

THE ROSEN LAW FIRM, P.A.

Laurence Rosen, Esq.
One Gateway Center, Suite 2600
Newark, NJ 07102
Tel: (973) 313-1887
Fax: (973) 833-0399
Email: lrosen@rosenlegal.com

Counsel for Plaintiff

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

_____, Individually and on behalf
of all others similarly situated,

Plaintiff,

v.

AERCAP N.V., AENGUS KELLY, and
PETER JUHAS,

Defendants.

Case No:

**CLASS ACTION COMPLAINT
FOR VIOLATIONS OF THE
FEDERAL SECURITIES LAWS**

JURY TRIAL DEMANDED

Plaintiff _____ (“Plaintiff”), individually and on behalf of all other persons similarly situated, by Plaintiff’s undersigned attorneys, for Plaintiff’s complaint against Defendants (defined below), alleges the following based upon personal knowledge as to Plaintiff and Plaintiff’s own acts, and information and belief as to all other matters, based upon, *inter alia*, the investigation conducted by and through his attorneys, which included, among other things, a review of the Defendants’ public documents, and announcements made by Defendants, public filings, wire and press releases published by and regarding AerCap Holdings N.V. (“AerCap” or the “Company”), and information readily obtainable on the Internet. Plaintiff believes that substantial evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

NATURE OF THE ACTION

1. This is a class action on behalf of persons or entities who purchased or otherwise acquired publicly traded AerCap securities between April 28, 2021 and March 2, 2023 inclusive (the “Class Period”). Plaintiff seeks to recover compensable damages caused by Defendants’ violations of the federal securities laws under the Securities Exchange Act of 1934 (the “Exchange Act”).

JURISDICTION AND VENUE

2. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

3. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331, and Section 27 of the Exchange Act (15 U.S.C. §78aa).

4. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)) as the alleged misstatements entered and the subsequent damages took place in this judicial district.

5. In connection with the acts, conduct and other wrongs alleged in this complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including but not limited to, the United States mails, interstate telephone communications and the facilities of the national securities exchange.

PARTIES

6. Plaintiff, as set forth in the accompanying certification, incorporated by reference herein, purchased AerCap securities during the Class Period and was economically damaged thereby.

7. AerCap purports to be an “industry leader across all areas of aviation leasing, with a highly attractive portfolio, a diversified customer base and an order book of the most in-demand new technology assets in the world. This scale, combined with our industry-leading team and deep domain expertise, enables us to provide comprehensive and tailor-made fleet solutions that are unrivaled in the leasing business.”

8. The Company is incorporated in The Netherlands and its head office is located at 65 St. Stephen’s Green, Dublin D02 YX20, Ireland. AerCap’s common stock trades on the New York Stock Exchange (“NYSE”) under the ticker symbol “AER”.

9. Defendant Aengus Kelly (“Kelly”) has served as the Company’s Chief Executive Officer and Executive Director since May, 2011.

10. Defendant Peter Juhas (“Juhas”) has served as the Company’s Chief Financial Officer since April 2017.

11. Defendants Kelly and Juhas are collectively referred to herein as the “Individual Defendants.”

12. Each of the Individual Defendants:

- (a) directly participated in the management of the Company;
- (b) was directly involved in the day-to-day operations of the Company at the highest levels;

- (c) was privy to confidential proprietary information concerning the Company and its business and operations;
- (d) was directly or indirectly involved in drafting, producing, reviewing and/or disseminating the false and misleading statements and information alleged herein;
- (e) was directly or indirectly involved in the oversight or implementation of the Company's internal controls;
- (f) was aware of or recklessly disregarded the fact that the false and misleading statements were being issued concerning the Company; and/or
- (g) approved or ratified these statements in violation of the federal securities laws.

13. The Company is liable for the acts of the Individual Defendants and its employees under the doctrine of *respondeat superior* and common law principles of agency because all of the wrongful acts complained of herein were carried out within the scope of their employment.

14. The scienter of the Individual Defendants and other employees and agents of the Company is similarly imputed to the Company under *respondeat superior* and agency principles.

15. The Company and the Individual Defendants are collectively referred to herein as “Defendants.”

SUBSTANTIVE ALLEGATIONS

Background

16. In February and March 2014, Russia invaded and subsequently annexed the Crimean peninsula (“Crimea”), a region that is generally recognized as part of Ukraine.

17. In April 2014, following the 2014 Ukrainian Revolution (which resulted in the ouster of former Ukrainian President Viktor Yanukovich), certain parts of Eastern Ukraine began to experience armed conflict as pro-Russian separatists (who were backed by Russia) declared Donetsk and Luhansk oblasts (collectively called the “Donbas”) to be independent states (the Donetsk People’s Republic and the Luhansk People’s republic, respectively), separate from Ukraine.

18. This limited proxy conflict, known as the “War in Donbas”, was between those same Russian-backed separatists and Ukraine and largely continued (although there were a few cease fire periods) from April 2014 through to the February 24, 2022 full-scale Russian invasion of Ukraine. It resulted in around 20,000 dead or wounded (not counting civilian deaths) on both sides.

19. Around March 2021, the Russian Army began massing thousands of troops (and military equipment) near Russia’s borders with Ukraine (including in Eastern Ukraine, as well as in the disputed Crimea region), signaling that Russia

intended to invade Ukraine. Russia partially withdrew its troops from the Ukrainian borders by June 2021, but then engaged in a second build-up by October 2021.

20. Then, on February 21, 2022, Russian dictator Vladimir Putin officially recognized the Donetsk People's Republic and the Luhansk People's Republic as independent states, and deployed troops to the Donbas.

21. On February 24, 2022, Putin then announced that Russia was initiating a "special military operation", and launched a full-scale invasion of Ukraine, resulting in the deadliest armed conflict in Europe since World War 2. Russia has been broadly condemned around the world since launching this invasion.

22. Immediately after the February 24, 2022 invasion, the European Union and the West began hitting Russia with sanctions, including for aircraft. On Sunday, February 27, 2022, the European Union imposed a sanction by which aircraft leasing companies had until March 28, 2022 to end their rental contracts in Russia. Russia immediately warned that it would retaliate against sanctions.

23. On March 14, 2022, *The Wall Street Journal* released an article entitled, "Putin Signs Law to Seize Foreign Aircraft, Redeploy for Domestic Use." This article discussed how, true to his word on retaliating against western sanctions, Vladimir Putin had signed a law on that day to allow Russian airlines to keep aircraft that they had leased from western lessors, in spite of the sanctions requiring lessors to terminate contracts with Russian lessees by March 28, 2022. This was particularly

important for Russian airlines, as most of the commercial planes used by Russian airlines were leased from Western vendors.

**Materially False and Misleading
Statements Issued During the Class Period**

24. On April 28, 2021, after Russia began massing thousands of troops near its border with Ukraine, the Company filed with the SEC its quarterly Report for the period ended March 31, 2021 as a Current Report on Form 6-K (the “1Q21 Report”).

In the 1Q21 Report, the Company stated the following regarding its risks:

“The information presented below updates, and should be read in conjunction with, the risk factors and information disclosed in our Annual Report on Form 20-F for the year ended December 31, 2020, filed with the SEC on March 2, 2021. Except as presented below, there have been no material changes in our risk factors since those reported in our Annual Report for the year ended December 31, 2020.”

25. The risks presented in addition to those stated in the 2020 Annual Report filed with the SEC on March 2, 2021 on Form 20-F for the year ended December 31, 2020 (the “2020 Annual Report”) included risks related to the Company’s acquisition of GECAS (GE Capital Aviation Services), and risks related to taxation.

26. The risks stated in the 2020 Annual Report, incorporated by reference in the 1Q21 Report, included the following risk disclosure on war or hostilities, which materially understated the Company’s conflict-related risk. The Company merely spoke in generalities about the effects of war on the airline industry, and did

not specifically account for how ongoing conflict between Russia and Ukraine could affect the Company, particularly if there was an escalation of hostilities:

The effects of terrorist attacks, war or armed hostilities may adversely affect the financial condition of the airline industry and our lessees' ability to meet their lease payment obligations to us.

Terrorist attacks and the threat of terrorist attacks, war or armed hostilities, or the fear of such events, have historically had a negative impact on the aviation industry and could result in:

- higher costs to the airlines due to the increased security measures;
- decreased passenger and air cargo demand and revenue;
- the imposition of “no-fly zone” or other restrictions on commercial airline traffic in certain regions;
- uncertainty of the price and availability of jet fuel and the cost and practicability of obtaining fuel hedges;
- higher financing costs and difficulty in raising the desired amount of proceeds on favorable terms, if at all;
- significantly higher premiums or reduced coverage amounts for aviation insurance coverage for future claims caused by acts of war, terrorism, sabotage, hijacking and other similar perils, which may be insufficient to comply with the current requirements of aircraft lenders and lessors or applicable government regulations, or the unavailability of certain types of insurance;
- reliance by aircraft lenders or lessors on government programs for specified types of aviation insurance, which may not be available at the relevant time or under which governments may not pay in a timely fashion;
- inability of airlines to reduce their operating costs and conserve financial resources, taking into account the increased costs incurred as a consequence of such events;
- special charges recognized by some operators, such as those related to the impairment of aircraft and engines and other long-lived assets stemming from the grounding of aircraft as a result of terrorist attacks, economic conditions and airline reorganizations; and
- an airline becoming insolvent and/or ceasing operations.

Such events are likely to cause our lessees to incur higher costs and to generate lower revenues, which could result in a material adverse effect on their

financial condition and liquidity, including their ability to make rental and other lease payments to us or to obtain the types and amounts of insurance we require. This in turn could lead to aircraft groundings or additional lease restructurings and repossessions, increase our cost of re-leasing or selling aircraft, impair our ability to re-lease or otherwise dispose of aircraft on favorable terms or at all, or reduce the proceeds we receive for our aircraft in a disposition.

27. The 2020 Annual Report contained the following risk disclosure regarding the failure of the Company's clients to cooperate in returning leased Aircraft. It was materially misleading in that it spoke in general terms on how it might be difficult to secure the return of a leased aircraft. It did not discuss unique difficulties that would likely be encountered by doing business in Russia, considering that it was already involved in a limited conflict in Ukraine, which could foreseeably be escalated, and would likely result in sanctions against Russia:

If our lessees fail to cooperate in returning our aircraft following lease terminations, we may encounter obstacles and are likely to incur significant costs and expenses conducting repossessions.

Our legal rights and the relative difficulty of repossession vary significantly depending on the jurisdiction in which an aircraft is located and the applicable law. We may need to obtain a court order or consents for deregistration or re-export, a process that can differ substantially in different countries. Where a lessee or other operator flies only domestic routes in the jurisdiction in which the aircraft is registered, repossessing and exporting the aircraft may be challenging, especially if the jurisdiction permits the lessee or the other operator to resist deregistration. When a defaulting lessee is in bankruptcy, protective administration, insolvency or similar proceedings, additional limitations may apply. For example, certain jurisdictions entitle the lessee or another third party to retain possession of the aircraft without paying lease rent or performing all or some of the obligations under the relevant lease. Certain of our lessees are partially or wholly owned by government-related entities, which can complicate our efforts to repossess our aircraft in that

government's jurisdiction. If we encounter any of these difficulties, we may be delayed in, or prevented from, enforcing certain of our rights under a lease and in re-leasing the affected aircraft.

When conducting a repossession, we are likely to incur significant costs and expenses that are unlikely to be recouped, including, for example, legal and regulatory expenses, taxes, lost revenue, aircraft maintenance and refurbishment and repair costs necessary to put the aircraft in suitable condition for re-lease or sale. We may also make payments to discharge liens placed on our aircraft by lessees and, until these liens are discharged, be restricted in our ability to repossess, release or sell our aircraft and engines. Although the financial obligations relating to these liens are the contractual responsibility of our lessees, if they fail to fulfill these obligations, such liens may ultimately become our responsibility and impose additional repossession costs on us. If we incur significant costs in repossessing our aircraft, our financial results may be materially and adversely affected.

28. In the 2020 Annual Report, the Company stated the following Risks related to the “geopolitical, regulatory and legal exposure of our business”. While the Company mentioned Russia briefly, it did not fully disclose the risks associated with leasing airplanes in Russia. In pertinent part, it merely alluded to tensions between Russia and western nations, rather than discuss how the Russia-Ukraine conflict could, if escalated, impact the Company:

The international operations of our business and those of our lessees expose us to geopolitical, economic and legal risks associate with a global business, including many of the economic and political risks associated with emerging markets.

We and our lessees conduct business in many countries and, as a result, we are exposed to a large number of regulatory and legal regimes. We also face uncertainty from changes in political regimes globally, including from the current transition to a new presidential administration in the United States. Volatility in the political and economic environments associated with international markets could adversely affect our operations. Changes in

international regulations, laws, taxes, export controls, tariffs, embargoes, sanctions or other restrictions on trade or travel could adversely affect the profitability of our lessees' businesses, the operations of aircraft manufacturers or the results of our operations. ***For example, tensions with Russia, the situation in Syria and Venezuela, the Israeli/Palestinian conflict, tension over the nuclear programs of North Korea and Iran, political instability in the Middle East and North Africa, the territorial disputes between Japan and China and the tensions in the South China Sea could lead to further instability in these regions and negative impacts on our lessees' businesses and our results of operations.*** Additionally, the international distribution of our assets exposes us to risks associated with limitations on the repatriation of our assets or the expropriation of our international assets. These factors may have a material and adverse effect on our financial results.

Furthermore, we derive substantial lease revenue (approximately 53% in 2020, 58% in 2019 and 58% in 2018) from airlines in emerging market countries. Emerging market countries have less developed economies and are more vulnerable to economic and political problems and may experience significant fluctuations in gross domestic product, interest rates and currency exchange rates, as well as civil disturbances, government instability, nationalization and expropriation of private assets and the imposition of taxes or other charges by government authorities. The occurrence of any of these events could result in economic instability that adversely affects the value of our ownership interest in aircraft subject to lease in such countries, or the ability of our lessees that serve such markets to meet their lease obligations. As a result, lessees that operate in emerging market countries may be more likely to default than lessees that operate in developed countries. In addition, legal systems in emerging market countries may be less developed, which could make it more difficult for us to enforce our legal rights in such countries. For these and other reasons, our financial results may be materially and adversely affected by economic and political developments in emerging market countries.

(Emphasis added.)

29. The Company further disclosed that “Because our lessees are concentrated in certain geographical regions, we have concentrated exposure to the

political and economic risks associated with those regions, particularly China”, but did not discuss any concentrated exposure to conducting business in Russia. The Company stated, in pertinent part:

Through our lessees and the countries in which they operate, we are exposed to the specific economic and political conditions and associated risks of those jurisdictions, including the regional impacts of the Covid-19 pandemic. These risks can include economic recessions, burdensome local regulations or, in extreme cases, increased risks of requisition of our aircraft. An adverse political or economic event in any region or country in which our lessees or our aircraft are concentrated could affect the ability of our lessees to meet their obligations to us, or expose us to various legal or political risks associated with the affected jurisdictions, all of which could have a material and adverse effect on our financial results.

We have a large concentration of lessees in China and therefore have increased exposure to the economic and political conditions in that country and from the increasingly adversarial relationship between China and the West. Recent and future political developments, including the trade dispute between the U.S. and China and other evolving policies pursued in Europe, could result in increased and unexpected regulations on trade, which could adversely impact the results of our operations. Further deterioration in China’s relationship with the West could result in the imposition of more stringent trade or travel restrictions, which would harm the operations of our lessees and could materially affect our financial results.

30. The Company included the following table which illustrated the geographical makeup of the company’s leases. This table was materially false and misleading in that it could not possibly give investors a sense of the Company’s exposure to the Russian market (and as a consequence, possible exposure if the limited conflict in Eastern Ukraine were to escalate into a full-blown war), as Russia was lumped in with the Asia and Pacific regions:

We lease our aircraft to lessees located in every major geographical region. The following table presents the percentage of our total lease revenue by region based on our lessee’s principal place of business for the years ended December 31, 2020, 2019 and 2018:

| | Year Ended December 31, | | |
|--------------------------------|-------------------------|--------------|--------------|
| | 2020 | 2019 | 2018 |
| Asia/Pacific/Russia | 38 % | 38 % | 36 % |
| Europe | 27 % | 28 % | 30 % |
| United States/Canada/Caribbean | 14 % | 13 % | 13 % |
| Latin America | 11 % | 11 % | 11 % |
| Africa/Middle East | 10 % | 10 % | 10 % |
| Total | 100 % | 100 % | 100 % |

For further geographic information on our total lease revenue and long-lived assets, refer to Note 18—*Geographic information* to our Consolidated Financial Statements included in this annual report.

31. Note 18- Geographic information, as mentioned above, did not provide any information on the country’s leasing activities in Russia. Instead, it provided a table providing the percentage of lease revenue attributable to individual countries representing “at least 10% of our total lease revenue in any year presented, based on each lessee’s principal place of business, for the years ended December 31, 2020, 2019, and 2018.”

32. Then, on July 29, 2021, the Company filed with the SEC its quarterly Report for the period ended June 30, 2021 as a Current Report on Form 6-K (the “2Q21 Report”).

33. In pertinent part, the 2Q21 Report incorporated by reference the materially false and misleading risk disclosures from the 2020 Annual Report.

34. Then, on November 10, 2021, the Company filed with the SEC its

quarterly Report for the period ended September 30, 2021 as a Current Report on Form 6-K (the “3Q21 Report”).

35. In pertinent part, the 3Q21 Report incorporated by reference the materially false and misleading risk disclosures from the 2020 Annual Report.

36. The statements contained in ¶¶ 24-35 were materially false and/or misleading because they misrepresented and failed to disclose the following adverse facts pertaining to the Company’s business, operations and prospects, which were known to Defendants or recklessly disregarded by them. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (1) the Company did not fully inform investors of the specific level of exposure the Company had to the Russian market, as determined by the number of airplanes that were leased to Russian clients or the specific amount of revenue that it generated from aircraft leased in Russia; (2) The Company did not update the 2020 Annual Report’s risk disclosures in order to account for the troop buildup taking place along the Ukrainian border (beginning in March 2021) and to inform investors of the heightened risk presented to its business as a result of the number of planes it leased to entities in Russia; (3) even prior to the March 2021 Russian troop buildup, the Company’s risk disclosures relating to geopolitics and conflict were deficient because the Company did not discuss how it could be affected if the more limited War in Donbas were to escalate into a full-blown war; (4) as a result Defendants’

statements about its business, operations, and prospects were materially false and misleading and/or lacked a reasonable basis at all relevant times.

THE TRUTH BEGINS TO EMERGE

37. AerCap investors did not realize until after the Russia's February 24, 2022 full scale invasion of Ukraine how much exposure the Company had to the Russia-Ukraine conflict.

38. Then, on February 28, 2022, before the market opened, the Company filed with the SEC a Current Report on Form 6-K (the "February 28, 2022 Current Report"). The February 28, 2022 Current Report revealed for the first time the extent of its exposure to hostilities between Russia and Ukraine, stating, in pertinent part, the following:

In response to the Russian invasion of Ukraine on February 24, 2022, the European Union, the United States and other countries have imposed a broad set of sanctions against Russia, certain Russian entities and certain activities involving Russia or Russian entities. ***These sanctions include prohibitions regarding the supply of aircraft and aircraft components to Russian entities or for use in Russia, subject to certain wind-down periods. AerCap intends to fully comply with all applicable sanctions, which will require us to cease our leasing activity with Russian airlines. As of December 31, 2021, approximately 5% of AerCap's fleet by net book value was on lease to Russian airlines.***

Please refer to the Risk Factors included in our Report on ***Form 20-F for the year ended December 31, 2020, including "Risks related to the geopolitical, regulatory and legal exposure of our business"***—The international operations of our business and those of our lessees expose us to geopolitical, economic and legal risks associated with a global business, including many of the economic and political risks associated with emerging markets" and "Risks related to our relationship with our lessees—If our lessees fail to cooperate in

returning our aircraft following lease terminations, we may encounter obstacles and are likely to incur significant costs and expenses conducting repossessions.”

(Emphasis added).

39. On this news, the Company’s share price fell \$8.28 per share, or 13.34% (and fell as much as 16.46% in intraday trading), to close at \$54.43 per share on February 28, 2022, on unusually heavy trading volume, damaging investors. The next day, the Company’s share price fell a further \$1.53, or 2.81%, to close at \$52.9.

40. Then, on March 3, 2022, before the market opened, *Bloomberg* released an article entitled “Foreign Aircraft Owners Risk Billions of Losses in Russia.” The article discussed how aircraft lessors such as AerCap were facing the possibility of having to write off their aircraft, as Russia considered seizing aircraft that was on lease to domestic Russian airlines, such as Aeroflot. The article stated, in pertinent part:

“Foreign aircraft lessors are facing the increasing possibility of writeoffs that could total in the billions of dollars as Russia considers ways to defy worldwide sanctions and keep carriers such as Aeroflot flying.

Russia’s Transportation Ministry is weighing options including buying or even nationalizing hundreds of Airbus SE and Boeing Co. planes that lessors have demanded be returned under European Union economic sanctions, the news agency RBC reported.

Airlines would then be able to operate, though in a limited fashion, given the measures barring EU countries from supplying Russia with aircraft, parts or technology, backed up by parallel restrictions in the U.S. and elsewhere.

Holding jetliners in Russia would give its airlines plenty to cannibalize for spare parts and keep others flying.

“The lessors may end up having to take a writeoff,” said Nick Cunningham, an analyst with Agency Partners.

In a normal commercial situation, the firms would have the upper hand because contracts give them rights to repossess when they can’t collect. “But if Russia tells the airlines just to keep flying the planes, what can they do,” he said.

Dublin-based AerCap Holdings NV has the most planes leased to Russia at 152, with a market value approaching \$2.5 billion, according to IBA. Carlyle Aviation Management’s exposure is at about 8% of its fleet, while AerCap and SMBC Aviation Capital each have about 7%, according to an updated report from the aviation consultancy.

* * *

AerCap, the world’s No. 1 lessor, said Monday has said it will stop doing business with Russian airlines, without commenting on whether it will seek to seize back its aircraft. SMBC Aviation, a division of Japan’s Sumitomo Mitsui Financial Group, is terminating all leases in Russia, while Singapore-based BOC Aviation said it will comply with all laws.

It’ll be extremely difficult to fly aircraft out of Russia, and lessors will see a loss of value no matter where events turn, said Peter Walter, director of technical and asset management at IBA.

“You’re going to see significant amounts of bad debt, long-term litigation and the possibility some aircraft can’t be recovered,” he said. “Ramifications of this will continue to run for many years.”

(Emphasis added).

41. On this news, the Company’s share price fell \$2.71 per share, or 4.99%, to close at \$51.51 per share on March 3, 2022. The next day, the Company’s share price fell a further \$3.85, or 7.47%, to close at \$47.66 on March 4, 2022. The losses didn’t stop there: On March 5, the Company’s share price fell a further \$3.77, or

7.9%, to close at \$43.89.

42. Then, on March 30, 2022, *Bloomberg* released an article entitled “AerCap files \$3.5 billion of Insurance Claims on Russian Jets.” The article discussed how Russia had taken control of AerCap’s leased planes that were in Russia, and the financial fallout facing the Company as it submitted claims to its insurers. The article stated, in pertinent part:

“AerCap Holdings NV, the world’s largest aircraft-leasing firm, is seeking about \$3.5 billion from insurers relating to jets and engines stuck in Russia following the invasion of Ukraine.”

The claims were filed last week, Chief Financial Officer Peter Juhas said on a conference call Wednesday. ***Their size exceeds the Dublin-based firm’s exposure to potential asset writedowns, signaling a looming battle over who should shoulder financial losses caused by the war. “We also plan to pursue all other avenues for the recovery of value of our assets, including other legal claims available to us,” Juhas said after AerCap reported annual results. “It is uncertain whether these efforts will be successful. Ultimately, our economic exposure will also be offset by any recoveries that we obtain from insurance or other claims.”***

* * *

Foreign leasing firms are starting to tally losses from the war, which has stranded hundreds of planes leased to customers in Russia. Sanctions require the owners to cancel contracts and demand the jets’ return, which AerCap said it has done. But Russia’s government has prevented the planes from leaving the country, and the risk is that without access to parts and maintenance, the aircraft will lose their value.

* * *

Claims tied to the conflict may eventually total \$10 billion, the most in the history of aviation insurance, Fitch Ratings estimated in a report last week. Lloyd’s of London, which dominates the market, disputes that total.

Lloyd’s Chief Executive Officer John Neal told Bloomberg last week that insurers’ liability would be limited to about 10% to 15% of the sum. AerCap said it may not be allowed to recognize any recoveries due from contested

insurance claims under accounting rules, and expects insurers to fight “given the large sums involved across the industry,” Juhas said. The lessor may be forced to write down the entire amount in the first quarter of 2022, and then recognize eventual insurance recoveries as other income, he said.

AerCap has about \$2.5 billion at risk from the Ukraine invasion and has retrieved 22 of the 135 planes placed with Russian carriers at year-end, it said in an earnings presentation. The removals, along with cash from letters of credit with Russian customers, have reduced its exposure from a carrying value of \$3.1 billion, the company said. Insurance claims and further aircraft recoveries could lower the financial hit.

AerCap will keep trying to secure aircraft held by Russian airlines “but it is unclear if we will be able to do so, or what the condition of these assets will be at the time of repossession,” the company said. “We expect to recognize an impairment on our assets in Russia that have not been returned to us as early as the first quarter of 2022, although we have not determined the amount of any impairment.”

43. On this news, the Company’s share price fell \$4.73 per share, or 8.42%, to close at \$51.44 per share on March 30, 2022. The next day, the Company’s share price fell a further \$1.16, or 2.25%, to close at \$50.28 on March 31, 2022.

44. Then, on March 2, 2023, after trading hours, *The Irish Times* released an article entitled “Russian losses leave AerCap with €685m deficit.” The article stated, in pertinent part:

Net losses last year hit \$726 million, stemming from the termination of leases on 113 aircraft and 11 engines held by Russian airlines, costing the business \$2.4 billion. AerCap ended leases on 135 planes and 14 engines to comply with sanctions imposed on Russia following the country’s invasion of Ukraine a year ago, but was able to recover some of its assets.

The company is one of several big players in its industry now pursuing insurers through the courts to recover its losses.

45. On this news, the Company's share price fell \$1.59 per share, or 2.42%, to close at \$63.88 on March 3, 2023. The next trading day, the Company's share price fell a further \$2.28, or 3.56%, to close at \$61.60 on March 6, 2023.

46. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiff and other Class members have suffered significant losses and damages.

PLAINTIFF'S CLASS ACTION ALLEGATIONS

47. 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 other than defendants who acquired AerCap securities publicly traded on the NYSE during the Class Period, and who were damaged thereby (the "Class"). Excluded from the Class are Defendants, the officers and directors of the Company, 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.

48. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, AerCap securities were actively traded on the NYSE. While the exact number of Class members is unknown to Plaintiff at this time and can be ascertained only through appropriate discovery,

Plaintiff believes that there are hundreds, if not thousands of members in the proposed Class.

49. 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 violation of federal law that is complained of herein.

50. 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. Plaintiff has no interests antagonistic to or in conflict with those of the Class.

51. 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:

- whether the Exchange Act was violated by Defendants' acts as alleged herein;
- whether statements made by Defendants to the investing public during the Class Period misrepresented material facts about the business and financial condition of the Company;
- whether Defendants' public statements to the investing public during the Class Period omitted material facts necessary to make the

statements made, in light of the circumstances under which they were made, not misleading;

- whether the Defendants caused the Company to issue false and misleading filings during the Class Period;
- whether Defendants acted knowingly or recklessly in issuing false filings;
- whether the prices of AerCap securities during the Class Period were artificially inflated because of the Defendants' conduct complained of herein; and
- whether the members of the Class have sustained damages and, if so, what is the proper measure of damages.

52. 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.

53. Plaintiff will rely, in part, upon the presumption of reliance established by the fraud-on-the-market doctrine in that:

- AerCap securities met the requirements for listing, and were listed and actively traded on the NYSE, an efficient market;
- As a public issuer, the Company filed public reports;
- the Company communicated with public investors via established market communication mechanisms, including through the regular dissemination of press releases via major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services;
- the Company's securities were liquid and traded with moderate to heavy volume during the Class Period; and
- the Company was followed by a number of securities analysts employed by major brokerage firms who wrote reports that were widely distributed and publicly available.

54. Based on the foregoing, the market for the Company securities promptly digested current information regarding the Company from all publicly available sources and reflected such information in the prices of the common units, and Plaintiff and the members of the Class are entitled to a presumption of reliance upon the integrity of the market.

55. Alternatively, Plaintiff and the members of the Class are entitled to the presumption of reliance established by the Supreme Court in *Affiliated Ute Citizens of the State of Utah v. United States*, 406 U.S. 128 (1972), as Defendants omitted material information in their Class Period statements in violation of a duty to disclose such information as detailed above.

COUNT I
For Violations of Section 10(b) And Rule 10b-5 Promulgated Thereunder
Against All Defendants

56. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

57. This Count is asserted against Defendants is based upon Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder by the SEC.

58. During the Class Period, Defendants, individually and in concert, directly or indirectly, disseminated or approved the false statements specified above, which they knew or deliberately disregarded were misleading in that they contained misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

59. Defendants violated §10(b) of the 1934 Act and Rule 10b-5 in that they:

- employed devices, schemes and artifices to defraud;
- made untrue statements of material facts or 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; or
- engaged in acts, practices and a course of business that operated as a fraud or deceit upon plaintiff and others similarly situated in connection with their purchases of the Company's securities during the Class Period.

60. Defendants acted with scienter in that they knew that the public documents and statements issued or disseminated in the name of the Company 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 securities laws. These defendants by virtue of their receipt of information reflecting the true facts of the Company, their control over, and/or receipt and/or modification of the Company's allegedly materially misleading statements, and/or their associations with the Company which made them privy to confidential proprietary information concerning the Company, participated in the fraudulent scheme alleged herein.

61. Individual Defendants, who are or were senior executives and/or directors of the Company, had actual knowledge of the material omissions and/or the falsity of the material statements set forth above, and intended to deceive Plaintiff and the other members of the Class, or, in the alternative, acted with reckless disregard for the truth when they failed to ascertain and disclose the true facts in the statements made by them or other AerCap personnel to members of the investing public, including Plaintiff and the Class.

62. As a result of the foregoing, the market price of AerCap securities was artificially inflated during the Class Period. In ignorance of the falsity of Defendants' statements, Plaintiff and the other members of the Class relied on the statements described above and/or the integrity of the market price of AerCap securities during the Class Period in purchasing AerCap securities at prices that were artificially inflated as a result of Defendants' false and misleading statements.

63. Had Plaintiff and the other members of the Class been aware that the market price of AerCap securities had been artificially and falsely inflated by Defendants' misleading statements and by the material adverse information which Defendants did not disclose, they would not have purchased Company securities at the artificially inflated prices that they did, or at all.

64. As a result of the wrongful conduct alleged herein, Plaintiff and other members of the Class have suffered damages in an amount to be established at trial.

65. By reason of the foregoing, Defendants have violated Section 10(b) of the 1934 Act and Rule 10b-5 promulgated thereunder and are liable to the plaintiff and the other members of the Class for substantial damages which they suffered in connection with their purchase of AerCap securities during the Class Period.

COUNT II
Violations of Section 20(a) of the Exchange Act
Against the Individual Defendants

66. Plaintiff repeats and realleges each and every allegation contained in the foregoing paragraphs as if fully set forth herein.

67. During the Class Period, the Individual Defendants participated in the operation and management of the Company, and conducted and participated, directly and indirectly, in the conduct of the Company's business affairs. Because of their senior positions, they knew the adverse non-public information about the Company's misstatement of revenue and profit and false financial statements.

68. As officers of a public business, the Individual Defendants had a duty to disseminate accurate and truthful information with respect to the Company's financial condition and results of operations, and to correct promptly any public statements issued by the Company which had become materially false or misleading.

69. Because of their positions of control and authority as senior executives and/or directors, the Individual Defendants were able to, and did, control the

contents of the various reports, press releases and public filings which the Company disseminated in the marketplace during the Class Period concerning the Company's results of operations. Throughout the Class Period, the Individual Defendants exercised their power and authority to cause the Company to engage in the wrongful acts complained of herein. The Individual Defendants therefore, were "controlling persons" of the Company within the meaning of Section 20(a) of the Exchange Act. In this capacity, they participated in the unlawful conduct alleged which artificially inflated the market price of Company securities.

70. By reason of the above conduct, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act for the violations committed by the Company.

PRAYER FOR RELIEF

WHEREFORE, plaintiff, on behalf of himself and the Class, prays for judgment and relief as follows:

(a) declaring this action to be a proper class action, designating plaintiff as Lead Plaintiff and certifying plaintiff as a class representative under Rule 23 of the Federal Rules of Civil Procedure and designating plaintiff's counsel as Lead Counsel;

(b) awarding damages in favor of plaintiff and the other Class members against all defendants, jointly and severally, together with interest thereon;

(c) awarding plaintiff and the Class reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

(d) awarding plaintiff and other members of the Class such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

Dated:

THE ROSEN LAW FIRM, P.A

Laurence M. Rosen, Esq.
One Gateway Center, Suite 2600
Newark, NJ 07102
Tel: (973) 313-1887
Fax: (973) 833-0399
Email: lrosen@rosenlegal.com

Counsel for Plaintiff