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9 UNITED STATES DISTRICT COURT  
10 CENTRAL DISTRICT OF CALIFORNIA

11 GERALD M. MONTAG, Individually  
12 and on behalf of all others similarly  
13 situated,

14 Plaintiff,

15 v.

16 VOLKSWAGEN AG, VOLKSWAGEN  
17 GROUP OF AMERICA, INC., SCOTT  
18 KEOGH, and MARK GILLIES,

19 Defendants.

Case No.

CLASS ACTION COMPLAINT FOR  
VIOLATION OF THE FEDERAL  
SECURITIES LAWS

JURY TRIAL DEMANDED

20  
21 Plaintiff Gerald M. Montag (“Plaintiff”), individually and on behalf of all  
22 other persons similarly situated, by Plaintiff’s undersigned attorneys, for Plaintiff’s  
23 complaint against Defendants (defined below), alleges the following based upon  
24 personal knowledge as to Plaintiff and Plaintiff’s own acts, and information and  
25 belief as to all other matters, based upon, inter alia, the investigation conducted by  
26 and through his attorneys, which included, among other things, a review of the  
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1 Defendants’ public documents, announcements, United States Securities and  
2 Exchange Commission (“SEC”) filings, wire and press releases published by and  
3 regarding Volkswagen AG (“Volkswagen” or together with its subsidiaries the  
4 “Company”) and its wholly-owned subsidiary Volkswagen Group of America, Inc.  
5 (“VWoA”), and information readily obtainable on the Internet. Plaintiff believes  
6 that substantial evidentiary support will exist for the allegations set forth herein after  
7 a reasonable opportunity for discovery.

8 **NATURE OF THE ACTION**

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10 1. This is a class action on behalf of persons or entities who purchased or  
11 otherwise acquired publicly traded Volkswagen securities between March 29, 2021  
12 and March 30, 2021, inclusive (the “Class Period”). Plaintiff seeks to recover  
13 compensable damages caused by Defendants’ violations of the federal securities  
14 laws under the Securities Exchange Act of 1934 (the “Exchange Act”).

15 **JURISDICTION AND VENUE**

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

19 3. This Court has jurisdiction over the subject matter of this action under  
20 28 U.S.C. §1331 and §27 of the Exchange Act.

21 4. Venue is proper in this judicial district pursuant to §27 of the Exchange  
22 Act (15 U.S.C. §78aa) and 28 U.S.C. §1391(b) as the alleged misstatements entered  
23 and the subsequent damages took place in this judicial district. Further, the  
24 Company sells many vehicles in Los Angeles County.

25 5. In connection with the acts, conduct and other wrongs alleged in this  
26 Complaint, Defendants (defined below), directly or indirectly, used the means and  
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1 instrumentalities of interstate commerce, including but not limited to, the United  
2 States mail, interstate telephone communications and the facilities of the national  
3 securities exchange.

4 **PARTIES**

5 6. Plaintiff, as set forth in the accompanying Certification, purchased the  
6 Company's securities at artificially inflated prices during the Class Period and was  
7 damaged upon the revelation of the alleged corrective disclosure.

8 7. Defendant Volkswagen purports to be one of the world's largest  
9 producers of passenger cars.

10 8. Defendant Volkswagen is a German corporation with its principal  
11 executive offices in Wolfsburg, Germany. Volkswagen's American depository  
12 receipt ("ADRs") trade on OTC under the ticker symbol "VWAGY."

13 9. Defendant VWoA is a wholly owned subsidiary of Volkswagen.  
14 Defendant VWoA houses the U.S. operations of Volkswagen.

15 10. Defendant Scott Keogh ("Keogh") has served as the Chief Executive  
16 Officer and President of VWoA since November 2018.

17 11. Defendant Mark Gillies ("Gillies") has served as a spokesperson for  
18 VWoA since May 2011 and currently serves as VWoA's Acting Head of  
19 Communications.  
20

21 12. Defendants Keogh and Gillies are sometimes referred to herein as the  
22 "Individual Defendants."

23 13. The Individual Defendants:

24 (a) directly participated in the management of the Company;

25 (b) were directly involved in the day-to-day operations of the Company at  
26 the highest levels;  
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- 1 (c) were privy to confidential proprietary information concerning the  
2 Company and its business and operations;
- 3 (d) were directly or indirectly involved in drafting, producing, reviewing  
4 and/or disseminating the false and misleading statements and  
5 information alleged herein;
- 6 (e) were directly or indirectly involved in the oversight or implementation  
7 of the Company's internal controls;
- 8 (f) were aware of or recklessly disregarded the fact that the false and  
9 misleading statements were being issued concerning the Company;  
10 and/or
- 11 (g) approved or ratified these statements in violation of the federal  
12 securities laws.

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14 14. The Company is liable for the acts of the Individual Defendants and its  
15 employees under the doctrine of *respondeat superior* and common law principles  
16 of agency because all of the wrongful acts complained of herein were carried out  
17 within the scope of their employment.

18 15. The scienter of the Individual Defendants and other employees and  
19 agents of the Company is similarly imputed to the Company under *respondeat*  
20 *superior* and agency principles.

21 16. The Company and the Individual Defendants are referred to herein,  
22 collectively, as the "Defendants."  
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1 **SUBSTANTIVE ALLEGATIONS**

2 **Materially False and Misleading Statements**

3 17. On March 29, 2021, VWoA published a “draft” of a press release  
4 announcing its purported name change to “Voltswagen” on its website for a short  
5 time. This “draft” had the incorrect date of “April 29.”

6 18. On March 29, 2021, in response to the name change press release,  
7 multiple news agencies reported that they confirmed with Company insiders that the  
8 name change was real.

9 19. These March 29 news reports on the name change include a CNBC  
10 article entitled “VW accidentally leaks new name for its U.S. operations:  
11 Voltswagen” which reported, in pertinent part, that:

12 *Volkswagen accidentally posted a press release on its website a month  
13 early on Monday announcing a new name for its U.S. operations,  
14 Voltswagen of America, emphasizing the German automaker’s  
15 electric vehicle efforts.*

16 \* \* \*

17 *A person familiar with the company’s plans confirmed the  
18 authenticity of the release to CNBC. They asked to remain anonymous  
19 because the plans were not meant to be public yet.*

20 The release said the name change is expected to take effect in May and  
21 called the change a *“public declaration of the company’s future-  
22 forward investment in e-mobility.”* It said Voltswagen will be placed  
23 as an exterior badge on all EV models with gas vehicles having the  
24 company’s iconic VW emblem only.

25 To “preserve elements of Volkswagen’s heritage,” the release said the  
26 company planned to retain the dark blue color of the VW logo for gas-  
27 powered vehicles and *use light blue to differentiate “the new, EV-  
28 centric branding.”*

1  
2 The release said Voltswagen of America would remain an operating  
3 unit of Volkswagen Group of America and a subsidiary of Volkswagen  
4 AG, with headquarters in Herndon, Virginia.

5 \* \* \*

6 The VW press release was incomplete, citing the need for an additional  
7 quote and photography from the automaker's plant in Chattanooga,  
8 Tennessee.

9 *A name change would be the latest EV news from Volkswagen, which*  
10 *earlier this month held a "Power Day" to discuss its EV technologies.*  
11 It also announced goals of significantly increasing sales of EVs through  
12 the end of the decade. It expects more than 70% of its Volkswagen  
13 brand's European sales will be EVs by 2030, up from a previous target  
14 of 35%. In the U.S. and China, it expects half of its sales to be EVs by  
15 that time frame.

16 (Emphasis added.)

17 20. These March 29 news reports on the purported name change also  
18 includes a USA Today article, which was later updated and re-titled "Volkswagen  
19 says it plans name change, later pulls back, reports say[,]” reported, in pertinent part,  
20 the following:

21 *Volkswagen's American division appears poised to change its name*  
22 *to "Voltswagen," switching the "k" to a "t" in a nod toward the*  
23 *automaker's investment in electric vehicles.*

24 *The German automaker's announcement on the change appeared*  
25 *briefly on its media site Monday before it was removed, having*  
26 *apparently been released before it was ready for an official rollout.*

27 \* \* \*

1 But *VW was not hacked, the announcement is not a joke*, it's not a  
2 marketing ploy and the plan is for the change to be made permanent,  
3 *said a person familiar with the company's plans* on condition of  
4 anonymity because they were not authorized to speak publicly.

5 The news release, which was dated April 29 when it was accidentally  
6 posted, *was published March 29 before it was ready to be distributed,*  
7 *the person said. A USA TODAY reporter noticed the announcement*  
8 *on VW's website and saved it before it was removed.*

9 *In the errantly published news release, the automaker said that "more*  
10 *than a name change, 'Voltswagen' is a public declaration of the*  
11 *company's future-forward investment in e-mobility."*

12 "The new name and branding symbolize the highly-charged forward  
13 momentum Voltswagen has put in motion, pursuing a goal of moving  
14 all people point-to-point with EVs," the automaker said in the release.

15 According to the announcement, electric models would get an exterior  
16 badge with the name "Voltswagen," while gas-powered vehicles will  
17 have the standard "VW" badge. It was not immediately clear Monday  
18 whether any details of the plan are still subject to change.

19 The move would signal a significant pivot for the world's second-  
20 largest automaker, whose U.S. division dates to 1955. It would also  
21 come after several competitors, including General Motors and Volvo,  
22 recently announced plans to eventually phase out gas vehicles.

23 "We might be changing out our K for a T, but what we aren't changing  
24 is this brand's commitment to making best-in-class vehicles for drivers  
25 and people everywhere," VW of America CEO Scott Keogh said in the  
26 news release.

27 *The change would also further distance VW from the diesel emissions*  
28 *scandal that sullied its reputation, harmed the environment, hurt*  
*public health and led to penalties of more than \$30 billion as well as*  
*criminal charges.*



1           ***The announcement would also coincide with the arrival of the brand-***  
2           ***new Volkswagen ID.4, the automaker’s first long-range electric SUV***  
3           ***sold in the U.S.*** It’s part of a new lineup of electric cars under the ID  
4           sub-brand, including the forthcoming revival of the VW microbus.

5           The company plans to launch more than 70 electric vehicles worldwide  
6           by 2029 and sell 1 million by 2025. VW and its related brands,  
7           including Audi and Porsche, sold more than 9 million vehicles of all  
8           kinds globally in 2020, making it a close second to Toyota, though it  
9           previously held the No. 1 title for several years.

10           (Emphasis added.)

11           21. On March 30, 2021, VWoA re-published the press release entitled  
12           “Volkswagen: A new name for a new era of e-mobility” announcing the Company’s  
13           name change to “Volkswagen,” this time with the correct date of March 30, 2021.  
14           The press release was also taken down later that day.

15           22. Also on March 30, 2021, Volkswagen tweeted: “***We know, 66 is an***  
16           ***unusual age to change your name***, but we’ve always been young at heart.  
17           ***Introducing Volkswagen.*** Similar to Volkswagen, but ***with a renewed focus on***  
18           ***electric driving.*** Starting with our all-new, all-electric SUV the ID.4 - available  
19           today. #***Volkswagen*** #ID4.” (Emphasis added.) The tweet included a video showing  
20           the “k” in Volkswagen changing to a “t.”<sup>1</sup>

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25           <sup>1</sup> <https://twitter.com/VW/status/1376868756782219266>;  
26           [https://web.archive.org/web/20210330121247/https://twitter.com/VW/status/13768](https://web.archive.org/web/20210330121247/https://twitter.com/VW/status/1376868756782219266)  
27           68756782219266.



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23. The statements referenced in ¶17 and ¶¶19-22 above, made by or attributed to Defendants, were materially false and/or misleading because they misrepresented and failed to disclose the following adverse facts pertaining to the Company’s business, operational and financial results, which were known to Defendants or recklessly disregarded by them. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (1) “Voltswagen” was never going to be used by the Company, VWoA, or on any relevant vehicle; (2) Volkswagen, VWoA, and their spokespeople purposefully misled reporters

1 regarding the now-purported “joke” and/or “promotion”; and (3) as a result,  
2 Defendants’ public statements and statements to journalists were materially false  
3 and/or misleading at all relevant times.

4 **The Truth Emerges**

5 24. Late on March 30, 2021, still two days before April Fool’s Day on April  
6 1, the Wall Street Journal published a “WSJ News Exclusive” which was entitled  
7 “No, Volkswagen Isn’t Rebranding Itself Voltswagen: German car maker says  
8 announcement by its U.S. operation was supposed to be an April Fools’ gag[.]” The  
9 Wall Street Journal article reported, in pertinent part, that:

10 Volkswagen AG’s U.S. subsidiary said Tuesday the company would  
11 rebrand itself as Voltswagen of America to promote its electric car  
12 strategy, but *a spokesman for the parent company in Germany later*  
13 *said the move was a joke.*

14 \* \* \*

15 The problem for VW is that everyone took it seriously, creating  
16 confusion about the company’s intentions and moving the shares,  
17 putting VW’s communications team on the defensive.

18 \* \* \*

19 The spoof began late Monday, when VW communications in the U.S.  
20 published a draft of the press release on the company’s website and then  
21 quickly took it down, according to VW officials in Germany.

22 They left the document online long enough to grab the attention of  
23 journalists and VW fans, sparking a flood of online news and tweets.

24 \* \* \*

1 *VW's U.S. unit published the release in full again on Tuesday on the*  
2 *U.S. website, a move that suggested the name change was in fact real*  
3 *and would take effect as stated in the release in May.*

4 The press release quoted Scott Keogh as president and CEO of  
5 Volkswagen of America saying: "We might be changing out our K for  
6 a T, but what we aren't changing is this brand's commitment to making  
best-in-class vehicles for drivers and people everywhere."

7 Back in Germany, a VW official told the Journal that the name change  
8 shouldn't be taken seriously.

9 *"There will be no name change,"* the official said.

10  
11 *Volkswagen's top executives have become more active on social*  
12 *media recently.* The CEO, Herbert Diess, is a frequent contributor to  
13 his LinkedIn page and recently opened a Twitter feed. But until now  
14 the company has refrained from PR stunts or outlandish statements that  
are more typical of Tesla CEO Elon Musk.

15 *Investors have been clamoring for shares of companies involved in*  
16 *electric vehicles and have recently been pouring money into the stocks*  
17 *of established car makers with solid EV plans.*

18 (Emphasis added.)

19  
20 25. On March 31, 2021, further reports regarding how Volkswagen,  
21 VWoA, and its spokespeople purposefully misled to reporters were published. For  
22 example, ABC News published an article entitled "An unwelcome prank:  
23 Volkswagen purposely hoodwinks reporters: Journalists are wary of looking out for  
24 pranksters around April Fool's Day, but this time it came from a multi-billion dollar  
25 corporation[.]" The ABC News article reported, in pertinent part, that:

26 *Volkswagen admitted Tuesday that it had put out a false news release*  
27 *saying that it had changed the name of its U.S. subsidiary to*

1       ***“Volkswagen of America”*** in an attempt to be funny and promote a new  
2 electric utility vehicle.

3       ***Several news organizations, including The Associated Press, USA***  
4 ***Today, CNBC and The Washington Post, had reported the original***  
5 ***press release as real news, some after being assured specifically that***  
6 ***it was no joke.***

7                               \*       \*       \*

8       ***“The Associated Press was repeatedly assured by Volkswagen that its***  
9 ***U.S. subsidiary planned a name change, and reported that***  
10 ***information, which we now know to be false,” company***  
11 ***spokeswoman Lauren Easton said.*** “We have corrected our story and  
12 published a new one based on the company’s admission. This and any  
13 deliberate release of false information hurts accurate journalism and the  
14 public good.”

15       The story emerged Monday after a news release was briefly posted on  
16 a company website and then disappeared, but not before catching some  
17 eyes. CNBC, which declined comment on the hoax, is believed to be  
18 the first major news organization to report it as legitimate news.

19       ***The AP wrote a story about it Monday after its reporter was assured***  
20 ***by Mark Gillies, a company spokesman in the United States, that it***  
21 ***was serious, Easton said.***

22       ***It was a similar story at USA Today, where a reporter specifically***  
23 ***asked if it was a joke and was told “no,” said the newspaper’s***  
24 ***spokeswoman, Chrissy Terrell.***

25       “The company used this fake announcement as a way to manipulate  
26 respected reporters from trusted news outlets to get attention for their  
27 marketing campaign,” she said. “We are disheartened that the company  
28 would choose this type of disingenuous marketing.”

      The USA Today reporter who was initially lied to was more blunt.

1        ***“This was not a joke,” reporter Nathan Bomey wrote on Twitter. “It***  
2        ***was deception.*** In case you haven't noticed, we have a misinformation  
3        problem in this country. Now you're part of it. Why should anyone trust  
4        you again?”

5        ***At first on Tuesday, the company doubled down on its story by***  
6        ***reissuing the news release, which quoted Scott Keogh, the president***  
7        ***and CEO of Volkswagen of America. It even changed its Twitter page,***  
8        ***announcing that “we know, 66 is an unusual age to change your***  
9        ***name, but we've always been young at heart.”***

10        \*        \*        \*

11        ***Gillies, after presenting the false information the day before, came***  
12        ***clean on Tuesday.*** The Journal quoted a spokesman for the company  
13        in Germany as saying, “we didn't mean to mislead anyone. The whole  
14        thing is just a marketing action to get people talking” about its new car  
15        model.

16        The AP and other news organizations that falsely reported the news  
17        later wrote about the hoax. “About that plan to change Volkswagen of  
18        America’s name.” wrote USA Today's Mike Snider. “Never mind.”

19        (Emphasis added.)

20        26. On this news, Volkswagen ADRs fell \$2.14 per ADR, or over 5%, over  
21        the next two full trading days, to close at \$35.58 per share on April 1, 2020,  
22        damaging investors.

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

26        **PLAINTIFF’S CLASS ACTION ALLEGATIONS**

27        28. Plaintiff brings this action as a class action pursuant to Federal Rule of  
28        Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who

1 purchased or otherwise acquired the publicly traded securities of Volkswagen  
2 during the Class Period (the “Class”) and were damaged upon the revelation of the  
3 alleged corrective disclosure. Excluded from the Class are Defendants herein, the  
4 officers and directors of the Company, at all relevant times, members of their  
5 immediate families and their legal representatives, heirs, successors or assigns and  
6 any entity in which Defendants have or had a controlling interest.

7 29. The members of the Class are so numerous that joinder of all members  
8 is impracticable. Throughout the Class Period, the Company’s securities were  
9 actively traded on OTC. While the exact number of Class members is unknown to  
10 Plaintiff at this time and can be ascertained only through appropriate discovery,  
11 Plaintiff believes that there are hundreds or thousands of members in the proposed  
12 Class. Record owners and other members of the Class may be identified from  
13 records maintained by the Company or its transfer agent and may be notified of the  
14 pendency of this action by mail, using the form of notice similar to that customarily  
15 used in securities class actions.

16 30. Plaintiff’s claims are typical of the claims of the members of the Class  
17 as all members of the Class are similarly affected by Defendants’ wrongful conduct  
18 in violation of federal law that is complained of herein.

19 31. Plaintiff will fairly and adequately protect the interests of the members  
20 of the Class and has retained counsel competent and experienced in class and  
21 securities litigation. Plaintiff has no interests antagonistic to or in conflict with those  
22 of the Class.

23 32. Common questions of law and fact exist as to all members of the Class  
24 and predominate over any questions solely affecting individual members of the  
25 Class. Among the questions of law and fact common to the Class are:  
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- 1 (a) whether Defendants' acts as alleged violated the federal securities  
2 laws;
- 3 (b) whether Defendants' statements to the investing public during the  
4 Class Period misrepresented material facts about the financial  
5 condition, business, operations, and management of the Company;
- 6 (c) whether Defendants' statements to the investing public during the  
7 Class Period omitted material facts necessary to make the statements  
8 made, in light of the circumstances under which they were made, not  
9 misleading;
- 10 (d) whether the Individual Defendants caused the Company to issue false  
11 and misleading SEC filings and public statements during the Class  
12 Period;
- 13 (e) whether Defendants acted knowingly or recklessly in issuing false and  
14 misleading SEC filings and public statements during the Class Period;
- 15 (f) whether the prices of the Company's securities during the Class Period  
16 were artificially inflated because of the Defendants' conduct  
17 complained of herein; and
- 18 (g) whether the members of the Class have sustained damages and, if so,  
19 what is the proper measure of damages.

20  
21 33. A class action is superior to all other available methods for the fair and  
22 efficient adjudication of this controversy since joinder of all members is  
23 impracticable. Furthermore, as the damages suffered by individual Class members  
24 may be relatively small, the expense and burden of individual litigation make it  
25 impossible for members of the Class to individually redress the wrongs done to  
26 them. There will be no difficulty in the management of this action as a class action.  
27





1 Defendants omitted material information in their Class Period statements in  
2 violation of a duty to disclose such information, as detailed above.

3 **COUNT I**

4 **Violation of Section 10(b) of The Exchange Act and Rule 10b-5**

5 **Against All Defendants**

6 37. Plaintiff repeats and realleges each and every allegation contained  
7 above as if fully set forth herein.

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

11 39. During the Class Period, the Company and the Individual Defendants,  
12 individually and in concert, directly or indirectly, disseminated or approved the  
13 false statements specified above, which they knew or deliberately disregarded were  
14 misleading in that they contained misrepresentations and failed to disclose material  
15 facts necessary in order to make the statements made, in light of the circumstances  
16 under which they were made, not misleading.

17 40. The Company and the Individual Defendants violated §10(b) of the  
18 1934 Act and Rule 10b-5 in that they: employed devices, schemes and artifices to  
19 defraud; made untrue statements of material facts or omitted to state material facts  
20 necessary in order to make the statements made, in light of the circumstances under  
21 which they were made, not misleading; and/or engaged in acts, practices and a  
22 course of business that operated as a fraud or deceit upon plaintiff and others  
23 similarly situated in connection with their purchases of the Company's securities  
24 during the Class Period.  
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1           41. The Company and the Individual Defendants acted with scienter in that  
2 they knew that the public documents and statements issued or disseminated in the  
3 name of the Company were materially false and misleading; knew that such  
4 statements or documents would be issued or disseminated to the investing public;  
5 and knowingly and substantially participated, or acquiesced in the issuance or  
6 dissemination of such statements or documents as primary violations of the  
7 securities laws. These defendants by virtue of their receipt of information reflecting  
8 the true facts of the Company, their control over, and/or receipt and/or modification  
9 of the Company's allegedly materially misleading statements, and/or their  
10 associations with the Company which made them privy to confidential proprietary  
11 information concerning the Company, participated in the fraudulent scheme alleged  
12 herein.

13           42. Individual Defendants, who are the senior officers and/or directors of  
14 the Company, had actual knowledge of the material omissions and/or the falsity of  
15 the material statements set forth above, and intended to deceive Plaintiff and the  
16 other members of the Class, or, in the alternative, acted with reckless disregard for  
17 the truth when they failed to ascertain and disclose the true facts in the statements  
18 made by them or other personnel of the Company to members of the investing  
19 public, including Plaintiff and the Class.

20           43. As a result of the foregoing, the market price of the Company's  
21 securities was artificially inflated during the Class Period. In ignorance of the falsity  
22 of the Company's and the Individual Defendants' statements, Plaintiff and the other  
23 members of the Class relied on the statements described above and/or the integrity  
24 of the market price of the Company's securities during the Class Period in  
25 purchasing the Company's securities at prices that were artificially inflated as a  
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27

1 result of the Company's and the Individual Defendants' false and misleading  
2 statements.

3 44. Had Plaintiff and the other members of the Class been aware that the  
4 market price of the Company's securities had been artificially and falsely inflated  
5 by the Company's and the Individual Defendants' misleading statements and by the  
6 material adverse information which the Company's and the Individual Defendants  
7 did not disclose, they would not have purchased the Company's securities at the  
8 artificially inflated prices that they did, or at all.

9 45. As a result of the wrongful conduct alleged herein, Plaintiff and other  
10 members of the Class have suffered damages in an amount to be established at trial.

11 46. By reason of the foregoing, the Company and the Individual  
12 Defendants have violated Section 10(b) of the 1934 Act and Rule 10b-5  
13 promulgated thereunder and are liable to the Plaintiff and the other members of the  
14 Class for substantial damages which they suffered in connection with their  
15 purchases of the Company's securities during the Class Period.  
16

17 **COUNT II**

18 **Violation of Section 20(a) of The Exchange Act**

19 **Against The Individual Defendants**

20 47. Plaintiff repeats and realleges each and every allegation contained in  
21 the foregoing paragraphs as if fully set forth herein.

22 48. During the Class Period, the Individual Defendants participated in the  
23 operation and management of the Company, and conducted and participated,  
24 directly and indirectly, in the conduct of the Company's business affairs. Because  
25 of their senior positions, they knew the adverse non-public information regarding  
26 the Company's business practices.  
27

1 49. As officers of VWoA, the Individual Defendants had a duty to  
2 disseminate accurate and truthful information with respect to the Company and to  
3 correct promptly any public statements issued by the Company which had become  
4 materially false or misleading.

5 50. Because of their positions of control and authority as senior officers,  
6 Individual Defendants were able to, and did, control the contents of the various  
7 reports, press releases and public filings which the Company disseminated in the  
8 marketplace during the Class Period. Throughout the Class Period, Individual  
9 Defendants exercised their power and authority to cause the Company to engage in  
10 the wrongful acts complained of herein. The Individual Defendants therefore, were  
11 “controlling persons” of the Company within the meaning of Section 20(a) of the  
12 Exchange Act. In this capacity, they participated in the unlawful conduct alleged  
13 which artificially inflated the market price of the Company’s securities.  
14

15 51. The Individual Defendants, therefore, acted as controlling persons of  
16 the Company. By reason of their senior management positions, the Individual  
17 Defendants had the power to direct the actions of, and exercised the same to cause,  
18 the Company to engage in the unlawful acts and conduct complained of herein. The  
19 Individual Defendants exercised control over the general operations of the  
20 Company and possessed the power to control the specific activities which comprise  
21 the primary violations about which Plaintiff and the other members of the Class  
22 complain.

23 52. By reason of the above conduct, the Individual Defendants are liable  
24 pursuant to Section 20(a) of the Exchange Act for the violations committed by the  
25 Company.  
26  
27  
28

1 **PRAYER FOR RELIEF**

2 WHEREFORE, Plaintiff demands judgment against Defendants as follows:

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

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

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

11 D. Awarding such other and further relief as this Court may deem just and  
12 proper.  
13

14 **DEMAND FOR TRIAL BY JURY**

15 Plaintiff hereby demands a trial by jury.

16  
17 Dated: April 30, 2021

Respectfully submitted,

18 **THE ROSEN LAW FIRM, P.A.**

19 /s/ Laurence M. Rosen

20 Laurence M. Rosen, Esq. (SBN 219683)

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This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Stock-Drop After 'Volkswagen' April Fools' Gag Sparks Class Action Against Volkswagen](#)

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