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**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION**

\_\_\_\_, Individually and on Behalf of All Others  
Similarly Situated,

Plaintiff,

v.

ENPHASE ENERGY, INC.,  
BADRINARAYANAN  
KOTHANDARAMAN, and RAGHUVVEER  
BELUR,

Defendants.

Case No.

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

**CLASS ACTION**

DEMAND FOR JURY TRIAL

1 Plaintiff \_\_\_\_ (“Plaintiff”), by and through Plaintiff’s counsel, alleges the following  
2 based upon personal knowledge as to itself and its own acts, and upon information and belief  
3 as to all other matters, including the investigation of Plaintiff’s counsel, which included, among  
4 other things, a review of Defendants’ (defined below) United States Securities and Exchange  
5 Commission (“SEC”) filings, wire and press releases published by Enphase Energy, Inc.  
6 (“Enphase” or the “Company”), analyst reports and advisories about the Company, media reports  
7 concerning the Company, judicial filings and opinions, and other publicly available information.  
8 Plaintiff believes that substantial additional evidentiary support will exist for the allegations set  
9 forth herein after a reasonable opportunity for discovery.

10  
11 **I. NATURE OF THE ACTION AND OVERVIEW**

12 1. This is a federal securities class action on behalf of a class of all persons and entities  
13 who purchased or otherwise acquired Enphase common stock between April 25, 2023, and October  
14 22, 2024, inclusive (the “Class Period”), seeking to pursue remedies under Sections 10(b) and 20(a)  
15 of the Securities Exchange Act of 1934 (the “Exchange Act”), and SEC Rule 10b-5 promulgated  
16 thereunder.

17 2. Enphase is a Delaware corporation with its principal executive offices in Fremont,  
18 California. Enphase develops, manufactures, and sells solar microinverters, which are primarily used  
19 in residential solar installations to convert solar panel output from direct current to alternating current  
20 (which can be transmitted to the power grid). Enphase primarily sells its products “to solar  
21 distributors who combine [the Company’s] products with others, including solar modules products  
22 and racking systems.”

23 3. Enphase’s common stock trades on the Nasdaq Global Market under the ticker symbol  
24 “ENPH.”

25 4. As is relevant here, Enphase’s international revenue has been growing in recent years  
26 as the Company expands globally, particularly in Europe, with international revenue accounting for  
27 more than 35% of the Company’s total revenue in 2023.

1           5.       Prior to the beginning of the Class Period, Chinese solar companies were significantly  
2 disrupting the European solar inverter market by selling or “dumping” their products at extremely  
3 low prices, a fact highlighted by Morgan Stanley Research on April 24, 2023, when it reported that  
4 Chinese inverter export value increased 156% year-over-year internationally, with the Netherlands  
5 and Germany—two of Enphase’s key markets in Europe—showing year-over-year surges of 342%  
6 and 330%, respectively.

7           6.       The Class Period begins on April 25, 2023, to coincide with the announcement of the  
8 Company’s first quarter 2023 financial results. Among other things, Enphase reported an  
9 approximately 25% year-over-year increase in European revenue. During the accompanying  
10 quarterly investor earnings call held that same day, Defendant Badrinarayanan Kothandaraman, the  
11 Company’s President and Chief Executive Officer, touted that Enphase’s “European business is  
12 growing rapidly,” with “sell-through of our microinverters in Europe reach[ing] an all time high” in  
13 the quarter. When asked specifically about competition in Europe from Chinese manufacturers and  
14 the risk of margin erosion caused by price deflation from those competitors, Defendant Raghuv  
15 Belur, a Company co-founder and the Company’s Senior Vice President and Chief Products Officer,  
16 dismissed such concerns, stating that “[c]ompetition is strong everywhere” and is “nothing new [in  
17 Europe],” while Defendant Kothandaraman claimed that Enphase does not “see any drop in [it’s]  
18 pricing.”

19           7.       From the outset of the Class Period, Enphase’s competitors did not share Defendants’  
20 rosy depiction of the level of competition from Chinese competitors in the European market. For  
21 example, on May 11, 2023, an executive from SMA Solar Technology AG (“SMA”), one of  
22 Enphase’s German competitors, explained during SMA’s investor earnings call that SMA “will  
23 absolutely monitor [the Chinese pricing situation] seriously,” and that they “could expect or will  
24 expect slight [price] reductions going forward,” as a result of such competition. Similarly, on June  
25 20, 2023, analysts at Guggenheim Securities, LLC (“Guggenheim”) wrote that SolarEdge  
26 Technologies, Inc. (“SolarEdge”), one of Enphase’s chief competitors in Europe, was feeling  
27 “competitive pressure from Chinese competitors” in Europe.

1           8.       Investors began to learn the truth about Enphase’s competitive challenges in Europe  
2 after the market closed on October 26, 2023, when the Company reported an approximately 34%  
3 quarter-over-quarter decline in European revenue in the third quarter of 2023 due to “softening in  
4 demand.” During the accompanying quarterly investor earnings call held that same day, Defendant  
5 Kothandaraman was adamant that the Company would not adjust its pricing strategies, despite  
6 countervailing competitive market forces, emphasizing that “there’s no broad-based pricing  
7 adjustment from us.”

8           9.       In response to the decline in European revenue and Defendant Kothandaraman’s  
9 unwillingness to consider pricing adjustments, analysts at BofA Securities reiterated their  
10 underperform rating on the stock and criticized the Company for refusing to cut prices to pursue  
11 market share, as “competitive risks” endured in Europe.

12           10.       On this news, the price of Enphase common stock declined \$14.09 per share, or nearly  
13 15%, from a close of \$96.18 per share on October 26, 2023, to close at \$82.09 per share on October  
14 27, 2023.

15           11.       Throughout the remainder of the Class Period, Defendants continued to downplay the  
16 competitive threats in the European solar inverter market and reassured investors that Enphase’s  
17 European pricing strategy was sound. For example, during the Company’s quarterly investor  
18 earnings call discussing its fourth quarter 2023 financial results on February 6, 2024, Defendant  
19 Kothandaraman reiterated that, despite competition from cheaper Chinese alternatives, “we have the  
20 ability to demand the premium” and that “even with those high prices, . . . our market share is very  
21 healthy.” Defendant Kothandaraman further stated that he did not “believe that we will need to drop  
22 pricing in order to gain market share” in Europe.

23           12.       Investors fully learned the truth about Enphase’s competitive positioning in Europe  
24 after the market closed on October 22, 2024, when the Company announced its third quarter 2024  
25 financial results and revealed an approximately 15% quarter-over-quarter decline in European  
26 revenue due to “further softening in European demand.” During the accompanying quarterly investor  
27 earnings call held that same day, Defendant Kothandaraman was again asked whether, in light of the  
28 Company’s weakness in Europe, Enphase would alter its pricing strategy. While he acknowledged

1 that the Company had occasionally made customer-specific price concessions, Defendant  
2 Kothandaraman reiterated that “we are not dropping pricing anywhere,” despite prevailing  
3 competitive headwinds.

4 13. In response to Enphase’s continued poor performance in Europe, Guggenheim  
5 downgraded Enphase stock to a sell rating from a neutral rating and explained that Enphase is “losing  
6 share to Chinese competitors who are willing to sell at less than half [Enphase]’s level.”

7 14. On this news, the price of Enphase common stock declined \$13.76 per share, or nearly  
8 15%, from a close of \$92.23 per share on October 22, 2024, to close at \$78.47 per share on October  
9 23, 2024.

10 15. This Complaint alleges that, throughout the Class Period, Defendants made materially  
11 false and/or misleading statements, as well as failed to disclose material adverse facts, about the  
12 Company’s business and operations. Specifically, Defendants systematically overstated the  
13 Company’s ability to maintain its pricing levels and market share for microinverter products in  
14 Europe in the face of competition from low-cost, Chinese alternatives.

15 16. As a result of Defendants’ wrongful acts and omissions, and the significant decline in  
16 the market value of the Company’s common stock pursuant to the revelation of the fraud, Plaintiff  
17 and other members of the Class (defined below) have suffered significant damages.

18 **II. JURISDICTION AND VENUE**

19 17. Plaintiff’s claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange  
20 Act, 15 U.S.C. §§ 78j(b) and 78t(a), and the rules and regulations promulgated thereunder, including  
21 SEC Rule 10b-5, 17 C.F.R. § 240.10b-5.

22 18. This Court has jurisdiction over the subject matter of this action under 28 U.S.C.  
23 § 1331 and Section 27 of the Exchange Act, 15 U.S.C. § 78aa.

24 19. Venue is proper in this District under Section 27 of the Exchange Act, 15 U.S.C.  
25 § 78aa, and 28 U.S.C. § 1391(b), because Enphase’s principal executive offices are in this District,  
26 and because many of the acts and conduct that constitute the violations of law complained of herein,  
27 including the dissemination to the public of materially false and misleading information, occurred in  
28 this District.

1           20. In connection with the acts, conduct, and other wrongs alleged in this Complaint,  
2 Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce,  
3 including, but not limited to, the United States mails, interstate telephone communications, and the  
4 facilities of the national securities markets.

5 **III. PARTIES**

6           21. Plaintiff, as set forth in the accompanying certification, incorporated by reference  
7 herein, purchased Enphase common stock at artificially inflated prices during the Class Period and  
8 suffered damages as a result of the violations of the federal securities laws alleged herein.

9           22. Defendant Enphase is a Delaware corporation, with its principal executive offices at  
10 47281 Bayside Parkway, Fremont, California 94538.

11           23. Defendant Badrinarayanan Kothandaraman is the Company's President and Chief  
12 Executive Officer.

13           24. Defendant Raghuv eer Belur is a Company co-founder and the Company's Senior Vice  
14 President and Chief Products Officer.

15           25. Defendants Kothandaraman and Belur are collectively referred to herein as the  
16 "Individual Defendants."

17           26. The Individual Defendants, because of their positions with the Company, possessed  
18 the power and authority to control the contents of Enphase's reports to the SEC, press releases, and  
19 presentations to securities analysts, money and portfolio managers, and institutional investors, i.e.,  
20 the market. Each Individual Defendant was provided with copies of the Company's reports alleged  
21 herein to be misleading prior to, or shortly after, their issuance and had the ability and opportunity to  
22 prevent their issuance or cause them to be corrected. Because of their positions and access to material  
23 non-public information available to them, each of the Individual Defendants knew that the adverse  
24 facts specified herein had not been disclosed to, and/or were being concealed from, the public, and  
25 that the positive representations that were being made were then materially false and/or misleading.

26           27. Enphase and the Individual Defendants are collectively referred to herein as  
27 "Defendants."

1 **IV. SUBSTANTIVE ALLEGATIONS**

2 **A. Background**

3 28. Enphase is a Delaware corporation with its principal executive offices in Fremont,  
4 California. Enphase develops, manufactures, and sells solar microinverters, which are primarily used  
5 in residential solar installations to convert solar panel output from direct current to alternating current.  
6 Once converted, the alternating current power can be transferred to the power grid. Enphase primarily  
7 sells its products “to solar distributors who combine [the Company’s] products with others, including  
8 solar modules products and racking systems.”

9 29. As is relevant here, Enphase’s international revenue has been growing in recent years  
10 as the Company expands globally, particularly in Europe, with international revenue accounting for  
11 more than 35% of the Company’s total revenue in 2023.

12 30. Enphase’s common stock trades on the Nasdaq Global Market under the ticker symbol  
13 “ENPH.”

14 **B. Pre-Class Period Events**

15 31. In 2022, before the beginning of the Class Period, Chinese solar companies began  
16 significantly impacting the European solar inverter market by employing aggressive pricing  
17 strategies, often referred to as dumping, which involved flooding the market with extremely low  
18 priced products, a tactic bolstered by China’s low labor costs and state-backed support. The impact  
19 of Chinese companies’ pricing tactics on the European market was the subject of an analyst report on  
20 April 24, 2023, one day before the start of the Class Period, when Morgan Stanley Research reported  
21 that Chinese inverter “export value increased 156% [year-over-year],” with top markets including the  
22 Netherlands and Germany, “surg[ing] 342% and 330% [year-over-year], respectively.”

23 **C. Defendants’ False and Misleading Statements**

24 32. The Class Period begins on April 25, 2023, to coincide with the announcement of  
25 Enphase’s first quarter 2023 financial results. Despite reporting poor Company-wide results,  
26 Enphase highlighted that “revenue in Europe increased approximately 25%, compared to the fourth  
27 quarter of 2022.”  
28

1           33. During the accompanying quarterly investor earnings call held that same day,  
2 Defendant Kothandaraman proclaimed that Enphase’s “European business is growing rapidly” as  
3 “sell-through of our microinverters in Europe reached an all-time high” in the quarter. Critically, a  
4 Deutsche Bank AG analyst, apparently following up on the Morgan Stanley Research report from the  
5 prior day, specifically asked Defendants to comment on competition from Chinese companies in  
6 Europe and the potential risk that such competition would erode the Company’s margins. Defendant  
7 Belur refused to directly answer the question and, instead, downplayed the impact of Chinese  
8 competition in Europe by responding that “[c]ompetition is strong everywhere” and that competition  
9 is “nothing new.”

10           34. Moreover, Defendant Kothandaraman indicated that the Company does not “see any  
11 drop in [Enphase’s] pricing” in Europe and explained that the Company engages in “value-based  
12 pricing, which is basically pric[ing] products based upon the value they bring compared to the next  
13 best alternative.” According to Defendant Belur, Enphase’s value proposition was to provide “highly  
14 differentiated products, high-reliability products and great customer experience”—attributes that he  
15 asserted justified Enphase’s higher prices as compared to the Company’s competitors. In fact, when  
16 an analyst directly asked Defendant Kothandaraman whether Enphase had to make a “trade-off  
17 between price and volume” because “installers may be prioritizing cost,” Defendant Kothandaraman  
18 responded that such a trade-off was unnecessary because Enphase’s “high quality leads to high price”  
19 and installers “understand it is not about just the price of the inverter,” but “the entire cost of  
20 ownership.”

21           35. A few weeks later, on May 11, 2023, one of Enphase’s German competitors, SMA,  
22 held its first quarter 2023 investor earnings call and was asked about the competition that SMA had  
23 experienced and the resulting effects on SMA’s pricing from Chinese companies dumping solar  
24 inverters in Europe. SMA’s Chief Financial Officer responded that SMA “seriously” monitors price  
25 developments in the market and that “we could expect or will expect slight reductions going forward.”

26           36. On June 20, 2023, Guggenheim reported on competition in the inverter market in  
27 Europe after attending a solar energy conference in Munich, Germany. After speaking with one of  
28 Enphase’s major competitors, SolarEdge, the Guggenheim analysts wrote that SolarEdge was feeling

1 “competitive pressure from Chinese competitors” and noted that “Chinese inverter vendors in Europe  
2 are no longer just selling trailing-edge technology at low prices,” but are now selling technologically  
3 advanced products as well. Accordingly, the Guggenheim analysts concluded that they “think it  
4 makes sense that [SolarEdge] regards the[] [Chinese competitors] as the primary threat [in Europe].”  
5 Commenting on Enphase’s business in Europe, the Guggenheim analysts noted that they “agree with  
6 the many industry participants [they] spoke to which observed that [Enphase]’s existing price points  
7 are too high for most of Europe” and that “it’s going to be difficult for [Enphase] to maintain its  
8 growth in Europe, or take share in Germany, without offering significant concessions.”

9 37. On July 27, 2023, Enphase announced its second quarter 2023 financial results,  
10 including that “revenue in Europe increased approximately 25%, compared to the first quarter of  
11 2023.” During the accompanying quarterly investor earnings call held that same day, Defendant  
12 Kothandaraman trumpeted the Company’s “strong broad-based growth across Europe,” with markets  
13 in the Netherlands and France being “very strong” and the Company gaining “real traction” in  
14 Germany. Despite recent critical commentary from analysts and competitors, Defendant  
15 Kothandaraman explained that “we see increasingly complex power markets and home energy  
16 management needs playing right into our strengths,” and that Enphase’s “quality and service . . . will  
17 help strengthen our market position.”

18 38. The above statements contained within paragraphs 32-34 and 37 were materially false  
19 and misleading, and failed to disclose material adverse facts about the Company’s business and  
20 operations. Specifically, Defendants systematically overstated the Company’s ability to maintain its  
21 pricing levels and market share for microinverter products in Europe in the face of competition from  
22 low-cost, Chinese alternatives.

23 **D. The Truth Begins to Emerge**

24 39. Investors began to learn the truth about Enphase’s competitive challenges in Europe  
25 after the market closed on October 26, 2023, when the Company announced that third quarter 2023  
26 “revenue in Europe decreased approximately 34%, compared to the second quarter of 2023 due to  
27 . . . softening in demand in our key markets – the Netherlands, France, and Germany.” During the  
28 accompanying quarterly investor earnings call held that same day, Defendant Kothandaraman

1 suggested that Enphase experienced poor sell-through of the Company’s products in the Netherlands,  
2 the Company’s largest European market, as a result of temporary “confusion” concerning regulatory  
3 changes in the solar industry, and that a 34% quarter-over-quarter decrease in sell-through of  
4 Enphase’s products in France that was “driven by seasonality.” Defendant Kothandaraman provided  
5 no specific reason for the Company’s decline in Germany.

6 40. In response to an Evercore ISI analyst’s question about the price competition facing  
7 Enphase, Defendant Kothandaraman responded that installers “do want to take advantage of the  
8 lowest cost available” and “may want to switch to somebody who’s offering low cost,” but he  
9 nonetheless told investors that the Company would not adjust its pricing strategies, despite these  
10 competitive market forces, indicating that “there’s no broad-based pricing adjustment from us.” In  
11 response to Defendants’ statements, analysts at BofA Securities reiterated their underperform rating  
12 of the stock and explained that “competitive risks” remain for the Company in Europe.

13 41. On the news, the price of Enphase common stock declined \$14.09 per share, or nearly  
14 15%, from a close of \$96.18 per share on October 26, 2023, to close at \$82.09 per share on October  
15 27, 2023.

16 **E. Defendants’ Continued False and Misleading Statements**

17 42. Despite the Company’s poor sales performance in Europe, Defendants continued to  
18 downplay the impact of increased competition in the European microinverter market and reassured  
19 investors that the Company would be able to maintain its market share and maintain its price levels  
20 throughout the remainder of the Class Period.

21 43. On February 6, 2024, Enphase announced its fourth quarter financial results and that  
22 “revenue in Europe decreased approximately 70%, compared to the third quarter of 2023” due to a  
23 “further softening in demand.” During the accompanying quarterly investor earnings call held that  
24 same day, Defendant Kothandaraman explained that the Netherlands continued to be impacted by  
25 regulatory “confusion” and that the landscape in Germany was “tricky.” Despite a 1% quarter-over-  
26 quarter sales decline in France, Defendant Kothandaraman bullishly asserted that “as far as France is  
27 concerned, we see steady demand in France” and noted that “[u]tility rates are increasing in  
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1 France. . . . [s]o we think that’s a general positive.” Critically, Defendants did not identify  
2 competition from Chinese manufacturers as a reason for the Company’s poor performance.

3 44. Later during the same call, a Citigroup Inc. analyst asked Defendant Kothandaraman,  
4 again, about the Company’s pricing strategy and highlighted increased competition as a potential  
5 factor. Defendant Kothandaraman doubled down on the Company’s pricing strategy, despite  
6 competition from cheaper alternatives, indicating that “high quality for me is high price” and “we  
7 have the ability to demand the premium.” Defendant Kothandaraman further proclaimed that “even  
8 with those high prices, . . . our market share is very healthy,” and that he did not “believe that we will  
9 need to drop pricing in order to gain market share.”

10 45. On April 23, 2024, Enphase announced its first quarter 2024 financial results and that  
11 “revenue in Europe increased approximately 70%, compared to the fourth quarter of 2023.” During  
12 the accompanying quarterly investor earnings call held that same day, Defendant Kothandaraman  
13 was optimistic about the Company’s improvement in Europe, noting that Enphase was “encouraged  
14 by the demand signals we are seeing” in the Netherlands after receiving some clarity in the regulatory  
15 landscape and was “encouraged by the continued strength” in France “supported by higher utility  
16 rates,” and that, in Germany, sell-through of Enphase’s products “was up 28% compared to Q4.”  
17 Defendant Kothandaraman also asserted that Enphase was growing market share in Europe due to  
18 “highlighting our value” to installers, claiming that the Company’s installer relationships were the  
19 “single most [significant] reason” that the Company has been able to increase its market share.

20 46. In a report published the next day, analysts at Guggenheim were highly skeptical about  
21 Enphase’s prospects, downgrading the stock to a sell rating from a neutral rating. The analysts  
22 explained that, Enphase’s “current recovery in some European markets notwithstanding, we think  
23 that the medium-term trajectory in Europe is clear, and that trajectory is market share gain by Chinese  
24 suppliers.” The Guggenheim analysts further indicated that they “don’t doubt [Enphase’s] technical  
25 superiority – what we doubt is the [C]ompany’s ability to capitalize on its advantages in European  
26 markets that are undergoing rapid price deflation” caused largely by Chinese suppliers.

27 47. Then, on July 23, 2024, Enphase announced its second quarter 2024 financial results  
28 and that “revenue in Europe for the second quarter of 2024 remained flat when compared to the first

1 quarter of 2024.” During the accompanying quarterly investor earnings call held that same day,  
2 Defendant Kothandaraman explained that the Netherlands was still being affected by “regulatory  
3 uncertainty” and that France was challenged because of unfavorable utility rate spreads. Again,  
4 Defendants did not identify competition from Chinese manufacturers as a reason for the Company’s  
5 poor performance.

6 48. In response to a Mizuho Securities USA LLC analyst’s question about a potential 5%  
7 to 10% price cut by Enphase in Europe, Defendant Kothandaraman curtly responded that “[Enphase]  
8 do[es]n’t have any plans today to change our pricing.” A Bank of America analyst immediately  
9 followed up on this point and asked Defendant Kothandaraman to elaborate on his response, while  
10 also noting that Enphase’s peers were increasingly offering price concessions. Defendant  
11 Kothandaraman stood firm and retorted that “there isn’t anything extraordinary we are planning to  
12 do [in terms of price concessions],” because the “pricing situation is relatively stable in my opinion.”

13 49. The next day, analysts at Guggenheim issued a report that was highly critical of  
14 Enphase and reiterated their recommendation to sell the stock. Guggenheim once again disapproved  
15 of the Company’s pricing decisions in Europe, noting that Enphase “offers great products, but at  
16 prices that are much higher than the many Chinese options available in most European markets” and  
17 that, as a result, “[w]e question how much additional market share is available for [Enphase] on the  
18 continent.”

19 50. The above statements contained within paragraphs 42-45 and 47-48 were materially  
20 false and misleading, and failed to disclose material adverse facts about the Company’s business and  
21 operations. Specifically, Defendants systematically overstated the Company’s ability to maintain its  
22 pricing levels and market share for microinverter products in Europe in the face of competition from  
23 low-cost Chinese alternatives.

#### 24 **F. The Truth Is Revealed**

25 51. Investors learned the full truth about Enphase’s competitive positioning in Europe  
26 after the market closed on October 22, 2024, when the Company announced its third quarter 2024  
27 financial results and revealed that “revenue in Europe decreased approximately 15% for the third  
28

1 quarter of 2024, compared to the second quarter of 2024” due to “further softening in European  
2 demand.”

3 52. During the accompanying quarterly investor earnings call held that same day,  
4 Defendant Kothandaraman disclosed that, “[w]hile every country in Europe has its nuances, the  
5 overall business environment in the region is challenging.” Significantly, Defendant Kothandaraman  
6 continued his practice of failing to even mention competition from Chinese companies. Further, as  
7 was the case on prior investor calls, Defendant Kothandaraman was asked whether the Company was  
8 going to alter its pricing strategy in Europe in light of the Company’s weaknesses in the market.  
9 While Defendant Kothandaraman acknowledged that the Company has occasionally adjusted pricing  
10 on a customer-by-customer basis, he characterized these price concessions as discretionary business  
11 practices—such as for “a loyal customer” who “needs a little bit of help”—rather than strategic  
12 responses to broader competitive pressures. In fact, in a refusal to accept Enphase’s competitive fate  
13 in Europe, Defendant Kothandaraman reaffirmed that “we are not dropping pricing anywhere.”

14 53. The following day, analysts at Guggenheim downgraded Enphase stock to a sell rating  
15 from a neutral rating (which it had adopted less than a week earlier) and concluded that Enphase is  
16 “losing share to Chinese competitors who are willing to sell at less than half [Enphase]’s level” in  
17 Europe. Guggenheim specifically noted that “[t]his is a story that became abundantly clear during  
18 our meetings at [a clean energy conference] earlier this year, and we find it remarkable that the  
19 company managed to get through the entire call yesterday without once mentioning the competitive  
20 environment in Europe.” Guggenheim further indicated that Enphase, “in Europe, like many growth-  
21 focused technology companies before it, is now overshooting what its customers actually want or  
22 need, and is being undercut by still-inferior but improving Chinese product.”

23 54. In response to this news, the price of Enphase common stock declined \$13.76 per  
24 share, or nearly 15%, from a close of \$92.23 per share on October 22, 2024, to close at \$78.47 per  
25 share on October 23, 2024.

26 **V. PLAINTIFF’S CLASS ACTION ALLEGATIONS**

27 55. Plaintiff brings this class action under Rule 23 of the Federal Rules of Civil Procedure  
28 on behalf of a class of all persons and entities who purchased or otherwise acquired Enphase common

1 stock during the Class Period (the “Class”). Excluded from the Class are Defendants, their agents,  
2 directors and officers of Enphase, and their families and affiliates.

3 56. The members of the Class are so numerous that joinder of all members is  
4 impracticable. The disposition of their claims in a class action will provide substantial benefits to the  
5 parties and the Court.

6 57. There is a well-defined community of interest in the questions of law and fact involved  
7 in this case. Questions of law and fact common to the members of the Class which predominate over  
8 questions which may affect individual Class members include:

- 9 a. Whether Defendants violated the Exchange Act;
- 10 b. Whether Defendants omitted and/or misrepresented material facts;
- 11 c. Whether Defendants’ statements omitted material facts necessary in order to  
12 make the statements made, in light of the circumstances under which they were  
13 made, not misleading;
- 14 d. Whether Defendants knew or recklessly disregarded that their statements were  
15 false and/or misleading;
- 16 e. Whether the price of Enphase common stock was artificially inflated; and
- 17 f. The extent of damage sustained by members of the Class and the appropriate  
18 measure of damages.

19 58. Plaintiff’s claims are typical of those of the Class because Plaintiff and the Class  
20 sustained damages from Defendants’ wrongful conduct.

21 59. Plaintiff will adequately protect the interests of the Class and has retained counsel who  
22 are experienced in class action securities litigation. Plaintiff has no interests that conflict with those  
23 of the Class.

24 60. A class action is superior to other available methods for the fair and efficient  
25 adjudication of this controversy. Joinder of all Class members is impracticable.

1 **VI. APPLICABILITY OF PRESUMPTION OF RELIANCE: FRAUD-ON-THE**  
2 **MARKET DOCTRINE**

3 61. Plaintiff will rely upon the presumption of reliance established by the fraud-on-the-  
4 market doctrine in that, among other things:

- 5 a. Defendants made public misrepresentations or failed to disclose material facts  
6 during the Class Period;
- 7 b. The omissions and misrepresentations were material;
- 8 c. The Company's common stock traded on an efficient market;
- 9 d. The misrepresentations alleged would tend to induce a reasonable investor to  
10 misjudge the value of the Company's common stock; and
- 11 e. Plaintiff and the Class purchased Enphase common stock between the time the  
12 Company and the Individual Defendants misrepresented or failed to disclose  
13 material facts and the time the true facts were disclosed, without knowledge of  
14 the misrepresented or omitted facts.

15 62. At all relevant times, the market for the Company's common stock was efficient  
16 because: (1) as a regulated issuer, the Company filed periodic public reports with the SEC; and (2) the  
17 Company regularly communicated with public investors using established market communication  
18 mechanisms, including through regular disseminations of press releases on the major news wire  
19 services and through other wide-ranging public disclosures, such as communications with the  
20 financial press, securities analysts, and other similar reporting services.

21 **VII. NO SAFE HARBOR**

22 63. Defendants' "Safe Harbor" warnings accompanying any forward-looking statements  
23 issued during the Class Period were ineffective to shield those statements from liability.

24 64. Defendants are liable for any false and/or misleading forward-looking statements  
25 pleaded because, at the time each forward-looking statement was made, the speaker knew the  
26 forward-looking statement was false or misleading and the forward-looking statement was authorized  
27 and/or approved by an executive officer of the Company who knew that the forward-looking  
28 statement was false. None of the historic or present-tense statements made by Defendants were

1 assumptions underlying or relating to any plan, projection, or statement of future economic  
2 performance, as they were not stated to be such assumptions underlying or relating to any projection  
3 or statement of future economic performance when made, nor were any of the projections or forecasts  
4 made by Defendants expressly related to or stated to be dependent on those historic or present-tense  
5 statements when made.

6 **VIII. LOSS CAUSATION/ECONOMIC LOSS**

7 65. Defendants' wrongful conduct directly and proximately caused the economic loss  
8 suffered by Plaintiff and the Class. The price of Enphase common stock significantly declined when  
9 the misrepresentations made to the market, and/or the information alleged herein to have been  
10 concealed from the market, and/or the effects thereof, were revealed, causing investors' losses. As a  
11 result of their purchases of Enphase common stock during the Class Period, Plaintiff and the Class  
12 suffered economic loss, i.e., damages, under the federal securities laws.

13 **IX. ADDITIONAL SCIENTER ALLEGATIONS**

14 66. During the Class Period, Defendants had both the motive and opportunity to commit  
15 fraud. They also had actual knowledge of the misleading nature of the statements they made, or acted  
16 in reckless disregard of the true information known to them at the time. In so doing, Defendants  
17 participated in a scheme to defraud and committed acts, practices, and participated in a course of  
18 business that operated as a fraud or deceit on purchasers of Enphase common stock during the Class  
19 Period.

20 **X. CLAIMS AGAINST DEFENDANTS**

21 **COUNT I**

22 **Violations of Section 10(b) of the Exchange Act and**

23 **SEC Rule 10b-5 Promulgated Thereunder**

24 **Against All Defendants**

25 67. Plaintiff incorporates by reference the allegations in the preceding paragraphs.

26 68. During the Class Period, Defendants carried out a plan, scheme, and course of conduct  
27 that was intended to and, throughout the Class Period, did: (1) deceive the investing public, including  
28 Plaintiff and the Class; and (2) cause Plaintiff and the Class to purchase Company common stock at

1 artificially inflated prices. In furtherance of this unlawful scheme, plan, and course of conduct,  
2 Defendants, and each of them, took the actions set forth herein.

3 69. Defendants: (1) employed devices, schemes, and artifices to defraud; (2) made untrue  
4 statements of material fact and/or omitted material facts necessary to make the statements not  
5 misleading; and (3) engaged in acts, practices, and a course of business which operated as a fraud and  
6 deceit upon the purchasers of the Company's common stock in an effort to maintain artificially high  
7 market prices thereof in violation of Section 10(b) of the Exchange Act and SEC Rule 10b-5.

8 70. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the  
9 Class suffered damages in connection with their respective purchases of the Company's common  
10 stock during the Class Period.

## 11 **COUNT II**

### 12 **Violations of Section 20(a) of the Exchange Act**

#### 13 **Against the Individual Defendants**

14 71. Plaintiff incorporates by reference the allegations in the preceding paragraphs.

15 72. The Individual Defendants acted as controlling persons of Enphase within the meaning  
16 of Section 20(a) of the Exchange Act. By virtue of their high-level positions, and their ownership  
17 and contractual rights, participation in and/or awareness of the Company's operations, and/or intimate  
18 knowledge of the false statements filed by the Company with the SEC and disseminated to the  
19 investing public, the Individual Defendants had the power to influence and control—and did influence  
20 and control, directly or indirectly—the decision-making of the Company, including the content and  
21 dissemination of the various false and/or misleading statements. The Individual Defendants were  
22 provided with or had unlimited access to copies of the Company's reports and other statements  
23 alleged by Plaintiff to be misleading prior to and/or shortly after these statements were issued and  
24 had the ability to prevent the issuance of the statements or cause the statements to be corrected.

25 73. In particular, each of the Individual Defendants had direct and supervisory  
26 involvement in the day-to-day operations of the Company and, therefore, are presumed to have had  
27 the power to control or influence the activities giving rise to the securities violations as alleged herein,  
28 and exercised the same.

1           74. As described above, the Company and the Individual Defendants each violated  
2 Section 10(b) of the Exchange Act and SEC Rule 10b-5 by their acts and omissions as alleged in this  
3 Complaint. By virtue of their positions as controlling persons, the Individual Defendants are liable  
4 under Section 20(a) of the Exchange Act. As a direct and proximate result of this wrongful conduct,  
5 Plaintiff and other members of the Class suffered damages in connection with their purchases of  
6 Company common stock during the Class Period.

7 **XI. PRAYER FOR RELIEF**

8           **WHEREFORE**, Plaintiff prays for relief and judgment, as follows:

- 9           a. Determining that this action is a proper class action under Rule 23 of the Federal  
10 Rules of Civil Procedure;
- 11           b. Awarding compensatory damages and equitable relief in favor of Plaintiff and  
12 other members of the Class against all Defendants, jointly and severally, for all  
13 damages sustained as a result of Defendants' wrongdoing, in an amount to be  
14 proven at trial, including interest thereon;
- 15           c. Awarding Plaintiff and the Class their reasonable costs and expenses incurred in  
16 this action, including counsel fees and expert fees; and
- 17           d. Such other and further relief as the Court may deem just and proper.

18 **XII. DEMAND FOR JURY TRIAL**

19 Plaintiff hereby demands a trial by jury.

20 DATED:

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