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

MANUEL SAVORELLI, Individually
and On Behalf of All Others Similarly
Situating,

Plaintiff,

v.

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

Defendants.

Case No.

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

DEMAND FOR JURY TRIAL

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

11 **NATURE OF THE ACTION AND OVERVIEW**

12 1. This is a class action on behalf of persons and entities that purchased or
13 otherwise acquired Trade Desk Class A common stock or call options, or sold Trade
14 Desk put options, between May 9, 2024 and February 12, 2025, inclusive (the “Class
15 Period”). Plaintiff pursues claims against the Defendants under the Securities
16 Exchange Act of 1934 (the “Exchange Act”).

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

22 3. On June 6, 2023, the Company launched Kokai, a new digital advertising
23 platform experience which purported to incorporate major advances in distributed
24 artificial intelligence (AI), measurements, and advertising partner integrations. In the
25 press release announcing the launch, Trade Desk described Kokai as a ”co-pilot to the
26 programmatic marketer” that digests over 13 million advertising impressions every
27 second, helping “advertisers buy the right ad impressions, at the right price, to reach
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1 the target audience at the best time.” The Company advertised Kokai as its “largest
2 and most important platform overhaul ever.”

3 4. As the Company rolled out Kokai and transitioned clients from its older
4 ad-buying platform called Somilar, Trade Desk touted the manner in which Kokai
5 was allegedly driving success for itself and its customers. The Company claimed the
6 “switch over to the new” platform was seamless, stating that it was “without the
7 disruption that comes from yanking something out of the box and maybe having
8 something totally hate it and just be angry.” Trade Desk expected “full adoption” of
9 Kokai “over the course of 2024[.]”

10 5. Before the start of the Class Period, Trade Desk affirmed prior estimates
11 that, from the June 2023 launch, Kokai “would take about a year to roll out in its
12 entirety.”

13 6. On February 12, 2025, after the market closed, Trade Desk released its
14 fourth quarter and full year 2024 financial results, revealing revenue of only \$741
15 million. This significantly missed the Company’s prior guidance of “at least” \$756
16 million issued only months earlier.

17 7. During the related earnings call held on February 12, 2025, Founder and
18 Chief Executive Officer Jeff Green (“Green”) revealed that “Kokai rolled out slower
19 than we anticipated,” which was “in some cases” “deliberate,” as the Company faced
20 ongoing efforts to “understand what the customer needs.” Defendant Green further
21 revealed Company had “a series of small execution missteps” and had undergone the
22 “largest reorganization in company history” in part, to address these issues. The
23 Company was “maintaining 2 systems, Somilar and Kokai,” which “slows us down.”

24 8. On this news, the Company’s stock price fell \$40.31, or 32.98%, to close
25 at \$81.92 per share on February 13, 2025, on unusually heavy trading volume.

26 9. Throughout the Class Period, Defendants made materially false and/or
27 misleading statements, as well as failed to disclose material adverse facts about the
28 Company’s business, operations, and prospects. Specifically, Defendants failed to

1 disclose to investors: (1) that the Company was experiencing self-inflicted execution
2 challenges in rolling out Kokai, including transitioning clients from the Company’s
3 older platform and struggling to understand customer needs; (2) that the Company
4 had “in some cases” deliberately slowed the release of Kokai; (3) that, as a result of
5 the foregoing, the Company’s rollout of Kokai was meaningfully delayed; (4) that
6 Trade Desk’s inability to effectively execute the rollout of Kokai negatively impacted
7 the Company’s revenue growth; and (5) that, as a result of the foregoing, Defendants’
8 positive statements about the Company’s business, operations, and prospects were
9 materially misleading and/or lacked a reasonable basis.

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

13 **JURISDICTION AND VENUE**

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

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

19 13. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b)
20 and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts in
21 furtherance of the alleged fraud or the effects of the fraud have occurred in this
22 Judicial District. Many of the acts charged herein, including the dissemination of
23 materially false and/or misleading information, occurred in substantial part in this
24 Judicial District. In addition, the Company’s principal executive offices are in this
25 District.

26 14. In connection with the acts, transactions, and conduct alleged herein,
27 Defendants directly and indirectly used the means and instrumentalities of interstate
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1 commerce, including the United States mail, interstate telephone communications,
2 and the facilities of a national securities exchange.

3 **PARTIES**

4 15. Plaintiff Manuel Savorelli, as set forth in the accompanying certification,
5 incorporated by reference herein, purchased or otherwise acquired Trade Desk Class
6 A common stock and/or call options, and/or sold Trade Desk put options, during the
7 Class Period, and suffered damages as a result of the federal securities law violations
8 and false and/or misleading statements and/or material omissions alleged herein.

9 16. Defendant Trade Desk is incorporated under the laws of Nevada with its
10 principal executive offices located in Ventura, California. Trade Desk's Class A
11 common stock trades on the NASDAQ exchange under the symbol "TTD."

12 17. Defendant Jeff T. Green ("Green") was the Company's Chief Executive
13 Officer ("CEO") at all relevant times.

14 18. Defendant Laura Schenkein ("Schenkein") was the Company's Chief
15 Financial Officer ("CFO") at all relevant times.

16 19. Defendants Green and Schenkein (collectively the "Individual
17 Defendants"), because of their positions with the Company, possessed the power and
18 authority to control the contents of the Company's reports to the SEC, press releases
19 and presentations to securities analysts, money and portfolio managers and
20 institutional investors, i.e., the market. The Individual Defendants were provided with
21 copies of the Company's reports and press releases alleged herein to be misleading
22 prior to, or shortly after, their issuance and had the ability and opportunity to prevent
23 their issuance or cause them to be corrected. Because of their positions and access to
24 material non-public information available to them, the Individual Defendants knew
25 that the adverse facts specified herein had not been disclosed to, and were being
26 concealed from, the public, and that the positive representations which were being
27 made were then materially false and/or misleading. The Individual Defendants are
28 liable for the false statements pleaded herein.

1 **SUBSTANTIVE ALLEGATIONS**

2 **Background**

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

8 21. On June 6, 2023, the Company launched Kokai, a new digital advertising
9 platform experience which purported to incorporate major advances in distributed
10 artificial intelligence (AI), measurements, and advertising partner integrations. The
11 Company advertised Kokai as its “largest and most important platform overhaul
12 ever.”

13 **Materially False and Misleading**

14 **Statements Issued During the Class Period**

15 22. The Class Period begins on May 9, 2024. After the market closed on May
16 8, 2024, the Company issued a press release announcing its financial results for the
17 quarter ended March 31, 2024. The press release reported the Company’s financial
18 results and touted the Company’s “*greater deployment of first-party data and retail*
19 *data, and with significant AI advances in our Kokai platform.*”¹ Specifically, the
20 press release stated in relevant part:

21 “Q1 was a strong quarter for The Trade Desk as we delivered revenue of
22 \$491 million, accelerating growth to 28% year-over-year. Our
23 outstanding performance to start the year underlines the value advertisers
24 are placing on premium inventory on the open internet,” said Jeff Green,
25 Co-founder and CEO of The Trade Desk. “With the continued strong
26 growth of CTV, the growing ubiquity of UID2, new approaches to
27 authentication, *greater deployment of first-party data and retail data,*
28 *and with significant AI advances in our Kokai platform, we are better*
positioned than ever to deliver premium value to advertisers and
continue to gain market share.”

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

1 **First Quarter 2024 Financial Highlights:**

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

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

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14 23. During the related earnings call held on May 8, 2024 (the “1Q24
15 Earnings Call”), Defendant Green touted the success of the Kokai rollout, stating, “I
16 believe our revenue growth acceleration in the first quarter speaks to the innovation
17 and value that we are delivering to our clients with Kokai.” Defendant Green further
18 highlighted how Kokai will allow its users to capitalize on advertising opportunities
19 beyond the technology conglomerates, such as Facebook, Instagram, and Google, i.e.,
20 the “open Internet,” stating the following, in relevant part:

21 And the innovations in our Kokai platform will help our clients take
22 advantage of this revaluation and fully leverage data-driven buying to
23 fuel their own business growth. As a result, I’ve never been more
24 optimistic about the future of the open Internet and our ability to gain
25 more than our fair share of the nearly \$1 trillion advertising [total
26 addressable market].

27 24. Later on the 1Q24 Earnings Call, Defendant Schenkein reiterated the role
28 of Kokai in propelling the Company’s growth, stating, “All of our progress in areas
such as CTV, Retail Media, Kokai and UID2 helped deliver another quarter of
consistently strong growth and profitability to start 2024.”

1 25. On June 28, 2024, the Company issued a press release entitled “*Traders*
2 *tout how Kokai is driving campaign success*,” which advertised the purported
3 popularity of Kokai amongst users and the unqualified success of its rollout. The press
4 release stated the following, in relevant part:

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

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

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

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

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

29 “Q2 was another strong quarter for The Trade Desk, with revenue of
30 \$585 million, representing 26% year-over-year growth,” said Jeff Green,
31 Co-founder and CEO of The Trade Desk. “We’ve made significant
32 strides in CTV, retail media and identity, empowering the world’s largest
33 brands to buy premium media on the open internet with unprecedented
34 agility and precision. *As Kokai ramps, we’re intuitively surfacing value*
35 *for advertisers, integrating data into every decision, advancing the full*
36 *power of AI as a co-pilot, and enabling advertisers to maximize the*
37 *potential of their first party data. With ongoing innovations in Kokai,*
38 *the widespread adoption of UID2, and the expanding use of retail data,*
39 *we will continue to deliver exceptional value to advertisers and grow*
40 *our leadership in key high growth markets such as CTV.”*

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

27. During the related earnings call held on August 8, 2024, (the “2Q24 Earnings Call”), Defendant Green touted Kokai’s use case, stating as follows, in relevant part:

In order to help advertisers think about efficacy in new ways and to help them take advantage of the premium open Internet where consumers are most leaned in, after years of development, we launched our most ambitious platform to date, Kokai. Kokai allows our clients to deploy data about their most loyal customers and then use that data as a seed to grow and harvest the next generation of loyal customers.

28. Later during the 2Q24 Earnings Call, speaking regarding the Kokai rollout, Defendant Green further proclaimed, he has “been incredibly encouraged by the early results from Kokai[,]” while highlighting that the “campaigns that have moved from Solimar to Kokai in aggregate, incremental reach is up more than 70%[,]” and “[c]ost per acquisition has improved by about 27% as data elements per impression have gone up by about 30%.” Defendant Green further explained that “*performance metrics have improved by about 25%*, helping to unlock performance budgets on our platform for years to come.”

29. Referencing his earlier remarks during the same 2Q24 Earnings Call about “meeting with many [chief marketing officers]” (“CMOs”) from global brands who are “putting a premium on the efficacy of marketing,” Defendant Green stated, “Given everything I said about what CMOs today are trying to accomplish and the

1 pressures that they are under, *I firmly believe that we have met the moment with*
2 *Kokai.*”

3 30. On November 7, 2024, the Company announced its third quarter 2024
4 financial results in a press release for the period ended September 30, 2024. The press
5 release reported the Company’s financial results and touted the Company’s
6 *“performance improvements that our clients are seeing with Kokai - our largest*
7 *platform upgrade to date - showcase the value of audience-driven, AI-enabled*
8 *innovation.”* The press release further offered financial guidance, including
9 *“[r]evenue at least \$756 million”* in the fourth quarter of 2024. Specifically, the press
10 release stated in relevant part:

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

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

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Financial Guidance:

Fourth Quarter 2024 outlook summary:

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

31. During the related earnings call held on November 7, 2024, (the “3Q24 Earnings Call”), Defendant Green once again assured investors that “*[w]e are already seeing the results of Kokai performance today, but we’re just getting started.*” Defendant Schenkein further touted that “[k]ey investment initiatives, including performance advancements in our Kokai platform . . . are not only *strengthening our foundation, but position us for durable growth in 2025* and beyond.”

32. Later, during the question-and-answer portion of the 3Q24 Earnings Call, an analyst asked Defendant Green “[W]hat type of work does it take to help CMOs and the users understand the metrics coming out of Kokai but also to kind of gain trust around them?” The analyst added that it has “been a challenge in some other walled garden platforms” getting “people [to] trust[] the attribution data.” In response, Defendant Green stated, in relevant part:

I really appreciate the question because I think this is one of the more nuanced ways that we have just so much opportunity in front of us. . . . But the state of measurement is that walled gardens have essentially been grading their own homework for many, many years. And one of the things that they’ve done really well is convinced people to use their own metrics and kept things quite simple. But at times, that’s been really difficult for some of the biggest brands in the world because they’ll be told by a walled garden, we help you sell 101 toothbrushes, when the company actually only sold 100 toothbrushes total.

33. The above statements identified in ¶¶ 22-32 were materially false and/or misleading, and failed to disclose material adverse facts about the Company’s business, operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) that the Company was experiencing self-inflicted execution challenges in rolling out Kokai, including transitioning clients from the Company’s older

1 platform and struggling to understand customer needs; (2) that the Company had “in
2 some cases” deliberately slowed the release of Kokai; (3) that, as a result of the
3 foregoing, the Company’s rollout of Kokai was meaningfully delayed; (4) that Trade
4 Desk’s inability to effectively execute the rollout of Kokai negatively impacted the
5 Company’s revenue growth; and (5) that, as a result of the foregoing, Defendants’
6 positive statements about the Company’s business, operations, and prospects were
7 materially misleading and/or lacked a reasonable basis.

8 **Disclosures at the End of the Class Period**

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

14 **Fourth Quarter and Full Year 2024 Financial Highlights:**

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

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

25 35. On the same date, the Company held an earnings call (the “4Q24
26 Earnings Call”). During the 4Q24 Earnings Call, Founder and CEO, Defendant
27 Green, revealed that “Kokai rolled out slower than we anticipated,” which was “in
28

1 some cases” “deliberate,” as the Company faced ongoing efforts to “understand what
2 the customer needs.” Defendant Green disclosed that Trade Desk has yet to onboard
3 all of its clients onto Kokai, stating, “[W]e’ll move 100% of our clients to Kokai this
4 year. Now the majority already have. ***But today, we’re maintaining 2 systems,
5 Solimar and Kokai. This slows us down. Kokai is more effective in almost every
6 way.***” Defendant Green further revealed Company had “a series of small execution
7 missteps” and had underwent the “largest reorganization in company history” in part,
8 to address these issues. Specifically, during the 4Q24 Earnings Call, Defendant Green
9 offered prepared remarks, including the following, in relevant part:

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

15 * * *

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

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

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

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

5 Again, long term, I think this is amazingly good for us. And I'm
 6 confident we are building the right things. *In other words, in some cases,*
 7 *the slower Kokai rollout was deliberate, a quicker rollout would result*
 8 *in more short-term spend, and we don't always build what the*
 9 *customers want. Instead, we are trying to understand what the*
 10 *customer needs.* Elevating us and them together is a much harder task
 11 than simply taking orders. So as it relates to the internal changes, I think
 12 it is best to operate a company with our talent and the opportunity that
 13 we're facing to build the org and the team of the future, as fast as possible
 14 so that we capture the most market share possible at end state.

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

CLASS ACTION ALLEGATIONS

17 38. Plaintiff brings this action as a class action pursuant to Federal Rule of
 18 Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and
 19 entities that purchased or otherwise acquired Trade Desk Class A common stock or
 20 call options, or sold Trade Desk put options, between May 9, 2024 and February 12,
 21 2025, inclusive, and who were damaged thereby (the "Class"). Excluded from the
 22 Class are Defendants, the officers and directors of the Company, at all relevant times,
 23 members of their immediate families and their legal representatives, heirs, successors,
 24 or assigns, and any entity in which Defendants have or had a controlling interest.

25 39. The members of the Class are so numerous that joinder of all members
 26 is impracticable. Throughout the Class Period, Trade Desk's shares actively traded
 27 on the NASDAQ. While the exact number of Class members is unknown to Plaintiff
 28 at this time and can only be ascertained through appropriate discovery, Plaintiff
 believes that there are at least hundreds or thousands of members in the proposed
 Class. Millions of Trade Desk shares were traded publicly during the Class Period
 on the NASDAQ. Record owners and other members of the Class may be identified

1 from records maintained by Trade Desk or its transfer agent and may be notified of
2 the pendency of this action by mail, using the form of notice similar to that
3 customarily used in securities class actions.

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

7 41. Plaintiff will fairly and adequately protect the interests of the members
8 of the Class and has retained counsel competent and experienced in class and
9 securities litigation.

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

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

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

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

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

26 **UNDISCLOSED ADVERSE FACTS**

27 44. The market for Trade Desk's securities was open, well-developed and
28 efficient at all relevant times. As a result of these materially false and/or misleading

1 statements, and/or failures to disclose, Trade Desk's securities traded at artificially
2 inflated prices during the Class Period. Plaintiff and other members of the Class
3 purchased or otherwise acquired Trade Desk's securities relying upon the integrity of
4 the market price of the Company's securities and market information relating to Trade
5 Desk, and have been damaged thereby.

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

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

26 **LOSS CAUSATION**

27 47. Defendants' wrongful conduct, as alleged herein, directly and
28 proximately caused the economic loss suffered by Plaintiff and the Class.

1 48. During the Class Period, Plaintiff and the Class purchased Trade Desk's
2 securities at artificially inflated prices and were damaged thereby. The price of the
3 Company's securities significantly declined when the misrepresentations made to the
4 market, and/or the information alleged herein to have been concealed from the market,
5 and/or the effects thereof, were revealed, causing investors' losses.

6 **SCIENTER ALLEGATIONS**

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

19 **APPLICABILITY OF PRESUMPTION OF RELIANCE**

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

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

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

14 52. At all relevant times, the market for Trade Desk’s securities was an
15 efficient market for the following reasons, among others:

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

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

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

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

1 53. As a result of the foregoing, the market for Trade Desk’s securities
2 promptly digested current information regarding Trade Desk from all publicly
3 available sources and reflected such information in Trade Desk’s share price. Under
4 these circumstances, all purchasers of Trade Desk’s securities during the Class Period
5 suffered similar injury through their purchase of Trade Desk’s securities at artificially
6 inflated prices and a presumption of reliance applies.

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

18 **NO SAFE HARBOR**

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

1 forward-looking statements because at the time each of those forward-looking
2 statements was made, the speaker had actual knowledge that the forward-looking
3 statement was materially false or misleading, and/or the forward-looking statement
4 was authorized or approved by an executive officer of Trade Desk who knew that the
5 statement was false when made.

6 **FIRST CLAIM**

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

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

9 **Against All Defendants**

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

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

19 58. Defendants (i) employed devices, schemes, and artifices to defraud; (ii)
20 made untrue statements of material fact and/or omitted to state material facts
21 necessary to make the statements not misleading; and (iii) engaged in acts, practices,
22 and a course of business which operated as a fraud and deceit upon the purchasers of
23 the Company's securities in an effort to maintain artificially high market prices for
24 Trade Desk's securities in violation of Section 10(b) of the Exchange Act and Rule
25 10b-5. All Defendants are sued either as primary participants in the wrongful and
26 illegal conduct charged herein or as controlling persons as alleged below.

27 59. Defendants, individually and in concert, directly and indirectly, by the
28 use, means or instrumentalities of interstate commerce and/or of the mails, engaged

1 and participated in a continuous course of conduct to conceal adverse material
2 information about Trade Desk's financial well-being and prospects, as specified
3 herein.

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

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

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

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

25 64. At the time of said misrepresentations and/or omissions, Plaintiff and
26 other members of the Class were ignorant of their falsity, and believed them to be
27 true. Had Plaintiff and the other members of the Class and the marketplace known
28 the truth regarding the problems that Trade Desk was experiencing, which were not

1 disclosed by Defendants, Plaintiff and other members of the Class would not have
2 purchased or otherwise acquired their Trade Desk securities, or, if they had acquired
3 such securities during the Class Period, they would not have done so at the artificially
4 inflated prices which they paid.

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

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

11 **SECOND CLAIM**

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

13 **Against the Individual Defendants**

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

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

