

## *In re Intel Corp. Securities Litigation*

**COURT:** United States District Court for the Northern District of California  
**CASE NUMBER:** 5:20-cv-05194-EJD  
**CLASS PERIOD:** 10/25/2019 - 10/23/2020  
**CASE LEADERS:** John Rizio-Hamilton, Jeroen van Kwawegen  
**CASE TEAM:** Lauren M. Cruz

On September 16, 2020, Bernstein Litowitz Berger & Grossmann LLP (“BLB&G”) filed a class action lawsuit for violations of the federal securities laws against Intel Corporation (“Intel” or the “Company”) and certain of the Company’s current and former senior executives (collectively, “Defendants”), on behalf of investors in Intel common stock between October 25, 2019 and October 23, 2020, inclusive (the “Class Period”). The case was filed in the U.S. District Court for the Northern District of California.

BLB&G filed this action on behalf of its client, City of Hallandale Beach Police Officers’ and Firefighters’ Personnel Retirement Trust, and the case was captioned *City of Hallandale Beach Police Officers’ and Firefighters’ Personnel Retirement Trust v. Intel Corporation*, No. 3:20-cv-06493 (N.D. Cal.). The complaint is based on an extensive investigation and a careful evaluation of the merits of this case. This case is related to a previously filed securities class action pending against Intel captioned *Huang v. Intel Corporation*, No. 5:20-cv-05194 (N.D. Cal.) To view the complaint, click on the Case Documents tab on the left-hand side of the page. On October 21, 2020, the Court consolidated the related actions, appointed SEB Investment Management AB and KBC Asset Management NV as Lead Plaintiff, and approved the selection of BLB&G as co-lead counsel.

### **Intel’s Alleged Fraud**

Based in Santa Clara, California, Intel designs and manufactures microprocessors and other semiconductor components that are used in computers, data centers, communications infrastructure, and other devices. The claims alleged in this case arise from Defendants’ misrepresentations regarding Intel’s development and manufacturing of a new seven-nanometer chip. The complaint alleges that, throughout the Class Period, Defendants made false and misleading statements regarding the status of Intel’s production of its new seven-nanometer technology, assuring investors that the Company was making “good progress” and that its first seven-nanometer product was “on track” to launch by late 2021. Intel also touted its “in-house manufacturing as an important advantage” over its competitors. As a result of Defendants’ misrepresentations, shares of Intel common stock traded at artificially inflated prices during the Class Period.

On June 11, 2020, Intel announced that Jim Keller, whom the Company hired in 2018 to lead its chip engineering efforts, had abruptly resigned, effective immediately. The Company also revealed significant leadership changes within its Technology, Systems Architecture and Client Group—the group responsible for engineering and manufacturing Intel’s chips. As a result, the Company’s stock price declined by 0.6%, or \$0.37 per share, to close at \$59.33 per share. Then, on July 23, 2020, after the market closed, Intel disclosed that production of its seven-nanometer chips was 12 months behind schedule. The Company attributed the delay to a “defect” in Intel’s seven-nanometer manufacturing process. Intel also revealed that, as a result of those production problems, it had established plans to outsource chip production to third-party manufacturers. In response to this shocking revelation, over the next two trading days, Intel’s stock price plummeted \$10.83, or 17.93%, to close at \$49.57 on July 27, 2020. Finally, on October 22, 2020, Intel announced, after the market closed, that it may outsource some of

its production in order to cure some of the problems plaguing its manufacturing process, thus further retreating from its integrated business model. As a result of these disclosures, the price of Intel common stock declined precipitously. This announcement caused Intel's stock price to fall \$5.70 per share, or 10.57%, to close at \$48.20 per share on October 23, 2020.

On October 21, 2020, Judge Edward J. Davila appointed SEB Investment Management AB and KBC Asset Management NV as Lead Plaintiffs, and approved the selection of BLB&G as co-lead counsel. Lead Plaintiffs filed their Consolidated Class Action Complaint in January 2021, and Defendants moved to dismiss it. The Court granted Defendants' motion to dismiss with leave to amend the complaint in an order dated March 31, 2023. Lead Plaintiffs informed the Court that they would not be amending the Complaint, and filed a notice of appeal to the 9th Circuit Court of Appeals on May 2, 2023. On May 8, 2023, the Court of Appeals accepted notice of the appeal.

Lead Plaintiffs (Appellants) filed their appeal brief on August 9, 2023. Defendants (Appellees) filed their answering brief on October 10, 2023. Lead Plaintiffs (Appellants) filed their reply brief on November 30, 2023. Oral argument is scheduled for April 1, 2024.

## Case Documents

- January 15, 2021 - Intel Consolidated Class Action Complaint
- September 16, 2020 - PSLRA Notice
- September 16, 2020 - Complaint