

In re Super Micro Computer, Inc. Securities Litigation

COURT: United States District Court for the Northern District of California
CASE NUMBER: 5:24-cv-06147-EJD
CLASS PERIOD: 02/02/2021 - 09/25/2024
CASE LEADERS: John Rizio-Hamilton, Scott R. Foglietta, Jonathan D. Uslaner, Preethi Krishnamurthy

This is a securities class action lawsuit filed against Super Micro Computer, Inc. (“Supermicro” or the “Company”) and certain of its executives (collectively, “Defendants”). The action asserts claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”), 15 U.S.C. §§ 78j(b) and 78t(a), and Rule 10b-5 promulgated thereunder, 17 C.F.R. § 240.10b-5, on behalf of investors who purchased Supermicro’s securities between November 3, 2020, and October 30, 2024, inclusive (the “Class Period”).

The Complaint alleges that, during the Class Period, Defendants violated provisions of the Exchange Act by making material misrepresentations and omissions and engaging in fraudulent schemes and acts, among other things.

Supermicro sells information technology solutions, including computer servers. Supermicro also sells global support and services to its customers to help install, upgrade and maintain their computing infrastructure.

Prior to the Class Period, Supermicro and its long-time chief executive officer, Defendant Charles Liang (“Liang”), orchestrated a multi-year accounting fraud. Once exposed, the Securities and Exchange Commission (“SEC”) and the Company’s auditor determined that Supermicro suffered from “material weaknesses in internal controls.” Supermicro’s internal controls were so deficient that the Nasdaq exchange delisted the Company for an entire year and a half, and the SEC fined it \$17.5 million.

On the first day of the Class Period, Defendant Liang personally assured investors during an earnings call that Supermicro’s internal control deficiencies were “resolved a few months ago” and that “the big challenges in the past three years that badly hurt Supermicro are totally behind us now.” During the Class Period, Defendants reiterated this same message to investors in its quarterly and annual SEC filings, which represented over and over that Supermicro’s deficient internal controls were a thing of “the past” and had been “remediated.” They further assured investors that Defendants Liang and David Weigand (the Company’s CFO) had personally crafted and reviewed the Company’s internal controls, with both certifying their effectiveness.

Unknown to investors at the time, however, these representations were false and misleading. In reality, by the start of the Class Period, Defendants were engaged in the same accounting misconduct and maintained the same deficient internal controls that led to Supermicro’s Nasdaq delisting and SEC fine. Throughout the Class Period, the price of Supermicro securities was artificially inflated as a result of Defendants’ materially false and misleading statements and omissions.

Investors began to learn the truth on August 27, 2024. On that day, Hindenburg Research published a report detailing how, contrary to Defendants’ Class Period representations, Supermicro had not remediated its internal controls weaknesses prior to the Class Period. Supermicro announced the next day that it could not timely file its SEC annual report, citing management’s need to “assess[]” the Company’s internal controls. Just two months later, on October 30, 2024, Supermicro’s auditor, Ernst & Young LLP (“EY”), resigned. As EY explained, it had grave concerns about Defendants’ “commitment to integrity and ethical values,” as well as whether Supermicro’s Board of Directors could and would “act as an oversight body that is independent of the CEO.” The facts uncovered by EY

during its audit caused it to conclude that it would “no longer be able to rely on management’s...representations.” Specifically, EY had concerns about Supermicro’s “governance, transparency and completeness of communications to EY, and other matters pertaining to the Company’s internal control over financial reporting.” In response to these revelations, Supermicro’s stock price plunged by nearly 33%. The Company itself was then forced to admit that, contrary to Defendants’ assurances during the Class Period, its deficient internal controls were not a thing of “the past” and had not been “remediated.”

On July 10, 2025, the Honorable Edward J. Davila, of the Northern District of California, appointed Universal-Investment-Gesellschaft mbH as Lead Plaintiff, and Bernstein Litowitz Berger & Grossmann LLP as Lead Counsel, in the action. Lead Plaintiff filed a consolidated amended complaint on September 22, 2025.

Case Documents

- September 22, 2025 - Consolidated Amended Complaint