

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF PENNSYLVANIA

PLAINTIFF, Individually and on  
Behalf of All Others Similarly Situated,

Plaintiff,

v.

UNISYS CORPORATION, PETER A.  
ALTABEF, and DEBRA WINKLER  
MCCANN,

Defendants.

Case No.

**CLASS ACTION COMPLAINT**

**JURY TRIAL DEMANDED**

Plaintiff, individually and on behalf of all others similarly situated, by Plaintiff's undersigned attorneys, for Plaintiff's complaint against Defendants, alleges the following based upon personal knowledge as to Plaintiff and Plaintiff's own acts, and information and belief as to all other matters, based upon, inter alia, the investigation conducted by and through Plaintiff's attorneys, which included, among other things, a review of the Defendants' public documents, conference calls and announcements made by Defendants, United States ("U.S.") Securities and Exchange Commission ("SEC") filings, wire and press releases published by and regarding Unisys Corporation ("Unisys" or the "Company"), analysts' reports and advisories about the Company, and information readily obtainable on the Internet. Plaintiff believes that substantial, additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

**NATURE OF THE ACTION**

1. This is a federal securities class action on behalf of a class consisting of all persons and entities other than Defendants that purchased or otherwise acquired Unisys securities between

August 3, 2022 and November 7, 2022, both dates inclusive (the “Class Period”), seeking to recover damages caused by Defendants’ violations of the federal securities laws and to pursue remedies under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated thereunder, against the Company and certain of its top officials.

2. Unisys, together with its subsidiaries, operates as an information technology services company worldwide. The Company operates in Digital Workplace Solutions (DWS); Cloud and Infrastructure Solutions (C&I); and Enterprise Computing Solutions (ECS) segments.

3. On August 3, 2022, in a press release announcing the Company’s Q2 2022 financial results, the Company provided its 2022 financial guidance, stating, in relevant part, “[r]evenue growth is now expected to be in the range of (1.0)% to 1.0% YoY or in the range of 2.5 to 4.5% in constant currency. The company now anticipates that non-GAAP operating profit margin will be between 7.5 to 9.0% and adjusted EBITDA margin in the range of 16.0 to 17.5%.”

4. Throughout the Class Period, Defendants made materially false and misleading statements regarding the Company’s business, operations, and prospects. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (i) the Company’s 2022 financial guidance was significantly overstated; (ii) accordingly, once the truth was revealed, it was likely that the Company would be required to negatively revise its 2022 financial guidance; (iii) in addition to the foregoing, material weaknesses existed in the Company’s internal control over financial reporting; and (iv) as a result of all of the foregoing, the Company’s public statements were materially false and misleading at all relevant times.

5. On November 7, 2022, post-market, Unisys issued a press release disclosing that the Company was lowering its previously stated 2022 financial guidance by a significant margin and that it would be “unable to file, without unreasonable effort and expense and within the

prescribed time period, its Quarterly Report on Form 10-Q for the quarter ended September 30, 2022 (the ‘Form 10-Q’).” Specifically, the press release stated that the Company’s audit and finance committee “is conducting an internal investigation regarding certain disclosure controls and procedures matters” and that “[f]ollowing the evaluation of the results of the investigation, the Company expects that it may determine that there are one or more material weaknesses in its internal control over financial reporting, which may result in a conclusion that the Company’s disclosure controls and procedures and internal control over financial reporting are not effective.”

6. On this news, Unisys’s stock price fell \$4.33 per share, or 48%, to close at \$7.89 per share on November 8, 2022.

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

#### JURISDICTION AND VENUE

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

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

10. Venue is proper in this Judicial District pursuant to Section 27 of the Exchange Act (15 U.S.C. § 78aa) and 28 U.S.C. § 1391(b). Unisys is headquartered in this Judicial District, Defendants conduct business in this Judicial District, and a significant portion of Defendants’ actions took place within this Judicial District.

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

### PARTIES

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

13. Defendant Unisys is a Delaware corporation with principal executive offices located at 801 Lakeview Drive, Suite 100, Blue Bell, Pennsylvania 19422. The Company's common stock trades in an efficient market on the New York Stock Exchange ("NYSE") under the ticker symbol "UIS".

14. Defendant Peter A. Altabef ("Altabef") served as Unisys's Chairman, President, and Chief Executive Officer at all relevant times.

15. Defendant Debra Winkler McCann ("McCann") has served as Unisys's Chief Financial Officer at all relevant times.

16. Defendants Altabef and McCann are sometimes referred to herein as the "Individual Defendants."

17. The Individual Defendants possessed the power and authority to control the contents of Unisys's SEC filings, press releases, and other market communications. The Individual Defendants were provided with copies of Unisys's SEC filings and press releases alleged herein to be misleading prior to or shortly after their issuance and had the ability and opportunity to prevent their issuance or to cause them to be corrected. Because of their positions

with Unisys, and their access to material information available to them but not to the public, the Individual Defendants knew that the adverse facts specified herein had not been disclosed to and were being concealed from the public, and that the positive representations being made were then materially false and misleading. The Individual Defendants are liable for the false statements and omissions pleaded herein.

18. Unisys and the Individual Defendants are collectively referred to herein as “Defendants.”

## SUBSTANTIVE ALLEGATIONS

### Background

19. Unisys, together with its subsidiaries, operates as an information technology services company worldwide. The Company operates in Digital Workplace Solutions (DWS); Cloud and Infrastructure Solutions (C&I); and Enterprise Computing Solutions (ECS) segments.

### Materially False and Misleading Statements Issued During the Class Period

20. The Class Period begins on August 3, 2022, when Unisys issued a press release announcing the Company’s Q2 2022 financial results. The press release stated, in relevant part:

Unisys [. . .] today reported second-quarter 2022 financial results. “We exceeded consensus estimates on all key metrics for the second quarter, grew revenue on a constant-currency basis, and we grew our ACV and TCV signings and pipeline,” said Unisys Chair and CEO Peter A. Altabef. “Most significantly, we have momentum in our key focus areas within Digital Workplace Solutions and Cloud, Applications & Infrastructure Solutions.”

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### 2022 Financial Guidance

- The Company has updated its FY22 revenue and profitability guidance. Revenue growth is now expected to be in the range of (1.0)% to 1.0% YoY or in the range of 2.5 to 4.5% in constant currency. The company now anticipates that non-GAAP operating profit margin will be between 7.5 to 9.0% and adjusted EBITDA margin in the range of 16.0 to 17.5%.

21. That same day, Unisys filed a Quarterly Report on Form 10-Q with the SEC, reporting the Company's financial and operating results for the quarter ended June 30, 2022 (the "Q2 2022 10-Q"). With respect the Company's controls and procedures, the Q2 2022 10-Q stated, in relevant part:

The company's management, with the participation of the company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)) as of the end of the period covered by this report. Based on this evaluation, the company's Chief Executive Officer and Chief Financial Officer concluded that, as of the end of such period, the company's disclosure controls and procedures are effective. There were no changes in the company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the fiscal quarter to which this report relates that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting.

22. Appended to the Q2 2022 10-Q as exhibits were signed certifications pursuant to the Sarbanes-Oxley Act of 2002 by the Individual Defendants, attesting that, "the information contained in the [Q2 2022 10-Q] fairly presents, in all material respects, the financial condition and results of operations of the Company."

23. On August 4, 2022, Unisys hosted an earnings call with investors and analysts to discuss the Company's Q2 2022 results (the "Q2 2022 Earnings Call"). During the scripted portion of the Q2 2022 Earnings Call, Defendant Altabef stated, in relevant part:

In addition to exceeding consensus on all key metrics in the second quarter, we grew revenue in constant currency and grew ACV and TCV signings and pipeline. Perhaps most significantly we are showing momentum within our key focus areas of modern workplace within digital workplace solutions and digital platforms and applications within cloud applications and infrastructure solutions.

24. Later during the scripted portion of the Q2 2022 Earnings Call, Defendant McCann stated, in relevant part:

As Peter highlighted, our strategy continues to gain momentum. We are encouraged by the year-over-year increases in ACV, TCV and pipeline in the quarter and the fact that we grew revenue year-over-year in constant currency and beat consensus on all key metrics.

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With respect to the Company overall, as we look to the second half of the year, we expect revenue in the third quarter to be up 50 to 150 basis points year-over-year in constant currency, though down 375 to 475 basis points year-over-year as reported, in part as a result of ECS renewal timing with more significant constant currency and reported revenue growth in the fourth quarter, leading second half revenue to be up year-over-year overall.

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Overall, we are excited about the momentum we are seeing in the business reflected in the improvement in go-to-market metrics we have noted. While some of the signings, revenue and profitability progress we anticipate in making by this point in the year has been delayed, we feel good about the underlying demand drivers in our areas of focus, believe we have the right solution to effectively address them and see the market recognizing it. We look forward to the completion of our sales and marketing initiatives planned for the second half of the year and the additional momentum that we expect these to drive.

25. The statements referenced in ¶¶ 20-24 were materially false and misleading because Defendants made false and/or misleading statements, as well as failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (i) the Company's 2022 financial guidance was significantly overstated; (ii) accordingly, once the truth was revealed, it was likely that the Company would be required to negatively revise its 2022 financial guidance; (iii) in addition to the foregoing, material weaknesses existed in the Company's internal control over financial reporting; and (iv) as a result of all of the foregoing, the Company's public statements were materially false and misleading at all relevant times.

## The Truth Emerges

26. On November 7, 2022, post-market, Unisys issued a press release announcing the Company's Q3 2022 results in which the Company lowered its previously stated 2022 financial guidance by a significant margin. Specifically, the press release stated, in relevant part:

### 2022 Financial Guidance

- The company has updated its FY22 revenue and profitability guidance. Revenue growth is now expected to be in the range of -5.5% to -3.5% YoY or in the range of -1.0% to +1.0% in constant currency. The company now anticipates that non-GAAP operating profit margin will be between 6.0% to 8.0% and adjusted EBITDA margin in the range of 14.5% to 16.5%.

27. In addition, the press release disclosed that Company would be unable to timely file its quarterly report for the quarter ended September 30, 2022. Specifically, the press release stated, in relevant part:

### 12b - 25 Filing

In addition, the Company announced the filing of a Form 12b-25 that states the Company is unable to file, without unreasonable effort and expense and within the prescribed time period, its Quarterly Report on Form 10-Q for the quarter ended September 30, 2022 (the "Form 10-Q"). The Audit & Finance Committee of the Company's Board of Directors (the "Audit Committee") is conducting an internal investigation regarding certain disclosure controls and procedures matters, including, but not limited to, the dissemination and communication of information within certain parts of the organization. The investigation is ongoing. Following the evaluation of the results of the investigation, the Company expects that it may determine that there are one or more material weaknesses in its internal control over financial reporting, which may result in a conclusion that the Company's disclosure controls and procedures and internal control over financial reporting are not effective.

The Audit Committee requires additional time to complete its investigation and the Company and its independent registered public accounting firm require incremental time to complete their respective reviews of the Company's internal controls and procedures. Notwithstanding the foregoing, the Company does not expect the investigation to result in any changes to the financial results in the Company's previously reported financial statements or impact the financial results in the Company's unaudited financial statements for the period as of and ended September 30, 2022. While the Company is working to finalize its investigation

and evaluation of its disclosure controls and procedures and complete remediation actions as soon as possible, it does not expect to be in a position to file the Form 10-Q within the five calendar days following the prescribed due date.

28. On this news, Unisys's stock price fell \$4.33 per share, or 48%, to close at \$7.89 per share on November 8, 2022.

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

### PLAINTIFF'S CLASS ACTION ALLEGATIONS

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

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

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

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

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

- whether the federal securities laws were violated by Defendants' acts as alleged herein;
- whether statements made by Defendants to the investing public during the Class Period misrepresented material facts about the business, operations and management of Unisys;
- whether the Individual Defendants caused Unisys to issue false and misleading financial statements during the Class Period;
- whether Defendants acted knowingly or recklessly in issuing false and misleading financial statements;
- whether the prices of Unisys securities during the Class Period were artificially inflated because of the Defendants' conduct complained of herein; and
- whether the members of the Class have sustained damages and, if so, what is the proper measure of damages.

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

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

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

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

38. Alternatively, Plaintiff and the members of the Class are entitled to the presumption of reliance established by the Supreme Court in *Affiliated Ute Citizens of the State of Utah v. United States*, 406 U.S. 128, 92 S. Ct. 2430 (1972), as Defendants omitted material information in their Class Period statements in violation of a duty to disclose such information, as detailed above.

### COUNT I

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

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

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

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

42. Pursuant to the above plan, scheme, conspiracy and course of conduct, each of the Defendants participated directly or indirectly in the preparation and/or issuance of the quarterly and annual reports, SEC filings, press releases and other statements and documents described above, including statements made to securities analysts and the media that were designed to influence the market for Unisys securities. Such reports, filings, releases and statements were materially false and misleading in that they failed to disclose material adverse information and misrepresented the truth about Unisys's finances and business prospects.

43. By virtue of their positions at Unisys, Defendants had actual knowledge of the materially false and misleading statements and material omissions alleged herein and intended

thereby to deceive Plaintiff and the other members of the Class, or, in the alternative, Defendants acted with reckless disregard for the truth in that they failed or refused to ascertain and disclose such facts as would reveal the materially false and misleading nature of the statements made, although such facts were readily available to Defendants. Said acts and omissions of Defendants were committed willfully or with reckless disregard for the truth. In addition, each Defendant knew or recklessly disregarded that material facts were being misrepresented or omitted as described above.

44. Information showing that Defendants acted knowingly or with reckless disregard for the truth is peculiarly within Defendants' knowledge and control. As the senior managers and/or directors of Unisys, the Individual Defendants had knowledge of the details of Unisys's internal affairs.

45. The Individual Defendants are liable both directly and indirectly for the wrongs complained of herein. Because of their positions of control and authority, the Individual Defendants were able to and did, directly or indirectly, control the content of the statements of Unisys. As officers and/or directors of a publicly-held company, the Individual Defendants had a duty to disseminate timely, accurate, and truthful information with respect to Unisys's businesses, operations, future financial condition and future prospects. As a result of the dissemination of the aforementioned false and misleading reports, releases and public statements, the market price of Unisys securities was artificially inflated throughout the Class Period. In ignorance of the adverse facts concerning Unisys's business and financial condition which were concealed by Defendants, Plaintiff and the other members of the Class purchased or otherwise acquired Unisys securities at artificially inflated prices and relied upon the price of the securities, the integrity of the market for the securities and/or upon statements disseminated by Defendants, and were damaged thereby.

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

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

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

## COUNT II

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

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

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

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

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

53. Each of the Individual Defendants, therefore, acted as a controlling person of Unisys. By reason of their senior management positions and/or being directors of Unisys, each of the Individual Defendants had the power to direct the actions of, and exercised the same to cause, Unisys to engage in the unlawful acts and conduct complained of herein. Each of the Individual Defendants exercised control over the general operations of Unisys and possessed the power to control the specific activities which comprise the primary violations about which Plaintiff and the other members of the Class complain.

54. By reason of the above conduct, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act for the violations committed by Unisys.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiff demands judgment against Defendants as follows:

- A. Determining that the instant action may be maintained as a class action under Rule 23 of the Federal Rules of Civil Procedure, and certifying Plaintiff as the Class representative;
- B. Requiring Defendants to pay damages sustained by Plaintiff and the Class by reason of the acts and transactions alleged herein;
- C. Awarding Plaintiff and the other members of the Class prejudgment and post-judgment interest, as well as their reasonable attorneys' fees, expert fees and other costs; and
- D. Awarding such other and further relief as this Court may deem just and proper.

**DEMAND FOR TRIAL BY JURY**

Plaintiff hereby demands a trial by jury.