

City of Coral Springs Police Officers' Pension Plan v. Apple Inc.

COURT: United States District Court for the Northern District of California
CASE NUMBER: 25-cv-06252
CLASS PERIOD: 06/10/2024 - 06/09/2025
CASE LEADERS: Hannah Ross, Avi Josefson, Scott R. Foglietta

On July 25, 2025, Bernstein Litowitz Berger & Grossmann LLP ("BLB&G") filed a class action lawsuit in the U.S. District Court for the Northern District of California alleging violations of the federal securities laws by Apple Inc. ("Apple" or the "Company") and certain of the Company's current and former senior executives (collectively, "Defendants"). The action is brought on behalf of all investors who purchased or otherwise acquired Apple common stock between June 10, 2024, and June 9, 2025, inclusive (the "Class Period"). This case is related to a previously filed securities class action pending against Apple captioned *Tucker v. Apple Inc.*, No. 5:25-cv-05197 (N.D. Cal.).

The case is captioned *City of Coral Springs Police Officers' Pension Plan v. Apple Inc.*, No. 25-cv-06252 (N.D. Cal.). The complaint is based on an extensive investigation and a careful evaluation of the merits of this case. To view the complaint, see the Case Documents section of this page.

Apple's Alleged Fraud

Apple is a multinational technology company most well-known for its iPhone. It also sells other smart technology products and offers a variety of integrated software and services through the operation of various platforms, including the App Store.

Since 2011, iPhones and other Apple smart devices have contained software for the Company's digital personal assistant, called "Siri." In recent years, a number of Apple's competitors have introduced artificial intelligence ("AI") capabilities, which put pressure on Apple to incorporate generative-AI technology into its iPhones and especially to introduce advanced AI-based Siri features.

In 2020, Epic Games, Inc. ("Epic") sued Apple, challenging Apple's restrictions on app developers' ability to communicate with, and direct consumers to, purchasing mechanisms outside of those offered by Apple's App Store (the "Epic Action"). Apple takes a 30% commission on all revenues generated from its App Store, and Epic's efforts to open other avenues for app-related payments posed a threat to one of Apple's major revenue streams. After the companies initially went to trial in 2021, the court presiding over the action issued a 180-page order enjoining Apple's "anti-steering" rules, which the court found were anti-competitive (the "Epic Injunction"). This injunction went into effect on January 17, 2024, after Apple had exhausted its appeals.

The complaint alleges that, throughout the Class Period, Defendants made misrepresentations and omissions that fall into two categories: (i) statements regarding the launch of new generative-AI based Siri features; and (ii) statements concerning Apple's compliance with the Epic Injunction, including statements relating to any impacts on revenue from this compliance. Throughout the Class Period, starting with the Company's 2024 Worldwide Developers Conference, Apple represented to investors that the Company would be rolling out a number of AI-supported features for Siri in the first half of 2025, promising that "over the next year" or "in the coming months,"

Siri would gain AI functionality that would enable it to “take hundreds of new actions in and across Apple and third-party apps,” and “deliver intelligence that’s tailored to the user and their on-device information.” The Company also repeatedly represented that it had implemented a plan to comply with the Epic Injunction.

In truth, Apple faced significant undisclosed challenges in developing the generative AI-enabled Siri, including meaningful quality challenges, that would make it unable to rollout the features in the first half of 2025 as had been stated. Additionally, the Company willfully violated the Epic Injunction by implementing new measures to prevent developers from deploying competitive alternatives to in-app purchases. Apple’s defenses and justification for those measures were reverse-engineered to hide its anti-competitive motives from the court and investors.

The truth began to emerge during a series of evidentiary hearings held by the court in the Epic Action from February 24 through February 26, 2025, in response to a motion from Epic seeking to enforce the injunction and hold Apple in civil contempt. On February 25, 2025, a senior Apple employee testified that the impact on the Company’s finances was a key factor in its decision to implement a particular anti-competitive aspect of its “compliance plan,” and that eliminating this would cost the Company “hundreds of millions if not billions,” in App Store revenue. As a result of these disclosures, the price of Apple common stock declined by \$6.68 per share, or 2.7%.

The truth was further revealed on March 7, 2025, when an Apple spokesperson was quoted by multiple news outlets, disclosing that the launch of the Siri generative-AI features would be delayed. Specifically, the spokesperson stated that “[i]t’s going to take us longer than we thought to deliver on these features and we anticipate rolling them out in the coming year.” In response to this news, the price of Apple common stock declined by \$11.59 per share, or 4.8%, the following trading day.

The following week, on March 12, 2025, Morgan Stanley published a report, stating that “[t]he delayed rollout of a more advanced Siri means Apple will have fewer features to accelerate iPhone upgrade rates in FY26.” The report presented evidence that around 50% of iPhone owners who did not upgrade to an iPhone 16 said that the delayed Apple Intelligence rollout impacted their decision not to upgrade. As a result of these disclosures, the price of Apple common stock declined by \$11.16 per share, or 5.1% over the following two trading sessions.

Then, on April 3, 2025, *The Wall Street Journal* published an article criticizing Apple for overpromising on its AI capabilities and chiding the Company that it “shouldn’t announce products until they’re sure they can deliver them.” On this news, the price of Apple common stock declined by \$20.70 per share, or 9.2%.

On April 30, 2025, the court presiding over the Epic Action issued an order finding Apple in willful violation of the Epic Injunction, holding Apple in civil contempt, and referring the matter to the United States Attorney for the Northern District of California to investigate whether criminal contempt proceedings were appropriate.

Finally, on June 9, 2025, Apple held its 2025 Worldwide Developer Conference where it notably failed to announce any updates regarding advanced Siri features beyond that the Company “needed more time to reach a high quality bar.” Industry commentators were underwhelmed with this news, with *CNN* commenting that “it’s unlikely that any of the announcements made at Monday’s event will change the perception that Apple is behind its competitors in AI.” These disclosures caused the price of Apple common stock to decline by \$2.47 per share, or 1.2%.

The filing of this action does not alter the previously established deadline to seek appointment as Lead Plaintiff. Pursuant to the June 20, 2025 notice published in connection with the *Tucker* action, under the Private Securities Litigation Reform Act of 1995, investors who purchased or otherwise acquired Apple securities during the Class

Period may, no later than August 19, 2025, seek to be appointed as Lead Plaintiff for the Class. Any member of the proposed Class may seek to serve as Lead Plaintiff through counsel of their choice, or may choose to do nothing and remain a member of the proposed Class.

If you wish to discuss this action or have any questions concerning this notice or your rights or interests, please contact Scott R. Foglietta of BLB&G at 212-554-1903, or via e-mail at scott.foglietta@blbglaw.com.

Case Documents

- July 25, 2025 - PSLRA Notice
- July 25, 2025 - Initial Complaint