

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA**

\_\_\_\_\_, Individually and on  
Behalf of All Others Similarly Situated,

Plaintiff,

v.

INTEL CORPORATION, ROBERT H.  
SWAN, GEORGE S. DAVIS,

Defendants.

Case No. DRAFT

**CLASS ACTION COMPLAINT**

1 Plaintiff \_\_\_\_\_ (“Plaintiff”), individually and on behalf of all others similarly  
2 situated, by and through his attorneys, alleges the following upon information and belief, except as to  
3 those allegations concerning Plaintiff, which are alleged upon personal knowledge. Plaintiff’s  
4 information and belief is based upon, among other things, his counsel’s investigation, which includes  
5 without limitation: (a) review and analysis of regulatory filings made by Intel Corporation (“Intel” or  
6 the “Company”) with the United States (“U.S.”) Securities and Exchange Commission (“SEC”); (b)  
7 review and analysis of press releases and media reports issued by and disseminated by Intel; and (c)  
8 review of other publicly available information concerning Intel.

9 **NATURE OF THE ACTION AND OVERVIEW**

10 1. This is a class action on behalf of persons and entities that purchased or otherwise  
11 acquired Intel securities between April 23, 2020 and July 23, 2020, inclusive (the “Class Period”),  
12 seeking to pursue remedies under the Securities Exchange Act of 1934 (the “Exchange Act”).

13 2. Intel is a technology company that provides computing, networking, data storage, and  
14 communication solutions worldwide. It operates through Data Center Group, Internet of Things  
15 Group, Non-Volatile Memory Solutions Group, Programmable Solutions Group, Client Computing  
16 Group, and All Other segments.

17 3. The 7-nanometer product node is the next generation of technology following the 10-  
18 nanometer and offers double the area efficiency of its 10-nanometer process. Chips based on 7-  
19 nanometer will also offer 20% higher performance per watt. In May 2019, Intel projected to ship its  
20 first 7-nanometer products in 2021.

21 4. On July 23, 2020, after the market closed, Intel disclosed production delays for its 7-  
22 nanometer products after the Company had “identified a defect mode in our seven-nanometer process  
23 that resulted in yield degradation.”

24 5. On this news, the Company’s share price fell \$9.98, or approximately 40%, to close at  
25 \$14.76 per share on January 10, 2020, on unusually heavy trading volume.

26 6. Throughout the Class Period, Defendants made materially false and/or misleading  
27 statements, as well as failed to disclose material adverse facts about the Company’s business,  
28 operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) that Intel had

1 identified a defect in its mode in its 7-nanometer process that resulted in yield degradation; (2) that, as  
2 a result, the Company experienced a six-month delay in its production schedule for 7-nanometer  
3 products; (3) that Intel was reasonably likely to rely on third-party foundries for manufacturing the 7-  
4 nanometer products; (4) that, as a result of the foregoing, Intel was reasonably likely to lose market  
5 share to its competitors who are already selling 7-nanometer products; and (5) that, as a result of the  
6 foregoing, Defendants' positive statements about the Company's business, operations, and prospects  
7 were materially misleading and/or lacked a reasonable basis.

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

### 11 **JURISDICTION AND VENUE**

12 8. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange Act  
13 (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. §  
14 240.10b-5).

15 9. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C.  
16 § 1331 and Section 27 of the Exchange Act (15 U.S.C. § 78aa).

17 10. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b) and Section 27  
18 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts in furtherance of the alleged fraud or the  
19 effects of the fraud have occurred in this Judicial District. Many of the acts charged herein, including  
20 the dissemination of materially false and/or misleading information, occurred in substantial part in this  
21 Judicial District. In addition, the Company's principal executive offices are located in this District.

22 11. In connection with the acts, transactions, and conduct alleged herein, Defendants  
23 directly and indirectly used the means and instrumentalities of interstate commerce, including the  
24 United States mail, interstate telephone communications, and the facilities of a national securities  
25 exchange.

### 26 **PARTIES**

27 12. Plaintiff \_\_\_\_\_, as set forth in the accompanying certification,  
28 incorporated by reference herein, purchased Intel securities during the Class Period, and suffered

1 damages as a result of the federal securities law violations and false and/or misleading statements  
2 and/or material omissions alleged herein.

3 13. Defendant Intel is incorporated under the laws of Delaware with its principal executive  
4 offices located in Santa Clara, California. Intel's common stock trades on the NASDAQ exchange  
5 under the symbol "INTC."

6 14. Defendant Robert H. Swan ("Swan") was the Chief Executive Officer ("CEO") of the  
7 Company at all relevant times.

8 15. Defendant George S. Davis ("Davis") was the Chief Financial Officer ("CFO") of the  
9 Company at all relevant times.

10 16. Defendants Swan and Davis (collectively the "Individual Defendants"), because of  
11 their positions with the Company, possessed the power and authority to control the contents of the  
12 Company's reports to the SEC, press releases and presentations to securities analysts, money and  
13 portfolio managers and institutional investors, *i.e.*, the market. The Individual Defendants were  
14 provided with copies of the Company's reports and press releases alleged herein to be misleading  
15 prior to, or shortly after, their issuance and had the ability and opportunity to prevent their issuance or  
16 cause them to be corrected. Because of their positions and access to material non-public information  
17 available to them, the Individual Defendants knew that the adverse facts specified herein had not been  
18 disclosed to, and were being concealed from, the public, and that the positive representations which  
19 were being made were then materially false and/or misleading. The Individual Defendants are liable  
20 for the false statements pleaded herein.

## 21 **SUBSTANTIVE ALLEGATIONS**

### 22 **Background**

23 17. Intel is a technology company that provides computing, networking, data storage, and  
24 communication solutions worldwide. It operates through Data Center Group, Internet of Things  
25 Group, Non-Volatile Memory Solutions Group, Programmable Solutions Group, Client Computing  
26 Group, and All Other segments.

27 18. The 7-nanometer product node is the next generation of technology following the 10-  
28 nanometer and offers double the area efficiency of its 10-nanometer process. Chips based on 7-

1 nanometer will also offer 20% higher performance per watt. In May 2019, Intel projected to ship its  
2 first 7-nanometer products in 2021.

### 3 **Materially False and Misleading**

#### 4 **Statements Issued During the Class Period**

5 19. The Class Period begins on April 23, 2020. On that day, the Company announced its  
6 first quarter 2020 financial results in a press release that stated, in relevant part:

- 7 • First-quarter revenue was \$19.8 billion, up 23% year-over-year (YoY). Data-  
8 centric revenue\* grew 34 percent and PC-centric revenue grew 14 percent  
9 YoY.
- 10 • First-quarter GAAP earnings-per-share (EPS) was \$1.31, up 51 percent YoY; non-GAAP EPS of \$1.45 was up 63 percent.
- 11 • Generated \$6.2 billion cash from operations and \$2.9 billion of free cash flow while strengthening liquidity with \$10.3 billion in new debt and suspension of share buybacks.
- 12 • Expecting second-quarter revenue of \$18.5 billion; GAAP EPS of \$1.04 and non-GAAP EPS of \$1.10; not providing full-year guidance given significant economic uncertainty.
- 13

14 20. On April 24, 2020, Intel filed its quarterly report on Form 10-Q with the SEC for the  
15 period ended March 28, 2020, affirming the previously reported financial results. The report  
16 incorporated by reference the risk factors stated in the 2019 annual report filed with the SEC on  
17 January 24, 2020. Specifically, Intel stated, in relevant part:

18 **We face significant competition.** . . . Our products primarily compete based on  
19 performance, energy efficiency, integration, ease-of-use, innovative design, features,  
20 price, quality, reliability, security, software ecosystem and developer support, *time-to-*  
21 *market, reliable product roadmap execution*, brand recognition, customer support and  
22 customization, and availability. The importance of these factors varies by product—for  
23 example, performance is a key competitive factor for data center platform products,  
24 and failure to introduce new products with performance advantages can harm our  
25 competitive position and market segment share in our DCG business. For our memory  
26 products, price, density, and non-volatility are among the most important competitive  
27 factors. *We will not realize our strategic goal to become the leading end-to-end  
28 provider for the new data world if our products do not meet our customers’  
requirements across these factors in an increasingly competitive landscape.*

\* \* \*

Most of our competitors rely on third-party foundries, such as Taiwan Semiconductor Manufacturing Company, Ltd. or Samsung Electronics Co., Ltd., and subcontractors for manufacture and assembly and test of their semiconductor components and

1 products. As an IDM, we have higher capital expenditures and R&D spending than  
2 many of our “fabless” competitors. We also face new sources of competition as a  
3 result of changes in industry participants through, for example, acquisitions or business  
4 collaborations, as well as new entrants, including in China, which could have a  
5 significant impact on our competitive position.

6 \* \* \*

7 To compete successfully, we must maintain a successful R&D effort, develop new  
8 products and production processes, and improve our existing products and processes,  
9 all ahead of competitors. We are focusing our R&D efforts across six engineering  
10 pillars: process technology, architecture, memory, interconnect, security, and software.  
11 These include ambitious initiatives, such as our unified oneAPI portfolio of developer  
12 tools, and we cannot guarantee that all of these efforts will deliver the benefits we  
13 anticipate. *For example, to the extent we do not timely introduce new manufacturing  
14 process technologies that improve transistor density with sufficient manufacturing  
15 yields and operational efficiency, relative to competing foundry processes, we can  
16 face cost and product performance disadvantages.* Similarly, to the extent our R&D  
17 efforts do not timely produce semiconductor designs for our platform products with  
18 improvements in areas like performance, performance per watt, die utilization, and  
19 core counts, and with new features such as optimizations for AI and other workloads,  
20 our competitive position can be harmed.

21 \* \* \*

22 If we are not able to compete effectively, our financial results will be adversely  
23 affected, including reduced revenue and gross margin, and we may be required to  
24 accelerate the write-down of the value of certain assets.

25 21. The same report also stated, with respect to development of new products:  
26  
27 Our efforts to innovate involve significant expense and carry inherent risks, including  
28 difficulties in designing and developing next-generation process technologies, and  
investments in manufacturing assets and facilities that are made years in advance of  
the process node introduction. We cannot guarantee that we will realize the expected  
benefits of next-generation process technologies, including the expected cost and  
density advantages, or that we will achieve an adequate return on our capital  
investments, particularly as development of new nodes has grown increasingly  
expensive.

*Risks inherent in the development of next-generation process technologies include  
production timing delays, lower-than-anticipated manufacturing yields, longer  
manufacturing throughput times, and product defects and errata.* Production timing  
delays have at times caused us to miss customer product design windows, which can  
result in lost revenue opportunities and damage to our customer relationships.  
Furthermore, when the introduction of next-generation process nodes is delayed,  
including additional competitive features in our products can result in larger die size  
products, manufacturing supply constraints, and increased product costs. Lower  
manufacturing yields and longer manufacturing throughput times, compared to

1 previous process nodes, can increase our product costs and adversely affect our gross  
2 margins, and can contribute to manufacturing supply constraints. In addition, as the die  
3 size of our products has increased and our manufacturing process nodes have shrunk,  
4 our products and manufacturing processes have grown increasingly complex and more  
susceptible to product defects and errata, which can also contribute to production  
timing delays and lower yields.

5 \* \* \*

6 Production issues periodically lead to increased costs and affect our ability to meet  
7 product demand, which can adversely impact our business and the results of  
8 operations. *In addition, to the extent we face delays in the timing of our product  
9 introductions, we could become less competitive and lose revenue opportunities*, and  
10 our gross margin could be adversely affected because we incur significant costs up  
11 front in the product development stage and earn revenue to offset these costs over  
12 time.

11 22. The above statements identified in ¶¶ 19-21 were materially false and/or misleading,  
12 and failed to disclose material adverse facts about the Company's business, operations, and prospects.  
13 Specifically, Defendants failed to disclose to investors: (1) that Intel had identified a defect in its mode  
14 in its 7-nanometer process that resulted in yield degradation; (2) that, as a result, the Company  
15 experienced a six-month delay in its production schedule for 7-nanometer products; (3) that Intel was  
16 reasonably likely to rely on third-party foundries for manufacturing the 7-nanometer products; (4)  
17 that, as a result of the foregoing, Intel was reasonably likely to lose market share to its competitors  
18 who are already selling 7-nanometer products; and (5) that, as a result of the foregoing, Defendants'  
19 positive statements about the Company's business, operations, and prospects were materially  
20 misleading and/or lacked a reasonable basis.

21 **Disclosures at the End of the Class Period**

22 23. On July 23, 2020, after the market closed, Intel reported its second quarter 2020  
23 financial results in a press release. Therein, the Company disclosed production delays for its 7-  
24 nanometer products. Specifically, the press release, stated:

25 The company's 7nm-based CPU product timing is shifting approximately six months  
26 relative to prior expectations. The primary driver is the yield of Intel's 7nm process,  
27 which based on recent data, is now trending approximately twelve months behind the  
28 company's internal target.



1 of this action by mail, using the form of notice similar to that customarily used in securities class  
2 actions.

3 28. Plaintiff's claims are typical of the claims of the members of the Class as all members  
4 of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is  
5 complained of herein.

6 29. Plaintiff will fairly and adequately protect the interests of the members of the Class and  
7 has retained counsel competent and experienced in class and securities litigation.

8 30. Common questions of law and fact exist as to all members of the Class and  
9 predominate over any questions solely affecting individual members of the Class. Among the  
10 questions of law and fact common to the Class are:

11 (a) whether the federal securities laws were violated by Defendants' acts as alleged herein;

12 (b) whether statements made by Defendants to the investing public during the Class Period  
13 omitted and/or misrepresented material facts about the business, operations, and prospects of Intel;  
14 and

15 (c) to what extent the members of the Class have sustained damages and the proper  
16 measure of damages.

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

22 **UNDISCLOSED ADVERSE FACTS**

23 32. The market for Intel's securities was open, well-developed and efficient at all relevant  
24 times. As a result of these materially false and/or misleading statements, and/or failures to disclose,  
25 Intel's securities traded at artificially inflated prices during the Class Period. Plaintiff and other  
26 members of the Class purchased or otherwise acquired Intel's securities relying upon the integrity of  
27 the market price of the Company's securities and market information relating to Intel, and have been  
28 damaged thereby.



1 false and/or misleading; knew that such statements or documents would be issued or disseminated to  
2 the investing public; and knowingly and substantially participated or acquiesced in the issuance or  
3 dissemination of such statements or documents as primary violations of the federal securities laws. As  
4 set forth elsewhere herein in detail, the Individual Defendants, by virtue of their receipt of information  
5 reflecting the true facts regarding Intel, their control over, and/or receipt and/or modification of Intel's  
6 allegedly materially misleading misstatements and/or their associations with the Company which  
7 made them privy to confidential proprietary information concerning Intel, participated in the  
8 fraudulent scheme alleged herein.

9 **APPLICABILITY OF PRESUMPTION OF RELIANCE**

10 **(FRAUD-ON-THE-MARKET DOCTRINE)**

11 38. The market for Intel's securities was open, well-developed and efficient at all relevant  
12 times. As a result of the materially false and/or misleading statements and/or failures to disclose,  
13 Intel's securities traded at artificially inflated prices during the Class Period. On June 5, 2020, the  
14 Company's share price closed at a Class Period high of \$64.34 per share. Plaintiff and other members  
15 of the Class purchased or otherwise acquired the Company's securities relying upon the integrity of  
16 the market price of Intel's securities and market information relating to Intel, and have been damaged  
17 thereby.

18 39. During the Class Period, the artificial inflation of Intel's shares was caused by the  
19 material misrepresentations and/or omissions particularized in this Complaint causing the damages  
20 sustained by Plaintiff and other members of the Class. As described herein, during the Class Period,  
21 Defendants made or caused to be made a series of materially false and/or misleading statements about  
22 Intel's business, prospects, and operations. These material misstatements and/or omissions created an  
23 unrealistically positive assessment of Intel and its business, operations, and prospects, thus causing the  
24 price of the Company's securities to be artificially inflated at all relevant times, and when disclosed,  
25 negatively affected the value of the Company shares. Defendants' materially false and/or misleading  
26 statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the  
27 Company's securities at such artificially inflated prices, and each of them has been damaged as a  
28 result.

1           40.     At all relevant times, the market for Intel’s securities was an efficient market for the  
2 following reasons, among others:

3           41.     Intel shares met the requirements for listing, and was listed and actively traded on the  
4 NASDAQ, a highly efficient and automated market;

5           42.     As a regulated issuer, Intel filed periodic public reports with the SEC and/or the  
6 NASDAQ;

7           43.     Intel regularly communicated with public investors via established market  
8 communication mechanisms, including through regular dissemination of press releases on the national  
9 circuits of major newswire services and through other wide-ranging public disclosures, such as  
10 communications with the financial press and other similar reporting services; and/or

11          44.     Intel was followed by securities analysts employed by brokerage firms who wrote  
12 reports about the Company, and these reports were distributed to the sales force and certain customers  
13 of their respective brokerage firms. Each of these reports was publicly available and entered the  
14 public marketplace.

15          45.     As a result of the foregoing, the market for Intel’s securities promptly digested current  
16 information regarding Intel from all publicly available sources and reflected such information in  
17 Intel’s share price. Under these circumstances, all purchasers of Intel’s securities during the Class  
18 Period suffered similar injury through their purchase of Intel’s securities at artificially inflated prices  
19 and a presumption of reliance applies.

20          46.     A Class-wide presumption of reliance is also appropriate in this action under the  
21 Supreme Court’s holding in *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128 (1972),  
22 because the Class’s claims are, in large part, grounded on Defendants’ material misstatements and/or  
23 omissions. Because this action involves Defendants’ failure to disclose material adverse information  
24 regarding the Company’s business operations and financial prospects—information that Defendants  
25 were obligated to disclose—positive proof of reliance is not a prerequisite to recovery. All that is  
26 necessary is that the facts withheld be material in the sense that a reasonable investor might have  
27 considered them important in making investment decisions. Given the importance of the Class Period  
28 material misstatements and omissions set forth above, that requirement is satisfied here.

1 **NO SAFE HARBOR**

2 47. The statutory safe harbor provided for forward-looking statements under certain  
3 circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. The  
4 statements alleged to be false and misleading herein all relate to then-existing facts and conditions. In  
5 addition, to the extent certain of the statements alleged to be false may be characterized as forward  
6 looking, they were not identified as “forward-looking statements” when made and there were no  
7 meaningful cautionary statements identifying important factors that could cause actual results to differ  
8 materially from those in the purportedly forward-looking statements. In the alternative, to the extent  
9 that the statutory safe harbor is determined to apply to any forward-looking statements pleaded herein,  
10 Defendants are liable for those false forward-looking statements because at the time each of those  
11 forward-looking statements was made, the speaker had actual knowledge that the forward-looking  
12 statement was materially false or misleading, and/or the forward-looking statement was authorized or  
13 approved by an executive officer of Intel who knew that the statement was false when made.

14 **FIRST CLAIM**

15 **Violation of Section 10(b) of The Exchange Act and**

16 **Rule 10b-5 Promulgated Thereunder**

17 **Against All Defendants**

18 48. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set  
19 forth herein.

20 49. During the Class Period, Defendants carried out a plan, scheme and course of conduct  
21 which was intended to and, throughout the Class Period, did: (i) deceive the investing public,  
22 including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and other  
23 members of the Class to purchase Intel’s securities at artificially inflated prices. In furtherance of this  
24 unlawful scheme, plan and course of conduct, Defendants, and each defendant, took the actions set  
25 forth herein.

26 50. Defendants (i) employed devices, schemes, and artifices to defraud; (ii) made untrue  
27 statements of material fact and/or omitted to state material facts necessary to make the statements not  
28 misleading; and (iii) engaged in acts, practices, and a course of business which operated as a fraud and

1 deceit upon the purchasers of the Company's securities in an effort to maintain artificially high market  
2 prices for Intel's securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5. All  
3 Defendants are sued either as primary participants in the wrongful and illegal conduct charged herein  
4 or as controlling persons as alleged below.

5         51. Defendants, individually and in concert, directly and indirectly, by the use, means or  
6 instrumentalities of interstate commerce and/or of the mails, engaged and participated in a continuous  
7 course of conduct to conceal adverse material information about Intel's financial well-being and  
8 prospects, as specified herein.

9         52. Defendants employed devices, schemes and artifices to defraud, while in possession of  
10 material adverse non-public information and engaged in acts, practices, and a course of conduct as  
11 alleged herein in an effort to assure investors of Intel's value and performance and continued  
12 substantial growth, which included the making of, or the participation in the making of, untrue  
13 statements of material facts and/or omitting to state material facts necessary in order to make the  
14 statements made about Intel and its business operations and future prospects in light of the  
15 circumstances under which they were made, not misleading, as set forth more particularly herein, and  
16 engaged in transactions, practices and a course of business which operated as a fraud and deceit upon  
17 the purchasers of the Company's securities during the Class Period.

18         53. Each of the Individual Defendants' primary liability and controlling person liability  
19 arises from the following facts: (i) the Individual Defendants were high-level executives and/or  
20 directors at the Company during the Class Period and members of the Company's management team  
21 or had control thereof; (ii) each of these defendants, by virtue of their responsibilities and activities as  
22 a senior officer and/or director of the Company, was privy to and participated in the creation,  
23 development and reporting of the Company's internal budgets, plans, projections and/or reports; (iii)  
24 each of these defendants enjoyed significant personal contact and familiarity with the other defendants  
25 and was advised of, and had access to, other members of the Company's management team, internal  
26 reports and other data and information about the Company's finances, operations, and sales at all  
27 relevant times; and (iv) each of these defendants was aware of the Company's dissemination of  
28

1 information to the investing public which they knew and/or recklessly disregarded was materially  
2 false and misleading.

3         54. Defendants had actual knowledge of the misrepresentations and/or omissions of  
4 material facts set forth herein, or acted with reckless disregard for the truth in that they failed to  
5 ascertain and to disclose such facts, even though such facts were available to them. Such defendants'  
6 material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose  
7 and effect of concealing Intel's financial well-being and prospects from the investing public and  
8 supporting the artificially inflated price of its securities. As demonstrated by Defendants'  
9 overstatements and/or misstatements of the Company's business, operations, financial well-being, and  
10 prospects throughout the Class Period, Defendants, if they did not have actual knowledge of the  
11 misrepresentations and/or omissions alleged, were reckless in failing to obtain such knowledge by  
12 deliberately refraining from taking those steps necessary to discover whether those statements were  
13 false or misleading.

14         55. As a result of the dissemination of the materially false and/or misleading information  
15 and/or failure to disclose material facts, as set forth above, the market price of Intel's securities was  
16 artificially inflated during the Class Period. In ignorance of the fact that market prices of the  
17 Company's securities were artificially inflated, and relying directly or indirectly on the false and  
18 misleading statements made by Defendants, or upon the integrity of the market in which the securities  
19 trades, and/or in the absence of material adverse information that was known to or recklessly  
20 disregarded by Defendants, but not disclosed in public statements by Defendants during the Class  
21 Period, Plaintiff and the other members of the Class acquired Intel's securities during the Class Period  
22 at artificially high prices and were damaged thereby.

23         56. At the time of said misrepresentations and/or omissions, Plaintiff and other members of  
24 the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff and the other  
25 members of the Class and the marketplace known the truth regarding the problems that Intel was  
26 experiencing, which were not disclosed by Defendants, Plaintiff and other members of the Class  
27 would not have purchased or otherwise acquired their Intel securities, or, if they had acquired such  
28

1 securities during the Class Period, they would not have done so at the artificially inflated prices which  
2 they paid.

3 57. By virtue of the foregoing, Defendants violated Section 10(b) of the Exchange Act and  
4 Rule 10b-5 promulgated thereunder.

5 58. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the  
6 other members of the Class suffered damages in connection with their respective purchases and sales  
7 of the Company's securities during the Class Period.

8 **SECOND CLAIM**

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

10 **Against the Individual Defendants**

11 59. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set  
12 forth herein.

13 60. Individual Defendants acted as controlling persons of Intel within the meaning of  
14 Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions and their  
15 ownership and contractual rights, participation in, and/or awareness of the Company's operations and  
16 intimate knowledge of the false financial statements filed by the Company with the SEC and  
17 disseminated to the investing public, Individual Defendants had the power to influence and control  
18 and did influence and control, directly or indirectly, the decision-making of the Company, including  
19 the content and dissemination of the various statements which Plaintiff contends are false and  
20 misleading. Individual Defendants were provided with or had unlimited access to copies of the  
21 Company's reports, press releases, public filings, and other statements alleged by Plaintiff to be  
22 misleading prior to and/or shortly after these statements were issued and had the ability to prevent the  
23 issuance of the statements or cause the statements to be corrected.

24 61. In particular, Individual Defendants had direct and supervisory involvement in the day-  
25 to-day operations of the Company and, therefore, had the power to control or influence the particular  
26 transactions giving rise to the securities violations as alleged herein, and exercised the same.

27 62. As set forth above, Intel and Individual Defendants each violated Section 10(b) and  
28 Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of their position as

1 controlling persons, Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act.  
2 As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and other members of the  
3 Class suffered damages in connection with their purchases of the Company's securities during the  
4 Class Period.

5 **PRAYER FOR RELIEF**

6 WHEREFORE, Plaintiff prays for relief and judgment, as follows:

- 7 (a) Determining that this action is a proper class action under Rule 23 of the Federal Rules  
8 of Civil Procedure;
- 9 (b) Awarding compensatory damages in favor of Plaintiff and the other Class members  
10 against all defendants, jointly and severally, for all damages sustained as a result of  
11 Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;
- 12 (c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this  
13 action, including counsel fees and expert fees; and
- 14 (d) Such other and further relief as the Court may deem just and proper.

15 **JURY TRIAL DEMANDED**

16 Plaintiff hereby demands a trial by jury.  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

DATED: \_\_\_\_\_, 2020

**GLANCY PRONGAY & MURRAY LLP**

By:     DRAFT    

---

Robert V. Prongay  
Charles H. Linehan  
Pavithra Rajesh  
1925 Century Park East, Suite 2100  
Los Angeles, California 90067  
Telephone: (310) 201-9150  
Facsimile: (310) 201-9160  
Email: info@glancylaw.com

**LAW OFFICES OF HOWARD G. SMITH**

Howard G. Smith  
3070 Bristol Pike, Suite 112  
Bensalem, PA 19020  
Telephone: (215) 638-4847  
Facsimile: (215) 638-4867

*Counsel for Plaintiff*