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9 **UNITED STATES DISTRICT COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA**

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

13 Plaintiff,

14 v.

15 THE TRADE DESK, INC., JEFF T.
16 GREEN, and LAURA SCHENKEIN,

17 Defendants.

Case No.

**CLASS ACTION COMPLAINT
FOR VIOLATIONS OF THE
FEDERAL SECURITIES LAWS**

DEMAND FOR JURY TRIAL

28

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

11 NATURE OF THE ACTION AND OVERVIEW

12 1. This is a class action on behalf of persons and entities that purchased or
13 otherwise acquired Trade Desk securities or options between May 8, 2024 and
14 February 12, 2025, inclusive (the “Class Period”). Plaintiff pursues claims against the
15 Defendants under the Securities Exchange Act of 1934 (the “Exchange Act”).

16 2. The Trade Desk is a technology company which operates a self-service,
17 cloud-based platform targeted at advertisers. The Company’s platform integrates with
18 inventory, publisher, and data partners to provide ad buyers with the ability to create,
19 manage and optimize data-driven digital advertising campaigns across ad formats and
20 channels.

21 3. On June 6, 2023, the Company launched Kokai, a new digital advertising
22 platform experience which purported to incorporate major advances in distributed
23 artificial intelligence (AI), measurements, and advertising partner integrations. The
24 Company advertised Kokai as its “largest and most important platform overhaul
25 ever.” Over the next year and a half, as the Company rolled out Kokai, Trade Desk
26 touted the manner in which Kokai was allegedly driving success for itself and its
27 customers.

28

1 authority to control the contents of the Company’s reports to the SEC, press releases
2 and presentations to securities analysts, money and portfolio managers and
3 institutional investors, i.e., the market. The Individual Defendants were provided with
4 copies of the Company’s reports and press releases alleged herein to be misleading
5 prior to, or shortly after, their issuance and had the ability and opportunity to prevent
6 their issuance or cause them to be corrected. Because of their positions and access to
7 material non-public information available to them, the Individual Defendants knew
8 that the adverse facts specified herein had not been disclosed to, and were being
9 concealed from, the public, and that the positive representations which were being
10 made were then materially false and/or misleading. The Individual Defendants are
11 liable for the false statements pleaded herein.

12 **SUBSTANTIVE ALLEGATIONS**

13 **Background**

14 17. The Trade Desk is a technology company which operates a self-service,
15 cloud-based platform targeted at advertisers. The Company’s platform integrates with
16 inventory, publisher, and data partners to provide ad buyers with the ability to create,
17 manage and optimize data-driven digital advertising campaigns across ad formats and
18 channels.

19 18. On June 6, 2023, the Company launched Kokai, a new digital advertising
20 platform experience which purported to incorporate major advances in distributed
21 artificial intelligence (AI), measurements, and advertising partner integrations. The
22 Company advertised Kokai as its “largest and most important platform overhaul
23 ever.” Over the next year and a half, as the Company rolled out Kokai, Trade Desk
24 touted the manner in which Kokai was allegedly driving success for itself and its
25 customers.

Materially False and Misleading
Statements Issued During the Class Period

19. The Class Period begins on May 8, 2024. On that day, the Company issued a press release announcing its financial results for the quarter ended March 31, 2024. The press release reported the Company’s financial results and touted the Company’s “*greater deployment of first-party data and retail data, and with significant AI advances in our Kokai platform.*”¹ Specifically, the press release stated in relevant part:

“Q1 was a strong quarter for The Trade Desk as we delivered revenue of \$491 million, accelerating growth to 28% year-over-year. Our outstanding performance to start the year underlines the value advertisers are placing on premium inventory on the open internet,” said Jeff Green, Co-founder and CEO of The Trade Desk. “With the continued strong growth of CTV, the growing ubiquity of UID2, new approaches to authentication, *greater deployment of first-party data and retail data, and with significant AI advances in our Kokai platform, we are better positioned than ever to deliver premium value to advertisers and continue to gain market share.*”

First Quarter 2024 Financial Highlights:

The following table summarizes our consolidated financial results for the three months ended March 31, 2024 and 2023 (\$ in millions, except per share amounts):

	Three Months Ended	
	March 31,	
	2024	2023
GAAP Results		
Revenue	\$ 491	\$ 383
Increase in revenue year over year	28 %	21 %
Net income	\$ 32	\$ 9
GAAP diluted earnings per share	\$ 0.06	\$ 0.02
Non-GAAP Results		
Adjusted EBITDA	\$ 162	\$ 109
Adjusted EBITDA margin	33 %	28 %
Non-GAAP net income	\$ 131	\$ 114
Non-GAAP diluted earnings per share	\$ 0.26	\$ 0.23

¹ Unless otherwise stated, all emphasis in bold and italics hereinafter is added.

1 20. On May 10, 2024, the Company submitted its quarterly report for the
2 period ended March 31, 2024 on a Form 10-Q filed with the SEC (the “1Q24 10-Q”).
3 The 1Q24 10-Q affirmed the previously reported financial results. The 1Q24 10-Q
4 also reported the Company’s “*Trends, Opportunities and Challenges*” stating in
5 relevant part:

6 ***Trends, Opportunities and Challenges***

7 The growing digitization of media and fragmentation of audiences has
8 increased the complexity of advertising and thereby increased the need
9 for automation in ad buying, which we provide on our platform. In order
10 to grow, we will need to continue to develop our platform’s
11 programmatic capabilities and expand our advertising inventory and data
12 offerings. We believe that key opportunities include our ongoing global
expansion, continuing development of our omnichannel ad inventory
(including in channels such as video, including CTV, mobile, audio and
others), adoption and utilization of retail media and continuing
development and adoption of the data usage, measurement and targeting
capabilities provided by our platform.

13 We believe that growth of the programmatic advertising market is
14 important for our ability to grow our business. Adoption of
15 programmatic advertising by advertisers allows us to acquire new clients
16 and grow revenue from existing clients. Although our clients include
17 some of the largest advertising agencies in the world, we believe there is
significant room for us to further expand our relationships with existing
clients and gain a larger amount of their advertising spend. We also
believe that the industry trends noted above will lead to advertisers
adopting programmatic advertising through platforms such as ours.

18 Similarly, the adoption of programmatic advertising by inventory owners
19 and content providers allows us to expand the volume and type of
20 advertising inventory we present to our clients. For example, we have
expanded our CTV, mobile, native and audio advertising offerings
through our integrations with supply-side partners.

21 We invest for long-term growth. We anticipate that our operating
22 expenses will continue to increase in the foreseeable future as we invest
23 in platform operations and technology and development to enhance our
24 product features, including programmatic buying of CTV ad inventory,
25 and in sales and marketing to acquire new clients and reinforce our
relationships with existing clients. In addition, we expect to continue
making investments in our infrastructure, including our information
technology, financial and administrative systems and controls, to support
our growing operations.

26 We believe the markets outside of the United States (“U.S.”), and in
27 particular across Europe and Asia in markets such as the United
28 Kingdom (“U.K.”), Germany, France, China, Japan, India and Australia,
offer opportunities for growth. However, such markets may also pose
challenges related to compliance with local laws and regulations,

1 restrictions on foreign ownership or investment, uncertainty related to
2 trade relations and a variety of additional risks. We intend to make
3 additional investments in sales and marketing and product development
to expand in international markets where we are making significant
investments in our platform and growing our team.

4 We believe that these investments will contribute to our long-term
5 growth, although they may negatively impact profitability in the near
term.

6 Our business model has allowed us to grow significantly, and we believe
7 that our operating leverage enables us to support future long-term growth
profitably.

8 21. The 1Q24 10-Q further reported the alleged condition of the Company's
9 "*Platform Operations*," stating as follows in relevant part:

10 ***Platform Operations***

11 Platform operations expense increased by \$19 million, or 22%, for the
12 three months ended March 31, 2024, as compared to the three months
13 ended March 31, 2023. The increase was primarily due to increases of
14 \$14 million in hosting costs and \$4 million in personnel costs, which
15 included a \$2 million increase in stock-based compensation. The
16 increase in hosting costs was primarily attributable to support costs
17 related to the increased use of our platform by our clients, increased use
of features by our technical teams in support of our platform and
investment in new data centers to support our platform. The increase in
personnel costs was primarily due to the increase in stock-based
compensation driven by new equity grants, headcount growth and an
increase in travel and employee engagement costs, including in-person
events.

18 We expect platform operations expenses to increase in absolute dollars
19 in future periods as we continue to experience increased volumes of
20 media impressions through our platform and hire additional personnel to
support our growth.

21 22. On June 28, 2024, the Company issued a press release entitled "*Traders
22 tout how Kokai is driving campaign success*" which advertised the popularity of
23 Kokai amongst users and the unqualified success of its roll out. The press release
24 stated the following, in relevant part:

25 ***Traders tout how Kokai is driving campaign success***

26 *Exactly one year since The Trade Desk announced its vision for Kokai,
27 the demand-side platform welcomed clients and partners to its New York
City office to share more about its latest — and **most transformative** —
platform update, made available to clients in early June.*

1 While over the last year the ad world voiced shared concerns around
 2 made-for-advertising websites, the value of user-generated content, and
 3 how to save journalism on the open internet (among other important
 4 topics), The Trade Desk was building and shipping new innovations
 5 aimed at making the industry stronger and the internet a better, easier
 6 place to buy media. ***Already, Kokai — The Trade Desk’s new UI — has
 7 yielded notable campaign results, as told by the traders who have been
 8 using our new tools.***

9 Overall, campaigns in Kokai Beta saw improved KPI performance, with
 10 notable optimizations across the board. This includes a 24% drop in cost
 11 per unique reach, 36% lower cost per click (CPC), and a 34% reduction
 12 in cost per action (CPA), on average. While it’s clear our platform is
 13 driving results against a set of full-funnel KPIs, there are several key
 14 differentiators driving trader adoption, confidence, and success on the
 15 platform.

16 23. On August 8, 2024, the Company issued a press release announcing its
 17 financial results for the quarter ended June 30, 2024. The press release reported the
 18 Company’s financial results and touted the progress of “Kokai[’s] ramp” and
 19 “ongoing innovations in Kokai.” Specifically the press release stated in relevant part:

20 “Q2 was another strong quarter for The Trade Desk, with revenue of
 21 \$585 million, representing 26% year-over-year growth,” said Jeff Green,
 22 Co-founder and CEO of The Trade Desk. “We’ve made significant
 23 strides in CTV, retail media and identity, empowering the world’s largest
 24 brands to buy premium media on the open internet with unprecedented
 25 agility and precision. ***As Kokai ramps, we’re intuitively surfacing value
 26 for advertisers, integrating data into every decision, advancing the full
 27 power of AI as a co-pilot, and enabling advertisers to maximize the
 28 potential of their first party data. With ongoing innovations in Kokai,
 the widespread adoption of UID2, and the expanding use of retail data,
 we will continue to deliver exceptional value to advertisers and grow
 our leadership in key high growth markets such as CTV.***”

	*		*		*	
	Three Months Ended June 30,		Six Months Ended June 30,			
	2024	2023	2024	2023		
GAAP Results						
Revenue	\$ 585	\$ 464	\$ 1,076	\$ 847		
Increase in revenue year over year	26 %	23 %	27 %	22 %		
Net income	\$ 85	\$ 33	\$ 117	\$ 42		
GAAP diluted earnings per share	\$ 0.17	\$ 0.07	\$ 0.23	\$ 0.08		
Non-GAAP Results						
Adjusted EBITDA	\$ 242	\$ 180	\$ 404	\$ 288		
Adjusted EBITDA margin	41 %	39 %	38 %	34 %		
Non-GAAP net income	\$ 197	\$ 139	\$ 328	\$ 254		
Non-GAAP diluted earnings per share	\$ 0.39	\$ 0.28	\$ 0.66	\$ 0.51		

1 24. On August 8, 2024, the Company submitted its quarterly report for the
2 period ended June 30, 2024 on a Form 10-Q filed with the SEC (the “2Q24 10-Q”).
3 The 2Q24 10-Q reported Company’s “*Trends, Opportunities and Challenges*” in a
4 manner that was substantially the same as reported in the 1Q24 10-Q.

5 25. The 2Q24 10-Q further reported the purported condition of the
6 Company’s “*Platform Operations,*” stating as follows in relevant part:

7 ***Platform Operations***

8 Platform operations expense increased by \$24 million, or 27%, for the
9 three months ended June 30, 2024, as compared to the three months
10 ended June 30, 2023. The increase was primarily due to increases of \$17
11 million in hosting costs and \$6 million in personnel costs, which
12 included a \$2 million increase in stock-based compensation. The
13 increase in hosting costs was primarily attributable to support costs
14 related to the increased use of our platform by our clients, increased use
of features by our technical teams in support of our platform and
investment in new data centers to support the continued growth of our
platform. The increase in personnel costs was primarily due to the
increase in stock-based compensation driven by new equity awards, an
increase in platform support by engineers, headcount growth and an
increase in taxes on equity awards.

15 Platform operations expense increased by \$43 million, or 25%, for the
16 six months ended June 30, 2024, as compared to the six months ended
17 June 30, 2023. The increase was primarily due to increases of \$31
18 million in hosting costs and \$10 million in personnel costs, which
19 included a \$4 million increase in stock-based compensation. The
20 increase in hosting costs was primarily attributable to support costs
21 related to the increased use of our platform by our clients, increased use
of features by our technical teams in support of our platform and
investment in new data centers to support the continued growth of our
platform. The increase in personnel costs was primarily due to the
increase in stock-based compensation driven by new equity awards, an
increase in platform support by engineers, headcount growth, an increase
in taxes on equity awards and an increase in travel and employee
engagement costs, including in-person events.

22 We expect platform operations expenses to increase in absolute dollars
23 in future periods as we continue to experience increased volumes of
24 media impressions through our platform and hire additional personnel to
support our growth.

25 26. On November 7, 2024, the Company announced its third quarter 2024
26 financial results in a press release for the period ended September 30, 2024. The press
27 release reported the Company’s financial results and touted the Company’s
28 “*performance improvements that our clients are seeing with Kokai - our largest*

1 *platform upgrade to date - showcase the value of audience-driven, AI-enabled*
 2 *innovation.*” The press release further offered financial guidance, including
 3 “[*r*]evenue at least \$756 million” in the fourth quarter of 2024. Specifically, the press
 4 release stated in relevant part:

5 “The Trade Desk delivered strong performance in the third quarter, with
 6 revenue of \$628 million, accelerating growth to 27%. This performance
 7 underlines the value that advertisers are placing on precision and
 8 transparency as they work with us to maximize the impact of their
 9 campaigns,” said Jeff Green, Co-founder and CEO of The Trade Desk.
 10 “As we enter our busiest time of year and look ahead to 2025, we have
 11 never been in a better position to capture greater share of the \$1 trillion
 12 advertising TAM. 2024 has been a banner year for CTV. Many of the
 13 largest media companies are now working with us to help clients capture
 14 the full value of CTV advertising via programmatic. We are similarly
 15 excited about the momentum in retail media and the pace of adoption by
 16 advertisers who are taking advantage of our retail data marketplace. *And*
 17 *the performance improvements that our clients are seeing with Kokai*
 18 *- our largest platform upgrade to date - showcase the value of*
 19 *audience-driven, AI-enabled innovation.*”

* * *

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
GAAP Results				
Revenue	\$ 628	\$ 493	\$ 1,704	\$ 1,340
Increase in revenue year over year	27 %	25 %	27 %	23 %
Net income	\$ 94	\$ 39	\$ 211	\$ 82
Net income margin	15 %	8 %	12 %	6 %
GAAP diluted earnings per share	\$ 0.19	\$ 0.08	\$ 0.42	\$ 0.16
Non-GAAP Results				
Adjusted EBITDA	\$ 257	\$ 200	\$ 661	\$ 488
Adjusted EBITDA margin	41 %	40 %	39 %	36 %
Non-GAAP net income	\$ 207	\$ 167	\$ 536	\$ 421
Non-GAAP diluted earnings per share	\$ 0.41	\$ 0.33	\$ 1.07	\$ 0.84

* * *

24 **Financial Guidance:**

25 Fourth Quarter 2024 outlook summary:

- 26 • **Revenue at least \$756 million**
- 27 • **Adjusted EBITDA of approximately \$363 million**

1 27. On November 7, 2024, the Company submitted its quarterly report for
2 the period ended September 30, 2024, on a Form 10-Q filed with the SEC (the “3Q24
3 10-Q”). The 3Q24 10-Q affirmed the previously reported financial results. The 3Q24
4 10-Q also reported Company’s “*Trends, Opportunities and Challenges*” in a manner
5 that was substantially the same as reported in the 1Q24 10-Q, and the 2Q24 10-Q.

6 28. The 3Q24 10-Q further reported the purported condition of the
7 Company’s “*Platform Operations*,” stating as follows in relevant part:

8 ***Platform Operations***

9 Platform operations expense increased by \$29 million, or 31%, for the
10 three months ended September 30, 2024, as compared to the three
11 months ended September 30, 2023. The increase was primarily due to
12 increases of \$22 million in hosting costs and \$6 million in personnel
13 costs, which included a \$2 million increase in stock-based compensation.
14 The increase in hosting costs was primarily attributable to support costs
15 related to the increased use of our platform by our clients, increased use
16 of features by our technical teams in support of our platform and
17 investment in new data centers to support the continued growth of our
18 platform. The increase in personnel costs was primarily due to the
19 increase in stock-based compensation driven by new equity awards, an
20 increase in platform support by engineers and headcount growth.

21 Platform operations expense increased by \$72 million, or 27%, for the
22 nine months ended September 30, 2024, as compared to the nine months
23 ended September 30, 2023. The increase was primarily due to increases
24 of \$53 million in hosting costs and \$16 million in personnel costs, which
25 included a \$6 million increase in stock-based compensation. The
26 increase in hosting costs was primarily attributable to support costs
27 related to the increased use of our platform by our clients, increased use
28 of features by our technical teams in support of our platform and
investment in new data centers to support the continued growth of our
platform. The increase in personnel costs was primarily due to the
increase in stock-based compensation driven by new equity awards, an
increase in platform support by engineers, headcount growth, an increase
in taxes on equity awards and an increase in travel and employee
engagement costs, including in-person events.

 We expect platform operations expenses to increase in absolute dollars
in future periods as we continue to experience increased volumes of
media impressions through our platform and hire additional personnel to
support our growth.

 29. The above statements identified in ¶¶ 19-28 were materially false and/or
misleading, and failed to disclose material adverse facts about the Company’s
business, operations, and prospects. Specifically, Defendants failed to disclose to

investors: (1) that Kokai had “rolled out slower than [Trade Desk] anticipated”; (2) that the Company had “in some cases” deliberately slowed the release of Kokai as it struggled to understand “what the customer needs”; (3) that the Company was experiencing execution issues; and (4) that, as a result of the foregoing, Defendants’ positive statements about the Company’s business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

Disclosures at the End of the Class Period

30. On February 12, 2025, after the market closed, Trade Desk released its fourth-quarter 2024 earnings, in a press release, revealing revenue of only \$741 million. This significantly missed the Company’s prior guidance of “at least” \$756 million issued only months earlier. Specifically, the press release stated, in relevant part:

Fourth Quarter and Full Year 2024 Financial Highlights:

The following table summarizes the Company’s unaudited consolidated financial results for the three and twelve months ended December 31, 2024 and 2023 (\$ in millions, except per share amounts):

	<u>Three Months Ended December 31,</u>		<u>Year Ended December 31,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
GAAP Results				
Revenue	\$ 741	\$ 606	\$ 2,445	\$ 1,946
Increase in revenue year over year	22 %	23 %	26 %	23 %
Net income	\$ 182	\$ 97	\$ 393	\$ 179
Net income margin	25 %	16 %	16 %	9 %
GAAP diluted earnings per share	\$ 0.36	\$ 0.19	\$ 0.78	\$ 0.36
Non-GAAP Results				
Adjusted EBITDA	\$ 350	\$ 284	\$ 1,011	\$ 772
Adjusted EBITDA margin	47 %	47 %	41 %	40 %
Non-GAAP net income	\$ 297	\$ 207	\$ 832	\$ 628
Non-GAAP diluted earnings per share	\$ 0.59	\$ 0.41	\$ 1.66	\$ 1.26

31. On the same date, the Company held an earnings call (the “4Q24 Earnings Call”). During the 4Q24 Earnings Call, Founder and CEO, Defendant Green, revealed that “Kokai rolled out slower than we anticipated,” which was “in some cases” “deliberate,” as the Company faced ongoing efforts to “understand what

1 the customer needs.” Defendant Green further revealed Company had “a series of
2 small execution missteps” and had underwent the “largest reorganization in company
3 history” in part, to address these issues. Specifically, during the 4Q24 Earnings Call,
4 Defendant Green offered prepared remarks, including the following, in relevant part:

5 Our brightest days are still ahead of us, but before I talk about that, I
6 want to spend a few minutes sharing what we got wrong and the changes
7 we are making to meet this moment and maximize our unique and
8 growing opportunity. Starting off, let me explain it as I see it, what falling
9 short of our own expectations does NOT represent. This didn’t happen
because the opportunity isn’t as big as we thought. In this case, it isn’t
because of competition either. ***For Q4, the reality is that we stumbled
due to a series of small execution missteps while simultaneously
preparing for the future.***

10 * *

11 In that effort, I want to highlight four major changes we’ve made at The
12 Trade Desk in the last few months, and some related initiatives that
13 accompany them. First, we did the largest reorganization in company
history in December. While we often make structural changes at the end
of the year to improve our business, this was bigger than usual.

14 32. Later during the 4Q24 Earnings Call Defendant Green was asked by an
15 analyst to provide “a little more detail about what you observed about the difference
16 between you and the industry” given that “going into [the] earnings report, there were
17 a lot of concerns” including potential “issues with Kokai rollout pace.” In response,
18 Defendant Green stated the following, in relevant part:

19 The environment wasn’t perfect, but we knew that when we guided even
20 if it was slightly harder than we thought, we’ve navigated that before. So
21 you are right. And I know there is going to be 1,000 questions, a bunch
22 of you -- well, we actually started a couple of them, and I know there
23 will be more because we’ve done so well for so long at setting
expectations. And when we talk about the missteps specifically, many of
them involve people, mistakes that aren’t appropriate to discuss publicly,
especially when people are already learning from these mistakes.

24 ***One of those -- you’re right, that Kokai rolled out slower than we
25 anticipated. But much of that was for good reason. We’ve seen
26 moments and places to inject AI like improving the foundation of our
27 forecasting and performance models. That is a short-term negative for
28 sure, but it is a long-term negative. We are working -- I’m sorry, it’s a
long-term positive, sorry. We are working really hard to get the deals
right and lay groundwork to move the upfront to digital.***

Again, long term, I think this is amazingly good for us. And I’m
confident we are building the right things. ***In other words, in some cases,***

1 *the slower Kokai rollout was deliberate, a quicker rollout would result*
2 *in more short-term spend, and we don't always build what the*
3 *customers want. Instead, we are trying to understand what the*
4 *customer needs.* Elevating us and them together is a much harder task
5 than simply taking orders. So as it relates to the internal changes, I think
6 it is best to operate a company with our talent and the opportunity that
7 we're facing to build the org and the team of the future, as fast as possible
8 so that we capture the most market share possible at end state.

9 33. On this news, the Company's stock price fell \$40.31, or 32.98%, to close
10 at \$81.92 per share on February 13, 2025, on unusually heavy trading volume.

11 **CLASS ACTION ALLEGATIONS**

12 34. Plaintiff brings this action as a class action pursuant to Federal Rule of
13 Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and
14 entities that purchased or otherwise acquired Trade Desk securities between May 8,
15 2024 and February 12, 2025, inclusive, and who were damaged thereby (the "Class").
16 Excluded from the Class are Defendants, the officers and directors of the Company,
17 at all relevant times, members of their immediate families and their legal
18 representatives, heirs, successors, or assigns, and any entity in which Defendants have
19 or had a controlling interest.

20 35. The members of the Class are so numerous that joinder of all members
21 is impracticable. Throughout the Class Period, Trade Desk's shares actively traded
22 on the NASDAQ. While the exact number of Class members is unknown to Plaintiff
23 at this time and can only be ascertained through appropriate discovery, Plaintiff
24 believes that there are at least hundreds or thousands of members in the proposed
25 Class. Millions of Trade Desk shares were traded publicly during the Class Period
26 on the NASDAQ. Record owners and other members of the Class may be identified
27 from records maintained by Trade Desk or its transfer agent and may be notified of
28 the pendency of this action by mail, using the form of notice similar to that
customarily used in securities class actions.

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

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

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

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

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

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

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

23 **UNDISCLOSED ADVERSE FACTS**

24 40. The market for Trade Desk's securities was open, well-developed and
25 efficient at all relevant times. As a result of these materially false and/or misleading
26 statements, and/or failures to disclose, Trade Desk's securities traded at artificially
27 inflated prices during the Class Period. Plaintiff and other members of the Class
28 purchased or otherwise acquired Trade Desk's securities relying upon the integrity of

1 the market price of the Company's securities and market information relating to Trade
2 Desk, and have been damaged thereby.

3 41. During the Class Period, Defendants materially misled the investing
4 public, thereby inflating the price of Trade Desk's securities, by publicly issuing false
5 and/or misleading statements and/or omitting to disclose material facts necessary to
6 make Defendants' statements, as set forth herein, not false and/or misleading. The
7 statements and omissions were materially false and/or misleading because they failed
8 to disclose material adverse information and/or misrepresented the truth about Trade
9 Desk's business, operations, and prospects as alleged herein.

10 42. At all relevant times, the material misrepresentations and omissions
11 particularized in this Complaint directly or proximately caused or were a substantial
12 contributing cause of the damages sustained by Plaintiff and other members of the
13 Class. As described herein, during the Class Period, Defendants made or caused to
14 be made a series of materially false and/or misleading statements about Trade Desk's
15 financial well-being and prospects. These material misstatements and/or omissions
16 had the cause and effect of creating in the market an unrealistically positive
17 assessment of the Company and its financial well-being and prospects, thus causing
18 the Company's securities to be overvalued and artificially inflated at all relevant
19 times. Defendants' materially false and/or misleading statements during the Class
20 Period resulted in Plaintiff and other members of the Class purchasing the Company's
21 securities at artificially inflated prices, thus causing the damages complained of herein
22 when the truth was revealed.

23 LOSS CAUSATION

24 43. Defendants' wrongful conduct, as alleged herein, directly and
25 proximately caused the economic loss suffered by Plaintiff and the Class.

26 44. During the Class Period, Plaintiff and the Class purchased Trade Desk's
27 securities at artificially inflated prices and were damaged thereby. The price of the
28 Company's securities significantly declined when the misrepresentations made to the

1 market, and/or the information alleged herein to have been concealed from the market,
2 and/or the effects thereof, were revealed, causing investors' losses.

3 **SCIENTER ALLEGATIONS**

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

16 **APPLICABILITY OF PRESUMPTION OF RELIANCE**

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

18 46. The market for Trade Desk's securities was open, well-developed and
19 efficient at all relevant times. As a result of the materially false and/or misleading
20 statements and/or failures to disclose, Trade Desk's securities traded at artificially
21 inflated prices during the Class Period. On December 4, 2024, the Company's share
22 price closed at a Class Period high of \$139.51 per share. Plaintiff and other members
23 of the Class purchased or otherwise acquired the Company's securities relying upon
24 the integrity of the market price of Trade Desk's securities and market information
25 relating to Trade Desk, and have been damaged thereby.

26 47. During the Class Period, the artificial inflation of Trade Desk's shares
27 was caused by the material misrepresentations and/or omissions particularized in this
28 Complaint causing the damages sustained by Plaintiff and other members of the Class.

1 As described herein, during the Class Period, Defendants made or caused to be made
2 a series of materially false and/or misleading statements about Trade Desk's business,
3 prospects, and operations. These material misstatements and/or omissions created an
4 unrealistically positive assessment of Trade Desk and its business, operations, and
5 prospects, thus causing the price of the Company's securities to be artificially inflated
6 at all relevant times, and when disclosed, negatively affected the value of the
7 Company shares. Defendants' materially false and/or misleading statements during
8 the Class Period resulted in Plaintiff and other members of the Class purchasing the
9 Company's securities at such artificially inflated prices, and each of them has been
10 damaged as a result.

11 48. At all relevant times, the market for Trade Desk's securities was an
12 efficient market for the following reasons, among others:

13 (a) Trade Desk shares met the requirements for listing, and was listed
14 and actively traded on the NASDAQ, a highly efficient and automated market;

15 (b) As a regulated issuer, Trade Desk filed periodic public reports
16 with the SEC and/or the NASDAQ;

17 (c) Trade Desk regularly communicated with public investors via
18 established market communication mechanisms, including through regular
19 dissemination of press releases on the national circuits of major newswire services
20 and through other wide-ranging public disclosures, such as communications with the
21 financial press and other similar reporting services; and/or

22 (d) Trade Desk was followed by securities analysts employed by
23 brokerage firms who wrote reports about the Company, and these reports were
24 distributed to the sales force and certain customers of their respective brokerage firms.
25 Each of these reports was publicly available and entered the public marketplace.

26 49. As a result of the foregoing, the market for Trade Desk's securities
27 promptly digested current information regarding Trade Desk from all publicly
28 available sources and reflected such information in Trade Desk's share price. Under

1 these circumstances, all purchasers of Trade Desk’s securities during the Class Period
2 suffered similar injury through their purchase of Trade Desk’s securities at artificially
3 inflated prices and a presumption of reliance applies.

4 50. A Class-wide presumption of reliance is also appropriate in this action
5 under the Supreme Court’s holding in *Affiliated Ute Citizens of Utah v. United States*,
6 406 U.S. 128 (1972), because the Class’s claims are, in large part, grounded on
7 Defendants’ material misstatements and/or omissions. Because this action involves
8 Defendants’ failure to disclose material adverse information regarding the Company’s
9 business operations and financial prospects—information that Defendants were
10 obligated to disclose—positive proof of reliance is not a prerequisite to recovery. All
11 that is necessary is that the facts withheld be material in the sense that a reasonable
12 investor might have considered them important in making investment decisions.
13 Given the importance of the Class Period material misstatements and omissions set
14 forth above, that requirement is satisfied here.

15 **NO SAFE HARBOR**

16 51. The statutory safe harbor provided for forward-looking statements under
17 certain circumstances does not apply to any of the allegedly false statements pleaded
18 in this Complaint. The statements alleged to be false and misleading herein all relate
19 to then-existing facts and conditions. In addition, to the extent certain of the
20 statements alleged to be false may be characterized as forward looking, they were not
21 identified as “forward-looking statements” when made and there were no meaningful
22 cautionary statements identifying important factors that could cause actual results to
23 differ materially from those in the purportedly forward-looking statements. In the
24 alternative, to the extent that the statutory safe harbor is determined to apply to any
25 forward-looking statements pleaded herein, Defendants are liable for those false
26 forward-looking statements because at the time each of those forward-looking
27 statements was made, the speaker had actual knowledge that the forward-looking
28 statement was materially false or misleading, and/or the forward-looking statement

1 was authorized or approved by an executive officer of Trade Desk who knew that the
2 statement was false when made.

3 **FIRST CLAIM**

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

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

6 **Against All Defendants**

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

9 53. During the Class Period, Defendants carried out a plan, scheme and
10 course of conduct which was intended to and, throughout the Class Period, did: (i)
11 deceive the investing public, including Plaintiff and other Class members, as alleged
12 herein; and (ii) cause Plaintiff and other members of the Class to purchase Trade
13 Desk's securities at artificially inflated prices. In furtherance of this unlawful scheme,
14 plan and course of conduct, Defendants, and each defendant, took the actions set forth
15 herein.

16 54. Defendants (i) employed devices, schemes, and artifices to defraud; (ii)
17 made untrue statements of material fact and/or omitted to state material facts
18 necessary to make the statements not misleading; and (iii) engaged in acts, practices,
19 and a course of business which operated as a fraud and deceit upon the purchasers of
20 the Company's securities in an effort to maintain artificially high market prices for
21 Trade Desk's securities in violation of Section 10(b) of the Exchange Act and Rule
22 10b-5. All Defendants are sued either as primary participants in the wrongful and
23 illegal conduct charged herein or as controlling persons as alleged below.

24 55. Defendants, individually and in concert, directly and indirectly, by the
25 use, means or instrumentalities of interstate commerce and/or of the mails, engaged
26 and participated in a continuous course of conduct to conceal adverse material
27 information about Trade Desk's financial well-being and prospects, as specified
28 herein.

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

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

26 58. Defendants had actual knowledge of the misrepresentations and/or
27 omissions of material facts set forth herein, or acted with reckless disregard for the
28 truth in that they failed to ascertain and to disclose such facts, even though such facts

1 were available to them. Such defendants' material misrepresentations and/or
2 omissions were done knowingly or recklessly and for the purpose and effect of
3 concealing Trade Desk's financial well-being and prospects from the investing public
4 and supporting the artificially inflated price of its securities. As demonstrated by
5 Defendants' overstatements and/or misstatements of the Company's business,
6 operations, financial well-being, and prospects throughout the Class Period,
7 Defendants, if they did not have actual knowledge of the misrepresentations and/or
8 omissions alleged, were reckless in failing to obtain such knowledge by deliberately
9 refraining from taking those steps necessary to discover whether those statements
10 were false or misleading.

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

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

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

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

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

9 **SECOND CLAIM**

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

11 **Against the Individual Defendants**

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

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

27 65. In particular, Individual Defendants had direct and supervisory
28 involvement in the day-to-day operations of the Company and, therefore, had the

1 power to control or influence the particular transactions giving rise to the securities
2 violations as alleged herein, and exercised the same.

3 66. As set forth above, Trade Desk and Individual Defendants each violated
4 Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint.
5 By virtue of their position as controlling persons, Individual Defendants are liable
6 pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of
7 Defendants' wrongful conduct, Plaintiff and other members of the Class suffered
8 damages in connection with their purchases of the Company's securities during the
9 Class Period.

10 **PRAYER FOR RELIEF**

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

12 (a) Determining that this action is a proper class action under Rule 23 of the
13 Federal Rules of Civil Procedure;

14 (b) Awarding compensatory damages in favor of Plaintiff and the other
15 Class members against all defendants, jointly and severally, for all damages sustained
16 as a result of Defendants' wrongdoing, in an amount to be proven at trial, including
17 interest thereon;

18 (c) Awarding Plaintiff and the Class their reasonable costs and expenses
19 incurred in this action, including counsel fees and expert fees; and

20 (d) Such other and further relief as the Court may deem just and proper.

21 **JURY TRIAL DEMANDED**

22 Plaintiff hereby demands a trial by jury.
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DATED: _____, 2025

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