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

YUAN CHEN, individually and on behalf of all  
others similarly situated,

Plaintiff,

v.

LYFT, INC., DAVID RISHER, and ERIN  
BREWER,

Defendants.

Case No.: 3:24-cv-1330

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

**DEMAND FOR JURY TRIAL**

1 Plaintiff, Yuan Chen, by and through his attorneys, alleges the following upon information  
2 and belief, except as to allegations concerning Plaintiff, which are alleged upon personal  
3 knowledge. Plaintiff's information and belief is based upon, among other things, his counsel's  
4 investigation, which includes, without limitation, review and analysis of: (a) public filings made by  
5 Lyft, Inc. ("Lyft" or the "Company") with the U.S. Securities and Exchange Commission (the  
6 "SEC"); (b) press releases, shareholder communications, Lyft's postings on Lyft's investor  
7 relations website, and other public statements disseminated by Defendants (as defined below); (c)  
8 news articles and analyst reports concerning Lyft; (d) other publicly available information  
9 concerning Lyft and the Individual Defendants (as defined below).

#### 10 **NATURE OF THE ACTION**

11 1. This is a federal securities class action alleging claims against Lyft and certain of its  
12 officers (collectively "Defendants") for violations of Sections 10(b) and 20(a) of the Securities  
13 Exchange Act of 1934 (the "Exchange Act"), 15 U.S.C. §§ 78j(b) and 78t(a), and SEC Rule 10b-5  
14 promulgated thereunder, 17 C.F.R. § 240.10b-5, on behalf of a "Class" of all persons who  
15 purchased or otherwise acquired Lyft common shares on a U.S. open market during the class period  
16 February 13, 2024 at 4:05 p.m. through February 13, 2024 at 4:51 p.m. (the "Class Period").  
17 Excluded from the Class are Defendants in this action, the officers and directors of the Company  
18 as of February 13, 2024 (the "Excluded D&Os"), members of Defendants' and Excluded D&Os'  
19 immediate families, legal representatives, heirs, successors or assigns, and any entity in which  
20 Defendants or the Excluded D&Os have or had a controlling interest.

21 2. Lyft publicly issued a press release reporting fourth quarter 2023 operating results  
22 on February 13, 2024 at 4:05 p.m. The press release was also filed with the SEC as an exhibit to a  
23 Form 8-K. The press release misrepresented that Lyft anticipated an "[a]djusted EBITDA margin  
24 expansion ... of approximately 500 basis points year-over-year." In fact, Lyft only anticipated a  
25 50 basis point margin expansion. Thus, rather than anticipating 2024 margins of 6.6%, in fact Lyft  
26 was only anticipating 2024 margins of 2.1%. Contemporaneous with the issuance of the press  
27 release, Lyft issued Supplemental Data supporting the press release that similarly misrepresented  
28 the 500 basis point margin expansion.

1           3.       The misrepresentation with respect to margins was material and caused Lyft  
2 common stock, which closed on February 13, 2024 at \$12.13, to trade as high as \$20.25 in the  
3 aftermarket (between 4:40 p.m. and 4:41 p.m.).

4           4.       To company insiders who were responsible for ensuring the accuracy of the press  
5 release and Supplemental Data, the misrepresentation was so apparent that it went beyond mere  
6 negligence, and amounted to a reckless indifference to the truth.

7           5.       Moreover, Defendants delayed in correcting the press release and Supplemental  
8 Data. Thirty-five separate research analysts issued research reports on Lyft common shares on  
9 February 13, 2024 and it is not plausible that no analyst inquired of Defendants or Lyft's other  
10 senior officers as to the accuracy of the 500 basis point margin expansion within minutes of the  
11 issuance of the press release. Yet, the press release and Supplemental Data went uncorrected until  
12 approximately 4:47 p.m. when Defendant Erin Brewer (Lyft's CFO) first stated on an investor  
13 conference call (17 minutes into the call), that Lyft anticipated a margin expansion of 50 basis  
14 points.

15           6.       Brewer's statement had an immediate impact on the market, with Lyft common  
16 shares reversing and trading at \$12.92 a share between 4:50 and 4:51 p.m. Between 4:05 p.m. and  
17 4:51 p.m., however, millions of Lyft shares traded at inflated prices.

18           7.       It was not until 24 minutes into the call, in response to a question, that Brewer  
19 acknowledged that her reference to 50 basis points was "actually a correction from the press  
20 release."

21           8.       Subsequently, in interviews on February 14, 2024, Defendant David Risher (Lyft's  
22 CEO) distorted the facts and misrepresented that the misstatement was only in one document (the  
23 press release), whereas the misstatement was made twice (in the press release and Supplemental  
24 Data), and that Lyft "issued an immediate correction.... We issued a correction in a second." In  
25 fact, as alleged above, Defendant Brewer waited until the 24<sup>th</sup> minute of the conference call to  
26 correct the misstatement.

27           9.       That Defendants did not move promptly to correct the misstatement is corroborating  
28 evidence that the initial misstatement was either knowing or severely reckless.



1 17. Defendant David Risher is the Chief Executive Officer (“CEO”) of Lyft, effective  
2 April 2023 through to the present, and is a Director on Lyft’s Board of Directors, effective July  
3 2021 through to the present.

4 18. Defendant Erin Brewer is the Chief Financial Officer (“CFO”) of Lyft, effective  
5 July 2023 through to the present.

6 19. Defendants Risher and Brewer (collectively the “Individual Defendants”), because  
7 of their positions with the Company, possessed the power and authority to control the contents of  
8 the Company’s reports to the SEC, press releases, and presentations to securities analysts, money  
9 and portfolio managers, and institutional investors.

10 20. The Individual Defendants were provided with copies of the Company’s reports and  
11 press releases alleged herein to be misleading prior to their issuance and had the ability and  
12 opportunity to prevent their issuance or cause them to be corrected.

13 21. Because of their positions and access to material non-public information, the  
14 Individual Defendants knew that the adverse facts specified herein had been misrepresented, and  
15 the true facts were being concealed from the public and that the positive representations that were  
16 being made were then materially false or misleading. The Individual Defendants are liable for the  
17 false statements pleaded herein.

18 22. The Company and the Individual Defendants are collectively referred to as the  
19 “Defendants.”

## 20 FACTUAL ALLEGATIONS

### 21 **I. Background – Lyft’s Short Position**

22 23. Lyft has outstanding one of the largest short positions of a U.S. publicly traded  
23 corporation on Wall Street.

24 24. According to *The Wall Street Journal*, in a February 14, 2024 news article:  
25 The stock has been more targeted by short sellers than its gig-economy counterparts,  
26 with short interest accounting for nearly 12% of Lyft’s shares outstanding compared  
27 with less than 3% for rival Uber, according to data from FactSet.

1           25.     A short position occurs when an investor borrows shares from the owner of common  
2 stock and sells those shares into the market.

3           26.     In effect, those shares become owned by two different investors – the first investor  
4 who loaned the shares and the second investor who purchased those shares from the investor who  
5 borrowed the stock.

6           27.     The investor who borrowed the stock and sold those shares to a third party is said to  
7 be “short” the stock in that they “owe” -- or have a contractual obligation to return – those shares  
8 to the initial investor.

9           28.     Short sellers generally invest against a stock’s performance in anticipation that the  
10 stock will decline in value so that the short seller can buy and return the lent shares at prices lower  
11 than the short seller had sold the shares initially.

12          29.     Whereas investors who are “long” a stock rely on the integrity of the market, but  
13 believe that the shares will appreciate in value, investors who are “short” a stock also rely on the  
14 integrity of the market but believe the shares will decline in value.

15          30.     Short sales are generally considered to depress the market price of a stock because  
16 it adds to the available number of shares that trade.

17          31.     Short sellers also at times issue research reports asserting that shares of Lyft  
18 common stock are over-valued by the market.

19          32.     Short sales are generally borrowed on margin and are marked to market weekly.  
20 That means that if the underlying shares increase in value over a week, the short seller is required  
21 to increase the margin that covers their short position.

22          33.     When there is insufficient margin to cover the short sale, a brokerage firm can force  
23 the short seller to purchase shares at the market price to cover the short position.

24          34.     This protects brokerage firms to ensure that there is adequate equity in the short  
25 seller’s account to cover the short position.

26          35.     In addition to borrowing and selling shares, an investor can be short the stock by  
27 selling calls.

1           36. By selling a call, an investor is obligated to deliver shares of the underlying stock at  
2 the exercise price.

3           37. If the price of a stock exceeds the strike price of the call, the investor that sold the  
4 call is obligated to purchase the shares at the higher market price and deliver the shares at the lower  
5 strike price.

6           38. Calls work similarly to common shares and are marked to market weekly.

7           39. In addition to having a very large short position in common shares, Lyft call option  
8 contracts are actively traded.

9           40. Each of Risher and Brewer is entitled to substantial performance based executive  
10 compensation based on Lyft common stock achieving certain price-based benchmarks.

11           41. The presence of a large short position in Lyft common stock is an impediment to  
12 Risher's and Brewer's ability to achieve those performance based benchmarks.

13 **II. Lyft's Fourth Quarter 2023 Press Release**

14           42. Lyft released its year-end and fourth quarter 2023 operating results in a press release  
15 after the close of the market on February 13, 2024. The press release was also filed with the SEC  
16 as an exhibit to a Form 8-K.

17           43. Lyft's operating results were anxiously awaited by investors, especially given the  
18 large short position.

19           44. According to the transcript of the subsequent February 13, 2024 conference call,  
20 nine stock analysts were identified as participating on the call.

21           45. The Lyft press release and accompanying Supplemental Data were issued by Lyft  
22 at 4:05 p.m.

23           46. The Lyft press release and Supplemental Data (at page 10) misrepresented in a  
24 bulleted line item that Lyft anticipated "Adjusted EBITDA [Earnings Before Interest Taxes  
25 Depreciation and Amortization] margin expansion (calculated as a percentage of Gross Bookings)  
26 of approximately 500 basis points year-over-year."

27           47. A basis point is one-one hundredth of a percent.  
28

1 48. Inasmuch as Lyft had reported 2023 EBITDA margins of approximately 1.6%, a  
2 500 basis point (or 5.0%) margin expansion would have increased profitability to 6.6% -- or by  
3 over three times historical results.

4 49. News services and stock analysts reported promptly on the four-fold anticipated  
5 increase in profitability from 1.6% to 6.6%.

6 50. Thus, The Fly, an investor news service, reported at 4:08 p.m. that Lyft “[s]ees FY24  
7 adjusted EBITDA margin expansion roughly 500 basis points.”

8 51. Streetinsider.com, another investor publication, also reported at 4:09 p.m. that Lyft  
9 anticipated “[a]djusted EBITDA margin expansion ... of approximately 500 basis points year-over-  
10 year.”

11 52. However, to company insiders who were familiar with Lyft’s historical and  
12 anticipated operating results, the misstatement in the press release and Supplemental Data would  
13 have stuck out “like a sore thumb.”

14 53. As would be expected the misstatement set off a furious aftermarket rally in Lyft  
15 common stock, with the common stock price increasing minute by minute, with high volume.

16 54. Lyft common shares had closed on February 13, 2024 at 4:00 p.m. at \$12.13 per  
17 share.

18 55. The press release with the misstated margins caused Lyft shares to increase to  
19 \$15.59 a share in the aftermarket by 4:17 p.m. and to \$16.61 a share in the aftermarket by 4:27 p.m.  
20 Lyft shares traded as high as \$20.25 in the aftermarket (at approximately 4:41 p.m.).

21 56. Unlike common shares, stock options do not trade in the aftermarket.

22 57. Accordingly, investors who were short options were forced to cover the financial  
23 exposure of those options in the aftermarket by purchasing common shares.

24 58. Throughout the period immediately after the release of fourth quarter earnings,  
25 given the rapid increase in Lyft’s stock price and the media’s reporting of the profit margins,  
26 company management, including David Risher (the CEO) and Erin Brewer (the CFO) either had  
27 actual knowledge of the misstatement or were recklessly indifferent to the truth of the misleading  
28 press release and Supplemental Data.



1           59.     Subsequent comments made by investors and stock analysts indicated that the 500  
2 basis point margin expansion was anomalous because it was far in excess of Lyft’s historical  
3 performance.

4           60.     Bloomberg lists 35 separate stock analysts who provide active coverage of Lyft  
5 common stock.

6           61.     It is highly likely, if not certain, that one or more of those analysts – or other  
7 investors -- contacted the Defendants or other Lyft personnel in the minutes immediately after the  
8 issue of the press release to obtain clarification on the 500 basis point margin expansion.

9           62.     Thus, Defendants knew or were almost certain to know of the misstatement on or  
10 shortly after 4:05 p.m. on February 13, 2024.

11     **III.    The 4:30 P.M. Conference Call**

12           63.     Defendants’ deliberate recklessness or knowledge of the misstatement is further  
13 evidenced by the investor conference call, which was scheduled for 4:30 p.m.

14           64.     Defendants failed to promptly or transparently correct the misleading fourth quarter  
15 press release.

16           65.     The casual and belated manner in which the Individual Defendants disclosed the  
17 enormous ten-fold misstatement of anticipated margin expansion supports a strong inference that  
18 the Individual Defendants were aware of the problem prior to the call and determined to downplay  
19 its significance.

20           66.     It was not until approximately 17 minutes and 20 seconds into the call that Brewer  
21 first spoke about anticipated 2024 gross margins.

22           67.     Brewer did not however at that time explicitly correct the misstatement in the press  
23 release. Rather, she only stated on the call that:

1 The combination of top-line growth, operational excellence, and continued cost  
2 discipline with the full-year impact of our more efficient cost structure is expected  
3 to drive approximately 50 basis points of expansion in our adjusted EBITDA  
4 margin as a percentage of gross bookings to 2.1%.

5 68. However, Brewer's reference to the 50 basis point expansion had a direct impact on  
6 the market, with Lyft shares declining from \$19.52 a share at 4:45 p.m. to \$12.92 shortly after 4:50  
7 p.m.

8 69. According to Bloomberg data, reported volume, which averaged well in excess of  
9 500,000 shares per minute in the aftermarket after release of earnings, spiked to 2.86 million shares  
10 traded in the one minute from 4:50 p.m. to 4:51 p.m.

11 70. At approximately 24 minutes and 20 seconds into the call, Brewer, in response to  
12 the second question on the Q and A, unapologetically corrected the 500 basis point error in the  
13 press release and Supplemental Data:

14 **Nikhil Devnani, Analyst**.... Could we just please clarify the EBITDA margin  
15 expansion? I think the slides say 500 basis points, but, Erin, you mentioned 50  
16 basis points, so I think it is 50 basis points....

17 **Erin Brewer, Chief Financial Officer**.... This is Erin, and this is actually a  
18 correction from the press release. You're correct. In my prepared remarks, I  
19 referenced 50 basis points of margin expansion. So if you look at our full-year  
20 performance for 2023 at 1.6%, you can translate that into approximately 2.1% in  
21 terms of our directional commentary in 2024....

22 71. Lyft however did not issue a corrected press release or Supplemental Data until  
23 February 13, 2024 at 6:02 p.m.

24 72. The February 14, 2024 *The Wall Street Journal* article, suggested that the large  
25 trading volume after market on February 13, 2024 was attributable to short covering: "Positive  
26 earnings reports typically drive short sellers to buy shares to cover their bets."  
27  
28

1 **IV. Defendant Risher’s Mea Culpa**

2 73. In a February 14, 2024 CNBC interview defendant Risher acknowledged “it was a  
3 bad error, and that’s on me.”

4 74. However, Risher misrepresented the speed at which Lyft corrected the  
5 misstatement:

6 Thank goodness we caught it pretty fast and we issued an immediate correction....

7 We issued a correction in a second.

8 75. Risher also misrepresented that “the only place the problem was was one place.” In  
9 fact, the “problem” was in both the press release and the Supplemental Data.

10 76. That the misstatement was in two places creates a strong inference that the  
11 “problem” was either intentional or resulting from deliberate recklessness, or that the personnel  
12 responsible for drafting and reviewing the financial disclosures did not understand what a basis  
13 point meant, which is not credible.

14 77. Risher also participated in a Bloomberg News interview on February 14, 2024, in  
15 which he acknowledged that “it’s on me .... [A]t the end of the day ... my bad.... It’s an  
16 unacceptable error again ultimately it’s on me. I’m the CEO. Buck stops with me.”

17 78. Risher on the Bloomberg interview again misrepresented the speed at which Lyft  
18 corrected the misstatement in the press release: “Like with any mistake, I think it's not so much  
19 about the mistake itself. It's also about how you correct for it. And we've corrected for it, obviously  
20 in the moment.”

21 79. Investors on Seeking Alpha were not impressed by Risher’s purported contrition.  
22 One investor wrote: “Hohoho. I doubt he means it given the short squeeze.” A second investor  
23 wrote sarcastically: “I’m sure this has nothing to do with short positions being manipulated.” A  
24 third commentator wrote “Some angry shorts in the room.”

25 80. Notwithstanding his acceptance of blame, Risher has to date not offered to  
26 compensate investors who traded during the Class Period.

1 **V. The Individual Defendants Were Financially Motivated to Perpetuate the**  
2 **Misstatement**

3 81. Each of Risher and Brewer was financially motivated to perpetrate the misstatement,  
4 and has the financial resources to compensate Plaintiff and other members of the Class for their  
5 damages – especially Risher, who has taken personal responsibility for the misleading press  
6 release.

7 82. Risher was first appointed a Director of Lyft in July 2021.

8 83. According to Lyft’s 2022 Proxy Statement, Risher was a former Senior Vice  
9 President, U.S. Retail, at Amazon.com and a General Manager at Microsoft Corporation.

10 84. Risher was paid cash compensation of \$21,522 and stock compensation valued at  
11 \$238,318 for his 2021 services as a Lyft director, and was paid cash compensation of \$22,500 and  
12 stock compensation valued at \$271,247 for his 2022 services as a Lyft director.

13 85. Risher commenced services as Lyft’s CEO on April 17, 2023. According to Lyft’s  
14 2023 Proxy Statement, upon becoming CEO, Risher was paid a “signing bonus” of \$3,250,000.

15 86. Risher was also contractually entitled to be paid an annual base salary of \$725,000  
16 for 2023 and an annual target bonus opportunity of 100% of his base salary based on achievement  
17 of performance goals.

18 87. Risher’s annual cash bonus for 2023 was set at \$1,000,000.

19 88. Risher was also entitled to significant stock-based incentive compensation based on  
20 achieving stock price performance benchmarks.

21 89. To make good on his admission of personal responsibility, Risher should  
22 compensate Plaintiff and the Class for their losses directly attributable to the misleading press  
23 release.

24 90. Brewer was appointed Lyft’s CFO effective July 10, 2023.

25 91. According to the Form 8-K filed by Lyft dated May 16, 2023, Brewer was entitled  
26 to a signing bonus of \$650,000 and is entitled to annual compensation of \$650,000.

27 92. In addition, Brewer was granted restricted stock units (“RSUs”) to be valued at  
28 \$10,800,000 as of their grant date, to vest over a four year period.

1 93. Brewer is also entitled to performance based RSUs.

2 94. According to documents filed with the SEC, Brewer owned 1,858,960 shares of Lyft  
3 common stock as of February 20, 2024.

4 95. Brewer should contribute to the fund to compensate Plaintiff and members of the  
5 Class.

6 **CLASS ACTION ALLEGATIONS**

7 96. Plaintiff brings this action as a class action pursuant to Rule 23(a) and (b)(3) of the  
8 Federal Rules of Civil Procedure on behalf of a class consisting of all persons who purchased or  
9 otherwise acquired Lyft common shares on a U.S. open market during the class period February  
10 13, 2024 from 4:05 p.m. to 4:51 p.m. both times inclusive (the “Class”). Excluded from the Class  
11 are Defendants in this action, the officers and directors of the Company during the Class Period  
12 (the Excluded D&Os), members of Defendants’ and Excluded D&Os’ immediate families, legal  
13 representatives, heirs, successors or assigns, and any entity in which Defendants or the Excluded  
14 D&Os have or had a controlling interest.

15 97. The members of the Class are so numerous that joinder of all members is  
16 impracticable. While the exact number of Class members is unknown to Plaintiff at this time and  
17 can only be ascertained through appropriate discovery, Plaintiff believes that there are at least  
18 hundreds or thousands of members in the proposed Class.

19 98. During the Class Period, Lyft common shares actively traded on the Electronic  
20 Communication Network (ECN). ECN refers to one or more electronic communications networks  
21 to which an order may be submitted for display and execution by a broker. ECNs electronically  
22 match buyers and sellers to execute limit orders. Extended-hours session orders may also be  
23 executed by a dealer at a price that is at or better than the ECN's best bid or offer. Millions of Lyft  
24 common shares were traded publicly during the Class Period.

25 99. ECN trading operates with a high level of efficiency, enabled by the automated  
26 matching of buy and sell orders. Unlike traditional trading systems, ECN executes transactions  
27 swiftly by directly connecting traders with liquidity providers. This eliminates the need for  
28 intermediaries, reducing delays in order execution.

1           100. That Lyft stock moved so promptly and in such high volume upon dissemination of  
2 the fraud and the corrective disclosure demonstrates the efficiency of ECN with respect to Lyft.

3           101. As of February 12, 2024, the Company had more than 391 million Class A shares  
4 outstanding. Record owners and other members of the Class may be identified from records  
5 maintained by Lyft or its transfer agent and may be notified of the pendency of this action by mail  
6 or email, using a form of notice similar to that customarily used in securities class actions.

7           102. Plaintiff's claims are typical of the claims of the other members of the Class as all  
8 members of the Class were similarly affected by Defendants' wrongful conduct in violation of  
9 federal law that is complained of herein.

10           103. Plaintiff will fairly and adequately protect the interests of the members of the Class  
11 and has retained counsel competent and experienced in class and securities litigation. Plaintiff has  
12 no interests that conflict with those of the Class.

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

16                   a) whether Defendants violated the Exchange Act by the acts and omissions as  
17 alleged herein;

18                   b) whether Defendants knew or recklessly disregarded that their statements  
19 and/or omissions were false and misleading;

20                   c) whether documents, press releases, and other statements disseminated to the  
21 investing public and the Company's shareholders by Defendants during the Class Period  
22 misrepresented or omitted material facts concerning Lyft's gross margin percentages;

23                   d) whether the market price of Lyft's common shares during the Class Period  
24 was artificially inflated and/or maintained due to the material misrepresentations or omissions  
25 and/or failures to correct the material misrepresentations or omissions complained of herein; and

26                   e) the extent to which the members of the Class have sustained damages and  
27 the proper measure of damages.

1           105. A class action is superior to all other available methods for the fair and efficient  
2 adjudication of this controversy since joinder of all members is impracticable.

3           106. Furthermore, as the damages suffered by individual Class members may be  
4 relatively small, the expense and burden of individual litigation make it impossible for members of  
5 the Class to individually redress the wrongs done to them. There will be no difficulty in the  
6 management of this suit as a class action.

7                                   **ADDITIONAL SCIENTER ALLEGATIONS**

8           107. As alleged herein, Defendants acted with scienter in that Defendants knew or were  
9 reckless as to whether the public documents and statements issued or disseminated by Defendants  
10 during the Class Period were materially false and misleading; knew or were reckless as to whether  
11 such statements or documents would be issued or disseminated to the investing public, and  
12 knowingly and substantially participated or acquiesced in the issuance or dissemination of such  
13 statements or documents as primary violations of the federal securities laws.

14           108. Among other things, the Individual Defendants, and other of Lyft's officers and  
15 directors who were responsible for creating and overseeing Lyft's internal controls over financial  
16 reporting, failed to install simple control procedures to ensure that the February 13, 2024 press  
17 release and Supplemental Data were accurate. It was not only reasonably foreseeable, but *certain*  
18 that the misleading press release would have immediate and consequential ripple effects on the  
19 market.

20           109. As set forth herein, the Individual Defendants, by virtue of their receipt of  
21 information reflecting the true facts regarding Lyft, their control over Lyft's allegedly materially  
22 misleading statements and omissions, and their positions with the Company, which made them  
23 privy to confidential information concerning Lyft, participated in the fraudulent scheme alleged  
24 herein.

25                                   **INAPPLICABILITY OF STATUTORY SAFE HARBOR**

26           110. The federal statutory safe harbor provided for forward-looking statements under  
27 certain circumstances does not apply to any of the allegedly false statements pleaded in this  
28 Complaint. The statements alleged to be false and misleading herein all relate to then-existing facts

1 and conditions, including the fact that Lyft management had actually projected a 50 basis point  
2 (rather than a 500 basis point) expansion of margins. In addition, to the extent certain of the  
3 statements alleged to be false may be characterized as forward-looking, they were not identified as  
4 “forward-looking statements” when made, and there were no meaningful cautionary statements  
5 identifying important factors that could cause actual results to differ materially from those in the  
6 purportedly forward-looking statements.

7 111. In the alternative, to the extent that the statutory safe harbor is determined to apply  
8 to any forward-looking statements pleaded herein, Defendants are liable for those false forward-  
9 looking statements because at the time each of those forward-looking statements was made, or  
10 shortly thereafter, the speaker had actual knowledge that the forward-looking statement was  
11 materially false or misleading, and/or the forward-looking statement was authorized or approved  
12 by an executive officer of Lyft who knew that the statement was false when made.

### 13 **LOSS CAUSATION**

14 112. Defendants’ wrongful conduct, as alleged herein, directly and proximately caused  
15 the economic loss, *i.e.*, damages, suffered by Plaintiff and the Class.

16 113. During the Class Period, as detailed herein, Defendants made untrue statements of  
17 material fact or failed to disclose information necessary to make the statements made by Defendants  
18 not misleading. This artificially inflated the prices of Lyft common stock and operated as a fraud  
19 or deceit on the Class.

20 114. When Defendants’ prior material false statements and material omissions,  
21 information alleged to have been concealed, fraudulent conduct, and/or the effect thereof were  
22 disclosed to the market, the price of Lyft common shares fell precipitously, as the prior artificial  
23 inflation came out of the price.

### 24 **APPLICABILITY OF PRESUMPTION OF RELIANCE** 25 **(FRAUD-ON-THE-MARKET DOCTRINE)**

26 115. The market for Lyft’s common shares was open, well-developed, and efficient at all  
27 relevant times.  
28



1           116. As a result of the materially false and/or misleading statements and/or failures to  
2 disclose particularized in this Complaint, Lyft common shares traded at artificially inflated prices  
3 during the Class Period. Plaintiff and other members of the Class purchased the Company's  
4 common shares relying upon the integrity of the market price of Lyft's common shares and market  
5 information relating to Lyft and have been damaged thereby.

6           117. At all times relevant, the market for Lyft's common shares was an efficient market  
7 for the following reasons, among others:

8           a) Lyft shares were listed and actively traded on the ECN, a highly efficient  
9 and automated market;

10           b) As a regulated issuer, Lyft filed periodic public reports with the SEC and/or  
11 the NASDAQ;

12           c) Lyft regularly communicated with public investors via established market  
13 communication mechanisms, including through regular dissemination of press releases on major  
14 newswire services and through other wide-ranging public disclosures, such as communications  
15 with the financial press and other similar reporting services; and/or

16           d) Lyft was followed by securities analysts employed by brokerage firms,  
17 including Bernstein, Goldman Sachs, Jeffries, and JP Morgan, who wrote reports about the  
18 Company, and these reports were distributed to the sales force and certain customers of their  
19 respective brokerage firms. Each of these reports was publicly available and entered the public  
20 marketplace.

21           118. As a result of the foregoing, the market for Lyft common shares promptly digested  
22 current information regarding Lyft from all publicly available sources and reflected such  
23 information in the prices of the common shares. Under these circumstances, all purchasers of Lyft  
24 common shares during the Class Period suffered similar injury through purchasing Lyft common  
25 shares at artificially inflated prices.

26           119. Therefore, Plaintiff and the Class are entitled to a presumption of reliance pursuant  
27 to *Basic Inc. v. Levinson*, 485 U.S. 224 (1988).

1           120. A Class-wide presumption of reliance is also appropriate in this action under the  
2 Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128 (1972),  
3 because the Class's claims are, in large part, grounded in Defendants' omissions of material facts  
4 necessary to make the statements made by Defendants not misleading, including but not limited to  
5 the fact that Defendants failed to correct the press release and Lyft's internal controls over financial  
6 reporting were ineffective and did not stop the misstatement in the press release.

7           121. Because this action involves Defendants' failure to disclose material adverse  
8 information regarding the Company's business, operations, and prospects - information that  
9 Defendants were obligated to disclose during the Class Period but did not - positive proof of  
10 reliance is not a prerequisite to recovery. All that is necessary is that the facts withheld be material  
11 in the sense that a reasonable investor might have considered them important in the making of  
12 investment decisions. Given the importance of the material misstatements and omissions set forth  
13 above, that requirement is satisfied here.

## 14 **CAUSES OF ACTION**

### 15 **COUNT I**

#### 16 **For Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Promulgated**

#### 17 **Thereunder Against All Defendants**

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

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

22           124. Based upon the facts alleged herein, during the Class Period, Defendants violated  
23 Section 10(b) and Rule 10b-5 in that they, in connection with the purchase of Lyft's common shares  
24 by the Plaintiff and the Class, (a) used or employed manipulative and deceptive devices or  
25 contrivances in contravention of rules and regulations set forth by the SEC; (b) employed devices,  
26 schemes, and artifices to defraud; (c) made untrue statements of material facts and/or omitted to  
27 state material facts necessary to make the statements not misleading; and/or (d) engaged in acts,  
28 practices, and a course of conduct that operated as a fraud and deceit upon the Plaintiff and the Class.

1           125. Defendants engaged in a plan, scheme, and course of conduct, that was intended to  
2 and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other  
3 Class members, as alleged herein; (ii) artificially inflate the market price of Lyft common shares;  
4 and (iii) cause Plaintiff and other members of the Class to purchase Lyft common shares at  
5 artificially inflated prices. In furtherance of this unlawful scheme, plan, and course of conduct,  
6 Defendants, and each of them, took the actions set forth herein.

7           126. There is a general duty to correct under the federal securities laws.

8           127. Defendants either knew that the press release and Supplemental Data was materially  
9 misleading or were deliberately reckless as to the truth of the corporate disclosures, and failed to  
10 correct the disclosures within a reasonable time (or suspend trading).

11           128. Pursuant to the above, plan, scheme, conspiracy, and course of conduct, each of the  
12 Defendants participated directly or indirectly in the preparation and/or issuance of the press release,  
13 and other statements and documents described above. Such releases and statements contained untrue  
14 statements of material facts or failed to disclose material information necessary to make the  
15 statements made not misleading.

16           129. Defendants, individually and in concert, directly and indirectly, by the use, means,  
17 or instrumentalities of interstate commerce and/or the mails, engaged and participated in a  
18 continuous course of conduct to conceal adverse material information about Lyft's business,  
19 operations, and prospects, as specified herein.

20           130. Defendants, individually and in concert, directly and indirectly, employed devices,  
21 schemes, and artifices to defraud, while in possession of material adverse non-public information  
22 and engaged in acts, practices, and a course of conduct as alleged herein in an effort to assure  
23 investors of Lyft's business, operations, and prospects, which included the making of, or the  
24 participation in the making of, untrue statements of material facts and/or omitting to state material  
25 facts necessary in order to make the statements made about Lyft and its business, operations, and  
26 future prospects in light of the circumstances under which they were made, not misleading, as set  
27 forth more particularly herein, and engaged in transactions, practices, and a course of conduct of  
28

1 business that operated as a fraud and deceit upon the purchasers of the Company's common shares  
2 during the Class Period.

3 131. Defendants had actual knowledge of the misrepresentations and/or omissions of  
4 material facts set forth herein or acted with reckless disregard for the truth in that they failed to  
5 ascertain and to disclose such facts, even though such facts were available to them. Such  
6 Defendants' material misrepresentations and/or omissions were done knowingly or recklessly and  
7 for the purpose and effect of concealing Lyft's operating condition, business practices, and  
8 prospects from the investing public and supporting the artificially inflated and/or maintained price  
9 of Lyft's common shares.

10 132. As a result of the dissemination of the materially false and/or misleading information  
11 and/or failure to disclose material facts, as set forth above, the market price of Lyft's common  
12 shares was artificially inflated and/or maintained, and relying directly or indirectly on the false and  
13 misleading statements made by Defendants or upon the integrity of the market in which the  
14 Common shares trade, and/or in the absence of material adverse information that was known or  
15 recklessly disregarded by Defendants, but not disclosed in public statements by Defendants during  
16 the Class Period, Plaintiff and the other members of the Class purchased Lyft's common shares  
17 during the Class Period at artificially inflated and/or maintained prices and were damaged thereby.

18 133. At the time of said misrepresentations and omissions, Plaintiff and other members  
19 of the Class were ignorant of their falsity and believed them to be true. Had Plaintiff and the other  
20 members of the Class and the marketplace known of the truth regarding the failure of Lyft's internal  
21 controls, which were not disclosed by Defendants, Plaintiff and other members of the Class would  
22 not have purchased their Lyft's common shares, or, if they had purchased such common shares  
23 during the Class Period, they would not have done so at the artificially inflated and/or maintained  
24 prices that they paid.

25 134. By virtue of the foregoing, Lyft and the Individual Defendants each violated Section  
26 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

27 135. Defendants are liable both directly and indirectly for their violations of Section 10(b)  
28 and Rule 10b-5 and the wrongs complained of herein.



1           143. As a direct and proximate result of these Defendants' wrongful conduct, Plaintiff  
2 and other members of the Class suffered damages in connection with their purchases of the  
3 Company's common shares during the Class Period.

4   **PRAYER FOR RELIEF**

5           **WHEREFORE**, Plaintiff, individually and on behalf of the Class, prays for relief and  
6 judgment as follows:

7           A.       Declaring this action to be a class action pursuant to Rule 23(a) and (b)(3) of the  
8 Federal Rules of Civil Procedure on behalf of the Class defined herein;

9           B.       Awarding Plaintiff and the other members of the Class damages in an amount that  
10 may be proven at trial, together with interest thereon;

11           C.       Awarding Plaintiff and the members of the Class pre-judgment and post-judgment  
12 interest, as well as reasonable attorneys' and experts' witness fees and other costs; and

13           D.       Awarding such other relief as this Court deems appropriate.  
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**JURY DEMAND**

Plaintiff requests a trial by jury of all claims that can be so tried.

Dated: March 5, 2024

Respectfully submitted,

**WOLF POPPER LLP**

By: /s/ Philip M. Black

Philip M. Black (SBN 308619)

pblack@wolfpopper.com

845 Third Avenue, 12th Floor

New York, NY 10022

Telephone: (212) 759-4600

***Counsel for Plaintiff Yuan Chen***

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**PLAINTIFF CERTIFICATION**  
**UNDER THE FEDERAL SECURITIES LAWS**

I, Yuan Chen, hereby state:

1. I have reviewed the complaint against Lyft, Inc. (“Lyft”) and have authorized filing on my behalf.

its

2. I am willing to serve as a representative party on behalf of the Class, as defined in the above referenced complaint, including providing testimony at deposition and trial, if necessary.

3. The following includes all of my transactions in Lyft’s common stock during the class period alleged in the complaint and the subsequent sale of shares purchased during the class period.

**SEE ATTACHED**


4. I did not purchase these securities at the direction of counsel, or in order to participate in any private action arising under the federal securities laws.

5. During the three-year period preceding the date of signing this certification, I have not sought to serve, and have not served, as a representative on behalf of a class in any private action arising under the federal securities laws.

6. I will not accept any payment for serving as a representative party on behalf of the Class except to receive a pro rata share of any recovery, or as ordered or approved by the Court, including the award to a representative party of reasonable costs and expenses, including lost wages relating to the representation of the Class

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 4th day of March, 2024

By:   
Yuan Chen



**SCHEDULE A**  
**SECURITIES TRANSACTIONS**

<b>Purchase</b>	<b>Quantity</b>	<b>Price</b>
02-13-2024 (4:17 p.m.)	5,000	\$15.44
02-13-2024 (4:27 p.m.)	15,000	\$16.70
<b>Sold</b>	<b>Quantity</b>	<b>Price</b>
02-13-2024 (7:32 p.m.)	15,000	\$14.06
02-14-2024	5,000	\$16.0875

CIVIL COVER SHEET

The JS-CAND 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved in its original form by the Judicial Conference of the United States in September 1974, is required for the Clerk of Court to initiate the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

Yuan Chen

(b) County of Residence of First Listed Plaintiff (EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

Wolf Popper LLP, 845 Third Ave., New York, NY 10022, 212-451-4600

DEFENDANTS

Lyft, Inc., David Risher and Erin Brewer

County of Residence of First Listed Defendant San Francisco (IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff
2 U.S. Government Defendant
3 Federal Question (U.S. Government Not a Party)
4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

Table with columns for Plaintiff (PTF) and Defendant (DEF) citizenship: Citizen of This State, Citizen of Another State, Citizen or Subject of a Foreign Country, Incorporated or Principal Place of Business In This State, Incorporated and Principal Place of Business In Another State, Foreign Nation.

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Large table with categories: CONTRACT, REAL PROPERTY, TORTS, CIVIL RIGHTS, PRISONER PETITIONS, HABEAS CORPUS, OTHER, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES.

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding
2 Removed from State Court
3 Remanded from Appellate Court
4 Reinstated or Reopened
5 Transferred from Another District (specify)
6 Multidistrict Litigation-Transfer
8 Multidistrict Litigation-Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): 15 U.S.C. §§ 78j(b) and 78t(a), 17 C.F.R. § 240.10b-5.

Brief description of cause: Private Securities Litigation Reform Act

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, Fed. R. Civ. P. DEMAND \$ CHECK YES only if demanded in complaint: JURY DEMAND: X Yes No

VIII. RELATED CASE(S), IF ANY (See instructions):

JUDGE DOCKET NUMBER

IX. DIVISIONAL ASSIGNMENT (Civil Local Rule 3-2)

(Place an "X" in One Box Only) X SAN FRANCISCO/OAKLAND SAN JOSE EUREKA-MCKINLEYVILLE

DATE 03/05/2024

SIGNATURE OF ATTORNEY OF RECORD

/s/ Philip M. Black

Print

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Reset

## INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS-CAND 44

**Authority For Civil Cover Sheet.** The JS-CAND 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved in its original form by the Judicial Conference of the United States in September 1974, is required for the Clerk of Court to initiate the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I. a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
- b) County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the “defendant” is the location of the tract of land involved.)
- c) Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section “(see attachment).”
- II. Jurisdiction.** The basis of jurisdiction is set forth under Federal Rule of Civil Procedure 8(a), which requires that jurisdictions be shown in pleadings. Place an “X” in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
- (1) United States plaintiff. Jurisdiction based on 28 USC §§ 1345 and 1348. Suits by agencies and officers of the United States are included here.
  - (2) United States defendant. When the plaintiff is suing the United States, its officers or agencies, place an “X” in this box.
  - (3) Federal question. This refers to suits under 28 USC § 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
  - (4) Diversity of citizenship. This refers to suits under 28 USC § 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. Residence (citizenship) of Principal Parties.** This section of the JS-CAND 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit.** Place an “X” in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerk(s) in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.
- V. Origin.** Place an “X” in one of the six boxes.
- (1) Original Proceedings. Cases originating in the United States district courts.
  - (2) Removed from State Court. Proceedings initiated in state courts may be removed to the district courts under Title 28 USC § 1441. When the petition for removal is granted, check this box.
  - (3) Remanded from Appellate Court. Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
  - (4) Reinstated or Reopened. Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
  - (5) Transferred from Another District. For cases transferred under Title 28 USC § 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
  - (6) Multidistrict Litigation Transfer. Check this box when a multidistrict case is transferred into the district under authority of Title 28 USC § 1407. When this box is checked, do not check (5) above.
  - (8) Multidistrict Litigation Direct File. Check this box when a multidistrict litigation case is filed in the same district as the Master MDL docket. Please note that there is no Origin Code 7. Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.
- VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC § 553. Brief Description: Unauthorized reception of cable service.
- VII. Requested in Complaint.** Class Action. Place an “X” in this box if you are filing a class action under Federal Rule of Civil Procedure 23. Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction. Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases.** This section of the JS-CAND 44 is used to identify related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.
- IX. Divisional Assignment.** If the Nature of Suit is under Property Rights or Prisoner Petitions or the matter is a Securities Class Action, leave this section blank. For all other cases, identify the divisional venue according to Civil Local Rule 3-2: “the county in which a substantial part of the events or omissions which give rise to the claim occurred or in which a substantial part of the property that is the subject of the action is situated.”
- Date and Attorney Signature.** Date and sign the civil cover sheet.