenced), while the circumstances of that breakup have
never been fully disclosed for investors to evaluate its materiality.
 - During 2022, ACHR announced that their lab and small-scale
manufacturing facility in San Jose, CA would be operational by year end.
Then the narrative changed to “right around May 2023”. An on-site visit in
July found a very incomplete facility, not expected to be operational before
October 2023, showing scant signs of anything approaching production
readiness.

- 1 • ACHR has been spinning a media story that it is rapidly testing and
2 certifying its prototype aircraft for FAA approval.
 - 3 ○ As of this report publication date, ACHR only recently received its
4 Special Airworthiness Certificate for its aircraft (non-conforming)
5 Midnight-0 and has plans to start in-air testing only in a few weeks,
6 despite management’s “matter of days” guidance of July 19th.
 - 7 ○ Even if Archer successfully begins flying Midnight, the path to
8 earning Midnight a Production Certificate required to commence
9 commercial sales seems years away.
 - 10 ○ Grizzly consulted with former FAA Certification experts to evaluate
11 the ACHR’s Certification path ahead for its Midnight program,
12 based upon accomplishments so far. The experts we spoke to offered
13 their opinions that for Production Certification (the permit ACHR
14 would need to begin mass-producing aircraft for commercial use),
15 2028 was a very optimistic estimate and it might well take longer.
- 16 • In summary we believe ACHR is another SPAC that achieved a ridiculous
17 valuation through unfounded projections and what we see as clear
18 misrepresentations. Our conclusion is that, as an investment, ACHR seems
19 set up for a metaphoric crash landing.

20 61. On this news, Archer’s stock price fell \$0.41 per share, or 6.46%, to close at \$5.94
21 per share on August 16, 2023.

22 62. As a result of Defendants’ wrongful acts and omissions, and the precipitous decline
23 in the market value of the Company’s securities, Plaintiff and other Class members have suffered
24 significant losses and damages.

25 **PLAINTIFF’S CLASS ACTION ALLEGATIONS**

26 63. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil
27 Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who purchased or otherwise
28 acquired Archer securities during the Class Period (the “Class”); and were damaged upon the
revelation of the alleged corrective disclosures. Excluded from the Class are Defendants herein,
the officers and directors of the Company, at all relevant times, members of their immediate
families and their legal representatives, heirs, successors or assigns and any entity in which
Defendants have or had a controlling interest.

1 64. The members of the Class are so numerous that joinder of all members is
2 impracticable. Throughout the Class Period, Archer securities were actively traded on the NYSE.
3 While the exact number of Class members is unknown to Plaintiff at this time and can be
4 ascertained only through appropriate discovery, Plaintiff believes that there are hundreds or
5 thousands of members in the proposed Class. Record owners and other members of the Class may
6 be identified from records maintained by Archer or its transfer agent and may be notified of the
7 pendency of this action by mail, using the form of notice similar to that customarily used in
8 securities class actions.
9

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

14 66. Plaintiff will fairly and adequately protect the interests of the members of the Class
15 and has retained counsel competent and experienced in class and securities litigation. Plaintiff has
16 no interests antagonistic to or in conflict with those of the Class.

17 67. 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

- 21 • whether the federal securities laws were violated by Defendants' acts as alleged
 herein;
- 22 • whether statements made by Defendants to the investing public during the Class
23 Period misrepresented material facts about the business, operations and
24 management of Archer;
- 25 • whether the Individual Defendants caused Archer to issue false and misleading
26 financial statements during the Class Period;
- 27 • whether Defendants acted knowingly or recklessly in issuing false and misleading
28 financial statements;

- 1 • whether the prices of Archer securities during the Class Period were artificially
2 inflated because of the Defendants' conduct complained of herein; and
- 3 • whether the members of the Class have sustained damages and, if so, what is the
4 proper measure of damages.

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

10 69. Plaintiff will rely, in part, upon the presumption of reliance established by the fraud-
11 on-the-market doctrine in that:

- 12 • Defendants made public misrepresentations or failed to disclose material facts
13 during the Class Period;
- 14 • the omissions and misrepresentations were material;
- 15 • Archer securities are traded in an efficient market;
- 16 • the Company's shares were liquid and traded with moderate to heavy volume
17 during the Class Period;
- 18 • the Company traded on the NYSE and was covered by multiple analysts;
- 19 • the misrepresentations and omissions alleged would tend to induce a reasonable
20 investor to misjudge the value of the Company's securities; and
- 21 • Plaintiff and members of the Class purchased, acquired and/or sold Archer
22 securities between the time the Defendants failed to disclose or misrepresented
23 material facts and the time the true facts were disclosed, without knowledge of
24 the omitted or misrepresented facts.

25 70. Based upon the foregoing, Plaintiff and the members of the Class are entitled to a
26 presumption of reliance upon the integrity of the market.

27 71. Alternatively, Plaintiff and the members of the Class are entitled to the presumption
28 of reliance established by the Supreme Court in *Affiliated Ute Citizens of the State of Utah v.*

1 *United States*, 406 U.S. 128, 92 S. Ct. 2430 (1972), as Defendants omitted material information in
2 their Class Period statements in violation of a duty to disclose such information, as detailed above.

3 **COUNT I**

4 **(Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Promulgated Thereunder**
5 **Against All Defendants)**

6 72. Plaintiff repeats and re-alleges each and every allegation contained above as if fully
7 set forth herein.

8 73. This Count is asserted against Defendants and is based upon Section 10(b) of the
9 Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder by the SEC.

10 74. During the Class Period, Defendants engaged in a plan, scheme, conspiracy and
11 course of conduct, pursuant to which they knowingly or recklessly engaged in acts, transactions,
12 practices and courses of business which operated as a fraud and deceit upon Plaintiff and the other
13 members of the Class; made various untrue statements of material facts and omitted to state
14 material facts necessary in order to make the statements made, in light of the circumstances under
15 which they were made, not misleading; and employed devices, schemes and artifices to defraud in
16 connection with the purchase and sale of securities. Such scheme was intended to, and, throughout
17 the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members,
18 as alleged herein; (ii) artificially inflate and maintain the market price of Archer securities; and
19 (iii) cause Plaintiff and other members of the Class to purchase or otherwise acquire Archer
20 securities and options at artificially inflated prices. In furtherance of this unlawful scheme, plan
21 and course of conduct, Defendants, and each of them, took the actions set forth herein.

22 75. Pursuant to the above plan, scheme, conspiracy and course of conduct, each of the
23 Defendants participated directly or indirectly in the preparation and/or issuance of the quarterly
24 and annual reports, SEC filings, press releases and other statements and documents described
25 above, including statements made to securities analysts and the media that were designed to
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27
28

1 influence the market for Archer securities. Such reports, filings, releases and statements were
2 materially false and misleading in that they failed to disclose material adverse information and
3 misrepresented the truth about Archer's finances and business prospects.

4 76. By virtue of their positions at Archer, Defendants had actual knowledge of the
5 materially false and misleading statements and material omissions alleged herein and intended
6 thereby to deceive Plaintiff and the other members of the Class, or, in the alternative, Defendants
7 acted with reckless disregard for the truth in that they failed or refused to ascertain and disclose
8 such facts as would reveal the materially false and misleading nature of the statements made,
9 although such facts were readily available to Defendants. Said acts and omissions of Defendants
10 were committed willfully or with reckless disregard for the truth. In addition, each Defendant
11 knew or recklessly disregarded that material facts were being misrepresented or omitted as
12 described above.
13

14 77. Information showing that Defendants acted knowingly or with reckless disregard
15 for the truth is peculiarly within Defendants' knowledge and control. As the senior managers
16 and/or directors of Archer, the Individual Defendants had knowledge of the details of Archer's
17 internal affairs.
18

19 78. The Individual Defendants are liable both directly and indirectly for the wrongs
20 complained of herein. Because of their positions of control and authority, the Individual
21 Defendants were able to and did, directly or indirectly, control the content of the statements of
22 Archer. As officers and/or directors of a publicly-held company, the Individual Defendants had a
23 duty to disseminate timely, accurate, and truthful information with respect to Archer's businesses,
24 operations, future financial condition and future prospects. As a result of the dissemination of the
25 aforementioned false and misleading reports, releases and public statements, the market price of
26 Archer securities was artificially inflated throughout the Class Period. In ignorance of the adverse
27
28

1 facts concerning Archer's business and financial condition which were concealed by Defendants,
2 Plaintiff and the other members of the Class purchased or otherwise acquired Archer securities at
3 artificially inflated prices and relied upon the price of the securities, the integrity of the market for
4 the securities and/or upon statements disseminated by Defendants, and were damaged thereby.

5
6 79. During the Class Period, Archer securities were traded on an active and efficient
7 market. Plaintiff and the other members of the Class, relying on the materially false and misleading
8 statements described herein, which the Defendants made, issued or caused to be disseminated, or
9 relying upon the integrity of the market, purchased or otherwise acquired shares of Archer
10 securities at prices artificially inflated by Defendants' wrongful conduct. Had Plaintiff and the
11 other members of the Class known the truth, they would not have purchased or otherwise acquired
12 said securities, or would not have purchased or otherwise acquired them at the inflated prices that
13 were paid. At the time of the purchases and/or acquisitions by Plaintiff and the Class, the true
14 value of Archer securities was substantially lower than the prices paid by Plaintiff and the other
15 members of the Class. The market price of Archer securities declined sharply upon public
16 disclosure of the facts alleged herein to the injury of Plaintiff and Class members.

17
18 80. By reason of the conduct alleged herein, Defendants knowingly or recklessly,
19 directly or indirectly, have violated Section 10(b) of the Exchange Act and Rule 10b-5
20 promulgated thereunder.

21
22 81. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the
23 other members of the Class suffered damages in connection with their respective purchases,
24 acquisitions and sales of the Company's securities during the Class Period, upon the disclosure
25 that the Company had been disseminating misrepresented financial statements to the investing
26 public.

1 **COUNT II**

2 **(Violations of Section 20(a) of the Exchange Act Against the Individual Defendants)**

3 82. Plaintiff repeats and re-alleges each and every allegation contained in the foregoing
4 paragraphs as if fully set forth herein.

5 83. During the Class Period, the Individual Defendants participated in the operation
6 and management of Archer, and conducted and participated, directly and indirectly, in the conduct
7 of Archer's business affairs. Because of their senior positions, they knew the adverse non-public
8 information about Archer's misstatement of income and expenses and false financial statements.
9

10 84. As officers and/or directors of a publicly owned company, the Individual
11 Defendants had a duty to disseminate accurate and truthful information with respect to Archer's
12 financial condition and results of operations, and to correct promptly any public statements issued
13 by Archer which had become materially false or misleading.
14

15 85. Because of their positions of control and authority as senior officers, the Individual
16 Defendants were able to, and did, control the contents of the various reports, press releases and
17 public filings which Archer disseminated in the marketplace during the Class Period concerning
18 Archer's results of operations. Throughout the Class Period, the Individual Defendants exercised
19 their power and authority to cause Archer to engage in the wrongful acts complained of herein.
20 The Individual Defendants, therefore, were "controlling persons" of Archer within the meaning of
21 Section 20(a) of the Exchange Act. In this capacity, they participated in the unlawful conduct
22 alleged which artificially inflated the market price of Archer securities.
23

24 86. Each of the Individual Defendants, therefore, acted as a controlling person of
25 Archer. By reason of their senior management positions and/or being directors of Archer, each of
26 the Individual Defendants had the power to direct the actions of, and exercised the same to cause,
27 Archer to engage in the unlawful acts and conduct complained of herein. Each of the Individual
28

1 Defendants exercised control over the general operations of Archer and possessed the power to
2 control the specific activities which comprise the primary violations about which Plaintiff and the
3 other members of the Class complain.

4 87. By reason of the above conduct, the Individual Defendants are liable pursuant to
5 Section 20(a) of the Exchange Act for the violations committed by Archer.
6

7 **PRAYER FOR RELIEF**

8 **WHEREFORE**, Plaintiff demands judgment against Defendants as follows:

9 A. Determining that the instant action may be maintained as a class action under Rule
10 23 of the Federal Rules of Civil Procedure, and certifying Plaintiff as the Class representative;

11 B. Requiring Defendants to pay damages sustained by Plaintiff and the Class by reason
12 of the acts and transactions alleged herein;

13 C. Awarding Plaintiff and the other members of the Class prejudgment and post-
14 judgment interest, as well as their reasonable attorneys' fees, expert fees and other costs; and

15 D. Awarding such other and further relief as this Court may deem just and proper.
16

17 **DEMAND FOR TRIAL BY JURY**

18 Plaintiff hereby demands a trial by jury.

19 Dated: September 21, 2023
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