

Yoshikawa v. Exxon Mobil Corporation et al

COURT: United States District Court for the Northern District of Texas
CASE NUMBER: 3:21-cv-00194-N
CASE LEADERS: John Rizio-Hamilton, Rebecca E. Boon
CASE TEAM: Kate Aufses, R. Ryan Dykhouse

Exxon explores for and produces crude oil and natural gas in the U.S. and abroad. In 2017, Exxon, through subsidiary XTO Energy Inc., acquired certain assets in the Permian Basin, the largest oil field in the U.S., for \$6.6 billion. Since then, the Company has continually touted the Permian Basin as the Company's most promising asset and a key driver of future growth. In March 2019, for example, CEO Darren Woods stated with respect to Permian production that Exxon was about to "unleash the hounds." Further, Exxon continually touted to investors that it would increase oil production in the Permian Basin rapidly, including by announcing in 2019 that the Permian Basin would produce one million barrels a day as early as 2024, up from the previous target of 600,000 by 2025. However, behind Exxon's lofty aspirations and promises to investors were grossly unrealistic assumptions about the Company's ability to drill the wells necessary to capture the Permian Basin's underlying value. Then, on January 15, 2021, the *Wall Street Journal* reported that the Securities and Exchange Commission (the "SEC") had begun an investigation into Exxon's valuation of its Permian Basin assets after a whistleblower complaint filed in the fall of 2020 described how Exxon had overvalued those assets and used false assumptions. This shocking revelation caused Exxon's stock price to fall nearly 5% to close at \$47.89, thereby damaging shareholders.

Case Documents

- September 11, 2021 - Consolidated Class Action Complaint