UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO

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

Plaintiff,

v.

V.F. CORPORATION, BRACKEN P. DARRELL, STEVEN E. RENDLE, MATTHEW H. PUCKETT, and PAUL AARON VOGEL,

Defendants.

Civil Action No.: ______________

Jury Trial Demanded

CLASS ACTION COMPLAINT FOR VIOLATIONS OF THE FEDERAL SECURITIES LAWS

Plaintiff, individually and on behalf of all other persons similarly situated, by his undersigned attorneys, 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 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 V.F. Corporation ("VFC" 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 all investors in VFC securities, other than Defendants, between October 27, 2022 and May 20, 2025, both dates inclusive (the "Class Period" and the "Class"), 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. VFC is an apparel, footwear, and accessory company that sells outdoor, active and workwear products in the Americas, Europe, and the Asia-Pacific region. Among VFC's brands are Vans, The North Face, Timberland, and Dickies. VFC distributes its products through both its wholesale channel and its direct-to-consumer operations, including VFC-owned stores and e-commerce sites.

3. For at least several years prior to the filing of this Complaint, analysts have widely viewed VFC as a company in decline. In an August 2025 article published on the investment website Seeking Alpha, a hedge fund portfolio manager summarized market consensus, describing VFC as:

> For decades, . . . a well-regarded portfolio of lifestyle brands, admired by both investors and consumers. But over the past few years, things have gone downhill. The brands are still familiar, but the financials are telling a much different story—one of shrinking sales, extremely high debt, asset impairments, and a balance sheet that's hollowed out once you strip away the fluff.

4. Throughout the Class Period, VFC and its officers acknowledged the challenges that the Company faced but consistently reassured investors of the purported strength of VFC's brands and the purported efficacy of VFC's various turnaround initiatives aimed at restoring growth. On an October 22, 2022 earnings call, then-Chief Executive Officer ("CEO") Steven E. Rendle ("Rendle") described an initiative "to reset, refocus and reaccelerate" VFC's Vans brand and spoke of "invest[ing] behind digital and innovations, with our brands generating a regular cadence of new product initiatives driving an increasingly closer connection to our consumers." Roughly one year later, VFC formally announced an extensive turnaround plan, dubbed "Project Reinvent", which the Company's new CEO Bracken Darrell ("Darrell") asserted "will improve [VFC's] brand- building and execution while addressing with urgency our ***top priority of improving North America, accelerating the Vans turnaround***, significantly reducing our fixed cost and leverage."[1]

5. Throughout the Class Period, Defendants made materially false and misleading statements regarding VFC's business and operations. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (i) actions more drastic than the Reinvent initiative and VFC's other disclosed turnaround efforts would be necessary to restore the Vans brand to growth; (ii) the foregoing would negatively impact the revenue growth trajectory of the Vans brand specifically and VFC generally to a greater extent than Defendants had contemplated or cautioned in their public statements; and (iii) as a result, Defendants' public statements were materially false and/or misleading at all relevant times.

[1] All emphases herein added unless otherwise indicated.

6. On May 21, 2025, VFC reported its fourth quarter and full fiscal year ("FY") 2025 results, highlighting a significant decline in Vans' growth trajectory, which plunged from a mere 8% loss in the third quarter to a 20% loss in the fourth quarter, and cautioned investors that the decline would continue through the next quarter. The Company attributed its results and below-expectation guidance largely to "a direct effect of deliberately reduced revenue to eliminate unprofitable or unproductive businesses" and "an additional set of deliberate actions" which were already in place but previously undisclosed.

7. On this news, VFC's stock price fell $2.28 per share, or 15.8%, to close at $12.15 per share on May 21, 2025.

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

JURISDICTION AND VENUE

9. 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.

10. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331 and Section 17 of the Exchange Act.

11. 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). VFC's principal executive offices are located within this Judicial District.

12. 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.

THE PARTIES

13. Plaintiff acquired VFC securities at artificially inflated prices during the Class Period and were damaged upon the revelation of the alleged corrective disclosures.

14. Defendant VFC is a Pennsylvania corporation with principal executive offices located at 1551 Wewatta Street, Denver, Colorado 80202. At all relevant times, VFC's common stock has traded on an efficient market on the New York Stock Exchange (the "NYSE") under the ticker symbol "VFC."

15. Defendant Darrell has served at all relevant times following his appointment, effective July 17, 2023, as CEO and President of VFC.

16. Defendant Rendle served at all relevant times prior to his departure on December 4, 2022 as CEO and President of VFC.

17. Matthew H. Puckett ("Puckett") served at all relevant times prior to his departure on July 8, 2024 as the Chief Financial Officer of VFC.

18. Paul Aaron Vogel ("Vogel") has served at all relevant times following his appointment, effective July 8, 2024, as the Executive Vice President and CFO of VFC.

19. Defendants Darrell, Rendell, Puckett, and Vogel are collectively referred to herein as the "Individual Defendants."

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

21. VFC and the Individual Defendants are collectively referred to herein as "Defendants."

SUBSTANTIVE ALLEGATIONS

Background

22. VFC is an apparel, footwear, and accessory company that sells outdoor, active, and workwear products in the Americas, Europe, and Asia-Pacific. Among VFC's brands are Vans, The North Face, Timberland, and Dickies. VFC distributes its products both through its wholesale channel and its direct-to-consumer operations, including VFC- owned stores and e-commerce sites.

Materially False and Misleading Statements Issued During the Class Period

23. The Class Period begins on October 27, 2022, the first trading session after VFC issued a press release reporting its financial results for the second quarter of FY 2023 during after-market hours on October 26, 2022. The press release quoted Defendant Rendle as stating, in relevant part:

> VF's balanced performance in Q2 demonstrates the resiliency of our brand portfolio against a more disrupted global marketplace. Our purpose built portfolio of iconic, deeply-loved brands continues to benefit from tailwinds in the outdoor, active, streetwear and workwear spaces ***while we also actively address the near-term challenges at Vans***, the ongoing COVID-related disruption in China, and the broader macro-economic and geopolitical headwinds, which have created tremendous uncertainty for all businesses and consumers.
>
> In the near term, in light of the challenging environment, we are acting proactively to generate increased revenue through the balance of the year while protecting profitability by tightly controlling all non-strategic spend. I am confident in our ability to deliver on our targets and to maximize the potential of all our brands when the environment improves. ***We will remain focused on the things we can control and will continue leveraging VF's unique business model and competitive strengths to drive consistent, sustainable and profitable growth.***

24. On a related earnings call on October 26, 2022, CEO Rendle further discussed the challenges that the Company faced, highlighting its turnaround efforts with respect to the Vans brand in particular:

> As we have highlighted before, our intentionally built portfolio of brands is generating broad-based growth, ***excluding Vans, which is early in its work to reset, refocus and reaccelerate***, the remainder of our portfolio grew revenue by 11% in the first half, with outdoor emerging brands continuing to gain scale and our PACs business recovering nicely and seeing an acceleration of growth to plus 25% across the same period. Regionally, our EMEA business continues to deliver consistently strong results, outperforming the broader European marketplace.

25. Regarding the extent to which VFC's historically strong brand portfolio would purportedly bolster the Company's turnaround efforts, Defendants Rendle stated, in relevant part:

I remain confident in our ability to deliver on our overall revenue targets as we prepare to maximize our potential when the macroeconomic environment improves, ***leveraging VF's powerful brands, unique business model and critical strategic growth platforms.***

In summary, our performance in Q2 reflects a balanced delivery of results and speaks to our resiliency as we adapt to an increasingly variable and softer consumer backdrop. ***Our purpose-built portfolio of iconic deeply loved brands continues to benefit from strong tailwinds in the outdoor, workwear, streetwear and active spaces. We continue to invest behind digital and innovation, with our brands generating a regular cadence of new product initiatives driving an increasingly closer connection to our consumers***.

26. Roughly one year later, on October 30, 2023, Defendants issued a press release reporting VFC's second quarter FY 2024 results and announcing "Project Reinvent," described as a "transformation program" for the Company:

The company introduces Reinvent, a transformation program to enhance focus on brand-building and to improve operating performance and to allow us to achieve our full potential. Our first announced steps in this transformation cover four key priorities: Improve North America results, Deliver the Vans turnaround, Reduce costs, Strengthen the balance sheet.

- **Establish global commercial organization, inclusive of an Americas region:** Change the operating model with the establishment of a global commercial structure. This includes the creation of an Americas regional platform, modeled on the company's successful operations in EMEA and APAC. With this change, Martino Scabbia Guerrini has been promoted to the newly created role of Chief Commercial Officer, with responsibility for go-to-market execution globally.

- **Sharpen brand presidents' focus on sustainable growth:** A direct consequence and intent of the operating model change, which is particularly critical at this stage for the Vans brand, enables brand presidents to direct greater focus and attention to long-term brand-building, product innovation and growth strategies.

- **Appoint new Vans president:** Kevin Bailey will be stepping down from the position of Global Brand President, Vans. Kevin will remain on the Executive Leadership Team reporting to Bracken Darrell, and will transition to lead Reinvent, the company's business transformation plan, and the project teams driving the work. An external search is underway for a new brand president for

Vans and in the interim, Bracken Darrell will take a more active role in leading the brand and delivering its turnaround strategies.

- **Optimize cost structure to improve operating efficiency and profitability:** Implement a large-scale cost reduction program, which we expect to deliver $300 million in fixed cost savings, by removing spend in non-strategic areas of the business, and simplifying and right-sizing our structure.

- **Reduce debt and leverage:** In addition to improving operating performance, VF is committed to deleveraging the balance sheet. The reduction in dividend announced today is one of the steps towards this objective.

27. The press release also quoted Defendant Darrell as stating;

In my first 100 days, as I have spent time with our brands, teams, and customers around the world, I have developed even stronger conviction in the company's significant potential, which is far greater than what we are delivering today. Our transformation plan, ***Reinvent, will improve our brand-building and execution while addressing with urgency our top priorities of improving North America, accelerating the Vans turnaround, significantly reducing our fixed costs and reducing leverage. We are excited about the long term, starting with these first major steps toward improving our near-term performance, positioning us to return to growth and generate shareholder value.***

28. During the same-day earnings call, Defendant Darrell discussed the Company's plans to turn around the Vans brand, stating, in pertinent part:

Long term, we'll turn VF into a company that relentlessly focuses on delighting consumers throughout the world through superior product design and engaging consumer experiences, backed by a well-oiled execution machine, a simple, effective structure supporting highly energized employees. These are the 4 key areas we're prioritizing aggressively. I will go into some of the specific actions we're taking to address them next. ***The 4 key areas are: fix the U.S., deliver the Vans turnaround, lower our cost base and strengthen our balance sheet***.

Now let me highlight some of the immediate actions that will begin to deliver those. First, we're establishing a global commercial organization, inclusive of an Americas region

. . .

Second, a second step we're taking is to sharpen brand presence focused on sustainable long-term growth and brand health. A direct consequence and intent of the operating model change, which is particularly critical at this stage for all the brands, but especially Vans, is that the new structure enables brand presence to focus on what matters most, getting closer to the customer and creating consistent pipeline — a consistent pipeline of amazing products and creating excitement around our brands.

. . .

Three, we'll be making a change in brand presence at Vans. Trends today for Vans aren't getting any better, and in fact, could even be viewed as getting worse. We will not see a turnaround this year. The good news is that the brand continues to be loved by so many consumers. There are many good steps that we've made, but we now have to make some changes and move faster

. . .

Fourth, we will optimize cost structure to improve operating efficiency and profitability and, I predict, also effectiveness

. . .

To conclude, this is a turnaround. I've been here before, so I know what it takes. We have a strong foundation, world-class brands and great people, and we're taking aggressive action as we started to announce today. This will lead the way to a new future for VF in which the company will be leaner, faster and stronger. ***While it will take time for the initiatives we're implementing to take full effect, we do expect to make progress beginning quickly, and we will build on that in the quarters to come***.

29. Defendant Puckett went on to highlight Vans' poor performance in the quarter and discuss Reinvent in more detail, stating, in pertinent part:

Vans had another disappointing quarter with revenue down 23%. Slow sell-through rates continued to put pressure on wholesale across all regions, while traffic remained challenged and weighed on DTC. As Bracken mentioned earlier, the brand remains loved by consumers, but we must and will do more to generate demand. Newness and innovation continued to outperform in silhouettes like the Knu Skool, Lowland, UltraRange and MTE, which all saw strong growth during the quarter, though the volumes in these styles continue to have limited impact in offsetting the declines in classic products.

. . .

Through Reinvent, we are addressing fundamental structural challenges that have impacted our performance as well as tackling our cost structure head-on as we expect to generate $300 million in fixed cost reductions. We'll streamline operations in line with the changes to the operating model that Bracken discussed to generate efficiencies and create a faster and leaner organization company-wide.

. . .

Our decision to retract revenue and profit guidance today centers mainly on 4 key changes to our assumptions. ***First, the timing of the Vans turnaround is taking longer than we thought. And specifically, we are now no longer expecting any discernible improvement in half 2 results relative to half 1. Through today's announced actions, we are addressing with urgency the work needed to stabilize the business***. Bracken and I plan to share our expectations with the market on the timing of the turnaround when we see a tangible impact from the initiatives underway.

Second, the North America business, primarily U.S. wholesale, is now anticipated to be modestly weaker versus our prior expectations as we look to the back half of the year. And although much less impactful, we now see a choppier macro environment in Europe.

Last, there will be cross currents from Reinvent as we remove costs, change the organization structure and reengineer the Americas for growth. This will create noise in the P&L in the short term.

. . .

In summary, we're taking the necessary actions to reset the business and strengthen the balance sheet. Our transformation plan Reinvent directly addresses our biggest performance issues, Vans and the U.S., and importantly, commits to lowering our cost structure by $300 million. We will make progress toward our #1 financial priority of lowering our debt and leverage from these actions, along with the reduction in the dividend, as we set the stage for a return to growth and increased ROIC. We look forward to updating you in coming quarters on our ongoing progress.

30. During the question-and-answer segment that followed, Defendants elaborated further on the Vans turnaround during the following exchanges:

Q: Bracken, I'm interested in hearing the initial steps that you're taking to first stabilize and then grow the Vans business.

Defendant Darrell: Well, first of all, there's a turnaround plan in place, which I think you've been exposed to before, and those steps continue. So my game plan is really to step in until we bring in a new Brand President and really accelerate and then make some select changes. I don't plan to undo a whole bunch of things. I think the steps we put in place are the right ones. I'd just like to see it happen faster.

There are a few things we are changing. ***This change in North America is a change in our approach to the Vans business and the biggest problem we've had, because the biggest part of the business for Vans is in the U.S., is to address that very directly and quickly***. And beyond that, I'll come back to you and tell you when I think I've got something to say. But right now, I'd say just stay tuned.

. . .

Q: Bracken, just to go back into the Vans turnaround, obviously, there's going to be some new leadership that you bring in. But how do we think about the top line and the margin opportunity? Are there points of distribution that need to be shut down? I know there's around 730 stores. There's quite a few wholesale partners globally, particularly in the U.S. How should we think about managing the top line and also the margin?

Defendant Darrell: I think there's always cleaning up to do. Especially when a business is in — had a decline period, you always have to go through and clean up the excess distribution, let's say. We are shutting down stores. So we've shut down— I don't know the exact number, Matt maybe have it off the top of his head, but we have absolutely shut down stores, and that's a weed and feed process all the time. We're actually opening some stores, but we're also shutting down more.

And I think from a wholesale distribution standpoint, I don't think there's anything specific I would point to. But we're going to continue to evaluate the distribution. It's obviously such a critical part of this business. ***But I don't think those are really the answer. I think the real answer is we need great innovation and great execution***.

Defendant Puckett: John, I would just add real quickly here. Yes, there is opportunity, and we will drive higher profitability in this business as we stabilize the business and begin to grow it again. Doing a lot of work on the cost structure. You can imagine within that $300 million, ***Vans is impacted there, given it's a really big business, and there are places in that business where the cost structure is a little bit out of whack given what we've seen in the declines, store closures, capacity in certain parts of the business, et cetera***.

So we're going to improve the profitability of that business. As we stabilize it, gross margins will stabilize. There's still a really high gross margin structure business. ***And as we begin to grow off of a rightsized cost structure, we're going to have the ability to drive a lot of profitability relatively quickly back into that business because we certainly lost a lot.***

31. On February 6, 2024, Defendants published VFC's third quarter FY 2024 earnings report. During the same-day earnings call, Defendant Darrell announced Defendant Puckett's departure and discussed plans and progress for the Vans brand turnaround under Reinvent, stating, in pertinent part:

> ***Matt Puckett, who's sitting right next to me, will be stepping down as our CFO later this year. He and I have agreed that it's time to make a change as part of the overall transformation efforts we're introducing across the company***. Matt will stay on until we appoint his successor to help ensure a smooth transition.
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> . . .
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> And Vans' decline look like it did last quarter by the numbers, but underneath, there's a lot changing. I've been spending more than half my time with our team reviewing strategies, new products and marketing plans. Product and marketing are obviously every brand's foundation. Brand turnarounds have certain features. Three of them are a clear brand purpose, a product plan that will eventually result in growth and marketing that weaves them together.
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> . . .
>
> ***We have a map back to growth for Vans***. I'm not ready yet to commit to when the brand will return to growth, but it will.
> In the meantime, let me talk about a few dynamics we're starting to see emerge. First, we continue to see a strong performance from newer things in the Vans product portfolio, which are becoming a larger share of our business. The Knu Skool, for example, is still small, but it's growing well, especially among young girls in the U.S.
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> ***I'm not pointing that style to suggest it's a turnaround shoe. There won't be a single one, as you will see. We will have a cascade of new products over the next several years. But I am encouraged by how this style is resonating with the very cohort we've lost over recent years.***
>
> We're resetting the marketplace in Q3 and Q4, changing our marketing and beginning to launch relevant new products in the coming seasons. ***I'm energized by***

the progress of Vans, including with the search for a new brand President, there's more to come.

. . .

Now let me update you briefly on Reinvent, which prioritizes aggressively 4 key areas we introduced last quarter, which are: first, fix the U.S.; second, deliver the Vans turnaround; three, lower our cost base; and four, strengthen our balance sheet. As part of the recently established global commercial structure led by Martino, the Americas regional platform is taking shape.

. . .

I discussed the Vans turnaround already. I'll just reiterate a few things. *Along with* the work we are doing on brand purpose, product innovation and marketing, we're resetting the marketplace to accelerate our progress now. This marketplace cleanup will integrate with products and marketing spun from the same story lines, and that is a new approach relative to the past few years. I'm excited about what's ahead.

32. Defendant Puckett reiterated the positive sentiment and confidence in Reinvent and the Vans turnaround, specifically, stating in pertinent part:

While I'll be stepping down in the coming months, in the interim, I remain committed to helping pursue the transformation agenda, leading the finance organization and supporting the transition … ***we are advancing our transformation program, Reinvent, with a sense of urgency and resolve to execute against and identify new and additional opportunities to reshape and improve VF***.

. . .

Vans Q3 revenue was down 29% and down across all 3 regions, broadly in line with Half 1 when accounting for the intentional reset actions we took in the quarter to clean up the marketplace and reposition our wholesale channel. These negatively impacted global revenue by about 5 points in Q3 and may have a further impact in Q4 as we complete the work.

. . .

Now moving on to Reinvent, where I want to expand on Bracken's update. First, we made progress in executing our cost savings program as we work towards our gross target of $300 million. The actions we've taken on Reinvent around streamlining the organization and optimizing our cost structure have begun to bear fruit.

In fiscal Q3, we booked approximately $50 million in charges, of which about $20 million were noncash. These charges are included in our reported results, but excluded from adjusted operating earnings and earnings per share that I just reviewed. ***The turnaround work remains in progress at Vans.***

. . .

In summary, we're encouraged by the progress we're making on Reinvent. ***We have a lot more to accomplish, the impact of which will be increasingly visible in the coming quarters***.

33. During the question-and-answer period, Defendants again fielded questions regarding the Vans turnaround plans:

Q: First on Vans, is there anything more you can share with us on your 18-month plan just around, I don't know, marketing? Are you planning to bring the Warped Tour back, pricing within the brand, anything along those lines would be helpful.

Defendant Darrell: I'm not ready to be too specific on that yet, probably because I know that I've got a new brand president coming in, so we'll have latitude to make some changes.

But what I would say is we've got a great — I mean I think a strong kind of very punctuated plan that combine — that integrates the marketing insights and then the marketing programs with the new products that are launching. ***And I've been through both sides of that equation, the 2 of them together, 2 or 3 times now, and I'm still not done, but I feel good about it, very good about it***.

34. On May 22, 2024, Defendants conducted an earnings call corresponding to VFC's fourth quarter and FY 2024 results. During the call, Defendant Darrell elaborated on Reinvent, in particular its perceived impact on the Vans brand moving forward, stating, in pertinent part:

Reinvent, which we introduced back in Q2, is fundamentally how we get back to strong growth. Some perceive this as a simple restructuring plan or tactical steps. It wasn't, and it isn't. ***Reinvent is a blueprint for transforming a company from declining to growing. It has 3 key phases running in parallel: reset, ignite and accelerate.***

Reset is focused on a reset of the U.S. business, Vans, the cost base and the balance sheet. Ignite is about elevating how we show up in front of the customer. Here, our focus is on product design, innovation and merchandising, on commercial excellence and brand building. Our reset and ignite phases are occurring in parallel and, together, will set the stage for the third phase, which will be accelerating growth.

. . .

Let me move to Vans. While overall financial results have not yet improved, we are deep in execution, and we are starting to see very early green shoots. I said you'd start to see the brand turn first in one channel or region, and it would spread to others. It started to happen, with DTC Europe positive in the quarter. The inventory reset actions are helping create a cleaner market in which to introduce new product. Our weeks of supply have come down with our partners in all 3 regions.

We're simplifying our product lineup and introducing a sustained level of investment in design and innovation. UltraRange Neo is performing well in the U.S. The Knu Skool, which launched when I first got here, is gaining strength behind enhanced marketing, has now become our second largest style globally. And the AVE 2.0, our newest and best skate shoe, has performed very well in the early months of its launch. You can expect more news here soon, too. This is part of our icon management strategy, which will also reduce reliance on core outcomes.

While the quarter remains in decline, we're seeing strong performance in our new products, and we have a cascaded product launches coming. We're also working to make our marketing efforts more effective. We're simplifying our storytelling. Our marketing has shifted to fewer, deeper campaigns. For example, we used to have 274 stories in one season. When you have 274 stories in 6 months, you're probably not telling any of them well. We've simplified it to a handful of powerful key stories, concentrating our investment. We're also rebalancing our marketing mix to drive higher ROI.

These changes are starting to show positive results. Now we're cutting through. Search is a good leading indicator. ***We're seeing Google Search trends move in the right direction for the first time in years. The last 3 months have improved compared to the previous 12***. We don't only need to have simplification. We also need brand elevation to build brand equity and drive gross margin. ***We're leveraging our new OTW line as the pinnacle expression of the brand to drive energy and excitement. We're in the middle of a global series of events to bring together community, culture and fashion that will continue to unfold. That's how we get in the middle of cultural trends***.

After the tease in June '23 of Men's Paris Fashion Week, we officially launched OTW at Art Frieze in Los Angeles in February of this year, with an amazing installation to drive brand elevation. And just last week, we had an exciting event on the Shanghai Bund that generated huge interest in-person and on social media, staying tuned for more. We have a strong and data-driven approach now to improve our in-store execution. You'll see more as we will live across the year.

I'm a big believer in testing, learning and scaling, and stores were a wonderful place to do it. We're testing a lot of things across regions and areas of visual merchandising, four-wall formats and SKU productivity that will scale across the globe over time. ***At Vans, we've moved from theory to action.***

35. Defendant Puckett pertinently highlighted Vans decline in the quarter as a necessary result of the ongoing inventory reset, stating:

Vans revenue declined 27% in the quarter, in line with our expectations and reflecting the impact of the previously contemplated inventory reset actions, net of 4-point negative impact on the top line, similar to Q3. While both DTC and wholesale were down on a global basis, it's worth noting that DTC in Europe grew in the quarter, reflecting the brand's relatively stronger position in those markets and the benefits it has been deriving from the regional platform.

36. A question-and-answer segment followed during which the Defendants elaborated on the planned Vans turnaround during the following pertinent exchanges:

Q: I wanted to follow up on the inventory and marketplace cleanup actions that you've taken, including SKU count reductions in both DTC and wholesale. Will that initiative be complete at the end of the first quarter? And as a result, how are you thinking about the puts and takes to gross margin between promotion, pricing and mix relative to other items that might be driving your gross margin for the year?

Defendant Darrell: Thank you, Brooke. And great to hear from you. I'm going to make a high-level comment, but going to hand it off to Matt. Yes, generally speaking, those actions are going to be complete by the end of the first quarter, but not the — we may or may not be fully complete on selling through the rest of that inventory that we brought back, which is what Matt referenced in his opening remarks. Matt, do you want to finish that?

Defendant Puckett: Yes, for sure. So I'll just be — I'll be pretty definitive. ***We're largely done, Brooke, with the actual reset actions, meaning getting the marketplace, the full-price marketplace clean, right? So getting inventory out of the system, obviously, selling through and clearing through excesses through the season as well. So that's in a pretty good place***. We will have a residual impact at a minimum through the first quarter fairly meaningfully, as we sell through some of that inventory that we pulled out of the full-price channels, right? We're going to sell through that in clearance channels, largely in our own outlets, right? And so that's kind of the story there.

But looking beyond that and you think about kind of that — the puts and takes of margin into fiscal '25 and kind of through the year, there are several things to consider. I mean mix benefits will continue. They'll be less than they were in fiscal '24 would be the expectation as wholesale in the Americas generally improves a bit across time. Product costs are not going to be an issue. If anything, they could be slightly down on a full year basis in fiscal '25.

Foreign currency, which has been a meaningful headwind, will be less so. It will still be a bit of a headwind, but not to the degree that it has been. And then, of course, you've got the impact of the actions themselves. We're going to be cleaner from an inventory standpoint. Marketplace appears to be cleaner. Hard to know exactly what the marketplace will do and what consumers will do across the year. But certainly, we're coming into the year cleaner. So those are the key things, I think, to pay attention to.

Defendant Darrell: Yes. If I could just add one last comment. I think the way to think about it is this chapter — as Matt said, this chapter on reset. ***Resetting the marketplace for Vans is largely done, yes? We just got the residual effects of selling through what we brought back through our own outlets.***

. . .

Q: Bracken, I wanted to pick up maybe where you just left off. So on Vans, what actions do remain as part of the reset phase? Or where do you see us today versus the potential bottom at Vans? How do you feel about inventory on hand? And just what's the time line to scale some of the new product innovation that you cited in your remarks?

Defendant Darrell: No, I'm really excited about the new product innovation that's happening. We — going back into, what, my opening remarks, we launched the Knu Skool very early in my tenure at the company. And through really strong marketing and a great product, it's now the #2 style. So I think it shows that we can launch a new style and turn it into a strong franchise almost out of the gate.

We just recently launched AVE 2.0, which is the best skate shoes that's ever been made, I believe, certainly our best skate shoe ever, and it's done very, very well out of the gate. It's a niche product that's really focused on skaters. But stay tuned because we're going to have news on that for everybody soon.

So I feel good about the steps we're taking, but there's so much more ahead of us and so much more we can do. You asked, do I feel like we're at the bottom? ***I feel***

> ***like we're either at the bottom or super close. I really do believe we're going to — I can see the turn ahead through the tunnel. I'm not going to sit here and predict a quarter for you, but I can see it coming.***
>
> I love the fact that we're — we — DTC was positive in Europe this quarter. That's a great sign. Google Search trends, much better now than they were in the last 3 months versus last 12 months. Again, things can wobble when you're looking at external data, but that feels good. So I think there's some real green shoots here.

37. On August 6, 2024, Defendants published VFC's first quarter FY 2025 results. During the corresponding earnings call, Defendant Darrell discussed the progress of the Vans turnaround, stating, in pertinent part:

> Now for Reinvent. While we're not yet back to growth, the steps we're taking now will get us there. Remember, this phase is about reducing costs, lowering our debt, resetting the U.S. business and getting Vans back on track.
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> . . .
>
> Moving to Vans. We said the first quarter of this year would be similar to the fourth quarter last year, excluding the impact from inventory reset actions. And we actually did a little better than that with some modest improvement. Down 21% in Q1 versus 27% in Q4, reflecting an improved trend in its two biggest regions. Importantly, while the headline numbers remain weak, several indicators are showing we're heading the right direction. EMEA is, once again, the region which is showing clear early encouraging signs with wholesale up in the quarter for the first time in 6 quarters with particularly positive momentum in key accounts.
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> . . .
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> As a result of the inventory reset actions, our markets are clean, and we have space to introduce our new products, which are performing well across regions. The KnuSkool continued to gain momentum and is performing well across regions and is now the #2 franchise globally. Other more recently introduced products are also gaining traction, including our advanced skate shoe, AVE 2.0 and UltraRange Neo, and we've launched several new styles in July.
>
> . . .
>
> As a result, Q1 loss per share was negative $0.33 as expected. Looking ahead to Q2, let me provide some guardrails for that quarter. These are all excluding Supreme, both from this year and last year. The overall Q2 revenue trend is

expected to show modest improvement versus Q1, in line with our comments in May. Don't get me wrong, we're not back in growth yet, but the decline rate should continue to moderate. And to give you some additional color on our 2 biggest brands, at Vans, we will see modest sequential improvement as we did this quarter.

. . .

It's worth noting that growth in our DTC business was in line with last quarter if you exclude Vans. Note, in Vans, we're closing unprofitable stores and nonstrategic ones, dampening our growth even further.

. . .

Moving down to P&L. Gross margin was down 80 basis points for the prior year, in line with the guardrails we gave you in May. To quickly remind you, this is primarily driven by the continued impact of our clear-out activities from the Vans product we took back in our reset

. . .

Finally, to conclude, we continue to make progress. The quarter improved sequentially relative to Q4 across almost all our brands. We're advancing on Reinvent. Cost savings are on track, and we're committed to more cost reduction. We're addressing the balance sheet leverage ratio with the first sale of spring. The new platform in the Americas is moving strongly in the right direction. And at Vans, we're seeing progress we expected. ***My level of confidence has never been higher***. We have an incredible leadership team and dedicated talent at VF. Together, we will make the continued progress on our path to deliver strong, sustainable growth and value creation at VF.

38. During the question-and-answer segment that followed, Defendant Darrell elaborated on management's confidence in the Vans turnaround plan during the following pertinent exchange:

Q: So Bracken, as we think about your first year at the helm, larger picture, maybe where do you stand on the priorities that you laid out initially? Maybe first, on the management team, any key roles that you're looking to fill from here? Second, I know you cited today sequential improvement, but any visibility to a return to top line growth as you see it today? And then maybe just last, how do you feel about organic free cash flow and debt paydown priorities?

> Defendant Darrell: So I won't repeat the famous 4 that are probably not famous to you, but they feel like — I feel like I told you so many times those 4 priorities that I think I said in my first full call. So I won't go through those, but you referenced kind of a summary of those. From a management team, I feel great. I mean I think we've really got an all-star team, and it's all I could have asked for. And everybody is on the floor, everybody is on the team now. We're about half of them are new in the last months, half of them are not. And it's really a terrific team. Now it's my job to make sure that we together work well as a team. So we're really going to be working on that.
>
> In terms of the turn — the Vans turn and the turn in general on the business, when do I forecast it happening? I'm not going to give you a number today, ***but I will tell you in October***, we'll be ready to talk about that. ***So I feel very good about the progress we're making. It feels very similar to where I was when I was in my last company, and I feel like I can see it, and I feel good about it***. In terms of the debt paydown, we'll certainly talk about that in October when you can expect that leverage to come down.

39. On October 28, 2024, Defendants conducted an earnings call associated with the publication of the Company's second quarter FY 2025 results. During the call, CEO Darrell spoke briefly on the Vans turnaround, stating, in pertinent part:

> Q2 was another quarter of really good progress. We delivered on our expectations, consistent with the guardrails we provided last quarter. ***And VF's transformation continues, and within that, we're making strong strides in advancing our priorities. While Q2 revenue was still down as we expected, we had our third straight quarter of sequential improvement in the decline rate, with moderating declines at Vans in the Americas and really almost everywhere else, too***. We expanded gross margins, and we did a little better on SG&A relative to our own expectations. Paul will talk you through the financial results later in the call.
>
> Moving on to Reinvent. As we pass the 1-year anniversary of when we introduced you to the program, my confidence and excitement about the transformation taking place at VF only continues to grow. I'll save a lot of the detail and future plans for later this week at the investor event, but today, I'll give you a high-level update on the further progress we made in Q2 on our 4 stated priorities.
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> . . .
>
> And the last one, delivering the Vans turnaround. *The brand's overall performance* in Q2 was down 11%, a significant improvement relative to last quarter when we

> were down 21%. This down 11% was as expected. There are further signs that we're making progress, which we'll continue to build under Sun's leadership.

40. Defendant Vogel reiterated the positive messaging and discussed the quarter's financial results in more detail before providing guidance for the third quarter and remainder of the fiscal year, stating, in pertinent part:

> Moving on to Q2. As Bracken mentioned, ***we continue to advance VF's transformation and continue to move forward as we made progress in reducing costs, strengthening the balance sheet, fixing the Americas and turning around Vans.*** Recapping the quarter, Q2 was largely in line with expectations with sequential improvement in revenue and a positive inflection in gross margin.
>
> Total Q2 revenue was down 6% year-over-year, which marks an improvement from down 10% in Q1. ***By brand, Vans was down 11% versus last year, improving from Q1 of down 21%. We are seeing the benefits from the inventory cleanup actions taken over the past few quarters, particularly on profitability as we rightsize the brand's cost structure.***
>
> . . .
>
> Before I move into the details of our expectations for Q3, I want to share some thoughts on how we will be issuing guidance. Moving forward, we will provide revenue and profit guidance 1 quarter out, starting with Q3.
>
> Overall, we expect Q3 to show further sequential improvement across the business. For revenue, we expect Q3 to be in the range of $2.7 billion to $2.75 billion, translating to a decline of down 1% to down 3% on a reported basis. We are modeling FX to have approximately a negative 100 basis point impact on our reported growth rates. This trend reflects a continued stabilization of revenue trends, driven by wholesale improvements compared to last year when, as a reminder, we took inventory actions, which impacted both Q3 and Q4 of fiscal '24.
>
> Moving down the P&L. We expect Q3 operating income to be in the range of $170 million to $200 million, with gross margin up year-over-year benefiting from lower product costs and fewer reserves, and SG&A is expected to be up modestly year-over-year, mainly a result of the reintroduction of incentive compensation as we have discussed in prior quarters. Additionally, we expect more variability in the tax rate by quarter. For Q3, we're expecting the tax rate to be in the low 20s versus Q2 in the mid-teens.

And while we're not providing Q4 guidance at this time, I want to give a little bit of color on expectations for the quarter. For starters, we expect Q4 to show another quarter of sequential improvement in year-on-year revenue trends. We expect gross margin to be up and SG&A to grow at a similar rate to Q3.

For the full year, we expect free cash flow of around $425 million with core fundamentals in line with prior guidance. When looking at the $600 million guidance we gave earlier in the year, our updated forecast reflects the $140 million impact from the sale of Supreme and a slightly higher benefit from the sale of noncore physical assets. Additionally, given the success so far of our Reinvent event initiatives, we have decided to fund an additional $50 million into cost savings, which should drive additional savings in fiscal '26.

41. On January 29, 2025, Defendants conducted an earnings call associated with the publication of the Company's third quarter FY 2025 results. During the call, CEO Darrell addressed the quarter's results and spoke briefly on the Vans turnaround, stating, in pertinent part:

Q3 was stronger than we expected. We grew revenue 2% while we significantly improved profitability. The key point to make here is that the actions we've taken during — we've taken so far are delivering results.

Now let me call some important features of the quarter. Virtually every brand was stronger this quarter than last quarter. The North Face and Timberland both grew. ***Vans delivered another quarter of sequential improvement in trend.*** Regionally, the Americas delivered another strong quarter of improvement, going positive for the first time in over 2 years.

. . .

Now let me give you an update on Reinvent. As I indicated in our Q2 earnings, Investor Day Part 1 and the start of this call today, we're making strong progress on our transformation program

. . .

Finally, deliver the Vans turnaround. ***The brand's overall performance in Q3 was down 8%, a further improvement compared to last quarter, down 11%. I feel very good about the steps we're taking, but sustained turnarounds take time***. Underneath the numbers, I want to call out a few things, primarily in our key focus areas of product and marketing. New products continue to outperform our big established franchises. New Skool (sic) [Old Skool] remained the #1 growth driver and the #2 franchise globally and is in line with our strategy to win, with youth and women.

We won't rely on just 1 style to build our business in the future, and we have momentum in our newest styles, both Hylane and Upland. In many ways, the Vans brand continues to have an enormous potential. It was recently named the #3 most authentic brand from the Authenticity 500 Index as the ranking of the world's most authentic brands. This — the message here is that we have a lot of growth potential as we keep improving our execution.

Brand elevation is also a fertile ground for Vans as evidenced by exceptionally strong sellout for our OTW holiday collaborations including the Satoshi partnership, HommeGirls collaboration and Beatrice Domond. And those 2 last ones are targeted at women. The new Americas regional platform is also starting to deliver. For the holiday period, our U.S. non-value channel footwear generated strong positive sellout year-over-year for the first time since February of 2022, led by our largest accounts.

We are making progress and are more confident than ever of the brand's growth potential. We have a lot of pistons to fire on at Vans: Product, marketing, distribution, brand elevation and more, and we're putting each one in place. I couldn't be more excited about the initial work done by Sun at Vans, and you'll hear more about it directly from her in just a few weeks.

42. Similarly, Defendant Vogel pertinently noted Vans performance in the quarter and provided guidance for the fourth quarter as follows:

Vans was down 8%, improving from down 11% in Q2. The actions taken last year to clean up our inventory are continuing to deliver benefits, especially on profitability as we rightsize the brand's cost structure.

. . .

Now moving on to guidance for Q4. For revenue, we expect Q4 to be down 4% to 6% on a reported dollar basis. We are modeling FX to have approximately a negative 200 basis point impact on our reported growth rates. So on a constant dollar basis, which is the true underlying trend in the business, we are forecasting down 2% to 4%. And if you put Q3 and Q4 together and look at the second half as a whole of last year, revenue would be flat to down 1% on a constant dollar basis. This represents a progression in trend versus Q1 and Q2 and is right in line with our expectations.

> Moving down the P&L, we expect Q4 operating income to be in the range of breakeven to a loss of $30 million, with gross margin continuing to benefit from lower product costs and fewer promotions and fewer reserves. SG&A dollars are expected to be up slightly versus last year due to increased investment in marketing and product in Q4. For the full year, we are raising our free cash flow guidance to $440 million with both better underlying fundamentals and higher asset sales contributing to the improvement.

43. During the question-and-answer segment that followed the Defendants' prepared remarks, Defendants continued to positively report on Vans turnaround and the progress of Reinvent:

> Q: . . . I guess, more importantly, longer term, with Vans being such a big swing factor in stabilizing the revenue and margin trajectory here. Talk about what we're going to see as we build to key moments like Sun and her team's first line. It seems like back-to-school is probably when that starts to come together. And as you focus on shifting from the good defense you've taken here in the cleanup effort to offense. What have you shown to your retail partners already? What kind of feedback is good or bad are you getting as we start to pivot Vans back to what you've been talking about for a while, your long-term growth?
>
> . . .
>
> Defendant Darrell: I just want to add one thing on Vans in particular, when you think about — and this isn't really Q3 or Q4. But I'll start with maybe a prelude to the answer to your question. We've got a lot of moving parts underneath Vans in the marketplace. We've got — we've closed, I think, 9% of our total doors globally in our DTC channel. We've closed about — sorry, we've closed 14% of our own stores. I think we closed about 9% of the stores of wholesale in the U.S. alone. We've also added stores. So that's a net number.
>
> So there's a lot of moving parts underneath that to really reset our business from a commercial perspective to be in a great place as new products flow through there. Now you asked when will we start to see what Sun's working on. She'll give you a little glimpse, and we're going to give you a little glimpse of a few things we're working on now at the Investor Day. I've told her, and I'm telling you, I'm going to keep the expectations low for Vans as long as possible, because I want to give her plenty of room to operate. She is a real operator. She is deep in the middle of stuff. You'll probably see a few things she's touched are back-to-school, even more at holiday and as you go into next year even more and more, but it's going to take time.

As you know, the product development cycles for this business are longer than they should be. We're not going to fix that right away, but we're also working on that in the background. ***So stay tuned, but I feel super good about where we're going with Vans.***

. . .

Q: Congratulations. Great quarter. Nice to see it. So Bracken, my question is going to focus on Vans. That was the only brand that missed sales relative to consensus expectations. You're giving it time, what customer feedback are you getting from the core Vans customer? You're broadening it out to more board and action sports. So just how are you targeting kind of a broader audience? And then when is the right time to put some demand creation investment behind that?

Defendant Darrell: Okay. I'm going to dodge your question, not because I don't have an answer, but I'll give you a little bit of one, but because I really want to let Sun to answer that. The feedback — both the feedback from customers as we continue to think about who we're really targeting and also demand creation investment. What I will say is we're not starving Vans demand creation. We are experimenting with what kind of demand creation, where we're spending our money, especially during the holiday period, and we're learning. So I think you'll see us continue to change what we're doing there, although you can't really probably easily see what we did last quarter, we did the quarter before that.

But suffice to say, we're in deep learning mode and action mode. So you'll see us keep adjusting what we're doing on Vans from marketing perspective. And the target audience piece, I will absolutely refer and let Sun talk in March, but I feel very, very good about the decisions she's made. And as you said, we are going broader into action sports and beyond.

. . .

Q: Bracken, on Vans, when you look at sort of the regional breakdowns, Vans down 31% in APAC. Can you just comment a bit on that result and sort of what drove that and how you're seeing the business there?

Defendant Darrell: Yes. I would say Vans came — Vans got hit a little bit later, maybe fundamentally and then pretty hard. If you look at our Vans business in APAC, I think at its peak, it was $600 million, something like that. So think about how much potential there is there. So we're not chasing anything short term in Vans right now. And I hope that's obvious to you. It is to me. I just block everything that I hear that sounds like we're trying to do something really short term, because the potential is so big here, I don't know what our run rate would be right now in that Q3, but I'll bet it's $250 or something.

> So we're down that much in APAC and China, in particular. So — and part of that is really — and I mentioned this the last couple of calls, I think, really resetting our store footprint there. It's a lot of it is partner stores, so they're not our stores. So there's a lot of work going on there and a lot of work on the team, et cetera. So I would say just like the rest of the world. But you're right, Vans and APAC is a little bit of a special case that I'm excited about the whole business.
>
> I think APAC is a really interesting case where — how long it will take us to get back to $600 million, we'll see. But I do think you know China and once you get things right, the growth comes fast. So we don't have things right there yet, obviously, but we will.

44. The statements referenced in ¶¶ 23-43 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 and operations. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (i) actions more drastic than the Reinvent initiative and VFC's other disclosed turnaround efforts would be necessary to restore the Vans brand to growth; (ii) the foregoing would negatively impact the revenue growth trajectory of the Vans brand specifically and VFC generally to a greater extent than Defendants had contemplated or cautioned in their public statements; and (iii) as a result, Defendants' public statements were materially false and/or misleading at all relevant times.

The Truth Begins to Emerge

45. On May 21, 2025, Defendants released VFC's fourth quarter and FY fiscal 2025 results, which fell short of market expectations. Discussing the results, Defendant Darrell stated, in relevant part:

> At a high level, if you exclude Vans, we're up 4%. So of course, let's talk about Vans. As I've said before, there's nothing that's not working at Vans that we can't fix with what's working in the rest of the business. We told you last quarter that turnarounds are often nonlinear. To be clear, turnarounds can look nonlinear from a numerical standpoint, and this quarter is an illustration of that. However, we are methodically advancing all our initiatives. The actions we're taking to drive

improved performance and progress in our turnaround are moving forward in a clear linear manner. In fact, at Vans, we're making progress every week to turn around the business.

> ***You don't see the results just yet numerically, but you will. And when you do, there'll be high quality. Vans was down 20% in the quarter after being down 8% in the prior quarter***. This quarter's step back doesn't tell the whole story. ***If you adjust for deliberate strategic actions to manage the marketplace and set ourselves up to achieve profitable growth, the revenue decline was down high single digits versus last year and is consistent with last quarter's trend. Put another way, 60% of the decline this quarter is a direct effect of deliberately reduced revenue to eliminate unprofitable or unproductive business***. Of the total Q4 decline in Vans sales, almost 25% of it was driven by reduced storefronts and reduced channel inventory in China. As we've said in prior calls, the turnaround in APAC has been slower. We're taking the actions needed to set that marketplace up for long-term growth.
>
> ***Another 35% of the total decline was driven by additional — an additional set of deliberate actions, which were also in place last quarter but had a lower impact. These include the closure of value doors, mainly in the U.S. that were margin eroding, the reduction of distressed sales that were unprofitable and the closure of our own stores, also mainly in the U.S. that were unprofitable***. And the results of these actions and others are that Vans gross margin is up significantly year-over-year. Now let me dissect the revenue a bit further. In non-value wholesale, sellout was slightly up. And in our key accounts, Vans sell-out was up double digits. The balance of 40% of the decline was all driven by DTC, which is primarily due to soft traffic. What are we doing to address traffic? We're evolving our marketing rapidly to drive brand heat, and we'll get that back.

46. Defendant Vogel then provided a breakdown of the Vans segment performance in the quarter and discussed future guidance as follows:

> ***Vans revenue in the quarter was down 20%, driven by our intentional actions that Bracken mentioned earlier and continued softness in DTC***. And rounding out the top 3, Timberland posted strong results at up 13%. By region, the APAC region grew 2%, while the Americas and EMEA regions were down 5% and 2%, respectively, as we intentionally reduced promotional activity. The Americas is performing in line with expectations and excluding Vans, grew approximately in line with Q3 trends.
>
> . . .

Let me turn to Q1, which, as a reminder, is our smallest quarter for the year and also one where Vans has an outsized impact on the consolidated growth relative to other quarters. For revenue, we expect Q1 to be down 3% to 5% on a constant dollar basis.

We stated in late January that we expected the first half of the year to be similar in growth rate to the second half of the last fiscal year. We expect Vans in Q1 to be similar to the Q4 trend due to the additional actions we've executed on stores and wholesale value channels. As a result of these actions, the revenue trend in the first half of fiscal '26 is expected to be slightly below the second half of fiscal '25. Moving down the P&L. We expect Q1 operating loss to be in the range of $110 million to a loss of $125 million. Gross margin will continue to benefit from fewer discounts and promotions and FX, while SG&A dollars are expected to be flat to down slightly versus last year.

47. A question-and-answer segment followed during which the defendants briefly elaborated on Vans' decline and the strategic reset actions in response to the following pertinent inquiries from various analysts:

Q: I was hoping that you could talk a little bit more about the one-time strategic reset actions that you are taking at Vans that weighed on fourth quarter results and are expected to weigh again on first quarter results. Can you just give us a sense of when you might be fully through some of those actions that have already been taken and whether or not you are contemplating any additional strategic reset actions to return the brand to health?

Defendant Darrell: Yes. Thanks for the question. ***We expected that***. By the way, I'm on the — I think, my seventh day of post-COVID. So if Paul sounds like he's sitting far from me in the corner, he had a leg huddled over there, and I'm in one corner. So if I cough in the middle, you'll know why. Yes, so we kind of — I kind of highlighted in my script. I mean, ***the bottom line is there are 4 things in there. One is actions in China that are really deliberately set at trying to reduce the overall level of channel availability in China, get it to the right size and the right places.*** And that really hit — peaked in Q4, and that will — that impact will continue into Q1, Q2 and then fade in Q3 and be gone in Q4.

And then you've got the others that we talked about before, which are we reduced the number of doors of our own doors. We started that in last year, and it really is — flows through. I think it's the highest quarter this quarter, and that will begin to fade as we go into Q1 and then Q2 and then more in Q3 and gone in Q4. And then you've got value door closures, which we talked about before, peaks in Q4, starts to come down in Q1, 2, 3, 4, and it's gone in Q4. And then the last one is distressed sales, where we're bringing those down. So I think you can kind of say the impact of these will continue kind of proportionately right through Q1 and Q2 and then in Q3, they come down and then come all the way down in Q4.

. . .

Q: So my question is not to keep on the Vans, but it sounds like there's 4 things that are kind of like non-comp sales headwinds, 2 of them, the value doors and the reducing of the inventory seem like they are largely done. But the other 2 kind of at various levels diminishing kind of follow us into all 4 quarters. Is that — is the comp progress that you're seeing in the non-value doors enough to offset that? Or are you sort of fantastically guiding us to think that Vans will be down throughout the year, all 4 quarters?

And then I guess a follow-on to that is non-value channel demand is one thing, end consumer demand, right? And I think you're talking about the sellout is actually getting better. But in your own DTC, what are you seeing in terms of that end consumer talking to you about kind of brand equity, mind share, et cetera?

Sorry. I'll do the last one — go ahead.

Defendant Darrell: Okay. So first of all, on your — ***I think your first question, yes, the answer to the question at a high level is the impacts of those 4 things will keep appearing in the base in Q2 — Q1, Q2 and then a lot less in Q3 and then they're gone in Q4. And that's pretty much true for all of them on some level.*** So they're about the same. They all have — there are events that keep showing — they basically — ***we're not doing more of them. They just — once you do these, look, for example, when you close a door, you lose 4 quarters of the door. So if you close value channels, you use 4 quarters of the value channel. So — so that's*** *—those are going to keep trailing through there. They'll be about proportionately* the same through those first 2 couple of quarters and less in Q3 and then gone in Q4.

In terms of end consumer demand, we're still not getting enough traffic into our stores and our websites. And I referred to that in my script, and this is fundamental brand heat. And we're doing a lot of experimenting to see what we need to do to trigger that. And I don't want to let the cat out of the bag on anything that's ahead of us. So we are certainly learning a ton. And the good news is that when we have traffic — when there is traffic, when you have a curated assortment, as you do in our non-value wholesale, we're actually flat to up. And if you looked in our key accounts, we're really making sure we have the best assortment, the best execution that we can have, we're up double digits.

> ***So the key now for us is to take the medicine that we've talked about and then get the traffic up.*** And so that's a function of 2 things. You got to have things people want to come by and they got to know about them. And so Sun is working feverishly on developing those new products and Super Low Pro is a great example of what's ahead of us. And then the second one is we just got to keep working on that marketing. So we've got a stronger and stronger marketing program. ***We've made a lot of changes in there. They're not — you aren't seeing all of them flow through yet, so it's coming. But we'll get there. We've done it in Timberland. We know how to do this. We just got to execute.***

48. Following these disclosures, VFC's stock price fell $2.28 per share, or 15.8%, to close at $12.15 per share on May 21, 2025.

49. A number of well-known analysts who followed VFC lowered their price targets in direct response to VFC's disclosures. For example, Wells Fargo highlighted that "[i]n a season where most cos are speaking to upbeat trajectories, VFC's 4Q print is a negative outlier." Elaborating, the analyst noted the "key take was another Vans miss—a sizeable miss at -20% (more than 2x the Street's estimate of -9%), with 'strategic actions' driving the miss. We expect these actions to weigh on 1Q/2Q, with any talk of a Vans turnaround fully off the table for now."

50. Similarly, Baird, also significantly reduced its price target, saying that it was "disappointed by the timing of steeper re-set actions for Vans, putting further pressure on driving 2H26E inflection in our view." The analyst highlighted that "near-term credibility is further challenged by incremental [Vans] brand re-set actions which were not pursued with the re-set 1+ year ago or signaled at the March investor day."

51. Additionally, Citi, mirroring Baird, highlighted that these "strategic actions include resetting the business in China, reducing sales to off-price, reducing promotions, and a reduction in store count." Taken together, this quarter's reset represented a "~1,200 bps drag on Vans sales

in 4Q (and will be a similar drag in 1Q/2Q26)," while the prior "different … inventory reset that occurred in 3Q/4Q24 … hurt Vans sales (by 400-500bps)."

52. The fact that these analysts, and others, discussed VFC's decline in Vans performance and below-expectation performance that allegedly were caused by previously unannounced deliberate actions from management suggests the public placed significant weight on VFC's prior estimates and statements of growth and positivity for the trajectory of the Vans brand. The frequent, in-depth discussion of the Vans decline and surprise at the timing of the reset actions confirms that Defendants' statements during the Class Period were material.

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

Regulation S-K Items 105 and 303

54. Throughout the Class Period, VFC's periodic financial filings were required to disclose the adverse facts and circumstances detailed above under applicable SEC rules and regulations. Specifically, Item 105 of SEC Regulation S-K, 17 CFR § 229.105 ("Item 105"), required VFC to "provide under the caption 'Risk Factors' a discussion of the material factors that make an investment in the [Company] or offering speculative or risky" and "[c]oncisely explain how each risk affects the [Company] or the securities being offered." Defendants failed to disclose, *inter alia*, that restoring the Vans brand to growth would require more drastic measures than the Reinvent initiative and VFC's other disclosed turnaround efforts, and that such measures would negatively impact the revenue growth trajectory of the Vans brand specifically and VFC generally to a greater extent than Defendants had contemplated or cautioned in their public

statements. Defendants' failure to disclose the foregoing issues violated Item 105 because these issues represented material factors that made an investment in the Company speculative or risky.

55. For similar reasons, Defendants violated Item 303 of SEC Regulation S-K, 17 C.F.R. § 229.303(b)(2)(ii) ("Item 303"), which required VFC to "[d]escribe any known trends or uncertainties that have had or that are reasonably likely to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations." Defendants' failure to disclose, *inter alia*, the issues described *supra* at ¶ 54 violated Item 303 because these issues represented known trends and uncertainties that were likely to have a material unfavorable impact on the Company's business and financial results.

SCIENTER ALLEGATIONS

56. During the Class Period, Defendants had actual knowledge of the misleading nature of the statements they made, or acted in reckless disregard of the true information known to them at the time. In so doing, Defendants participated in a scheme to defraud and committed acts, practices, and participated in a course of business that operated as a fraud or deceit on purchasers of the Company's securities during the Class Period. Indeed, at all relevant times, Defendants were highly focused on Project Reinvent and other turnaround efforts to restore the Vans brand specifically and the Company generally to growth. Accordingly, Defendants were intimately aware of the false and misleading nature of their Class Period statements, as alleged herein, when made.

PLAINTIFF'S CLAS S ACT ION ALL E GAT IONS

57. 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 investors in VFC securities during

the Class Period that 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.

58. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, VFC 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 VFC 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.

59. 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.

60. 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.

61. 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 VFC;

- whether the Individual Defendants caused VFC 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 VFC 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.

62. 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.

63. 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;

- VFC 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 VFC 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.

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

65. 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)

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

67. 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.

68. 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 VFC securities; and (iii) cause Plaintiff and other members of the Class to purchase or otherwise acquire VFC 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.

69. 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 VFC 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 VFC's finances and business prospects.

70. By virtue of their positions at VFC, 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.

71. 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 VFC, the Individual Defendants had knowledge of the details of VFC's internal affairs.

72. 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 VFC. 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 VFC'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 VFC securities was artificially inflated throughout the Class Period. In ignorance of the adverse facts concerning VFC's business and financial condition which were concealed by Defendants, Plaintiff and the other members of the Class purchased or otherwise acquired VFC 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.

73. During the Class Period, VFC 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 VFC 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 VFC securities was substantially lower than the prices paid by Plaintiff and the other members of the Class. The market price of VFC securities declined sharply upon public disclosure of the facts alleged herein to the injury of Plaintiff and Class members.

74. 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.

75. 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)

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

77. During the Class Period, the Individual Defendants participated in the operation and management of the Company, and conducted and participated, directly and indirectly, in the conduct of the Company's business affairs. Because of their senior positions, they knew the adverse non-public information about VFC's misstatements.

78. As officers and/or directors of a publicly owned company, the Individual Defendants had a duty to disseminate accurate and truthful information, and to correct promptly any public statements issued by VFC which had become materially false or misleading.

79. 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 VFC disseminated in the marketplace during the Class Period concerning the misrepresentations. Throughout the Class Period, the Individual Defendants exercised their power and authority to cause VFC to engage in the wrongful acts complained of herein. The Individual Defendants therefore, were "controlling persons" of the Company 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 VFC's common stock.

80. Each of the Individual Defendants, therefore, acted as a controlling person of the Company. By reason of their senior management positions and/or being directors of the Company, each of the Individual Defendants had the power to direct the actions of, and exercised the same to cause VFC to engage in the unlawful acts and conduct complained of herein. Each of the Individual Defendants exercised control over the general operations of the Company 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.

81. 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 VFC.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff demand 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 pre-judgment 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.