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12 UNITED STATES DISTRICT COURT  
13  
14 NORTHERN DISTRICT OF CALIFORNIA

15	CITY OF ROSEVILLE EMPLOYEES'	)	Case No.
15	RETIREMENT SYSTEM, Individually and on	)	
16	Behalf of All Others Similarly Situated,	)	<u>CLASS ACTION</u>
16		)	
17	Plaintiff,	)	COMPLAINT FOR VIOLATIONS OF THE
17		)	FEDERAL SECURITIES LAWS
18	vs.	)	
18		)	
19	APPLE INC., TIMOTHY D. COOK and	)	
19	LUCA MAESTRI,	)	
20		)	
20	Defendants.	)	<u>DEMAND FOR JURY TRIAL</u>

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1 **INTRODUCTION**

2 Plaintiff City of Roseville Employees' Retirement System ("plaintiff"), individually and on  
3 behalf of all others similarly situated, by plaintiff's undersigned counsel, alleges the following based  
4 upon personal knowledge as to plaintiff and plaintiff's own acts and upon information and belief as  
5 to all other matters based on the investigation conducted by and through plaintiff's counsel, which  
6 included, among other things, a review of Securities and Exchange Commission ("SEC") filings by  
7 Apple Inc. ("Apple" or the "Company"), as well as media and analyst reports about the Company.  
8 Plaintiff believes that substantial additional evidentiary support will exist for the allegations set forth  
9 herein after a reasonable opportunity for discovery.

10 **BACKGROUND AND SUMMARY OF THE ACTION**

11 1. This is a securities fraud class action on behalf of all purchasers of Apple common  
12 stock between November 2, 2018 and January 2, 2019, inclusive (the "Class Period"), seeking to  
13 pursue remedies under §§10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange  
14 Act"), and SEC Rule 10b-5 promulgated thereunder.

15 2. Apple is a multinational technology company headquartered in Cupertino, California  
16 that designs, develops, and sells consumer electronics, computer software, and online services. The  
17 Company's most well-known products include its iconic iPhone smartphones, the iPad tablet  
18 computer, the Mac personal computer, the iPod portable media player, the Apple Watch smartwatch,  
19 the Apple TV digital media player, and the HomePod smart speaker.

20 3. The multiple versions and models of Apple's iPhone have served as the Company's  
21 flagship product, utilizing Apple's iOS operating system, powering applications including Siri, an  
22 intelligent assistant, and Apple Pay, Touch ID, and Face ID on qualifying devices. Sales of iPhones  
23 generated approximately two-thirds of Apple's 2018 revenue.<sup>1</sup> Since its original launch in 2007  
24 through 2015, the Company released, on average, one new iPhone model per year, typically to great  
25 fanfare and high demand. Apple also aggressively increased the pricing of its iPhones from the \$99-

26  
27 <sup>1</sup> Apple's fiscal year ends in September of each calendar year. Apple's 2018 fiscal year began on  
28 September 31, 2017 and ended on September 29, 2018.

1 \$399 range maintained through 2013 to a top offering price of \$1,449 for the Apple XS Max with  
2 512 gigabytes in September 2018.

3 4. The Company and its products enjoy significant geographic reach, including in  
4 emerging markets. Greater China, for example – a region that includes mainland China, Hong Kong,  
5 and Taiwan – is Apple’s third-largest market after the United States and Europe, accounting for \$52  
6 billion in sales in Apple’s fiscal year 2018 (“FY18”), ended September 29, 2018 – nearly 20% of  
7 Apple’s total FY18 annual sales. But, while China represents the Company’s highest growth market,  
8 China is also among its most competitive. Chinese upstart brands such as Huawei, Xiaomi and  
9 Oppo offer similar looking all-screen phones for much lower prices. At the same time that Apple’s  
10 iPhone sales revenues were growing in China due to Apple’s outsized price increases, Chinese  
11 smartphone manufacturers were launching scores of much lower priced smartphones with greater  
12 advancements throughout the Chinese market, thus competing with Apple’s iPhone offerings and  
13 diminishing the Company’s pricing power.

14 5. In addition, Apple’s business in China is also more susceptible to geopolitical trade  
15 maneuvers by the United States and China, and, more recently, tariffs imposed by the United States  
16 have also threatened sales (though Apple has sought to deny or minimize any perceived impact).  
17 Specifically, on April 3, 2018, the Trump Administration published a list of \$50 billion in Chinese  
18 products under consideration for a 25% tariff and, on July 6, 2018, implemented the first \$34 billion  
19 of those import tariffs. On July 10, 2018, the Trump Administration announced a list of another  
20 \$200 billion in Chinese products that would be subject to a 10% import tariff. On July 20, 2018,  
21 President Trump announced he was ready to impose tariffs on all U.S. imports from China, which  
22 totaled \$504 billion in 2017. On August 7, 2018, the Trump Administration subjected the remaining  
23 \$16 billion of the original \$50 billion list of Chinese imports to the 25% tariff effective August 23,  
24 2018. On September 17, 2018, the Trump Administration published a list of another \$200 billion in  
25 Chinese products that would be subject to a 10% import tariff, which tariffs went into effect on  
26 September 24, 2018.

27 6. In the midst of the ongoing trade war between the United States and China, on  
28 September 12, 2018, Apple introduced three new phones: the iPhone XR (priced at

1 \$749/\$799/\$899), the iPhone XS (priced at \$999/\$1149), and the iPhone XS Max (priced at  
2 \$1099/\$1249/\$1449). Unlike the prior iPhone releases, the 2018 iPhones were not viewed as having  
3 significant technological advances beyond the iPhone X released in late 2017 (priced at  
4 \$999/\$1149). The iPhone XS and XS Max that were launched and began shipping in September  
5 2018 featured a Super Retina OLED display, an all-screen stainless steel and glass design, faster  
6 processors and enhanced cameras. The highest gigabyte version of the iPhone XS Max launched at a  
7 price of \$1,449 – \$300 more than the 2017 highest gigabyte version of the iPhone X. Meanwhile,  
8 Chinese manufacturers like Huawei, Oppo, and Xiaomi, which have since commandeered 24.6%,  
9 20.5%, and 13.6% of the Chinese market, respectively, were slashing Apple’s Chinese market share  
10 to 7.5% by offering arguably more innovative features for hundreds of dollars less per phone. For  
11 instance, Huawei’s P20 Pro sells for approximately \$800 in China and Xiaomi’s MIX 2S sells for  
12 approximately \$500 in China.

13 7. The strength of the U.S. dollar and the high price of iPhones, combined with a  
14 declining Chinese economy, placed the iPhone out of reach of many Chinese consumers who might  
15 otherwise have upgraded – at the same time that many less expensive Chinese smartphones were  
16 flooding the market.

17 8. Making matters worse, in December 2017, Apple admitted that it had been  
18 intentionally degrading, or “throttling,” the performance of the batteries in older iPhones via  
19 software “updates.” This battery “throttling” had surreptitiously created artificial demand for new  
20 premium priced iPhones from consumers who believed their poorly performing iPhones were  
21 outdated and thus needed to be replaced. In order to stymie customer outrage over its conduct,  
22 starting in January 2018, Apple dramatically cut the price of iPhone battery replacements from \$79  
23 to \$29 ““for anyone with an iPhone 6 or later whose battery need[ed] to be replaced, available  
24 worldwide through December 2018”” – right as Apple would be debuting its three new iPhones.

25 9. Notwithstanding the impact of slowing economic growth in China, geopolitical  
26 pressures caused by U.S.-China sales tariffs, and the Company’s ability to compel unnecessary  
27 iPhone upgrades on customers, Apple issued a series of materially false and misleading statements in  
28 November 2018 concerning demand for iPhones and Apples pricing power for its hardware

1 offerings, including its new iPhones launched in September 2018, in particular in China. For  
2 example, on November 1, 2018, Apple reported its fourth quarter and FY 18 financial results for the  
3 period ended September 29, 2018. The Company boasted that “[o]ver the past two months, [it had]  
4 delivered huge advancements for [its] customers through new versions of iPhone, Apple Watch, iPad  
5 and Mac as well as [its] four operating systems,” and that as a result, it had “***enter[ed] the holiday***  
6 ***season with [its] strongest lineup of products and services ever.***” Accordingly, based in large part  
7 on this lineup of products, on November 1, 2018 – more than one-third of the way through Apple’s  
8 first quarter of 2019 (“1Q19”) – Apple set its 1Q19 revenue expectations in a range of \$89 billion to  
9 \$93 billion and its gross profit margins at 38% to 38.5%.

10 10. During a conference call for analysts and investors held later that same evening, when  
11 asked whether the U.S.-China trade tariffs and trade tariff threats were having any impact on demand  
12 for iPhones in China, defendant Timothy D. Cook (“Cook”) assured investors that the only  
13 “emerging markets that [Apple was] seeing pressure in [were] markets like Turkey, India, Brazil,  
14 [and] Russia . . . where currencies ha[d] weakened.” Cook added, however, “[i]n relation to China  
15 specifically, ***I would not put China in that category.*** Our business in China was very strong last  
16 quarter. We grew 16%, which we’re very happy with. iPhone, in particular, was very strong double-  
17 digit growth there.”

18 11. In addition to the Company’s 1Q19 financial outlook, during the November 1, 2018  
19 conference call, the Company surprised investors by announcing that Apple would no longer  
20 disclose unit sales for iPhones and other hardware, asserting that such data was no longer relevant  
21 for investors to evaluate the Company’s financial performance, all the while assuring investors that  
22 despite the decision to withhold unit sales data, as in the past, the Company would still experience  
23 strong performance:

24 [S]tarting with the December quarter, ***we will no longer be providing unit sales data***  
25 ***for iPhone, iPad and Mac. . . . As we accomplish these objectives, strong financial***  
***results follow.***

26 ***As demonstrated by our financial performance in recent years,*** the number  
27 ***of units sold in any 90-day period is not necessarily representative of the underlying***  
***strength of our business. Furthermore, our unit of sale is less relevant for us today***  
28 ***than it was in the past . . . .***

1           12. Each of defendants' statements set forth in ¶¶9-11 was materially false and  
2 misleading when made because defendants knew and failed to disclose or deliberately disregarded:

3           (a) that the U.S.-China trade war had negatively impacted demand for iPhones  
4 and Apple's pricing power in greater China, one of Apple's most important growth markets;

5           (b) that the rate at which Apple customers were replacing their batteries in older  
6 iPhones rather than purchasing new iPhones was negatively impacting Apple's iPhone sales growth;

7           (c) that, as a result of slowing demand, Apple had slashed production orders from  
8 suppliers for the new 2018 iPhone models and cut prices to reduce inventory;

9           (d) that unit sales for iPhone and other hardware was relevant to investors and the  
10 Company's financial performance, and the decision to withhold such unit sales was designed to and  
11 would mask declines in unit sales of the Company's flagship product; and

12           (e) that, as a result of the foregoing, defendants lacked a reasonable basis in fact  
13 when issuing the Company's revenue outlook for 1Q19 and/or making the related statements  
14 concerning demand for its products, as Apple's business metrics and financial prospects were not as  
15 strong as defendants had led the market to believe.

16           13. While Apple's mid-point 1Q19 revenue guidance range provided on November 1,  
17 2018 was \$1.9 billion below what the market expected, defendants' materially false and misleading  
18 statements issued that day served to prop up the market price of Apple common stock, which  
19 continued to trade at artificially inflated prices throughout the Class Period.

20           14. Then on January 2, 2019, after the close of trading, Apple shocked the market when it  
21 disclosed the true state of its actual 1Q19 iPhone sales, particularly in China. For the first time  
22 during Cook's tenure as Chief Executive Officer ("CEO"), Apple would miss its public revenue  
23 projections and the miss was up to \$9 billion. The Company would admit that in addition to  
24 macroeconomics in the Chinese market, the price cuts to battery replacements a year earlier to fix the  
25 Company's prior surreptitious conduct had hurt iPhone sales. In a "Letter from Tim Cook to Apple  
26 Investors" released after the close of trading, the Company explained as follows:

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1 **Emerging Market Challenges**

2 While we anticipated some challenges in key emerging markets, *we did not*  
 3 *foresee the magnitude of the economic deceleration, particularly in Greater China.*  
 4 In fact, *most of our revenue shortfall to our guidance, and over 100 percent of our*  
*year-over-year worldwide revenue decline, occurred in Greater China* across  
 iPhone, Mac and iPad.

5 *China's economy began to slow in the second half of 2018.* The  
 6 government-reported GDP growth during the September quarter was the second  
 7 lowest in the last 25 years. We believe the economic environment in China has been  
 8 further impacted by rising trade tensions with the United States. As the climate of  
 9 mounting uncertainty weighed on financial markets, the effects appeared to reach  
 consumers as well, with traffic to our retail stores and our channel partners in China  
 declining as the quarter progressed. And *market data has shown that the*  
*contraction in Greater China's smartphone market has been particularly sharp.*

10 \* \* \*

11 **iPhone**

12 Lower than anticipated iPhone revenue, primarily in Greater China, accounts  
 13 for all of our revenue shortfall to our guidance and for much more than our entire  
 year-over-year revenue decline. . . .

14 While Greater China and other emerging markets accounted for the vast  
 15 majority of the year-over-year iPhone revenue decline, in some developed markets,  
 16 *iPhone upgrades also were not as strong as we thought they would be.* While  
 17 macroeconomic challenges in some markets were a key contributor to this trend, *we*  
*believe there are other factors broadly impacting our iPhone performance,*  
*including* consumers adapting to a world with fewer carrier subsidies, US dollar  
 strength-related price increases, and *some customers taking advantage of*  
*significantly reduced pricing for iPhone battery replacements.*

18 15. This news caused the market price of Apple common stock to plunge, closing down  
 19 more than \$15 per share, or more than 9%, from its close of \$157.92 per share on January 2, 2019 to  
 20 close at \$142.19 per share on January 3, 2019, on unusually high volume of more than 90 million  
 21 shares traded.

22 **JURISDICTION AND VENUE**

23 16. Jurisdiction is conferred by §27 of the Exchange Act. The claims asserted herein  
 24 arise under §§10(b) and 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder. This  
 25 Court has jurisdiction over the subject matter of this action under 28 U.S.C. §1331 and §27 of the  
 26 Exchange Act.

1 17. Venue is proper in this District pursuant to §27 of the Exchange Act, as Apple is  
2 headquartered in this District and many of the false and misleading statements alleged herein were  
3 disseminated from this District.

4 18. In connection with the acts alleged in this complaint, defendants, directly or  
5 indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to,  
6 the mails, interstate telephone communications and the facilities of the national securities markets.

7 **PARTIES**

8 19. Plaintiff City of Roseville Employees' Retirement System purchased Apple common  
9 stock during the Class Period, as set forth in the accompanying certification incorporated by  
10 reference herein, and has been damaged thereby.

11 20. Defendant Apple is a Cupertino, California-based tech company. Apple common  
12 stock is listed and trades on the NASDAQ, an efficient market, under the ticker symbol "AAPL."  
13 As of October 26, 2018, the Company had 4.75 billion shares issued and outstanding.

14 21. Defendant Timothy D. Cook ("Cook") is, and was at all relevant times, CEO of Apple  
15 and a member of its Board of Directors.

16 22. Defendant Luca Maestri ("Maestri") is, and was at all relevant times, Senior Vice  
17 President and Chief Financial Officer ("CFO") of Apple.

18 23. Defendants Cook and Maestri are sometimes referred to herein as the "Individual  
19 Defendants." Apple and the Individual Defendants are referred to herein, collectively, as  
20 "defendants."

21 **DEFENDANTS' MATERIALLY FALSE AND MISLEADING**  
22 **CLASS PERIOD STATEMENTS**

23 24. The Class Period starts on November 2, 2018. On November 1, 2018, after the close  
24 of trading, Apple issued a release reporting its fourth quarter 2018 ("4Q18") and FY18 results for the  
25 period that had ended September 29, 2018 – more than one month earlier. Apple's release issued  
26 that day emphasized that "[o]ver the past two months, [Apple had] delivered huge advancements for  
27 [its] customers through new versions of iPhone, Apple Watch, iPad and Mac as well as [its] four  
28 operating systems, and [that it was] enter[ing] the holiday season with [its] strongest lineup of



1 products and services ever.” Accordingly, based on that lineup, among other factors, Apple – then  
2 already more than one-third of the way into 1Q19 – set public 1Q19 revenue expectations at a range  
3 of \$89 billion to \$93 billion in the all-important holiday quarter and 1Q19 profit margins of 38% to  
4 38.5%.

5 25. During the conference call held with investors and securities analysts that evening,  
6 defendants repeated the representations in the release, with defendant Maestri emphasizing again that  
7 Apple had “the strongest lineup ever as [it] enter[ed] the holiday season,” justifying “a new all-time  
8 record” of “expect[ed] revenue [of] between \$89 billion and \$93 billion.” Maestri reassured  
9 investors that a number of factors had been considered and were “reflect[ed]” in determining that  
10 revenue range, including new products ramping and uncertainty around supply and demand balance.  
11 Indeed, Maestri’s statement that, “while [the] ramps [were] going fairly well, [Apple had]  
12 uncertainty around supply and demand balance” implied that demand might be so strong that it could  
13 outpace supply.

14 26. When questioned about any “macroeconomic uncertainty” in “emerging markets,”  
15 defendant Cook maintained that those concerns did not include Apple’s greater China sales growth  
16 and that its greater China sales growth was strong, stating in pertinent part as follows:

17 To give you a perspective in – at some detail, our business at India in Q4 was flat.  
18 Obviously, we would like to see that be a huge growth. Brazil was down somewhat  
19 compared to the previous year. And so I think – or at least the way that I see these is  
20 each one of the emerging markets has a bit of a different story. And I don’t see it as  
21 some sort of issue that is common between those for the most part. In relation to  
22 China specifically, ***I would not put China in that category. Our business in China  
23 was very strong last quarter.*** We grew 16%, which we’re very happy with. iPhone,  
24 in particular, was very strong double-digit growth there. Our other products category  
25 was also stronger, in fact, a bit stronger than even the . . . overall company number.

26 27. Defendant Maestri supported the guidance range and emphasized that Apple’s strong  
27 product lineup for the holiday season purportedly provided a strong basis for the “record” financial  
28 guidance being issued that day, stating in pertinent part as follows:

29 ***[A]t the revenue level, we started from the fact that we are very, very excited about  
30 the lineup of products and services that we have getting into the holiday season.  
31 It’s the strongest lineup that we’ve ever had. And our guidance range, by the way,  
32 represents a new all-time quarterly revenue record . . .***

1 28. Asked how strong demand was for the two new iPhones that started shipping in  
2 September 2018 – the two most expensive iPhones, the XS and XS Max – and specifically whether  
3 Apple had seen purchasers hold off on XS or XS Max purchases pending the rollout of the cheaper  
4 XR iPhone in October, defendant Cook stated that to date XS and XS Max demand was strong.  
5 According to Cook:

6 ***The XS and XS Max got off to a really great start***, and we’ve only been selling for a  
7 few weeks. The XR, we’ve only got out there for, I guess, 5 – 5 days or so at this  
8 point and so that it’s – we have very, very little data there. Usually, there is some  
9 amount of wait until a product shows – another product shows up in look, but in –  
10 that – ***in looking at the data, on the sales data for XS and XS Max, there’s not  
11 obvious evidence of that in the data as I see it.***

12 29. Defendants also reported that going forward the Company would no longer provide  
13 unit sales numbers:

14 [S]tarting with the December quarter, we will no longer be providing unit sales data  
15 for iPhone, iPad and Mac. As we have stated many times, our objective is to make  
16 great products and services that enrich people’s lives and to provide an unparalleled  
17 customer experience so that our users are highly satisfied, loyal and engaged. As we  
18 accomplish these objectives, strong financial results follow.

19 ***As demonstrated by our financial performance in recent years***, the number  
20 of units sold in any 90-day period is not necessarily representative of the underlying  
21 strength of our business. ***Furthermore, our unit of sale is less relevant for us today  
22 than it was in the past given the breadth of our portfolio and the wider sales price  
23 dispersion within any given product line.***

24 30. Defendants then tried to justify the Company’s decision to withhold iPhone unit sales.  
25 Rejecting the notion suggested by at least one analyst that the reason for withholding iPhone unit  
26 data was because “iPhone units are going to start going negative . . . [and] it’s easier to talk about  
27 great things and not show the details of things that are not going so great,” defendants Maestri and  
28 Cook each insisted that the revenue and profit margin guidance being provided that day was all  
investors should focus on, maintaining that demand was still strong for Apple’s more expensive  
iPhone offerings, stating in pertinent part as follows:

29 [Maestri:] ***Given the rationale on why we do not believe that providing unit sales is  
30 particularly relevant for our company at this point, I can reassure you that it is our  
31 objective to grow unit sales for every product category that we have.*** But as I said  
32 earlier, a unit of sale is less relevant today than it was in the past. To give you an  
33 example, ***the unit sales of iPhone at the top end of the line have been very strong  
34 during the September quarter. And that’s very important because we are attracting  
35 customers to the most recent technologies and features and innovation that we  
36 bring into the lineup***, but you don’t necessarily see that in the number that is

1 reported. And so therefore, we will – as I said, *we’ll provide the qualitative*  
 2 *commentary when it is important and relevant*, but at the end of the day, we make  
 3 our decisions to – from a financial standpoint, to try and optimize our revenue and  
 our gross margin dollars. And that, *we think, is the focus that is in the best interest*  
*of our investors.*

4 [Cook:] Jim, let me just add a couple things to that for color. Our installed  
 5 base is growing at double digit, and so there’s no – and *that’s probably a much more*  
*significant metric for us from an ecosystem point of view and customer loyalty*, et  
 6 cetera. The second thing is this is a little bit like if you go to the market and you  
 7 push your cart up to the cashier and she says or he says, “How many units you have  
 in there?,” it sort of – it doesn’t matter a lot how many units there are in there in  
 terms of the overall value of what’s in the cart.

8 31. Each of defendants’ statements set forth in ¶¶24-30 was materially false and  
 9 misleading because each of the defendants knew and failed to disclose or deliberately disregarded:

10 (a) that the U.S.-China trade war had negatively impacted demand for iPhones  
 11 and Apple’s pricing power in greater China, one of Apple’s most important growth markets;

12 (b) that the rate at which Apple customers were replacing their batteries in older  
 13 iPhones rather than purchasing new iPhones was negatively impacting Apple’s iPhone sales growth;

14 (c) that, as a result of slowing demand, Apple had slashed production orders from  
 15 suppliers for the new 2018 iPhone models and cut prices to reduce inventory;

16 (d) that unit sales for iPhone and other hardware was relevant to investors and the  
 17 Company’s financial performance, and the decision to withhold such unit sales was designed to and  
 18 would mask declines in unit sales of the Company’s flagship product; and

19 (e) that, as a result of the foregoing, defendants lacked a reasonable basis in fact  
 20 when issuing the Company’s revenue outlook for 1Q19 and/or making the related statements  
 21 concerning demand for its products, as Apple’s business metrics and financial prospects were not as  
 22 strong as defendants had led the market to believe.

23 32. Following the Company’s November 1, 2018 earning release and conference call,  
 24 several securities analysts issued reports indicating that the information had been favorably received  
 25 by the market and that the market believed Apple was experiencing strong demand, with analysts  
 26 accepting Apple’s reasoning for withholding unit sales and expecting the Company to meet or beat  
 27 the 1Q19 financial guidance provided that day:

28

1 • Canaccord Genuity LLC:

2 We believe Apple continues to grow its leading market share of the premium-tier  
3 smartphone market with double-digit growth of its installed base and believe the  
4 iPhone installed base of new iPhone consumers will exceed 700M exiting C2018.  
***This impressive installed base should drive strong iPhone replacement sales and  
5 earnings,*** as well as cash flow generation to fund strong long-term capital returns.  
6 We maintain our BUY rating and \$250 price target.

7 . . . ***We believe demand trends are solid for the three new iPhone models  
8 and anticipate strong ASPs and margin trends for the iPhone franchise going  
9 forward.***

10 • Piper Jaffray:

11 Apple reported Sept. quarter revenue and EPS ahead of the Street (2% and  
12 5%, respectively) . . . . Revenue guidance for the Dec. quarter is 2% below  
13 consensus at the mid-point, with the gross margin outlook at 38.25% (Street at  
14 38.5%). With slightly weaker guidance for the Dec. quarter and the company's  
15 indication that it will provide less product level disclosure (no units or ASP), some  
16 investors will assume iPhone units are trending poorly. With increasing disclosure  
17 coming for services (gross margin), ***we believe Apple is simply trying to change the  
18 focus towards the overall installed base and services revenue per user. Maintain  
19 OW, PT remains \$250.***

20 • Wedbush:

21 Last night Apple delivered FY4Q (Sept.) results which beat the Street from a  
22 headline number but slightly missed iPhone unit shipments which was the focus of  
23 investors. However the quarter itself took a back seat to the modestly softer  
24 December guidance that Cook & Co. gave on the heels of its much anticipated  
25 XS/XR iPhone product cycle which remains the linchpin of the Apple story for  
26 FY19. That said, the "jaw dropper" last night was when Apple announced it will stop  
27 providing units/ASPs for iPhones, Macs and its other product lines. The Street will  
28 find this a tough pill to swallow this morning as the transparency of the Cupertino  
story takes a major dent given that tracking iPhone units has become habitual to any  
investor that has closely followed the Apple story for the last decade+ and is critical  
to the thesis. ***As explained on the conference call we understand the logic of not  
providing these metrics anymore given that ASPs are all over the map and a slew  
of new smartphone releases has catalyzed Apple to focus more on overall segment  
revenue rather than myopic quarterly unit sales.*** However, the skeptics will point  
to Apple doing this right at the critical juncture where higher ASPs are making up for  
slower unit sales which remains the worry and the stock will get hit accordingly this  
morning. That said, while it's frustrating how Apple (with no warning) decided to  
pull the plug on unit metrics, ***our core bull thesis does not change on the story and  
to some extent is emboldened by the ~\$800 ASP story*** and a robust services business  
poised to hit \$50 billion+ in FY20. . . . While last night's "Houdini-like metrics  
move" was a stunner, our core bullish thesis on Apple remains unchanged despite the  
noise this morning. ***We maintain our OUTPERFORM rating and \$310 price  
target.***

33. Following the November 1, 2018 release of the Company's 4Q18 and FY18 financial  
results and defendants' comments concerning the purported strong demand for Apple's iPhones and

1 its pricing power, and despite the fact that the \$91 billion mid-point 1Q19 revenue guidance  
 2 provided that day was below the revenue the investment community had been led to expect, the price  
 3 of Apple common stock remained artificially inflated throughout the Class Period.

4 34. Throughout late November and into December, Apple's stock price began to decline  
 5 as the previously concealed adverse information about weakening demand and production cuts  
 6 began to leak into the market.

#### 7 **APPLE DISCLOSES ITS TRUE FINANCIAL CONDITION**

8 35. On January 2, 2019, after the close of trading, Apple disclosed the true state of its  
 9 iPhone sales, particularly in China. For the first time in 15 years, Apple slashed its prior quarterly  
 10 revenue forecast for the already complete 1Q19 amid falling iPhone sales in China, its third-largest  
 11 market after the United States and Europe. In a "Letter from Tim Cook to Apple Investors," released  
 12 after the close of trading that night, Apple disclosed that its 1Q19 revenues were only \$84 billion, far  
 13 below the expected range of \$89 billion to \$93 billion the Company had announced just eight weeks  
 14 earlier on November 1, 2018. Discussing why Apple had experienced what was characterized as  
 15 "fewer iPhone upgrades than [it] had anticipated," the Letter blamed the Chinese economy and the  
 16 cheap battery replacements, stating in pertinent part as follows:

#### 17 **Emerging Market Challenges**

18 While we anticipated some challenges in key emerging markets, *we did not*  
 19 *foresee the magnitude of the economic deceleration, particularly in Greater China.*  
 20 In fact, *most of our revenue shortfall to our guidance, and over 100 percent of our*  
*year-over-year worldwide revenue decline, occurred in Greater China* across  
 iPhone, Mac and iPad.

21 *China's economy began to slow in the second half of 2018.* The  
 22 government-reported GDP growth during the September quarter was the second  
 23 lowest in the last 25 years. We believe the economic environment in China has been  
 24 further impacted by rising trade tensions with the United States. As the climate of  
 25 mounting uncertainty weighed on financial markets, the effects appeared to reach  
 consumers as well, with traffic to our retail stores and our channel partners in China  
 declining as the quarter progressed. And *market data has shown that the*  
*contraction in Greater China's smartphone market has been particularly sharp.*

26 \* \* \*

#### 27 **iPhone**

28 Lower than anticipated iPhone revenue, *primarily in Greater China,*  
 accounts for all of our revenue shortfall to our guidance and for much more than our

1 entire year-over-year revenue decline. In fact, categories outside of iPhone  
2 (Services, Mac, iPad, Wearables/Home/Accessories) combined to grow almost 19  
percent year-over-year.

3 While Greater China and other emerging markets accounted for the vast  
4 majority of the year-over-year iPhone revenue decline, in some developed markets,  
*iPhone upgrades also were not as strong as we thought they would be.* While  
5 macroeconomic challenges in some markets were a key contributor to this trend, *we*  
*believe there are other factors broadly impacting our iPhone performance,*  
6 *including* consumers adapting to a world with fewer carrier subsidies, US dollar  
strength-related price increases, and *some customers taking advantage of*  
7 *significantly reduced pricing for iPhone battery replacements.*

8 36. Though Apple did not conduct a conference call on January 2, 2019, defendant Cook  
9 appeared on CNBC. Discussing the reference to “rising trade tensions” in the Letter, defendant  
10 Cook expressly stated in pertinent part that:

11 [A]s we look at what’s going on in China – it’s clear that the economy begins to slow  
12 there for the second half. And what I believe to be the case is the trade tensions  
13 between the United States and China put additional pressure on their economy. And  
14 so we saw, as the quarter went on, things like traffic in our retail stores, traffic in our  
channel partner’s stores, the reports of the smartphone industry contracting,  
particularly bad in November – I haven’t seen the December number yet, but I would  
guess that would[n’t] be good either. And so that’s what we seen.

15 \* \* \*

16 [M]y sense is the much larger issue is the slowing of the economy and then this – the  
trade tension that’s further pressured.

17 37. Defendant Cook also emphasized the negative impact the battery replacement  
18 program had had on the pace of phone replacements during 1Q19, stating in pertinent part:

19 [S]ort of in addition to those two things, we’ve started a program worldwide where  
20 we dramatically lowered the battery replacement price. And so we have sort of a  
collection of items going on, some that are macroeconomic and some that are Apple  
21 specific . . . .

22 38. The price of Apple common stock plunged on this news, falling more than \$15 per  
23 share, or more than 9%, from its close of \$157.92 per share on January 2, 2019 to close at \$142.19  
24 per share on January 3, 2019, on unusually high volume of more than 91.1 million shares traded, the  
highest one-day trading volume experienced by the Company in nearly two years.

25 39. On January 3, 2019, *Yahoo Finance* published an article, entitled “Apple’s mind-  
26 blowing warning means CEO Tim Cook now has a major credibility problem,” stating that “Apple  
27 CEO Tim Cook and his management team should read the coverage of their mind-blowing warning  
28

1 to every investor on the planet on Apple News and then ask: ‘Should investors trust us right now?  
 2 And, how can we regain that trust.’” The article highlighted how Apple’s investors were duped,  
 3 stating in pertinent part as follows:

4 *They failed to keep it real with investors on what they were seeing in iPhone*  
 5 *demand data late in 2018. Simply no longer providing unit sales data wasn’t*  
 6 *enough of a signal to investors that something was wrong, bottom line.*

6 As a result, Apple’s stock could be “broken” until credibility is restored.

7 “Apple’s stock is now at a crossroads. Some investors will consider the stock  
 8 broken and never reward it with a “proper” multiple, but we’ve followed the  
 9 company long enough to know there is cyclicity in the market’s relationship with  
 10 Apple,” cautions long-time Apple analyst Gene Munster of Loup Ventures.

10 **A poor job done with guidance.**

11 Apple said in a filing released after market close Wednesday that it now sees  
 12 first quarter revenue of about \$84 billion. It previously anticipated \$89 billion to \$91  
 13 billion. In the filing, Cook attributed the reduced guidance to weakness in emerging  
 14 markets and in Greater China as well as supply constraints on new products. Cook  
 15 also hinted strongly that Apple felt resistance from consumers to the new \$1,000 plus  
 16 iPhone XS line.

14 40. *ZDNet’s* Adrian Kingsley-Hughes surmised in his January 4, 2019 report, entitled  
 15 “This is why Apple doesn’t want you fixing your smartphone,” that “[a]midst all the finger-pointing  
 16 associated [with] the sudden and unexpected profits warning from Apple was a revelation about how  
 17 much the company relies on premature obsolescence to drive sales.” Kingsley-Hughes’s report  
 18 further stated that: “First, and perhaps most significant is this – How many iPhones does Apple sell  
 19 to people simply because the battery in their existing iPhone is worn? Over the years there’s been a  
 20 great deal of chatter around the subject of ‘planned obsolescence,’ and here *we have Apple*  
 21 *essentially confirming that this is indeed part of the business model.*” His report concluded: “At  
 22 this point, it’s worth pointing out that if indeed the battery replacement program was a significant  
 23 factor in the profits warning, *Apple only has itself to blame for throttling iPhones in the first*  
 24 *place.*”

25 **APPLICATION OF PRESUMPTION OF RELIANCE:**  
 26 **FRAUD ON THE MARKET**

27 41. Plaintiff will rely upon the presumption of reliance established by the fraud on the  
 28 market doctrine in that, among other things:

1 (a) Defendants made public misrepresentations or failed to disclose material facts  
2 during the Class Period;

3 (b) The omissions and misrepresentations were material;

4 (c) Apple common stock traded in an efficient market;

5 (d) The misrepresentations alleged would tend to induce a reasonable investor to  
6 misjudge the value of Apple common stock; and

7 (e) Plaintiff and other members of the Class (as defined below) purchased Apple  
8 common stock between the time defendants misrepresented or failed to disclose material facts and  
9 the time the true facts were disclosed, without knowledge of the misrepresented or omitted facts.

10 42. At all relevant times, the market for Apple common stock was efficient for the  
11 following reasons, among others:

12 (a) As a regulated issuer, Apple filed periodic public reports with the SEC; and

13 (b) Apple regularly communicated with public investors via established market  
14 communication mechanisms, including through the regular disseminations of press releases on the  
15 major news wire services and through other wide-ranging public disclosures, such as  
16 communications with the financial press, securities analysts, and other similar reporting services.

17 **LOSS CAUSATION/ECONOMIC LOSS**

18 43. During the Class Period, as detailed herein, defendants made false and misleading  
19 statements and engaged in a scheme to deceive the market and a course of conduct that artificially  
20 inflated the price of Apple common stock and operated as a fraud or deceit on Class Period  
21 purchasers of Apple common stock. As defendants' misrepresentations and fraudulent conduct  
22 became apparent to the market, the price of Apple common stock fell precipitously, as the prior  
23 artificial inflation came out of the price. As a result of their purchases of Apple common stock  
24 during the Class Period, plaintiff and other members of the Class suffered economic loss, *i.e.*,  
25 damages, under the federal securities laws.

26 **CLASS ACTION ALLEGATIONS**

27 44. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil  
28 Procedure 23(a) and (b)(3) on behalf of a class consisting of all purchasers of Apple common stock



1 during the Class Period (the “Class”). Excluded from the Class are defendants and their families, the  
2 officers and directors of the Company, at all relevant times, members of their immediate families and  
3 their legal representatives, heirs, successors or assigns and any entity in which defendants have or  
4 had a controlling interest.

5 45. The members of the Class are so numerous that joinder of all members is  
6 impracticable. Throughout the Class Period, Apple common stock was actively traded on the  
7 NASDAQ. While the exact number of Class members is unknown to plaintiff at this time and can  
8 only be ascertained through appropriate discovery, plaintiff believes that there are hundreds of  
9 thousands of members in the proposed Class. Record owners and other members of the Class may  
10 be identified from records maintained by Apple and/or its transfer agent and may be notified of the  
11 pendency of this action by mail, using the form of notice similar to that customarily used in  
12 securities class actions.

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

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

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

- 21 (a) whether the Exchange Act was violated by defendants as alleged herein;
- 22 (b) whether statements made by defendants misrepresented material facts about  
23 the business and prospects of Apple; and
- 24 (c) to what extent the members of the Class have sustained damages and the  
25 proper measure of damages.

26 49. A class action is superior to all other available methods for the fair and efficient  
27 adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the  
28 damages suffered by individual Class members may be relatively small, the expense and burden of

1 individual litigation make it impossible for members of the Class to individually redress the wrongs  
2 done to them. There will be no difficulty in the management of this action as a class action.

3 **COUNT I**

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

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

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

11 52. Defendants violated §10(b) of the Exchange Act and Rule 10b-5 in that they:  
12 (a) employed devices, schemes, and artifices to defraud; (b) made untrue statements of material fact  
13 or omitted to state material facts necessary in order to make the statements made, in light of the  
14 circumstances under which they were made, not misleading; or (c) engaged in acts, practices, and a  
15 course of business that operated as a fraud or deceit upon plaintiff and others similarly situated in  
16 connection with their purchases of Apple common stock during the Class Period.

17 53. Plaintiff and the Class have suffered damages in that, in reliance on the integrity of  
18 the market, they paid artificially inflated prices for Apple common stock. Plaintiff and the Class  
19 would not have purchased Apple common stock at the prices they paid, or at all, if they had been  
20 aware that the market prices had been artificially and falsely inflated by defendants' misleading  
21 statements.

22 **COUNT II**

23 **For Violation of §20(a) of the Exchange Act**  
24 **Against All Defendants**

25 54. Plaintiff incorporates ¶¶1-53 by reference.

26 55. The Individual Defendants acted as controlling persons of Apple within the meaning  
27 of §20(a) of the Exchange Act. By reason of their positions with the Company, and their ownership  
28 of Apple common stock, the Individual Defendants had the power and authority to cause Apple to  
engage in the wrongful conduct complained of herein. Apple controlled the Individual Defendants

1 and all of its employees. By reason of such conduct, defendants are liable pursuant to §20(a) of the  
2 Exchange Act.

3 **PRAYER FOR RELIEF**

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

5 A. Determining that this action is a proper class action, designating plaintiff as Lead  
6 Plaintiff and certifying plaintiff as a Class representative under Rule 23 of the Federal Rules of Civil  
7 Procedure and plaintiff's counsel as Lead Counsel;

8 B. Awarding compensatory damages in favor of plaintiff and the other Class members  
9 against all defendants, jointly and severally, for all damages sustained as a result of defendants'  
10 wrongdoing, in an amount to be proven at trial, including interest thereon;

11 C. Awarding plaintiff and the Class their reasonable costs and expenses incurred in this  
12 action, including counsel fees and expert fees; and

13 D. Awarding such equitable/injunctive or other relief as deemed appropriate by the  
14 Court.

15 **JURY DEMAND**

16 Plaintiff demands a trial by jury.

17 DATED: April 16, 2019

ROBBINS GELLER RUDMAN  
& DOWD LLP  
SHAWN A. WILLIAMS

18  
19  
20 */s/ Shawn A. Williams*  
SHAWN A. WILLIAMS

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Attorneys for Plaintiff

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CERTIFICATION OF NAMED PLAINTIFF  
PURSUANT TO FEDERAL SECURITIES LAWS

CITY OF ROSEVILLE EMPLOYEES' RETIREMENT SYSTEM  
("Plaintiff") declares:

1. Plaintiff has reviewed a complaint and authorized its filing.
2. Plaintiff did not acquire the security that is the subject of this action at the direction of plaintiff's counsel or in order to participate in this private action or any other litigation under the federal securities laws.
3. Plaintiff is willing to serve as a representative party on behalf of the class, including providing testimony at deposition and trial, if necessary.
4. Plaintiff has made the following transaction(s) during the Class Period in the securities that are the subject of this action:

<u>Security</u>	<u>Transaction</u>	<u>Date</u>	<u>Price Per Share</u>
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*See attached Schedule A.*

5. Plaintiff has not sought to serve or served as a representative party in a class action that was filed under the federal securities laws within the three-year period prior to the date of this Certification except as detailed below:

*Galmi v. Teva Pharmaceuticals Industries Ltd., et al., No. 3:17-cv-00558 (D. Conn.)*


6. Plaintiff will not accept any payment for serving as a representative party on behalf of the class beyond the Plaintiff's pro rata share of any recovery,

except such reasonable costs and expenses (including lost wages) directly relating to the representation of the class as ordered or approved by the court.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 6 day of March, 2019.

CITY OF ROSEVILLE EMPLOYEES'  
RETIREMENT SYSTEM

By: 

Its: Chairman

**SCHEDULE A**

**SECURITIES TRANSACTIONS**

<b>Stock</b>		
<b><u>Date Acquired</u></b>	<b><u>Amount of Shares Acquired</u></b>	<b><u>Price</u></b>
11/28/2018	512	\$175.83

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

CITY OF ROSEVILLE EMPLOYEES' RETIREMENT SYSTEM, Individually and on Behalf of All Others Similarly Situated,

(b) County of Residence of First Listed Plaintiff Michigan (EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number) Shawn A. Williams, Robbins Geller Rudman & Dowd LLP One Montgomery Street, Suite 1800 San Francisco, CA 94104 415/288-4545

DEFENDANTS

APPLE INC., TIMOTHY D. COOK and LUCA MAESTRI,

County of Residence of First Listed Defendant (IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff
2 U.S. Government Defendant
3 Federal Question (U.S. Government Not a Party)
4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

Table with columns for Plaintiff (PTF) and Defendant (DEF) citizenship: Citizen of This State, Citizen of Another State, Citizen or Subject of a Foreign Country, Incorporated or Principal Place of Business In This State, Incorporated and Principal Place of Business In Another State, Foreign Nation.

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Large table with categories: CONTRACT, REAL PROPERTY, CIVIL RIGHTS, TORTS, PRISONER PETITIONS, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES.

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding
2 Removed from State Court
3 Remanded from Appellate Court
4 Reinstated or Reopened
5 Transferred from Another District (specify)
6 Multidistrict Litigation - Transfer
8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): 15 U.S.C. §§78j(b) and 78t(a) Private Securities Litigation Reform Act (PSLRA)

Brief description of cause: COMPLAINT FOR VIOLATIONS OF THE FEDERAL SECURITIES LAWS

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. DEMAND \$ CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY

(See instructions): JUDGE DOCKET NUMBER

DATE 04/16/2019 SIGNATURE OF ATTORNEY OF RECORD /s/ Shawn A. Williams

FOR OFFICE USE ONLY

RECEIPT # AMOUNT APPLYING IFP JUDGE MAG. JUDGE



## INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

### Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I.(a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
- (b) County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
- (c) Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".
- II. Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.  
 United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.  
 United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.  
 Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.  
 Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit.** Place an "X" in the appropriate box. If there are multiple nature of suit codes associated with the case, pick the nature of suit code that is most applicable. Click here for: [Nature of Suit Code Descriptions](#).
- V. Origin.** Place an "X" in one of the seven boxes.  
 Original Proceedings. (1) Cases which originate in the United States district courts.  
 Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.  
 Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.  
 Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.  
 Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.  
 Multidistrict Litigation – Transfer. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407.  
 Multidistrict Litigation – Direct File. (8) Check this box when a multidistrict case is filed in the same district as the Master MDL docket.  
**PLEASE NOTE THAT THERE IS NOT AN ORIGIN CODE 7.** Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.
- VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service
- VII. Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.  
 Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction.  
 Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases.** This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

**Date and Attorney Signature.** Date and sign the civil cover sheet.

# ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Apple Hit with Stock-Drop Class Action Over Allegedly Misleading Statements Concerning iPhone Demand, China Pricing](#)

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