

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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

UNITED UNION OF ROOFERS,
WATERPROOFERS & ALLIED
WORKERS LOCAL UNION NO. 8
WBPA FUND, Individually and on
Behalf of All Others Similarly Situated,

Plaintiff,

vs.

THE TRADE DESK, INC., JEFFREY
TERRY GREEN, and LAURA
SCHENKEIN,

Defendants.

Case No.: 2:25-cv-01396

CLASS ACTION COMPLAINT FOR
VIOLATIONS OF THE FEDERAL
SECURITIES LAWS

DEMAND FOR JURY TRIAL

1 Plaintiff United Union of Roofers, Waterproofers & Allied Workers Local
2 Union No. 8 WBPA Fund (“Plaintiff”), by and through its attorneys, alleges the
3 following upon information and belief, except as to allegations concerning Plaintiff,
4 which are alleged upon personal knowledge. Plaintiff’s information and belief are
5 based upon, among other things, its counsel’s investigation, which includes, without
6 limitation: (a) review and analysis of public filings made by The Trade Desk, Inc.
7 (“Trade Desk” or the “Company”) with the U.S. Securities and Exchange
8 Commission (the “SEC”); (b) review and analysis of press releases and other
9 publications disseminated by Defendants (defined below) and other parties;
10 (c) review of news articles, shareholder communications, conference calls, and
11 postings on the Trade Desk website concerning the Company’s public statements;
12 and (d) review of other publicly available information concerning the Company and
13 the Individual Defendants (defined below).

14 **NATURE OF THE ACTION**

15 1. This is a federal securities class action on behalf of all persons or
16 entities that purchased Trade Desk Class A common stock between May 9, 2024 and
17 February 12, 2025, inclusive (the “Class Period”) against Trade Desk and certain of
18 its officers (collectively “Defendants”) seeking to pursue remedies under the
19 Securities and Exchange Act of 1934, 15 U.S.C. §§ 78a, 78j(b), and 78t(a) (the
20 “Exchange Act”).

21 2. Trade Desk operates globally as a technology company, offering a self-
22 service, cloud-based, ad-buying platform that allows marketers to plan, manage,
23 optimize, and measure data-driven ad campaigns.

24 3. Leading up to the Class Period, Trade Desk launched Kokai on June 6,
25 2023, a generative artificial intelligence (“AI”) forecasting tool that enables users to
26 more effectively deploy advertising spending. In a press release announcing the
27 Kokai launch, Trade Desk described Kokai as a “co-pilot to the programmatic
28

1 marketer” that digests over 13 million advertising impressions every second, helping
2 “advertisers buy the right ad impressions, at the right price, to reach the target
3 audience at the best time.”

4 4. Immediately after the Kokai launch, Trade Desk began rolling out
5 Kokai (“the Kokai Rollout”) as the Company began transitioning its clients to Kokai
6 from the Company’s older ad-buying platform Solimar, among other things. Trade
7 Desk touted the transition to investors as a seamless “switch over to the new”
8 platform, and one “without the disruption that comes from yanking something out
9 of the box and maybe having something totally hate it and just be angry.” Trade
10 Desk further claimed to expect “full adoption” of Kokai “over the course of 2024[.]”

11 5. Despite the alleged simplicity of the Kokai Rollout, including with
12 respect to transitioning clients, CEO Green repeatedly expressed the importance of
13 Kokai to the Company’s business, describing it as the “largest platform overhaul in
14 our [C]ompany’s history.”

15 6. Moreover, Kokai was held out to investors as an integral component of
16 the Company’s ability to gain share in “key growth markets[,]” including the
17 connected TV (“CTV”) market. Before the start of the Class Period, Defendants
18 affirmed prior estimates that, from the June 2023 launch, Kokai “would take about
19 a year to roll out in its entirety.”

20 7. Throughout the Class Period, Defendants repeatedly touted the value
21 that the Kokai Rollout was providing to the Company’s clients, as well as Kokai’s
22 positive impact on Trade Desk’s revenue metrics. For example, after markets closed
23 on May 8, 2024, during an earnings call in connection with Trade Desk announcing
24 its financial results for the first quarter of 2024, CEO Green stated, “I believe our
25 revenue growth acceleration in the first quarter speaks to the innovation and value
26 that we are delivering to our clients with Kokai.”

27
28

1 8. Additionally, on August 8, 2024, during the earnings call discussing
2 Trade Desk’s financial results for the second quarter of 2024, CEO Green touted the
3 progress of the Kokai Rollout, stating, “I’ve been incredibly encouraged by the early
4 results from Kokai[,]” while highlighting that the “campaigns that have moved from
5 Solimar to Kokai in aggregate, incremental reach is up more than 70%.” That same
6 day, CEO Green further stated, “I firmly believe that we have met the moment with
7 Kokai.”

8 9. These statements, among others, were materially false and/or
9 misleading and failed to disclose material adverse facts about the Company’s
10 business, operations, and prospects to make the statements made, in light of the
11 circumstances under which they were made, not false and misleading. Specifically,
12 Defendants failed to disclose that: (1) Trade Desk was experiencing significant,
13 ongoing, self-inflicted execution challenges rolling out Kokai, including
14 transitioning clients to Kokai from the Company’s older platform Solimar; (2) such
15 execution challenges meaningfully delayed the Kokai Rollout; (3) Trade Desk’s
16 inability to effectively execute the Kokai Rollout negatively impacted the
17 Company’s business and operations, particularly revenue growth; and (4) as a result
18 of the above, Defendants’ positive statements about the Company’s business,
19 operations, and prospects were materially false and misleading and/or lacked a
20 reasonable basis at all relevant times.

21 10. The truth emerged after markets closed on February 12, 2025, when
22 Trade Desk issued a press release announcing its financial results for the fourth
23 quarter and full year of 2024. In the press release, Trade Desk reported fourth quarter
24 revenue of \$741 million—below the Company’s previously issued guidance of
25 \$756 million and analysts’ estimates of \$759.8 million. Additionally, Trade Desk’s
26 revenue guidance of at least \$575 million for the first quarter of 2025 missed analysts’
27 estimates of \$581.5 million.

1 11. During the earnings call held that same day, CEO Green disclosed that
2 Trade Desk has yet to reach full adoption of Kokai, as the Company is “maintaining
3 2 systems, Solimar and Kokai. This slows us down.”

4 12. Later, on that same call, in response to a Cannonball Research analyst
5 expressing concern regarding “issues with Kokai rollout pace,” CEO Green simply
6 stated, “you’re right, that Kokai rolled out slower than we anticipated.” However,
7 while addressing that same analyst question, CEO Green later explained that “in
8 some cases, the slower Kokai rollout was deliberate.”

9 13. On this news, the price of Trade Desk Class A common stock dropped
10 \$40.31 per share, or more than 32%, from a closing price of \$122.23 per share on
11 February 12, 2025, to a closing price of \$81.92 per share on February 13, 2025.

12 14. As a result of Defendants’ wrongful acts and omissions, and the
13 precipitous decline in market value of the Company’s Class A common stock when
14 the truth was disclosed, Plaintiff and other Class members have suffered significant
15 losses and damages.

16 **JURISDICTION AND VENUE**

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

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

22 17. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b),
23 Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts in
24 furtherance of the alleged fraud or the effects of the fraud have occurred in this
25 Judicial District. Many of the acts and omissions charged herein, including the
26 dissemination of materially false and misleading information to the investing public,
27
28

1 and the omission of material information, occurred in substantial part in this Judicial
2 District, as Trade Desk is headquartered in this Judicial District.

3 18. In connection with the acts, transactions, and conduct alleged herein,
4 Defendants, directly and indirectly, used the means and instrumentalities of
5 interstate commerce, including the U.S. Mail, interstate telephone communications,
6 and the facilities of a national securities exchange.

7 **PARTIES**

8 19. Plaintiff United Union of Roofers, Waterproofers & Allied Workers
9 Local Union No. 8 WBPA Fund is a public pension fund based in Long Island City,
10 New York that provides retirement benefits for active and retired police officers and
11 their beneficiaries. The fund oversees assets under management in excess of
12 \$250 million on behalf of approximately 1,500 active and retired participants. As
13 set forth in the accompanying certification, incorporated by reference herein,
14 Plaintiff purchased Trade Desk Class A common stock during the Class Period and
15 suffered damages as a result of the federal securities laws violations and false and/or
16 misleading statements and/or material omissions alleged herein.

17 20. Defendant Trade Desk is incorporated under the laws of Nevada, with
18 its principal executive offices located in Ventura, California. The Company's Class
19 A common stock trades on the Nasdaq Global Select Market (the "Nasdaq") under
20 the ticker symbol "TTD."

21 21. Defendant Jeffrey Terry Green ("CEO Green") has served as the
22 Company's Co-Founder, Chairman, President, and Chief Executive Officer
23 ("CEO") at all relevant times.

24 22. Defendant Laura Schenkein ("CFO Schenkein") served as the
25 Company's Chief Financial Officer ("CFO") at all relevant times.

26 23. Defendants CEO Green and CFO Schenkein (together, the "Individual
27 Defendants"), because of their positions with the Company, possessed the power and
28

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

12 24. The Company and the Individual Defendants are collectively referred
13 to herein as the “Defendants.”

14 **SUBSTANTIVE ALLEGATIONS**

15 **Background**

16 25. Trade Desk is a global technology company, offering a self-service,
17 cloud-based, ad-buying platform that allows marketers to plan, manage, optimize,
18 and measure data-driven ad campaigns.

19 26. On June 6, 2023, Trade Desk issued a press release announcing the
20 launch of Kokai. Kokai is a generative AI forecasting tool that enables users to
21 better predict the benefit of advertising spending. Specifically, Kokai’s AI
22 capabilities include predictive clearing, which enables traders to bid at the optimal
23 level, scoring ad impressions based upon relevance to the advertiser, budget
24 optimization, and key performance indicator (“KPI”) scoring. In a press release
25 announcing the Kokai launch, Trade Desk touted Kokai as a “co-pilot to the
26 programmatic marketer” that digests over 13 million advertising impressions every
27
28

1 second, helping “advertisers buy the right ad impressions, at the right price, to reach
2 the target audience at the best time.”

3 27. Thereafter, Trade Desk began the Kokai Rollout, which included
4 transitioning its clients to Kokai from the Company’s older ad-buying platform
5 Solimar. Trade Desk described the transition as one where clients can simply
6 “switch over to the new” platform. Moreover, the Company expected “full adoption”
7 of Kokai “over the course of 2024[,]” “without the disruption that comes from
8 yanking something out of the box and maybe having something totally hate it and
9 just be angry.”

10 28. CEO Green repeatedly expressed the importance of Kokai to the
11 Company’s business, describing it as the “largest platform overhaul in our
12 [C]ompany’s history.” CEO Green further highlighted Kokai as an integral
13 component of the Company’s ability to “continue to gain share, especially in key
14 growth markets such as CTV” (*i.e.*, connected TV). In the months leading up to the
15 Class Period, Defendants affirmed prior estimates that, from the June 2023 launch,
16 Kokai “would take about a year to roll out in its entirety.”

17
18 **Defendants’ Materially False and Misleading Statements**
19 **Issued During the Class Period**

20 29. The Class Period begins on May 9, 2024. After the markets closed the
21 prior day on May 8, 2024, Trade Desk issued a press release announcing its financial
22 results for the first quarter of 2024, ended March 31, 2024. In the press release,
23 Trade Desk reported first quarter revenue of \$491 million, representing growth of
24 28% year-over-year. Within the press release, CEO Green stated:

25 With the continued strong growth of [connected TV], the
26 growing ubiquity of UID2, new approaches to
27 authentication, greater deployment of first-party data and
28 retail data, and with significant AI advances in our Kokai
platform, we are better positioned than ever to deliver

1 premium value to advertisers and continue to gain market
2 share.

3 30. During the corresponding earnings call held that same day, CEO Green
4 touted the success of the Kokai Rollout, stating, “I believe our revenue growth
5 acceleration in the first quarter speaks to the innovation and value that we are
6 delivering to our clients with Kokai.” CEO Green further highlighted how Kokai
7 will allow its users to capitalize on advertising opportunities beyond the technology
8 conglomerates, such as Facebook, Instagram, and Google, *i.e.*, the “open Internet,”
9 stating:

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

16 31. On the same call, CFO Schenkein reiterated the role of Kokai in
17 propelling the Company’s growth, stating, “All of our progress in areas such as CTV,
18 Retail Media, Kokai and UID2 helped deliver another quarter of consistently strong
19 growth and profitability to start 2024.”

20 32. On August 8, 2024, after the markets closed, Trade Desk issued a press
21 release announcing its financial results for the second quarter of 2024, ended June
22 30, 2024, reporting second quarter revenue of \$585 million and 26% revenue growth
23 year-over-year. In the press release, CEO Green emphasized that as Kokai continues
24 to roll out, the Company is “intuitively surfacing value for advertisers, integrating
25 data into every decision, advancing the full power of AI as a co-pilot, and enabling
26 advertisers to maximize the potential of their first party data.”

1 33. During the corresponding earnings call held that same day, CEO Green
2 touted Kokai’s use case, stating:

3 In order to help advertisers think about efficacy in new
4 ways and to help them take advantage of the premium
5 open Internet where consumers are most leaned in, after
6 years of development, we launched our most ambitious
7 platform to date, Kokai. Kokai allows our clients to
8 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.

9 34. During that same call, regarding the Kokai Rollout, CEO Green further
10 proclaimed, “I’ve been incredibly encouraged by the early results from Kokai[,]”
11 while highlighting that the “campaigns that have moved from Solimar to Kokai in
12 aggregate, incremental reach is up more than 70%[,]” and “[c]ost per acquisition has
13 improved by about 27% as data elements per impression have gone up by about
14 30%.” CEO Green further explained that “performance metrics have improved by
15 about 25%, helping to unlock performance budgets on our platform for years to
16 come.”

17 35. Referencing his earlier remarks during the same call about “meeting
18 with many [chief marketing officers]” (“CMOs”) from global brands who are
19 “putting a premium on the efficacy of marketing,” CEO Green stated, “Given
20 everything I said about what CMOs today are trying to accomplish and the pressures
21 that they are under, I firmly believe that we have met the moment with Kokai.”

22 36. On November 7, 2024, after the markets closed, Trade Desk issued a
23 press release announcing its financial results for the third quarter of 2024, ended
24 September 30, 2024, reporting third quarter revenue of \$628 million and providing
25 fourth quarter revenue guidance of \$756 million. In the press release, CEO Green
26 stated, “[T]he performance improvements that our clients are seeing with Kokai -
27
28

1 our largest platform upgrade to date - showcase the value of audience-driven, AI-
2 enabled innovation.”

3 37. During the accompanying earnings call held that same day, CEO Green
4 once again assured investors that “[w]e are already seeing the results of Kokai
5 performance today, but we’re just getting started.” CFO Schenkein further touted
6 that “[k]ey investment initiatives, including performance advancements in our Kokai
7 platform . . . are not only strengthening our foundation, but position us for durable
8 growth in 2025 and beyond.”

9 38. During the question-and-answer portion of the call, a RBC Capital
10 analyst asked:

11 [W]hat type of work does it take to help CMOs and the
12 users understand the metrics coming out of Kokai but also
13 to kind of gain trust around them? I know that’s been a
14 challenge in some other walled garden platforms, so
people trusting the attribution data.

15 39. In response, CEO Green stated:

16 I really appreciate the question because I think this is one
17 of the more nuanced ways that we have just so much
18 opportunity in front of us. . . . But the state of
19 measurement is that walled gardens have essentially been
20 grading their own homework for many, many years. And
21 one of the things that they’ve done really well is convinced
22 people to use their own metrics and kept things quite
23 simple. But at times, that’s been really difficult for some
24 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. . . .

25 40. The above statements set forth in ¶¶ 29-39 were materially false and/or
26 misleading and failed to disclose material adverse facts about the Company’s
27 business, operations, and prospects to make the statements made, in light of the
28

1 circumstances under which they were made, not false and misleading. Specifically,
2 Defendants failed to disclose that: (1) Trade Desk was experiencing significant,
3 ongoing, self-inflicted execution challenges rolling out Kokai, particularly in
4 transitioning clients to Kokai from the Company’s older platform Solimar; (2) such
5 execution challenges meaningfully delayed the Kokai Rollout; (3) Trade Desk’s
6 inability to effectively execute the Kokai Rollout negatively impacted the
7 Company’s business and operations, including revenue growth, and (4) as a result
8 of the above, Defendants’ positive statements about the Company’s business,
9 operations, and prospects were materially false and misleading and/or lacked a
10 reasonable basis at all relevant times.

11 **The Truth Emerges**

12 41. The truth regarding the Kokai Rollout execution challenges that Trade
13 Desk had been facing emerged after markets closed on February 12, 2025.
14 Specifically, Trade Desk issued a press release announcing its financial results for
15 the fourth quarter and full year of 2024, ended December 31, 2024. In the press
16 release, Trade Desk reported fourth quarter revenue of \$741 million—below the
17 Company’s previously issued guidance of \$756 million and analysts’ estimates of
18 \$759.8 million. Additionally, Trade Desk provided revenue guidance of at least
19 \$575 million for the first quarter of 2025, missing analysts’ estimates of \$581.5
20 million.

21 42. In the press release, CEO Green stated, “[W]e are disappointed that we
22 fell short of our own expectation in the fourth quarter.” Moreover, CEO Green
23 explained that the Company “undertook a reorganization to accelerate opportunities
24 across CTV, retail media, identity, supply chain optimization, and audio[,] while
25 forging ahead with innovations like Kokai. . . .”

26 43. During the corresponding earnings call held that same day, CEO Green
27 disclosed that Trade Desk has yet to onboard all of its clients onto Kokai, stating,
28

1 “[W]e’ll move 100% of our clients to Kokai this year. Now the majority already
2 have. But today, we’re maintaining 2 systems, Solimar and Kokai. This slows us
3 down. Kokai is more effective in almost every way.”

4 44. During that same call, in response to a Cannonball Research analyst
5 expressing concern regarding “issues with Kokai rollout pace,” CEO Green plainly
6 stated, “you’re right, that Kokai rolled out slower than we anticipated.” However,
7 while addressing that same analyst question, CEO Green later explained that “in
8 some cases, the slower Kokai rollout was deliberate.”

9 45. Analysts swiftly reacted to the disappointing pace of the Kokai Rollout.
10 For example, in a report titled “Debacle Leads To Doghouse,” Wedbush Securities
11 analysts cut their price targets and reported:

12 Management attributed the miss in 4Q to a series of
13 several, small execution mistakes (including a delayed
14 rollout of the company’s Kokai platform) while 1Q
15 guidance signals management has decided to more
aggressively invest in strategic initiatives this year.

16 46. Additionally, in a report titled “Too Many Turnovers, On To The Next,”
17 Cantor Fitzgerald analysts also cut their price targets and noted that “slower rollout
18 of Kokai (missed 50% EOY adoption goal) also weighed on 4Q revs.”

19 47. Moreover, William Blair analysts published a report in response to the
20 disclosure, homing in on the fact that “the company is maintaining two systems:
21 Kokai and Solimar. While the majority of clients are already exclusively using
22 Kokai, select clients are still utilizing Solimar but plan to shift by the end of 2025.”

23 48. On this news, the price of Trade Desk Class A common stock dropped
24 \$40.31 per share, or more than 32%, from a closing price of \$122.23 per share on
25 February 12, 2025, to a closing price of \$81.92 per share on February 13, 2025.
26
27
28

1 **CLASS ACTION ALLEGATIONS**

2 49. Plaintiff brings this action as a class action pursuant to Rule 23(a) and
3 (b)(3) of the Federal Rules of Civil Procedure on behalf of a class, consisting of all
4 persons and entities that purchased Trade Desk Class A common stock between May
5 9, 2024 and February 12, 2025, inclusive, and who were damaged thereby (the
6 “Class”). Excluded from the Class are Defendants, the officers and directors of the
7 Company, at all relevant times, members of their immediate families and their legal
8 representatives, heirs, successors, or assigns, and any entity in which Defendants
9 have or had a controlling interest.

10 50. The members of the Class are so numerous that joinder of all members
11 is impracticable. While the exact number of Class members is unknown to Plaintiff
12 at this time and can only be ascertained through appropriate discovery, Plaintiff
13 believes that there are at least hundreds or thousands of members in the proposed
14 Class. Throughout the Class Period, the Class A common stock of Trade Desk
15 actively traded on the Nasdaq (an open and efficient market) under the ticker symbol
16 “TTD.” Millions of Trade Desk shares were traded publicly during the Class Period
17 on the Nasdaq. As of September 26, 2024, Trade Desk had more than 449 million
18 shares of Class A common stock outstanding. Record owners and other members of
19 the Class may be identified from records maintained by Trade Desk or its transfer
20 agent and may be notified of the pendency of this action by mail, using the form of
21 notice similar to that customarily used in securities class actions.

22 51. Plaintiff’s claims are typical of the claims of the other members of the
23 Class as all members of the Class were similarly affected by Defendants’ wrongful
24 conduct in violation of federal law that is complained of herein.

25 52. Plaintiff will fairly and adequately protect the interests of the members
26 of the Class and has retained counsel competent and experienced in class and
27 securities litigation. Plaintiff has no interests that conflict with those of the Class.
28

1 53. Common questions of law and fact exist as to all members of the Class
2 and predominate over any questions solely affecting individual members of the Class.
3 Among the questions of law and fact common to the Class are:

4 a. whether Defendants violated the Exchange Act by the acts and
5 omissions as alleged herein;

6 b. whether Defendants knew or recklessly disregarded that their
7 statements and/or omissions were false and misleading;

8 c. whether documents, press releases, and other statements
9 disseminated to the investing public and the Company's shareholders during the
10 Class Period misrepresented material facts about the business, operations, and
11 prospects of Trade Desk;

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

15 e. whether the market price of Trade Desk Class A common stock
16 during the Class Period was artificially inflated due to the material
17 misrepresentations and failures to correct the material misrepresentations
18 complained of herein; and

19 f. the extent to which the members of the Class have sustained
20 damages and the proper measure of damages.

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

27
28

1 **UNDISCLOSED ADVERSE INFORMATION**

2 55. The market for Trade Desk Class A common stock was an open, well-
3 developed, and efficient market at all relevant times. As a result of the materially
4 false and/or misleading statements and/or omissions particularized in this Complaint,
5 the Company's Class A common stock traded at artificially inflated prices during
6 the Class Period. Plaintiff and the other members of the Class purchased the
7 Company's Class A common stock relying upon the integrity of the market price of
8 the Company's Class A common stock and market information relating to Trade
9 Desk and have been damaged thereby.

10 56. During the Class Period, Defendants materially misled the investing
11 public, thereby inflating the price of the Company's Class A common stock, by
12 publicly issuing false and/or misleading statements and/or omitting to disclose
13 material facts necessary to make Defendants' statements, as set forth herein, not false
14 and/or misleading. The statements and omissions were materially false and/or
15 misleading because they failed to disclose material adverse information and/or
16 misrepresented the truth about the Company's business, operations, and prospects
17 as alleged herein. These material misstatements and/or omissions had the cause and
18 effect of creating in the market an unrealistically positive assessment of the
19 Company and its business, thus causing the Company's Class A common stock
20 shares to be overvalued and artificially inflated or maintained at all relevant times.
21 Defendants' materially false and/or misleading statements during the Class Period
22 directly or proximately caused or were a substantial contributing cause of the
23 damages sustained by Plaintiff and other members of the Class who purchased the
24 Company's Class A common stock at artificially inflated prices and were harmed
25 when the truth was revealed.

1 **SCIENTER ALLEGATIONS**

2 57. As alleged herein, Defendants acted with scienter in that Defendants
3 knew or were reckless as to whether the public documents and statements issued or
4 disseminated in the name of the Company during the Class Period were materially
5 false and misleading; knew or were reckless as to whether such statements or
6 documents would be issued or disseminated to the investing public, and knowingly
7 and substantially participated or acquiesced in the issuance or dissemination of such
8 statements or documents as primary violations of the federal securities laws.

9 58. As set forth herein, the Individual Defendants, by virtue of their receipt
10 of information reflecting the true facts regarding Trade Desk, their control over,
11 receipt, and/or modification of the Company’s allegedly materially misleading
12 statements and omissions, and/or their positions with the Company that made them
13 privy to confidential information concerning Trade Desk, participated in the
14 fraudulent scheme alleged herein.

15 **INAPPLICABILITY OF STATUTORY SAFE HARBOR**

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

25 60. In the alternative, to the extent that the statutory safe harbor is
26 determined to apply to any forward-looking statements pleaded herein, Defendants
27 are liable for those false forward-looking statements because at the time each of
28

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

5 **LOSS CAUSATION**

6 61. Defendants' wrongful conduct, as alleged herein, directly and
7 proximately caused the economic loss, *i.e.*, damages, suffered by Plaintiff and the
8 Class.

9 62. During the Class Period, as detailed herein, Defendants made
10 materially false and misleading statements and omissions and engaged in a scheme
11 to deceive the market. This artificially inflated the prices of the Company's Class A
12 common stock and operated as a fraud or deceit on the Class. When Defendants'
13 prior misrepresentations, information alleged to have been concealed, fraudulent
14 conduct, and/or the effect thereof were disclosed to the market, the price of the
15 Company's stock fell precipitously, as the prior artificial inflation came out of the
16 price.

17 **APPLICABILITY OF PRESUMPTION OF RELIANCE**
18 **(FRAUD-ON-THE-MARKET DOCTRINE)**

19 63. The market for Trade Desk Class A common stock was open, well-
20 developed, and efficient at all relevant times. As a result of the materially false
21 and/or misleading statements and/or failures to disclose particularized in this
22 Complaint, Trade Desk Class A common stock traded at artificially inflated and/or
23 maintained prices during the Class Period. Plaintiff and other members of the Class
24 purchased the Company's Class A common stock relying upon the integrity of the
25 market price of Trade Desk Class A common stock and market information relating
26 to Trade Desk and have been damaged thereby.

27
28

1 64. At all times relevant, the market for Trade Desk Class A common stock
2 was an efficient market for the following reasons, among others:

3 a. Trade Desk was listed and actively traded on Nasdaq, a highly
4 efficient and automated market;

5 b. As a regulated issuer, Trade Desk filed periodic public reports
6 with the SEC and/or the Nasdaq;

7 c. Trade Desk regularly communicated with public investors via
8 established market communication mechanisms, including through regular
9 dissemination of press releases on the national circuits of major newswire services
10 and through other wide-ranging public disclosures, such as communications with the
11 financial press and other similar reporting services; and/or

12 d. Trade Desk was followed by securities analysts employed by
13 brokerage firms who wrote reports about the Company, and these reports were
14 distributed to the sales force and certain customers of their respective brokerage
15 firms. Each of these reports was publicly available and entered the public
16 marketplace.

17 65. As a result of the foregoing, the market for Trade Desk Class A
18 common stock promptly digested current information regarding Trade Desk from all
19 publicly available sources and reflected such information in the Company's stock
20 price. Under these circumstances, all purchasers of Trade Desk Class A common
21 stock during the Class Period suffered similar injury through their purchase and/or
22 acquisition of stock at artificially inflated prices, and a presumption of reliance
23 applies.

24 66. A Class-wide presumption of reliance is also appropriate in this action
25 under the Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United States*,
26 406 U.S. 128 (1972), because the Class's claims are, in large part, grounded in
27 Defendants' material misstatements and/or omissions. Because this action involves
28

1 Defendants' failure to disclose material adverse information regarding the
2 Company's business, operations, and prospects—information that Defendants were
3 obligated to disclose during the Class Period but did not—positive proof of reliance
4 is not a prerequisite to recovery. All that is necessary is that the facts withheld be
5 material in the sense that a reasonable investor might have considered them
6 important in the making of investment decisions. Given the importance of the Class
7 Period material misstatements and omissions set forth above, that requirement is
8 satisfied here.

9 **COUNTS AGAINST DEFENDANTS**

10 **COUNT I**

11 **For Violations of Section 10(b) of the Exchange Act and Rule 10b-5**
12 **Promulgated Thereunder Against All Defendants**

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

15 68. During the Class Period, Defendants carried out a plan, scheme, and
16 course of conduct that was intended to and, throughout the Class Period, did:
17 (i) deceive the investing public, including Plaintiff and other Class members, as
18 alleged herein; (ii) artificially inflate and maintain the market price of Trade Desk
19 Class A common stock; and (iii) cause Plaintiff and other members of the Class to
20 purchase Trade Desk Class A common stock at artificially inflated prices. In
21 furtherance of this unlawful scheme, plan, and course of conduct, Defendants, and
22 each of them, took the actions set forth herein.

23 69. Defendants: (i) employed devices, schemes, and artifices to defraud;
24 (ii) made untrue statements of material fact and/or omitted to state material facts
25 necessary to make the statements not misleading; and (iii) engaged in acts, practices,
26 and a course of conduct that operated as a fraud and deceit upon the purchasers of
27 the Company's Class A common stock in an effort to maintain artificially high
28 market prices for Trade Desk Class A common stock in violation of Section 10(b)

1 of the Exchange Act and Rule 10b-5 promulgated thereunder. All Defendants are
2 sued either as primary participants in the wrongful and illegal conduct charged
3 herein or as controlling persons as alleged below.

4 70. Defendants, individually and in concert, directly and indirectly, by the
5 use, means, or instrumentalities of interstate commerce and/or the mails, engaged
6 and participated in a continuous course of conduct to conceal adverse material
7 information about the Company's business, operations, and prospects, as specified
8 herein. Defendants employed devices, schemes, and artifices to defraud, while in
9 possession of material adverse non-public information and engaged in acts, practices,
10 and a course of conduct as alleged herein in an effort to assure investors of the
11 Company's business, operations, and prospects, which included the making of, or
12 the participation in the making of, untrue statements of material facts and/or omitting
13 to state material facts necessary in order to make the statements made about Trade
14 Desk and its business, operations, and future prospects in light of the circumstances
15 under which they were made, not misleading, as set forth more particularly herein,
16 and engaged in transactions, practices, and a course of conduct of business that
17 operated as a fraud and deceit upon the purchasers of the Company's Class A
18 common stock during the Class Period.

19 71. Each of the Individual Defendants' primary liability and controlling-
20 person liability, arises from the following facts: (i) each of the Individual Defendants
21 was a high-level executive and/or director at the Company during the Class Period
22 and a member of the Company's management team or had control thereof; (ii) each
23 of the Individual Defendants, by virtue of his responsibilities and activities as a
24 senior officer and/or director of the Company, was privy to and participated in the
25 creation, development, and reporting of the Company's business, operations, and
26 prospects; (iii) each of the Individual Defendants enjoyed significant personal
27 contact and familiarity with the other Defendants and was advised of and had access
28

1 to, other members of the Company's management team, internal reports, and other
2 data and information about the Company's financial condition and performance at
3 all relevant times; and (iv) each of the Individual Defendants was aware of the
4 Company's dissemination of information to the investing public, which they knew
5 and/or recklessly disregarded was materially false and misleading.

6 72. Defendants had actual knowledge of the misrepresentations and/or
7 omissions of material facts set forth herein or acted with reckless disregard for the
8 truth in that they failed to ascertain and to disclose such facts, even though such facts
9 were available to them. Such Defendants' material misrepresentations and/or
10 omissions were done knowingly or recklessly and for the purpose and effect of
11 concealing the Company's operating condition, business practices, and prospects
12 from the investing public and supporting the artificially inflated and/or maintained
13 price of its Class A common stock. As demonstrated by Defendants' overstatements
14 and misstatements of the Company's business, operations, and prospects throughout
15 the Class Period, Defendants, if they did not have actual knowledge of the
16 misrepresentations and/or omissions alleged, were reckless in failing to obtain such
17 knowledge by deliberately refraining from taking those steps necessary to discover
18 whether those statements were false or misleading.

19 73. As a result of the dissemination of the materially false and/or
20 misleading information and/or failure to disclose material facts, as set forth above,
21 the market price of Trade Desk Class A common stock was artificially inflated, and
22 relying directly or indirectly on the false and misleading statements made by
23 Defendants or upon the integrity of the market in which the shares and stock traded
24 or trades, and/or in the absence of material adverse information that was known or
25 recklessly disregarded by Defendants, but not disclosed in public statements by
26 Defendants during the Class Period, Plaintiff and the other members of the Class
27
28

1 purchased Trade Desk Class A common stock during the Class Period at artificially
2 inflated prices and were damaged thereby.

3 74. At the time of said misrepresentations and omissions, Plaintiff and
4 other members of the Class were ignorant of their falsity and believed them to be
5 true. Had Plaintiff, the other members of the Class, and the marketplace known of
6 the truth regarding the problems that Trade Desk was experiencing, which were not
7 disclosed by Defendants, Plaintiff and other members of the Class would not have
8 purchased Trade Desk Class A common stock, or, if they had purchased such shares
9 or stock during the Class Period, they would not have done so at the artificially
10 inflated prices that they paid.

11 75. By virtue of the foregoing, Trade Desk and the Individual Defendants
12 each violated § 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

13 76. As a direct and proximate result of Defendants' wrongful conduct,
14 Plaintiff and the other members of the Class suffered damages in connection with
15 their purchases of the Company's Class A common stock during the Class Period.

16 **COUNT II**

17 **For Violations of Section 20(a) of the Exchange Act**
18 **Against the Individual Defendants**

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

21 78. The Individual Defendants acted as controlling persons of Trade Desk
22 within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue
23 of their high-level positions with the Company, participation in, and/or awareness of
24 the Company's operations, and intimate knowledge of the false statements filed by
25 the Company with the SEC and disseminated to the investing public, the Individual
26 Defendants had the power to influence and control and did influence and control,
27 directly or indirectly, the decision-making of the Company, including the content
28 and dissemination of the various statements that Plaintiff contends are false and

1 misleading. Each of the Individual Defendants was provided with or had unlimited
2 access to copies of the Company's reports, press releases, public filings, and other
3 statements alleged by Plaintiff to be misleading prior to and/or shortly after these
4 statements were issued and had the ability to prevent the issuance of the statements
5 or cause the statements to be corrected.

6 79. In particular, the Individual Defendants had direct and supervisory
7 involvement in the day-to-day operations of the Company and, therefore, had the
8 power to control or influence the particular transactions giving rise to the securities
9 violations as alleged herein, and exercised the same.

10 80. As set forth above, Trade Desk and the Individual Defendants each
11 violated § 10(b) and Rule 10b-5 by their acts and omissions as alleged in this
12 Complaint. By virtue of their position as controlling persons, the Individual
13 Defendants are liable pursuant to § 20(a) of the Exchange Act. As a direct and
14 proximate result of these Defendants' wrongful conduct, Plaintiff and other
15 members of the Class suffered damages in connection with their purchases of the
16 Company's Class A common stock during the Class Period.

17 **PRAYER FOR RELIEF**

18 81. WHEREFORE, Plaintiff, individually and on behalf of the Class, prays
19 for relief and judgment as follows:

- 20 a) Declaring this action to be a class action pursuant to Rule 23(a) and
21 (b)(3) of the Federal Rules of Civil Procedure on behalf of the Class
22 defined herein;
- 23 b) Awarding Plaintiff and the other members of the Class damages in an
24 amount that may be proven at trial, together with interest thereon;
- 25 c) Awarding Plaintiff and the members of the Class pre-judgment and
26 post-judgment interest, as well as their reasonable attorneys' and
27 experts' witness fees and other costs; and
28

1 d) Awarding such other relief as this Court deems appropriate.

2 **JURY DEMAND**

3 82. Plaintiff demands a trial by jury.

4

5 Dated: February 19, 2025

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28