

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

WILLIAM BOSTEDO, Individually and on Behalf of All Others Similarly Situated,	:	Civil Action No.
	:	
Plaintiff,	:	<u>CLASS ACTION</u>
	:	
vs.	:	COMPLAINT FOR VIOLATION OF THE FEDERAL SECURITIES LAWS
	:	
VELOCITYSHARES, LLC, VLS SECURITIES LLC, CREDIT SUISSE AG, CREDIT SUISSE GROUP AG, CREDIT SUISSE SECURITIES (USA) LLC, BRADY DOUGAN, RENATO FASSBIND, WALTER B. KIELHOLZ, NICHOLAS CHERNEY and RICHARD HOGE,	:	
	:	
Defendants.	:	
	:	
	:	<u>DEMAND FOR JURY TRIAL</u>

NATURE OF THE ACTION

1. This is a class action on behalf of all persons or entities who purchased VelocityShares Daily 2x Long VIX Short-Term ETNs (the “ETNs”), during the period from November 30, 2010 through March 22, 2012 (the “Class Period”) and who were damaged thereby. The action pursues remedies under the Securities Exchange Act of 1934 (the “1934 Act”).

2. The ETNs (or exchange traded notes) were initially offered for sale by defendant Credit Suisse Securities (USA) LLC (“Credit Suisse USA”), the brand name in the United States for Credit Suisse AG’s (“Credit Suisse”) retail asset management organization, and thereafter traded on the American Stock Exchange under the symbol “TVIX.”

3. The ETNs were designed to replicate, net of expenses, the returns of twice (2x) the daily performance of the S&P 500 VIX Short-Term Futures (“VIX”) index. The index was designed to provide investors with exposure to one or more maturities of futures contracts on the VIX, which reflects implied volatility of the S&P 500 index at various points along the volatility forward curve. The ETNs were linked to a multiple (2x) of the daily return of the VIX index. VIX is the ticker symbol for the Chicago Board Options Exchange Market Volatility Index, a popular measure of the implied volatility of S&P 500 index options. It represents one measure of the market’s expectation of stock market volatility over the next 30-day period.

4. The Class Period begins with Credit Suisse’s dissemination of the VelocityShares Pricing Supplement dated November 29, 2010. The Pricing Supplement was issued as a supplement to the Prospectus Supplement and Prospectus dated March 25, 2009. The Pricing Supplement and subsequent Pricing Supplements described the complex nature of the ETNs. However, because the ETNs were so complex, the Pricing Supplements included an important section entitled “Hypothetical Examples.” The Hypothetical Examples section described more specifically the risk profile of the ETNs by noting several variables that would affect the returns on the ETNs and

providing four possible outcomes. This section was meant to illustrate the effect that different factors could have on the Maturity Redemption Amount of the ETNs, meaning the ultimate payment and returns. However, the description of these factors was misleading and omitted a key factor: the effect of changes in the relationship between short-term measures of volatility and longer-term measures of volatility. This relationship is sometimes referred to as the “term structure” of volatility and was a crucial and undisclosed risk associated with the ETNs. The Hypothetical Examples were designed to conceal this risk and were not representative of randomly calculated possibilities generated by a computer. They included potential returns at maturity that ranged from a complete loss to a return of more than 7,000%. The examples thereby misled investors about the risks associated with the ETNs.

5. Following the dissemination of a Pricing Supplement on August 10, 2011, the ETNs shot up in price, from \$22 in July 2011, to \$60 by mid-August 2011, and trading volume increased. Ultimately, the price reached \$100.90 in October 2011. Subsequent statements by Credit Suisse about the ETNs also concealed the impact of term structure risk.

6. On October 14, 2011, Credit Suisse disseminated a new Pricing Supplement which also included Hypothetical Examples, this time with more hypotheticals suggesting various possible outcomes, including one showing a 1,000% return. These statements were misleading in precisely the same way as the statements in the prior prospectuses with respect to the risks associated with the term structure of volatility.

7. In fact, throughout the Class Period, Credit Suisse concealed that term structure (also called yield curve risk) was among the most important variables and the most likely to cause an adverse price movement. As a result, there has subsequently been a steady decline in the price of the ETNs since October due in large part to term structure risk.

8. On February 21, 2012, the ETNs increased in price when Credit Suisse announced it had “temporarily suspended further issuances of the [VelocityShares Daily] 2x Long VIX Short Term ETNs due to internal limits on the size of ETNs.” Credit Suisse added that “[t]his suspension does not affect the early redemption right of holders as described” in the Pricing Supplement. This caused an increase in the price as the ETNs became scarcer. However, once this suspension was rescinded in March 2012, the price collapsed again.

9. By March 26, 2012, ETNs had dropped to \$5.88 per ETN, from \$15.13 per ETN just one week earlier.

10. On March 29, 2012, it was disclosed that the Financial Industry Regulatory Authority (“FINRA”) was investigating the ETNs and other exchange traded notes and that the Massachusetts securities regulator was looking into the ETNs’ February through March 2012 transactions.

11. The true facts and risks concerning an investment in the ETNs, which were omitted from the statements made by defendants during the Class Period, were as follows:

(a) The Pricing Supplements were misleading in that they omitted one of the most important factors – term structure risk.

(b) The Hypothetical Examples in the Pricing Supplements were misleading in that they included unlikely and unrepresentative scenarios showing outsized gains.

(c) The ETNs did not merely not guarantee any return of principal at maturity, but were almost certain to return no principal at maturity.

12. Due to defendants’ false and misleading statements, investors purchased the ETNs during the Class Period at artificially inflated prices and were damaged thereby.

JURISDICTION AND VENUE

13. The claims asserted herein arise under and pursuant to §§10(b) and 20(a) of the 1934 Act [15 U.S.C. §§78j(b) and 78t(a)] and SEC Rule 10b-5. Jurisdiction is conferred by §27 of the 1934 Act.

14. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §1331 and §27 of the 1934 Act.

15. Venue is proper in this District pursuant to 28 U.S.C. §1391(b), because defendant Credit Suisse USA is headquartered in this District, the defendants do business in this District, and many of the acts and practices complained of herein occurred in substantial part in this District.

16. In connection with the acts alleged in this complaint, defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, the mails, interstate telephone communications and the facilities of the national securities markets.

PARTIES

17. Plaintiff William Bostedo purchased ETNs as set forth in the accompanying certification, and has been damaged thereby.

18. Defendant Credit Suisse is the issuer of the ETNs and is a subsidiary of defendant Credit Suisse Group AG, a Swiss corporation.

19. Defendant Credit Suisse Group AG (“Credit Suisse AG”) is a global financial services company.

20. Defendant Credit Suisse USA, an affiliate of Credit Suisse, is the agent for the ETNs offering and is a subsidiary of Credit Suisse (USA), Inc., a Delaware corporation. Credit Suisse USA’s principal office is in New York, New York.

21. Defendant VelocityShares, LLC (“VelocityShares”) designs exchange-traded products (“ETPs”) and sophisticated tail-risk strategies for institutional investors. VelocityShares is a trade name used by VLS Securities, LLC.

22. Defendant VLS Securities, LLC (“VLS”) designs and offers ETPs to be issued by financial institutions for traders. VLS is a subsidiary of VLS Finance Ltd.

23. Defendant Brady Dougan (“Dougan”) was, at all relevant times, Chief Executive Officer (“CEO”) of Credit Suisse. Defendant Dougan exercised control over the affairs of Credit Suisse and the ETNs.

24. Defendant Renato Fassbind (“Fassbind”) was, at all relevant times, Chief Financial Officer (“CFO”) of Credit Suisse. Defendant Fassbind exercised control over the affairs of Credit Suisse and the ETNs.

25. Defendant Walter B. Kielholz (“Kielholz”) was, at all relevant times, Chairman of the Board of Credit Suisse. Defendant Kielholz exercised control over the affairs of Credit Suisse and the ETNs.

26. Defendant Nicholas Cherney (“Cherney”) co-founded VLS and was at all relevant times Chief Investment Officer and a director of VLS. Defendant Cherney exercised control over the affairs of VLS and the ETNs.

27. Defendant Richard Hoge (“Hoge”) co-founded VLS and was at all relevant times CFO and a director of VLS. Defendant Hoge exercised control over the affairs of VLS and the ETNs.

28. The defendants described in ¶¶23-27 are referred to herein as the “Individual Defendants.”

CLASS ACTION ALLEGATIONS

29. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class consisting of all persons or entities who acquired the ETNs during the Class Period, and who were damaged thereby (the “Class”). Excluded from the Class are defendants, the officers and directors of Credit Suisse, members of the Individual Defendants’ immediate families and their legal representatives, heirs, successors or assigns and any entity in which defendants have or had a controlling interest.

30. The members of the Class are so numerous that joinder of all members is impracticable. During the Class Period, the ETNs were actively traded on the American Stock Exchange in an efficient market. While the exact number of Class members is unknown to plaintiff at this time and can only be ascertained through appropriate discovery, plaintiff believes that there are hundreds of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by defendants or the ETNs’ transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions. There are billions of dollars worth of ETNs outstanding.

31. Plaintiff’s claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by defendants’ wrongful conduct in violations of federal law that is complained of herein.

32. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

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

- (a) whether the 1934 Act was violated by defendants’ acts as alleged herein;

(b) whether public statements made by defendants to the investing public misrepresented or omitted material facts about the risks associated with the ETNs; and

(c) to what extent the members of the Class have sustained damages and the proper measure of damages.

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

BACKGROUND

35. The ETNs were intended to replicate, net of expenses, the returns of twice (2x) the daily performance of the S&P 500 VIX Short-Term Futures index. The index was designed to provide investors with exposure to one or more maturities of futures contracts on the VIX, which reflects implied volatility of the S&P 500 index at various points along the volatility forward curve. The ETNs were linked to a multiple (2x) of the daily return of the index.

36. Investment in the ETNs was complex with many variables, including fees, future volatility and the rate of treasury bills. Due to the complexity, the Hypothetical Examples in the Pricing Supplements were very important to investors. The Pricing Supplements described these risks but concealed the most important risk: term structure risk.

37. Term structure risk arises because the ETNs' returns depend on the difference between short-term measures of volatility and longer-term measures of volatility. Specifically, if short-term measures are lower than longer-term measures, the ETNs will lose money over time, because they effectively involve a purchase of a more expensive longer-term index and the sale of a less expensive short-term index. This trading of positions is known as the "roll."

38. On March 25, 2009, Credit Suisse caused a Prospectus to be filed with the SEC for the issuance of the ETNs. Later, on November 29, 2010, Credit Suisse disseminated a Preliminary Pricing Supplement for the ETNs.

**DEFENDANTS' MATERIALLY FALSE AND MISLEADING STATEMENTS
AND MATERIAL OMISSIONS DURING THE CLASS PERIOD**

39. On November 29, 2010, Credit Suisse disseminated the Pricing Supplement for six separate exchange traded notes described as follows:

VelocityShares™ Daily Inverse VIX Short Term ETN linked to the S&P 500 VIX Short-Term Futures™ Index due December 4, 2030 (the “Inverse VIX Short Term ETNs”), the VelocityShares™ Daily Inverse VIX Medium Term ETN linked to the S&P 500 VIX Mid-Term Futures™ Index due December 4, 2030 (the “Inverse VIX Medium Term ETNs” and collectively with the Inverse VIX Short Term ETNs, the “Inverse ETNs”), the VelocityShares™ VIX Short Term ETN linked to the S&P 500 VIX Short-Term Futures™ Index due December 4, 2030 (the “Long VIX Short Term ETNs”), the VelocityShares™ VIX Medium Term ETN linked to the S&P 500 VIX Mid-Term Futures™ Index due December 4, 2030 (the “Long VIX Medium Term ETNs” and collectively with the VIX Short Term ETNs, the “Long ETNs”), the VelocityShares™ Daily 2x VIX Short Term ETN linked to the S&P 500 VIX Short-Term Futures™ Index due December 4, 2030 (the “2x Long VIX Short Term ETNs”) and the VelocityShares™ Daily 2x VIX Medium Term ETN linked to the S&P 500 VIX Mid-Term Futures™ Index due December 4, 2030 (the “2x Long VIX Medium Term ETNs” and collectively with the Leveraged Short Term ETNs, the “2x Long ETNs”).

40. The Pricing Supplement also stated:

The ETNs are designed for investors who seek exposure to the applicable underlying Index. The ETNs do not guarantee any return of principal at maturity and do not pay any interest during their term. For each ETN, investors will receive a cash payment at maturity, upon early redemption or upon acceleration by us that will be linked to the performance of the applicable underlying Index, plus a Daily Accrual and less a Daily Investor Fee (each as defined herein). Investors should be willing to forgo interest payments and, if the applicable underlying Index declines or increases, as applicable, be willing to lose up to 100% of their investment. Any payment on the ETNs is subject to our ability to pay our obligations as they become due.

41. The ETNs began trading on November 30, 2010, at more than \$100 per ETN. However, the ETNs immediately began to decline in price and, by the Summer of 2011, had settled in the \$20-\$23 range.

42. On August 10, 2011, Credit Suisse disseminated a new Pricing Supplement for six separate exchange traded notes, described as follows:

VelocityShares™ Daily Inverse VIX Short Term ETN linked to the S&P 500 VIX Short-Term Futures™ Index due December 4, 2030 (the “Inverse VIX Short Term ETNs”), the VelocityShares™ Daily Inverse VIX Medium Term ETN linked to the S&P 500 VIX Mid-Term Futures™ Index due December 4, 2030 (the “Inverse VIX Medium Term ETNs” and collectively with the Inverse VIX Short Term ETNs, the “Inverse ETNs”), the VelocityShares™ VIX Short Term ETN linked to the S&P 500 VIX Short-Term Futures™ Index due December 4, 2030 (the “Long VIX Short Term ETNs”), the VelocityShares™ VIX Medium Term ETN linked to the S&P 500 VIX Mid-Term Futures™ Index due December 4, 2030 (the “Long VIX Medium Term ETNs” and collectively with the VIX Short Term ETNs, the “Long ETNs”), the VelocityShares™ Daily 2x VIX Short Term ETN linked to the S&P 500 VIX Short-Term Futures™ Index due December 4, 2030 (the “2x Long VIX Short Term ETNs”) and the VelocityShares™ Daily 2x VIX Medium Term ETN linked to the S&P 500 VIX Mid-Term Futures™ Index due December 4, 2030 (the “2x Long VIX Medium Term ETNs” and collectively with the Leveraged Short Term ETNs, the “2x Long ETNs”).

43. The August 10, 2011 Pricing Supplement also stated:

For each ETN, investors will receive a cash payment at maturity, upon early redemption or upon acceleration by us that will be linked to the performance of the applicable underlying Index, plus a Daily Accrual and less a Daily Investor Fee (each as defined herein). Investors should be willing to forgo interest payments and, if the applicable underlying Index declines or increases, as applicable, be willing to lose up to 100% of their investment. Any payment on the ETNs is subject to our ability to pay our obligations as they become due.

44. The August 10, 2011 Pricing Supplement referred several times to “Hypothetical Examples,” continually referring investors to this section for a “description of how your payment at maturity, on redemption or upon acceleration will be calculated.” As discussed herein, during the Class Period, defendants concealed the term structure risk of the ETNs.

45. The section entitled “Hypothetical Examples” purported to “show how the ETNs would perform in hypothetical circumstances.” The section explained that:

The information in the tables reflects hypothetical rates of return on the ETNs assuming that they are purchased on the Inception Date at the Closing Indicative Value and disposed of on the Maturity Date for the Maturity Redemption Amount. We have not considered early redemption or acceleration for simplicity. Your ETNs

may be accelerated early under certain circumstances. Although your payment upon redemption or acceleration would be based on the Closing Indicative Value of the ETNs, which is calculated in the manner illustrated in the examples below, your payment upon early redemption would be subject to the Early Redemption Charge.

46. The August 10, 2011 Pricing Supplement further stated that “[e]ach of these four examples is a random possibility generated by a computer among an infinite number of possible outcomes.” However, the examples were not representative of a random sample and did not reflect the extent to which the ETNs’ returns depended on the term structure of volatility. A truly random sample would have reflected those risks.

47. Importantly, though parts of the August 10, 2011 Pricing Supplement stated the ETNs were only to be held on a short-term basis, the key hypothetical example section described holding the ETNs to maturity. The variables were:

- interest rate levels;
- interest rate;
- volatilities;
- interest rate spreads;
- underlying futures returns;
- underlying futures volatilities; and
- underlying futures funding and borrow costs.

48. The different examples had large variations in potential outcomes with total returns of negative 71%, positive 1213%, positive 5150%, positive 285%, negative 44%, negative 87%, negative 100%, positive 7878%, positive 45%, negative 27% and negative 98%.

49. Thus, while investors understood there was a risk of loss, there were also examples of enormous returns at maturity, thereby undercutting any statements that the ETNs should not be held

to maturity. A key omission was that of term structure, which would ultimately lead to a steady, unremitting decline.

50. On October 14, 2011, Credit Suisse disseminated a new Pricing Supplement which also included Hypothetical Examples, this time with more hypotheticals suggesting a complete loss but with one showing a 1000% return.

51. On February 21, 2012, suddenly, and without any warning or disclosures, Credit Suisse stopped issuing additional ETNs “due to internal limits on the size of ETNs.” Credit Suisse had never disclosed prior to or during the Class Period that it had internal limits on the size of the ETNs or that the ETNs could grow to a size that Credit Suisse would find unmanageable and unacceptable and that as a result it would cease issuing the ETNs.

52. In fact, with the decision to halt new creations of shares, the ETNs were no longer attached to their underlying assets. The ETNs took on a life of their own and the premium to the VIX grew larger.

53. One month later, on March 22, 2012, Credit Suisse announced that it planned to reopen issuance of the ETNs on a “limited basis.” As a result of this surprise announcement, on March 23, 2012, the market price dropped 29% to close at \$10.20, then dropped to \$5.88 per ETN on March 26, 2012.

54. On March 29, 2012, it was disclosed that FINRA was investigating the ETNs and other exchange traded notes and that the Massachusetts securities regulator was looking into the ETNs’ February through March 2012 transactions.

55. The true facts and risks concerning an investment in the ETNs, which were omitted from the statements made by defendants during the Class Period, were as follows:

(a) The Pricing Supplements were misleading in that they omitted one of the most important factors – term structure risk.

(b) The Hypothetical Examples in the Pricing Supplements were misleading in that they included unlikely unrepresentative scenarios showing outsized gains.

(c) The ETNs did not merely not guarantee any return of principal at maturity, but were almost certain to return no principal at maturity.

LOSS CAUSATION

56. Defendants' unlawful conduct alleged herein directly caused the losses incurred by plaintiff and the Class. The false and misleading statements set forth above, which were widely disseminated to the securities markets, investment analysts and to the investing public, materially misrepresented the true risks of the ETNs. The price of the ETNs has steadily dropped due in large part to the undisclosed risks in the Pricing Supplements.

57. As a result of their purchases of ETNs during the Class Period, plaintiff and the Class suffered economic harm, *i.e.*, damages, under the federal securities laws.

SCIENTER

58. During the Class Period, the defendants had both the motive and opportunity to conduct fraud. They also had actual knowledge of the misleading nature of the statements made or acted in reckless disregard of the true information known to them at the time. In so doing, the defendants participated in a scheme to defraud and committed acts, practices and participated in a course of business that operated as a fraud or deceit on purchasers of the ETNs during the Class Period.

COUNT I

For Violations of §10(b) of the 1934 Act and Rule 10b-5 Against All Defendants

59. Plaintiff incorporates ¶¶1-58 by reference.

60. This Count is asserted against all defendants for violations of §10(b) of the 1934 Act, 15 U.S.C. §78j(b), and Rule 10b-5, 17 C.F.R. §240.10b-5, promulgated thereunder.

61. Prior to and throughout the Class Period, defendants, individually and in concert with others, directly and indirectly, by the use of means or instrumentalities of interstate commerce and/or of the mails and a national securities exchange, engaged and participated in a continuous course of conduct that operated as a fraud and deceit upon plaintiff and the Class; made various untrue and/or misleading statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; made the above statements with a reckless disregard for the truth; and employed devices and artifices to defraud in connection with the purchase and sale of ETNs, which were intended to, and, during the Class Period, did: (i) deceive the investing public, including plaintiff and other Class members, regarding, among other things, compliance with the ETNs' stated investment policies; and (ii) cause plaintiff and the Class to purchase ETNs at artificially inflated prices.

62. The Individual Defendants are liable as direct participants in the wrongs complained of herein. Through their positions of control and authority as officers and/or managers of the ETNs the Individual Defendants were able to control and did control the content of the public statements contained herein and, with knowledge or in reckless disregard, caused the above complained of public statements to contain misstatements and omissions of material facts as alleged herein.

63. Plaintiff and the Class have suffered damages in that, in reliance on the integrity of the market, they paid artificially inflated prices for the ETNs. Plaintiff and the Class would not have

purchased the ETNs at the prices they paid, or at all, if they had been aware that the market prices had been artificially and falsely inflated by defendants' misleading statements.

64. Defendants acted with scienter in that they knew that the public documents and statements issued or disseminated in connection with the ETNs were materially false and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities law.

COUNT II

For Violation of §20(a) of the 1934 Act Against Credit Suisse AG, Credit Suisse USA and the Individual Defendants

65. Plaintiff incorporates ¶¶1-64 by reference.

66. This Count is asserted against Credit Suisse AG, Credit Suisse USA and the Individual Defendants for liability under §20(a) of the 1934 Act, 15 U.S.C. §78t(a), for violations of §10(b) of the 1934 Act, 15 U.S.C. §78j(b), and Rule 10b-5, 17 C.F.R. §240.10b-5, promulgated thereunder.

67. Credit Suisse AG, Credit Suisse USA and the Individual Defendants who were officers and/or directors of the other defendants committed a primary violation of §10(b) of the 1934 Act and Rule 10-5 promulgated thereunder, by making the false and misleading statements of material facts, identified above, in connection with the purchase or sale of securities, which constituted a fraud on the market and were, therefore, presumed to have been relied upon by plaintiff and the Class. At the time that they made these false and misleading statements, the defendants named in this Count either knew of, or recklessly disregarded, their falsity.

68. Each of these defendants had direct control and/or supervisory involvement in the operation of VelocityShares or the issuance of the ETNs prior to and during the Class Period, and

therefore had the power to control or influence the particular transactions giving rise to the violations of the 1934 Act by the other defendants as alleged herein, and exercised the same.

69. By reason of their status as officers and/or directors of VLS or Credit Suisse and Credit Suisse USA during the Class Period, the Individual Defendants, are “controlling persons” within the meaning of §20(a) of the 1934 Act because they had the power and influence to cause the unlawful conduct complained of herein. Because of their positions of control, the Individual Defendants were able to, and did, directly or indirectly, control the conduct of the information disseminated about the ETNs.

70. As set forth above, each of the Individual Defendants, Credit Suisse and Credit Suisse USA controlled the dissemination of Pricing Supplements for the ETNs, which violated §10(b) of the 1934 Act and Rule 10b-5 promulgated thereunder by their acts and omissions as alleged in this complaint. By virtue of their positions as “controlling persons,” these defendants are liable pursuant to §20(a) of the 1934 Act. As a direct and proximate cause of the wrongful conduct set forth in this Count, plaintiff and other members of the Class suffered damages in connection with their purchases of ETNs during the Class Period.

PRAYER FOR RELIEF

WHEREFORE, plaintiff prays for relief and judgment, as follows:

A. Determining that this action is a proper class action and certifying plaintiff as class representative under Rule 23 of the Federal Rules of Civil Procedure;

B. Awarding compensatory damages in favor of plaintiff and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of defendants’ wrongdoing, in an amount to be proven at trial, including interest thereon;

C. Awarding plaintiff and the Class their reasonable costs and expenses incurred in this action, and awarding plaintiff’s counsel fees and expenses; and

D. Such equitable/injunctive or other relief as deemed appropriate by the Court.

JURY DEMAND

Plaintiff hereby demands a trial by jury

DATED: June 18, 2012

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