UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF PENNSYLVANIA

_____, Individually and on behalf of all others similarly situated, Plaintiff, v. CLEVELAND-CLIFFS, INC., LOURENCO GONCALVES, and CELSO GONSALVES, Defendants.	**Case No:** **CLASS ACTION COMPLAINT FOR VIOLATIONS OF THE FEDERAL SECURITIES LAWS** JURY TRIAL DEMANDED

Plaintiff ____ ("Plaintiff"), individually and on behalf of all other persons similarly situated, by Plaintiff's undersigned attorneys, for Plaintiff's complaint against Defendants (defined below), 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, among other things, the investigation conducted by and through Plaintiff's attorneys, which included, among other things, a review of the Defendants' public documents, public filings, wire and press releases published by and regarding Cleveland-Cliffs Inc. ("Cleveland-Cliffs," "Cliffs," or the "Company"), and information readily obtainable on the Internet. Plaintiff believes that substantial evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery. [1]

NATURE OF THE ACTION

1. This is a class action on behalf of persons or entities who purchased or otherwise acquired publicly traded Cliffs securities between February 25, 2025 and May 7, 2025, inclusive

[1] Unless otherwise stated, all emphasis is added.

(the “Class Period”). Plaintiff seeks to recover compensable damages caused by Defendant’s violations of the federal securities laws under the Securities Exchange Act of 1934 (the “Exchange Act”)

JURISDICTION AND VENUE

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

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

4. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)) as the alleged misstatements entered and the subsequent damages took place in this judicial district.

5. In connection with the acts, conduct and other wrongs alleged in this complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including but not limited to, the United States mails, interstate telephone communications and the facilities of the national securities exchange.

PARTIES

6. Plaintiff, as set forth in the accompanying certification, incorporated by reference herein, purchased Cliffs securities during the Class Period and was economically damaged thereby.

7. Defendant Cliffs is a steel company. It describes itself as follows:

> Cleveland-Cliffs is a leading North America-based steel producer with focus on value-added sheet products, particularly for the automotive industry. The Company is vertically integrated from the mining of iron ore, production of pellets and direct reduced iron, and

processing of ferrous scrap through primary steelmaking and downstream finishing, stamping, tooling, and tubing.

8. Cleveland-Cliffs is incorporated in Ohio and its head office is located at 200 Public Square, Cleveland, Ohio 44114. Cliffs' common stock trades on the New York Stock Exchange (the "NYSE") under the ticker symbol "CLF." Within this district, Cliffs conducted business in Conshohocken as well as Coatesville, Pennsylvania during the Class Period. Additionally, within Pennsylvania, Cliffs conducted business in, among other places, Steelton, Pennsylvania.

9. Defendant Lourenco Goncalves ("L. Goncalves") served as the Company's Chief Executive Officer ("CEO"), President, and Chairman of the Company's Board of Directors (the "Board") throughout the Class Period

10. Defendant Celso Goncalves ("C. Goncalves") served as the Company's Chief Financial Officer ("CFO") and executive vice president throughout the Class Period.

11. Defendants L. Goncalves and C. Goncalves are collectively referred to herein as the "Individual Defendants."

12. Each of the Individual Defendants:

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

(b) was directly involved in the day-to-day operations of the Company at the highest levels;

(c) was privy to confidential proprietary information concerning the Company and its business and operations;

(d) was directly or indirectly involved in drafting, producing, reviewing and/or disseminating the false and misleading statements and information alleged herein;

(e) was directly or indirectly involved in the oversight or implementation of the Company's internal controls;

(f) was aware of or recklessly disregarded the fact that the false and misleading statements were being issued concerning the Company; and/or

(g) approved or ratified these statements in violation of the federal securities laws.

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

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

15. Cliffs and the Individual Defendants are collectively referred to herein as "Defendants."

SUBSTANTIVE ALLEGATIONS

Materially False and Misleading Statements Issued During the Class Period

16. On February 24, 2025, after the market closed, Cliffs issued a press release entitled "Cleveland-Cliffs Reports Full-Year and Fourth-Quarter 2024 Results." This press release included the following statement from L. Goncalves:

> Since January 20th, President Trump has made clear that proper enforcement of our trade laws and a supportive industrial policy prioritizing manufacturing in the United States are both being implemented. ***That should benefit Cleveland-Cliffs more than others***. ***As of late February, Cleveland-Cliffs is well on the way for a dramatic rebound in 2025.*** We can ***already see the early signals of this rebound in automotive pull, index pricing, and our overall order book***. Also, with the addition of Stelco's spot price driven non-automotive book of business to our footprint, we are even better equipped now to ride this upside than in previous cycles, as we are now less dependent on fixed price contracts.

17. On February 25, 2025, before the market opened, Cliffs held its Q4 2024 Earnings

Call (the "Q4 Call"). The Q4 Call included the following statement from L. Goncalves:

> 2024 is in the rearview mirror ***and we have great potential for a strong 2025 right in front of us***. Our order book has picked up substantially over the past months and steel pricing is back on the rise. ***Less than a month ago, our lead times for hot-rolled steel were three weeks. As of today, they are seven weeks***. Order book and lead times **are our most important forward-looking indicators and they are both in their strongest position in nearly a year**.
>
> In 2024, demand for steel was the weakest we have seen since 2010 other than during the temporary collapse caused by COVID-19 in early 2020. The second half of last year was especially bad with the steel demand from the automotive sector slowing down, construction activity lagging and industrial production taking a hit. This led to the idle of our C6 blast furnace at Cleveland Works last quarter.
>
> ***A lot of this weak demand environment was a function of unnatural market factors at play***. Among these factors, interest rates kept at very high levels by the Federal Reserve, negatively impacted our service center customers' ability to buy steel from us. ***And, of course, trade distortions enabled by foreign countries supporting steel overproduction continued to be a major problem***.
>
> ***Regarding trade, the steel industry has been dealing with unfair competition from foreign producers for decades. We have always been very vocal in calling out each one of the problems, particularly the dumping of artificially cheap steel into the US market, subsidies that foreign governments hand out with abandon to their steel producers, currency manipulation, weak environmental regulations or lack of enforcement, and insufficient or non-existing punishment for bad actors who manipulate the global market***.
>
> ***With the Trump administration in office, action is being taken and we are starting to see positive signs ahead of us***. We at Cleveland-Cliffs appreciate the recently announced 25% tariffs on steel imports from all countries. These tariffs are critical to addressing the problem and we thank the Trump administration to have the courage to implement these tariffs.
>
> While the United States continues to be in a net short position on steel, ***the biggest exporters of steel into the US are all guilty of overcapacity and overproduction***. To make matters worse, these foreign overproducers of steel are all more carbon intensive than each one of the US steel makers, meaning that they overproduce steel and CO2 and then put the steel on a vessel that emits even more CO2.
>
> ***Cleveland-Cliffs is not depending on imported inputs and we do not rely on foreign supply chains that can be disrupted overnight***. The tariffs will penalize the foreign competitors who have been playing by a different set of rules while strengthening the domestic producers who actually invest in American workers, American manufacturing and American supply chains.

18. L. Goncalves further stated:

The trade angle isn't just important for steel, but for finished goods as well. For the first time in history, 2024 was the year when sales of imported cars in the United States surpassed sales of domestically made vehicles. Let me repeat this point one more time. In 2024, the number of imported cars sold to consumers was higher than the number of domestic produced cars sold in the United States. That is exactly why tariffs and a strong industrial policy are necessary to protect and strength the American manufacturing base instead of letting it continue to erode.

We also appreciate that the recent tariff announcement includes downstream products containing steel, and that should benefit our clients in automotive and in other sectors. The tariffs will also benefit our newly acquired Stelco. That's right. ***Despite what some might assume, the best financial year for Stelco in the previous decade was 2018, when 25% tariffs on Canadian steel imports were in place.***

* * *

As for the current state of play at Cliffs in general, we continue to manage costs, optimize operations and maintain our financial flexibility. We have been through cycles before. We know exactly what to do. We continue to enjoy full support from our investors and we proved that once again with the recently issued senior unsecured notes, a deal that was oversubscribed and was priced in a few hours after launching. ***And as we have already explained, the market is certainly pointing in our favor.***

19. L. Goncalves made the following statement about the 2025 order book:

Our order book is in a much stronger position to start 2025 with a significant uptick in demand. The improvements in automotive have been especially encouraging with increased volumes from both existing and new programs. ***We are seeing our best pull rates since early last year, a clear sign that we are recovering market share from the competitors that gave away price***. These competitors can't win on quality or service, so they gave away the farm on pricing and are now struggling to deliver on performance.

No matter how much competition tries to low-ball pricing in this market, quality and delivery performance always win in the long-term. This positive trend, combined with better demand in other core segments, puts us in a great position for the year ahead. After spending the entire second half of 2024 with sub $700 HRC pricing, we are finally starting to see the long overdue bounce. And we are now even better equipped to ride this upside than before with Stelco and it's primarily non-automotive book of business in the mix, resulting in a smaller percentage of fixed price contracts for our total Cleveland-Cliffs business as a whole.

20. C. Goncalves made following statement on the Q4 Call:

As Lourenco detailed, the automotive order book has been remarkably healthy to start 2025, due in large part to market share recovery and commodity steel prices rapidly on the rise. As a result, ***we view the fourth quarter of 2024 as the trough in our quarterly profitability as we gear up for a much improved 2025***.

* * *

From a balance sheet perspective, ***we remain in a remarkably healthy liquidity position*** following our latest capital raise, where we replaced secure ABL borrowings with long-term unsecured notes. As of today, we sit here with $3 billion in liquidity and all of our secured debt capacity remains intact.

* * *

Q4 was a rather heavy period of cash use, both from the weak results as well as the buildup of inventory and the release of payables. This inventory build in Q4 is primarily a result of raw materials, particularly iron ore pellets, ***a situation that we will be able to rectify here in 2025***. This build sets us up well to rapidly respond to the improved demand we are seeing thus far this year.

* * *

2024 represented the cyclical world that we all know as a steel company. I believe in the midst of our weakening results with our focus on cost control and our strategic M&A with Stelco, ***we positioned ourselves very well for a significantly improved 2025, especially as the wider market improves.***

21. L. Goncalves further stated the following:

With 2024 behind us, ***we are ready to reap the benefits of this new era in America***. ***Our focus on manufacturing within the United States finally standing up to unfair competition and not allowing ourselves to be taken advantage of***. These efforts are ***already showing up in our order book*** and our pricing.

The golden age of American manufacturing is coming and Cleveland-Cliffs, a proud [American owned] and operated steel company producing steel from Virgin Islands from Michigan and Minnesota is at the foundation of this effort, ***ready to support domestic manufacturing and American prosperity.***

22. The Q4 Call included the following exchange between an analyst and L. Goncalves:

Analyst: I appreciate the time. Next week the US may move forward with 25% import tariffs with Canada and Mexico. This will be in addition to steel tariffs already pursued I believe. Can you discuss how Cliffs navigates the evolving tariff environment, its implications on price and demand? And what the strategy is for the recently acquired Stelco asset? And is there an option to move slabs rather than finish steel from Stelco into the US?

L. Goncalves: Yes. Look, Stelco is a small part of the entire picture. And the entire picture will benefit extremely well from whatever scenario you design, Martin, as far as tariffs. ***Tariffs are necessary. Tariffs are at the foundation of what President Trump and Secretary of Commerce Howard Lutnick are planning to implement in this country. And we fully support that***. That said, Stelco, like we explained during our prepared remarks, Stelco primarily book of business is in Canada. And we believe that by using our assets source of the border to execute on orders that are coming from American clients will largely mitigate the negative impact of any tariffs on Stelco. So long story short, we believe that any is small negative impact on Stelco, if any, which I still don't believe that they will be -- that will be the case will be largely offset and surpassed by the benefits to the rest of the footprint that are a lot bigger than Stelco individually. ***Another point that I would like to one more time call attention to your attention and the attention of our investors, the best year for Stelco was 2018. And that was just after when President Trump during his first mandate implemented tariffs. So we fully expect that will be the case again***.

23. The Q4 Call also included the following exchange:

Analyst: How are you doing? Just quickly on the steel markets. ***I mean, obviously, prices have really begun to move higher and you talked about your order books getting better***. And we have the upcoming impact of tariffs, which would obviously be good for the medium to long-term for you. But I'm just wondering about kind of the cadence of demand. And is it possible that there's been some demand that's being pulled forward ahead of tariffs? And maybe after tariffs kick-in, we get a period where we have sort of consolidation before the prices start to move higher or do you think this is more a reflection of demand really recovering after a very weak 2024? That's my first question.

L. Goncalves: Yes, I think that is a combination of everything, but demand is coming back -- ***as 2025 progresses, Chris, you are going to see more and more domestic consumption for the simple fact that they are not going to be able to import anymore***. ***When you put tariffs on steel on every single country and when you don't accept exceptions, you don't create mechanisms for people to start to game the system by filing exceptions***. And more importantly, when we shut down the door in Mexico that brings steel through Mexico into the United States and destroys the marketplace ***then we have a great combination to improve and to increase demand***. Of course, in the short-term, there will be kind of a rearrangement of the supply chains. But look nobody can say that it's efficient to like the CEO of OneSteel company said some parts move across the border between the United States and Mexico seven times. And then they recall that efficiency. My goodness that's stupid with all due respect. So let's produce everything here in the United States and get things back where they belong. And don't forget, for a country like Mexico, tariffs will be stacked. So it's 25% plus 25% makes up 50%. So for the ones that relied in Mexico, time to get another thing to do.

Analyst: Great. Thanks for that. And then, Celso, just on the working capital build in the first quarter, would you expect that to begin to reverse in the second quarter? ***So should we start to have cash inflows through the rest of the year from working capital?*** And I'm wondering if we might see over the course of the year, the net cash outflow from working capital in the first quarter be more than offset over the course of the year? So in other words, you get potentially for the full year, you get a benefit from working capital rather than the draw they had in the first quarter?

C. Goncalves: Yes, that's right. You nailed it. ***The working capital build in Q4 was to gear up for a much improved 2025***. It was mostly all inventory driven, particularly in raw materials, pellets and coke. So we'll be able to work through all this in 2025.

Analyst: Okay. Great. Thanks guys and good luck.

L. Goncalves: Chris, just one more thing on capital -- on working capital. I could have shut down Minnesota at least one mine or mine and a half and produce fewer [pellets] in Q4 and show a better number and nobody will be saying, oh, there's a cash burn and this and that. I didn't do that. I produced the pellets. Do you know why? ***Because I had full confidence that President Trump would keep the promise that he made. Promise made, promise kept. And tariffs are coming, demand is coming*** and I have the pellets. Remember, there is a winter between the pellets and the consuming mills. I have the pellets ready to go. ***So we are ready for these tariffs to be implemented. We are ready to take care of the market***. We're not going to justify, we don't have feedstock, we don't have scrap, we don't have pellets, we don't have people. ***We have everything. We produced less tons, but the employees are there and we're ready to go***. And that's what you do when you are managing for the future and managing for the near future. So that's the working capital thing that I would like you to understand. And please make your model demonstrate that because that's going to happen throughout 2025.

24. The statements contained in ¶¶ 16-23 were materially false and/or misleading because they misrepresented and failed to disclose the following adverse facts pertaining to the Company's business, operations, and prospects, which were known to Defendants or recklessly disregarded by them. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (1) Defendants recklessly overstated Cleveland-Cliffs' 2025 business prospects and materially overstated the expected positive impacts of tariffs directed at foreign competitors on Cliffs' business; (2) while Defendants' discussed a new era of prosperity in the United States as a result of tariffs (and made glowing statements about Cliffs' financial position), in reality, Cliffs was in such a weakened financial state (in part as a result of excess working

capital) that Defendants were on the verge of having to wholly-or-partially cease operations at facilities in multiple states, resulting in layoffs; (3) as a result, Defendants' statements about Cliffs' business, operations, and prospects were materially false and misleading and/or lacked a reasonable basis at all times.

THE TRUTH BEGINS TO EMERGE

25. On May 7, 2025, after the market closed, Cliffs issued a press release entitled "Cleveland-Cliffs Reports First-Quarter 2025 Results." (the "Q1 2025 Announcement").

26. The Q1 2025 Announcement stated the following about the Company's financial results in Q1:

> First-quarter 2025 consolidated revenues were $4.6 billion, compared to $4.3 billion in the fourth quarter of 2024.
>
> ***For the first quarter of 2025, the Company recorded a GAAP net loss of $483 million***, or $1.00 per diluted share, ***with an adjusted net loss of $456 million***, or $0.92 per diluted share. This compares to ***a fourth quarter 2024 GAAP net loss of $434 million***, or $0.92 per diluted share, ***with an adjusted net loss of $332 million, or $0.68 per diluted share***.
>
> ***For the first quarter of 2025***, the Company reported an Adjusted EBITDA loss of ***$174 million***, compared to an Adjusted EBITDA loss of ***$81 million*** in the ***fourth quarter of 2024.***
>
> (Internal citations omitted).

27. The Q1 2025 Announcement further stated the following about "operational changes":

> ***Between March and May of 2025, Cliffs made the decision to fully or partially idle six facilities to optimize its footprint, reposition away from loss-making operations, and release excess working capital***. These actions are expected to result in savings of over $300 million annually, not including additional savings in overhead and improved productivity at other locations. The idles are not expected to impact flat-rolled steel output. These actions included:
>
> - A full idle of the Minorca mine and partial idle of the Hibbing Taconite mine, each in Minnesota, primarily to re-balance working capital needs and consume excess pellet inventory produced in 2024

- An idle of the blast furnace, BOF steel shop, and continuous casting facilities at Dearborn Works in Michigan, ***to replace with more cost-efficient production*** upon restarting the #6 blast furnace at Cleveland Works
- A full idle of the Steelton, Pennsylvania rail facility, primarily as a result of excess rail imports, ***continued underperformance, and financial losses***
- A full idle of the Conshohocken, Pennsylvania plate finishing facility, primarily as ***a result of continued underperformance and financial losses***
- A full idle of the Riverdale, Illinois compact strip mill facility, primarily due to an ***uncompetitive cost structure*** and ability to run the neighboring Indiana Harbor facility more efficiently

In addition, the Company will no longer be deploying capital toward the development of a transformer production plant in Weirton, West Virginia, due to changes in scope from the project partner that no longer meet Cliffs' investment requirements.

28. The Q1 2025 Announcement included the following statement from L. Goncalves:

Our first-quarter results were negatively impacted by underperforming non-core assets and the lagging effect of lower index prices in late 2024 and early 2025. As a result, we are taking decisive action to streamline our operations and enhance efficiency. This will drive meaningful fixed cost savings and sharpen our focus on our core strength: supplying steel to the automotive industry.

* * *

The decision to fully or partially idle certain locations was not taken lightly. These actions will allow us to consolidate operations, withdraw from loss-making businesses, and deliver annualized savings exceeding $300 million. We are also strategically repositioning our portfolio away from non-core markets, including rail, high-carbon sheet, and specialty plate products. Importantly, with the upcoming restart of the Cleveland #6 blast furnace offsetting the upcoming idle of the Dearborn blast furnace, we expect no impact to our flat-rolled steel output. At the same time, we are actively managing pellet inventories and unlocking working capital built up in 2024. Looking ahead, the conclusion of our five-year slab contract with ArcelorMittal/Nippon Steel Calvert at year-end—nearly 10% of our total shipments—presents a significant opportunity. This agreement has been a major negative contributor for us for several quarters. Despite rising HRC prices, the pricing structure of this agreement has moved in the opposite direction. That said, this contract goes away toward the end of this year and, at today's pricing levels, the contract termination will represent an approximate $500 million benefit to our annualized EBITDA from today's levels, beginning in 2026

29. On May 8, 2025, during market hours, Cleveland.com published an article entitled "Cleveland-Cliffs $483M loss prompts layoffs, plant idling, renewed focus on auto steel." The article stated that "Cleveland-Cliffs is ***temporarily cutting hundreds of jobs after reporting a***

significant loss in the first quarter of 2025, and plans to close underperforming plants in multiple states as part of cost-cutting efforts."

30. On this news, the price of Cliffs stock fell $1.34 per share, or 15.8%, to close at $7.15 per share on May 8, 2025. The following day, it fell a further 2.09% to close at $7.00 per share.

31. Subsequent to the Class Period, it was reported that Cleveland-Cliffs had filed a WARN Notice to announce that they would be laying off 107 workers in Conshohocken, Pennsylvania, and that the layoffs were expected to go into effect on June 30, 2025.

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

PLAINTIFF'S CLASS ACTION ALLEGATIONS

33. 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 persons other than defendants who acquired Cliffs securities publicly traded on the NYSE during the Class Period, and who were damaged thereby (the "Class"). Excluded from the Class are Defendants, the officers and directors of the Company, members of the Individual Defendants' immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.

34. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, the Company's 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, if not thousands of members in the proposed Class.

35. 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.

36. 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.

37. 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 Exchange Act was 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 and financial condition of the Company;
- whether Defendants' public statements to the investing public during the Class Period omitted material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading;
- whether the Defendants caused the Company to issue false and misleading filings during the Class Period;
- whether Defendants acted knowingly or recklessly in issuing false filings;
- whether the prices of the Company's 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.

38. 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.

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

- the Company's securities met the requirements for listing, and were listed and actively traded on the NYSE, an efficient market;
- as a public issuer, the Company filed public reports;
- the Company communicated with public investors via established market communication mechanisms, including through the regular dissemination of press releases via major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services;
- the Company's securities were liquid and traded with moderate to heavy volume during the Class Period; and
- the Company was followed by a number of securities analysts employed by major brokerage firms who wrote reports that were widely distributed and publicly available.

40. Based on the foregoing, the market for the Company securities promptly digested current information regarding the Company from all publicly available sources and reflected such information in the prices of the common units, and Plaintiff and the members of the Class are entitled to a presumption of reliance upon the integrity of the market.

41. 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 (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
For Violations of Section 10(b) And Rule 10b-5 Promulgated Thereunder
Against All Defendants

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

43. This Count asserted against Defendants 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.

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

45. Defendants violated §10(b) of the 1934 Act and Rule 10b-5 in that they:

- employed devices, schemes and artifices to defraud;

- made untrue statements of material facts or 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; or
- engaged in acts, practices and a course of business that operated as a fraud or deceit upon plaintiff and others similarly situated in connection with their purchases of the Company's securities during the Class Period.

46. Defendants acted with scienter in that they knew that the public documents and statements issued or disseminated in the name of the Company were materially false and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated, or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the securities laws. These defendants by virtue of their receipt of information reflecting the true facts of the Company, their control over, and/or receipt and/or modification of the Company's allegedly materially misleading statements, and/or their associations with the Company which made them privy to confidential proprietary information concerning the Company, participated in the fraudulent scheme alleged herein.

47. Individual Defendants, who are or were senior executives and/or directors of the Company, had actual knowledge of the material omissions and/or the falsity of the material statements set forth above, and intended to deceive Plaintiff and the other members of the Class, or, in the alternative, acted with reckless disregard for the truth when they failed to ascertain and disclose the true facts in the statements made by them or other Company's personnel to members of the investing public, including Plaintiff and the Class.

48. As a result of the foregoing, the market price of the Company's securities was artificially inflated during the Class Period. In ignorance of the falsity of Defendants' statements, Plaintiff and the other members of the Class relied on the statements described above and/or the integrity of the market price of the Company's securities during the Class Period in purchasing the Company's securities at prices that were artificially inflated as a result of Defendants' false and misleading statements.

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

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

51. By reason of the foregoing, Defendants have violated Section 10(b) of the 1934 Act and Rule 10b-5 promulgated thereunder and are liable to the plaintiff and the other members of the Class for substantial damages which they suffered in connection with their purchase of the Company's securities during the Class Period.

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

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

53. 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 the Company’s business practices.

54. As officers of a public business, the Individual Defendants had a duty to disseminate accurate and truthful information with respect to the Company’s financial condition and results of operations, and to correct promptly any public statements issued by the Company which had become materially false or misleading.

55. Because of their positions of control and authority as senior executives and/or directors, the Individual Defendants were able to, and did, control the contents of the various reports, press releases and public filings which the Company disseminated in the marketplace during the Class Period concerning the Company’s results of operations. Throughout the Class Period, the Individual Defendants exercised their power and authority to cause the Company 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 Company securities.

56. 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 the Company.

PRAYER FOR RELIEF

WHEREFORE, plaintiff, on behalf of himself and the Class, prays for judgment and relief as follows:

(a) declaring this action to be a proper class action, designating plaintiff as Lead Plaintiff and certifying plaintiff as a class representative under Rule 23 of the Federal Rules of Civil Procedure and designating plaintiff’s counsel as Lead Counsel;

(b) awarding damages in favor of plaintiff and the other Class members against all defendants, jointly and severally, together with interest thereon;

(c) awarding plaintiff and the Class reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

(d) awarding plaintiff and other members of the Class such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

Dated: December 2, 2024

THE ROSEN LAW FIRM, P.A.

/s/ Ian J. McDowell

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