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9 UNITED STATES DISTRICT COURT
10 CENTRAL DISTRICT OF CALIFORNIA

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

13 Plaintiff,

14 v.

15 ELECTRONIC ARTS INC., ANDREW
16 WILSON, and STUART CANFIELD,

17 Defendants.
18

No.

19 **CLASS ACTION COMPLAINT
20 FOR VIOLATIONS OF THE
21 FEDERAL SECURITIES LAWS**

22 CLASS ACTION

23 JURY TRIAL DEMANDED
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1 Plaintiff ____ (“Plaintiff”), individually and on behalf of all other persons
2 similarly situated, by Plaintiff’s undersigned attorneys, for Plaintiff’s complaint
3 against Defendants (defined below), alleges the following based upon personal
4 knowledge as to Plaintiff and Plaintiff’s own acts, and information and belief as to
5 all other matters, based upon, among other things, the investigation conducted by
6 and through Plaintiff’s attorneys, which included, among other things, a review of
7 the Defendants’ public documents, public filings, wire and press releases published
8 by and regarding Electronic Arts Inc. (“EA” or the “Company”), and information
9 readily obtainable on the Internet. Plaintiff believes that substantial evidentiary
10 support will exist for the allegations set forth herein after a reasonable opportunity
11 for discovery.

12 **NATURE OF THE ACTION**

13
14 1. This is a class action on behalf of persons or entities who purchased
15 or otherwise acquired publicly traded EA securities between October 30, 2024 and
16 January 22, 2025, inclusive (the “Class Period”). Plaintiff seeks to recover
17 compensable damages caused by Defendants’ violations of the federal securities
18 laws under the Securities Exchange Act of 1934 (the “Exchange Act”).

19 **JURISDICTION AND VENUE**

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

23 3. This Court has jurisdiction over the subject matter of this action
24 pursuant to 28 U.S.C. § 1331, and Section 27 of the Exchange Act (15 U.S.C.
25 §78aa).

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

1 misstatements entered and the subsequent damages took place in this judicial
2 district.

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

8 **PARTIES**

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

12 7. Defendant EA describes itself as follows:

13 Electronic Arts is a global leader in digital interactive entertainment. We
14 develop, market, publish and deliver games, content and services that can be
15 experienced on game consoles, PCs, mobile phones and tablets. At our core
16 is a portfolio of intellectual property from which we create innovative games
17 and experiences that deliver high-quality entertainment and drive
18 engagement across our network of hundreds of millions of unique active
19 accounts. Our portfolio includes brands that we either wholly own (such
20 as *Apex Legends*, *Battlefield*, and *The Sims*) or license from others (such as
21 the licenses within EA SPORTS FC and EA SPORTS Madden NFL).
22 Through our live services offerings, we offer high-quality experiences
23 designed to provide value to players, and extend and enhance gameplay.
24 These live services include extra content, subscription offerings and other
25 revenue generated in addition to the sale of our full games. We are focusing
26 on building games and experiences that grow the global online communities
27 around our key franchises; deepening engagement through connecting
28 interactive storytelling to key intellectual property; and building re-
occurring revenue from scaling our live services and growth in our
annualized sports titles, our console, PC and mobile catalog titles.

8. EA is incorporated in Delaware with its headquarters in Redwood
City, California. EA common stock trades on the NASDAQ Global Select Market

1 (the “NASDAQ”) under the ticker symbol “EA”. EA has multiple offices in Los
2 Angeles.

3 9. Defendant Andrew Wilson (“Wilson”) has served as EA’s Chief
4 Executive Officer (“CEO”) since 2013. Wilson also serves as the chairman of the
5 Board of Directors (the “Board”).

6 10. Defendant Stuart Canfield (“Canfield”) has served as Chief Financial
7 Officer (“CFO”) since July 2023.

8 11. Defendants Wilson and Canfield are collectively referred to herein as
9 the “Individual Defendants.”

10 12. Each of the Individual Defendants:

11 (a) directly participated in the management of the Company;

12 (b) was directly involved in the day-to-day operations of the Company at
13 the highest levels;

14 (c) was privy to confidential proprietary information concerning the
15 Company and its business and operations;

16 (d) was directly or indirectly involved in drafting, producing, reviewing
17 and/or disseminating the false and misleading statements and information
18 alleged herein;

19 (e) was directly or indirectly involved in the oversight or implementation
20 of the Company’s internal controls;

21 (f) was aware of or recklessly disregarded the fact that the false and
22 misleading statements were being issued concerning the Company; and/or

23 (g) approved or ratified these statements in violation of the federal
24 securities laws.

25 13. The Company is liable for the acts of the Individual Defendants and
26 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 EA under *respondeat superior* and agency principles.

15. Defendant EA and the Individual Defendants are collectively referred to herein as “Defendants.”

SUBSTANTIVE ALLEGATIONS

Materially False and Misleading Statements Issued During the Class Period

16. On October 29, 2024, after the market closed, the Company held its earnings call for the second quarter of the 2025 fiscal year (the “Q2 2025 Call”). Wilson made the following statement on the Q2 2025 Call:

Now, *switching to EA SPORTS FC. As EA SPORTS FC enters its second year, the platform is thriving as both interactive entertainment and as a global influencer across the world’s game.* On a trailing 12 month basis, EA SPORTS FC is the largest franchise in the Western world. With FC Mobile and FC Online, we have a truly global platform, as we reach over 130% more players worldwide. These hundreds of millions of players across multiple entry points have joined the club; finding joy, competition, inspiration, and a celebration of culture and fandom along the way.

We are meeting fans wherever they are on different platforms, across geographies and business models. As such, we continue to drive deep engagement across our titles and saw live services net bookings growth in the quarter year-over-year.

We believe FC 25 is a major step forward, as we build towards the future of interactive football fandom. In addition to advancing all the hallmarks of an EA SPORTS experience – unrivalled gameplay, immersion, and authenticity. FC 25 is taking an incredible leap forward in social play with RUSH and new creator tools like Highlighter.

1 (Emphasis added).

2 17. Defendant Canfield made the following statement:

3 ***Momentum continues in Global Football as we remain on track to grow***
4 ***net bookings in FY25 over a record prior year.*** For the quarter, we delivered
5 in-line with our expectations, as EA SPORTS FC 24 strength continued into
6 the lead up to the successful launch of FC 25. In our new HD title, we
7 continue to make progress on delivering engaging experiences, including
8 RUSH, and content in our Ultimate Team business. As a result both spender
9 conversion and monetization metrics improved year-over-year. We also saw
10 positive results beyond HD, as both FC Mobile and FC Online saw net
11 bookings growth from increased monetization.

12 (Emphasis added).

13 18. He further stated:

14 Turning to Q3, we expect net bookings of \$2.4 billion to \$2.55 billion, up
15 1% to up 8% year-over-year, ***largely driven by the launch of Dragon Age***
16 ***and continued growth in our EA SPORTS FC franchise.*** We expect the
17 performance of our catalog and the impact from sunset mobile titles to be a
18 combined headwind of approximately 3%.

19 * * *

20 Exiting the first half of fiscal year 2025, we have strong momentum,
21 enabling us to raise our full year guidance, while also building conviction in
22 our ability to significantly outperform the market through FY27 for net
23 bookings growth.

24 (Emphasis added).

25 19. Canfield further stated the following about guidance:

26 Now, turning to guidance. Given our strong performance in the first half, we
27 are raising our net bookings guidance range for FY25 to \$7.5 billion to \$7.8
28 billion, up 1% to up 5% year-over-year. Our revised range implies a
midpoint that is at the top-end of our previous guidance. Our net bookings
assumptions for the second half of the year are as follows: first, as shared at
Investor Day, we continue to expect our American Football business to
exceed \$1 billion for FY25; second after the successful launch of FC 25, ***we***

1 *continue to expect our EA SPORTS FC franchise to grow over a record*
2 *FY24*; third, despite lower expectations for Apex Legends, we are on track
3 to maintain mid-single digit growth in our core live services, and fourth,
4 we're maintaining our assumptions for our upcoming Dragon Age: The
Veilguard launch this week, and our partner title, slated to launch in Q4.

5 (Emphasis added).

6
7 20. The statements contained in ¶¶ 16-19 above were materially false
8 and/or misleading because they misrepresented and failed to disclose the following
9 adverse facts pertaining to the Company's business which were known to
10 Defendants or recklessly disregarded by them. Specifically, Defendants made false
11 and/or misleading statements and/or failed to disclose that: (1) demand for, among
12 other games, EA Sports FC was declining; (2) the foregoing heightened the risk
13 that EA would not meet its guidance and; (3) as a result, Defendants' public
14 statements were materially false and/or misleading at all relevant times.

15 **THE TRUTH BEGINS TO EMERGE**

16 21. On January 22, 2025, after the market closed, EA issued a press
17 release entitled "Electronic Arts Pre-Announces Preliminary Q3 FY25 Results[.]"
18 The announcement further stated:

19 EA's initial guidance for fiscal year 2025 *anticipated mid-single-digit*
20 *growth in live services net bookings[.] However, the company now projects*
21 *a mid-single-digit decline, with Global Football accounting for the*
22 *majority of the change.*

23 Global Football had experienced two consecutive fiscal years of double-
24 digit net bookings growth. *However, the franchise experienced a slowdown*
25 *as early momentum in the fiscal third quarter did not sustain through to*
26 *the end.* As a result, EA revises its outlook for Global Football to end the
27 fiscal year down mid-single-digit at the midpoint of the new outlook.
28 Separately, Dragon Age engaged approximately 1.5 million players during
the quarter, down nearly 50% from the company's expectations.

1 As a result, EA is providing preliminary results for its third fiscal quarter
2 and updating its fiscal year 2025 net bookings outlook. It now expects net
3 bookings of approximately \$2.215 billion for the third fiscal quarter and an
4 updated range of \$7.000 billion to \$7.150 billion for fiscal year 2025.

5 For its third fiscal quarter, EA now expects GAAP net revenue to be
6 approximately \$1.883 billion and approximately \$1.11 in GAAP diluted
7 earnings per share.

8 (Emphasis added).

9 22. Defendant Wilson stated the following in the announcement:

10 During Q3, we continued to deliver high-quality games and experiences
11 across our portfolio; however, *Dragon Age and EA SPORTS FC 25*
12 *underperformed our net bookings expectations*[.] This month, our teams
13 delivered a comprehensive gameplay refresh in addition to our annual Team
14 of the Year update in FC 25; positive player feedback and early results are
15 encouraging. We remain confident in our long-term strategy and expect a
16 return to growth in FY26, as we execute against our pipeline.

17 (Emphasis added)

18 23. On this news, the price of EA stock fell \$23.77 per share, or 16.7%,
19 to close at \$118.58 on January 23, 2025.

20 24. As a result of Defendants' wrongful acts and omissions, and the
21 precipitous decline in the market value of the Company's common shares, Plaintiff
22 and other Class members have suffered significant losses and damages.

23 **PLAINTIFF'S CLASS ACTION ALLEGATIONS**

24 25. Plaintiff brings this action as a class action pursuant to Federal Rule
25 of Civil Procedure 23(a) and (b)(3) on behalf of a class consisting of all persons
26 other than defendants who acquired the Company's securities publicly traded on
27 NASDAQ during the Class Period, and who were damaged thereby (the "Class").
28 Excluded from the Class are Defendants, the officers and directors of the Company,
members of the Individual Defendants' immediate families and their legal

1 representatives, heirs, successors or assigns and any entity in which Defendants
2 have or had a controlling interest.

3 26. The members of the Class are so numerous that joinder of all members
4 is impracticable. Throughout the Class Period, the Company's securities were
5 actively traded on NASDAQ. While the exact number of Class members is
6 unknown to Plaintiff at this time and can be ascertained only through appropriate
7 discovery, Plaintiff believes that there are hundreds, if not thousands of members
8 in the proposed Class.

9 27. Plaintiff's claims are typical of the claims of the members of the Class
10 as all members of the Class are similarly affected by Defendants' wrongful conduct
11 in violation of federal law that is complained of herein.

12 28. Plaintiff will fairly and adequately protect the interests of the
13 members of the Class and has retained counsel competent and experienced in class
14 and securities litigation. Plaintiff has no interests antagonistic to or in conflict with
15 those of the Class.

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

- 19 • whether the Exchange Act was violated by Defendants' acts as alleged
20 herein;
- 21 • whether statements made by Defendants to the investing public during
22 the Class Period misrepresented material facts about the business and
23 financial condition of the Company;
- 24 • whether Defendants' public statements to the investing public during
25 the Class Period omitted material facts necessary to make the statements
26 made, in light of the circumstances under which they were made, not
27 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 the Company 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.

30. 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.

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

- the Company's shares met the requirements for listing, and were listed and actively traded on NASDAQ, an efficient market;
- as a public issuer, the Company filed periodic public reports;
- the Company regularly 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.

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

33. 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**

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

35. 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.

36. 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.

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

- 3 • employed devices, schemes and artifices to defraud;
- 4 • made untrue statements of material facts or omitted to state material
5 facts necessary in order to make the statements made, in light of the
6 circumstances under which they were made, not misleading; or
- 7 • engaged in acts, practices and a course of business that operated as a
8 fraud or deceit upon plaintiff and others similarly situated in connection with
9 their purchases of the Company's securities during the Class Period.

10 38. Defendants acted with scienter in that they knew that the public
11 documents and statements issued or disseminated in the name of the Company
12 were materially false and misleading; knew that such statements or documents
13 would be issued or disseminated to the investing public; and knowingly and
14 substantially participated, or acquiesced in the issuance or dissemination of such
15 statements or documents as primary violations of the securities laws. These
16 defendants by virtue of their receipt of information reflecting the true facts of the
17 Company, their control over, and/or receipt and/or modification of the Company's
18 allegedly materially misleading statements, and/or their associations with the
19 Company which made them privy to confidential proprietary information
20 concerning the Company, participated in the fraudulent scheme alleged herein.

21 39. Individual Defendants, who are the senior officers of the Company,
22 had actual knowledge of the material omissions and/or the falsity of the material
23 statements set forth above, and intended to deceive Plaintiff and the other members
24 of the Class, or, in the alternative, acted with reckless disregard for the truth when
25 they failed to ascertain and disclose the true facts in the statements made by them
26 or any other of the Company's personnel to members of the investing public,
27 including Plaintiff and the Class.

40. As a result of the foregoing, the market price of the Company's 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 the Company's securities during the Class Period in purchasing the Company's securities at prices that were artificially inflated as a result of Defendants' false and misleading statements.

41. Had Plaintiff and the other members of the Class been aware that the market price of the Company's 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 the Company's securities at the artificially inflated prices that they did, or at all.

42. 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.

43. 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 the Company's securities during the Class Period.

COUNT II

Violations of Section 20(a) of the Exchange Act

Against the Individual Defendants

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

45. 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

1 of their senior positions, they knew the adverse non-public information about the
2 Company's business practices.

3 46. As officers of a publicly owned company, the Individual Defendants
4 had a duty to disseminate accurate and truthful information with respect to the
5 Company's financial condition and results of operations, and to correct promptly
6 any public statements issued by the Company which had become materially false
7 or misleading.

8 47. Because of their positions of control and authority as senior officers,
9 the Individual Defendants were able to, and did, control the contents of the various
10 reports, press releases and public filings which the Company disseminated in the
11 marketplace during the Class Period concerning the Company's results of
12 operations. Throughout the Class Period, the Individual Defendants exercised their
13 power and authority to cause the Company to engage in the wrongful acts
14 complained of herein. The Individual Defendants therefore, were "controlling
15 persons" of the Company within the meaning of Section 20(a) of the Exchange
16 Act. In this capacity, they participated in the unlawful conduct alleged which
17 artificially inflated the market price of the Company's securities.

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

21 **PRAYER FOR RELIEF**

22 **WHEREFORE**, Plaintiff, on behalf of himself and the Class, prays for
23 judgment and relief as follows:

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

1 (b) awarding damages in favor of Plaintiff and the other Class members
2 against all Defendants, jointly and severally, together with interest thereon;

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

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

7 **JURY TRIAL DEMANDED**

8 Plaintiff hereby demands a trial by jury.

9
10 Dated:

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