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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA**

__, Individually and on Behalf of All
Others Similarly Situated,

Plaintiff,

v.

GOSSAMER BIO, INC. and FAHEEM
HASNAIN,

Defendants.

Case No.

CLASS ACTION

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

DEMAND FOR JURY TRIAL

1 Plaintiff _ (“Plaintiff”), individually and on behalf of all
2 other persons similarly situated, by their undersigned attorneys, alleges in this
3 Complaint for violations of the federal securities laws (the “Complaint”) the
4 following based upon knowledge with respect to their own acts, and upon facts
5 obtained through an investigation conducted by his counsel, which included, *inter*
6 *alia*: (a) review and analysis of relevant filings made by Gossamer Bio, Inc.
7 (“Gossamer” or the “Company”) with the United States Securities and Exchange
8 Commission (the “SEC”); (b) review and analysis of Gossamer’s public documents,
9 conference calls, press releases, and stock chart; (c) review and analysis of
10 securities analysts’ reports and advisories concerning the Company; and (d)
11 information readily obtainable on the internet.

12 Plaintiff believes that further substantial evidentiary support will exist for the
13 allegations set forth herein after a reasonable opportunity for discovery. Most of the
14 facts supporting the allegations contained herein are known only to the defendants
15 or are exclusively within their control.

16 **NATURE OF THE ACTION**

17 1. This is a federal securities class action on behalf of all investors who
18 purchased or otherwise acquired Gossamer securities between June 16, 2025, and
19 February 20, 2026, inclusive (the “Class Period”), including securities acquired
20 through assignments from selling put contracts, seeking to recover damages caused
21 by Defendants’ violations of the federal securities laws.

1 2. Defendants provided investors with material information concerning
2 Gossamer's Phase 3 PROSERA study evaluating seralutinib for the treatment of
3 pulmonary arterial hypertension (PAH). Defendants' statements included, among
4 other things, confidence in PROSERA's trial design.
5

6 3. Defendants provided these overwhelmingly positive statements to
7 investors while, at the same time, disseminating false and misleading statements
8 and/or concealing material adverse facts concerning the study design for the
9 Company's Phase 3 PROSERA study, particularly, controlling for the placebo
10 response at the Latin American testing sites. This caused Plaintiff and other
11 shareholders to purchase Gossamer's securities at artificially inflated prices.
12
13

14 4. The truth emerged on February 23, 2026 when Gossamer published a
15 press release and hosted a Special Call announcing topline results for its Phase 3
16 PROSERA study, which failed to meet the primary endpoint of improved six-minute
17 walk distance (6MWD) at Week 24, with a +13.3 meter placebo-adjusted gain (p-
18 0.0320) failing to meet the required 0.025 alpha threshold. Gossamer attributed this
19 miss to patients at Latin American sites performing particularly well on placebo due
20 to enrollment of a heavily-treated lower-risk population.
21
22
23

24 5. As a result, investors and analysts reacted immediately to Gossamer's
25 revelation. The price of Gossamer's common stock declined from a closing market
26 price of \$2.13 per share on February 20, 2026 to \$0.42 per share on February 23,
27 2025, a decline of over 80% in the span of just a single day.
28

1 **THE PARTIES**

2 12. Plaintiff purchased Gossamer common stock at artificially inflated
3 prices during the Class Period and was damaged upon the revelation of the
4 Defendants' fraud. Plaintiff's certification evidencing his transaction(s) in Gossamer
5 is attached hereto.
6

7 13. Gossamer Bio, Inc. is a Delaware corporation with its principal
8 executive offices located at 3115 Merryfield Row, Suite 120, San Diego, CA 92121.
9 During the Class Period, the Company's common stock traded on the NASDAQ
10 Stock Market (the "NASDAQ") under the symbol "GOSS."
11

12 14. Defendant Faheem Hasnain ("Hasnain") was, at all relevant times, the
13 Chief Executive Officer, Chairman, and Co-founder of Gossamer.
14

15 15. Defendant Hasnain is sometimes referred to herein as the "Individual
16 Defendant." Gossamer together with the Individual Defendant are referred to herein
17 as the "Defendants."
18

19 16. The Individual Defendant, because of his position with the Company,
20 possessed the power and authority to control the contents of Gossamer's reports to
21 the SEC, press releases, and presentations to securities analysts, money and portfolio
22 managers, and institutional investors, *i.e.*, the market. The Individual Defendant was
23 provided with copies of the Company's reports and press releases alleged herein to
24 be misleading prior to, or shortly after, their issuance and had the ability and
25 opportunity to prevent their issuance or cause them to be corrected. Because of his
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1 position and access to material non-public information available to him, the
2 Individual Defendant knew that the adverse facts specified herein had not been
3 disclosed to, and were being concealed from, the public, and that the positive
4 representations which were being made were then materially false and/or
5 misleading. The Individual Defendant is liable for the false statements pleaded
6 herein, as those statements were each “group-published” information, the result of
7 the collective actions of the Individual Defendant.
8
9

10 17. Gossamer is liable for the acts of the Individual Defendant, and its
11 employees under the doctrine of respondeat superior and common law principles of
12 agency as all the wrongful act complained of herein were carried out within the scope
13 of their employment with authorization.
14

15 18. The scienter of the Individual Defendant, and other employees and
16 agents of the Company are similarly imputed to Gossamer under respondeat superior
17 and agency principles.
18

19 **SUBSTANTIVE ALLEGATIONS**

20 **A. Company Background**

21 19. Gossamer is a clinical stage biopharmaceutical company focused on the
22 development and commercialization of seralutinib for the treatment of pulmonary
23 hypertension (PH) associated with interstitial lung disease.
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1 *And while our potential first-in-class therapeutic, serralutinib,*
2 *represents the possibility of a multi-billion-dollar opportunity across*
3 *multiple indications, we recognize the unique significance of the*
4 *upcoming pivotal readout in PAH as the foundation to that potential*
5 *franchise. Our team remains duly focused on executing the*
6 *PROSERA Study with discipline and operational excellence,*
7 *grounded in our conviction around the strength of the science and*
8 *the seriousness of the unmet need in PAH. We look forward to*
9 *sharing topline results in February.*

10 (Emphasis added.)

11 November 5, 2025

12 22. On November 5, 2025, Gossamer published a press release announcing
13 third quarter financial results and provided a business update. Defendant Hasnain
14 provided an update on the Phase 3 study, in pertinent part:

15 We are proud to be progressing through the final stages of the
16 PROSERA Phase 3 Study. This is a pivotal moment for our team, and
17 I am continually impressed by the focus, diligence, and
18 professionalism that everyone brings to this important work. We look
19 forward to sharing top-line results with the community in February of
20 next year.

21 23. The above statements in Paragraphs 20 to 22 were false and/or
22 materially misleading. Specifically, Defendants knew or recklessly disregarded the
23 trial design issues with Gossamer's Phase 3 PROSERA study. In fact, Defendants
24 misled and deceived investors by crafting a narrative that Phase 3 PROSERA would
25 meet its primary endpoint. Defendants failed, however, to disclose that patients at
26 the Latin American sites were largely heavily-treated and lower risk and, ultimately,
27 performed particularly well on the placebo, thus, Gossamer's Phase 3 PROSERA
28

1 study failed to meet the primary endpoint of improved six-minute walk distance at
2 week 24.

3
4 **C. The Truth Emerges**

5 *February 23, 2026*

6 24. On February 23, 2026, Gossamer published a press release and hosted
7 a Special Call announcing the topline results from its Phase 3 PROSERA study.

8
9 Defendant Hasnain stated, in pertinent part:

10 While we are disappointed to have narrowly missed the stringent
11 prespecified statistical threshold for our primary endpoint, the result
12 still clears the traditional 0.05 p-value, and we believe these data clearly
13 demonstrate seralutinib is an active drug in patients with PAH.

14 We are also pleased by the clinically meaningful improvements
15 observed in intermediate- and high-risk patients who are at an increased
16 risk of significant morbidity and mortality events and represent a
17 population with a high unmet need. From a clinical development
18 perspective, this is not a narrow or exploratory finding. Seralutinib has
19 once again demonstrated a statistically robust and clinically meaningful
20 signal in higher-risk patients, consistent with the TORREY Study,
21 which is a clearly defined and readily identifiable population. This
22 finding is compelling on its own.

23 Altogether, these data support the conclusion that seralutinib
24 demonstrated greater activity in patients with more advanced disease.
25 This is even more impressive given how heavily treated the PROSERA
26 population was, including 55% of patients on triple or quadruple
27 background PAH therapy and 61% on background prostacyclin
28 therapy.

29 We are deeply grateful to the patients, investigators, and clinical teams
30 whose participation made this study possible. Given the significant
31 unmet need in PAH, and seralutinib's differentiated, nonvasodilatory
32 mechanism, we believe these results warrant further discussions with
33 the FDA regarding a potential path forward.

1 25. During the Special Call, Gossamer’s Chief Medical Officer, Richard
2 Aranda, stated in relevant:

3
4 Here, we put the PROSERA placebo performance into context. As you
5 can see, in PROSERA, the placebo arm showed a larger improvement
6 that is often seen in many other Phase III PH trials where placebo
7 frequently remains near baseline or declined slightly over time. The
8 unusually strong placebo improvement in PROSERA reduced the
9 placebo-adjusted difference and is an important factor in interpreting
10 why a numerically positive effect did not clear the prespecified
11 statistical bar.

12 *To further understand our placebo response, we evaluated the
13 placebo response by prespecified geographic region groupings and
14 noted it differed across the regions. In North America, the placebo
15 performance was more aligned with typical modern PH trials and the
16 overall treatment effect was most pronounced with a 25.9-meter
17 placebo-adjusted improvement in 6-minute walk distance. In other
18 regions, particularly Latin America, outsized placebo improvements
19 materially compressed the pool treatment difference.*

20 (Emphasis added).

21 26. As part of the associated Special Call, Gossamer management
22 responded to analyst questions during a question-and-answer segment, in pertinent
23 part:

24 <Q: Andreas Argyrides – Oppenheimer – Analyst> I was hoping for
25 more clear-cut results here, but clearly an active drug. Just if you can
26 give us a little bit on the placebo response here, just how the
27 geographical breakdown compared to expectations at the time of
28 enrollment? And then I have one follow-up.

1 <A: Bryan Giraudo – COO & CFO> Yes. So I think, Andreas, you
2 recall that we made a significant investment in Latin America following
3 the very, very significant results that we saw in the STELLAR study
4 for sotatercept, where that was a geography that patients benefited the
5 most. *So certainly, for us to see an almost parity between the placebo
6 rate and the treatment rate and how the statistical plan using Hodges-
7 Lehmann works where that ended up reducing the treatment effect by
8 8 meters.*

7 *So adding 8 meters on the placebo side was extremely, extremely
8 disturbing to our team because, again, we expected to have an effect
9 that has been seen in most PAH studies where Latin America is the
10 best performing geography. We're still early in the investigation of
11 what happened in Latin America, and we certainly will have more to
12 come as we continue that work.*

12 And even in other geographies, we saw a higher-than-normal placebo
13 rate. Importantly, in the places where PAH treatment has been quite
14 frankly, the most mature in North America and Western Europe,
15 Australia, we are seeing what would be historically comparable placebo
16 rates. So certainly, there is something that happened in Latin America.
17 We have to understand it, and we will obviously engage not only with
18 the investigators there, their sites as well with PPD who you recall was
19 also CRO that did the STELLAR study. So more to come, but that was
20 probably the most surprising and disappointing finding. Faheem?

19 <A: Faheem Hasnain – CEO> *Yes, Paul. What's really fascinating
20 about what happened in Latin America, we saw a substantial number
21 of super responders on placebo with over 100-meter walk
22 improvements, which is really kind of quite fascinating.* But what I
23 think is really interesting, which really shows the impact of this drug is
24 that over time, we start to see a separation. Even though we had that
25 substantial placebo effect, as we look at the Latin America data out to
26 week 48, we actually see improvement on the drug arm, just to give you
27 kind of a sense, when we do an apples-to-apples comparison, the
28 placebo effect starts to catch up on these patients at week 48. So they
have a 40-meter improvement on placebo at week 48, that drops to 15
meters. But the drug effect goes from a 50-meter improvement up to a
66-meter improvement.

1 So you start to see the separation of placebo and drug over time. And
2 we think that might be related to and consistent with what we see in the
3 less sick patients that as we're affecting physiological -- having those
4 physiological effects in the lung and the heart, the sicker patients will
5 take a little longer for that response to occur. And we saw that in
6 TORREY, and we seem to be seeing it here again.

6 <A: Bryan Giraud> So what we need to do, Andreas, is really
7 unpackage where, in fact, those patients that were enrolled in Latin
8 America, a REVEAL Lite 5 or greater, it's obviously disappointing. It's
9 obviously extremely frustrating, and it is incumbent upon the Gossamer
10 team with our friends at PPD and Chiesi to understand what happened
11 because this result and all of our KOL thought partners upon seeing this
12 were stunned by what happened in Latin America.

11 * * *

12 <Q: Laura Kathryn Chico - Wedbush Securities – Analyst> So one
13 more on the placebo response. Slide 9, you had that great picture of 6-
14 minute walk distance placebo results from other studies at week 24. Do
15 you have any sense as to how the week 48 placebo responses for other
16 programs might fare? And I guess I'm just trying to understand if the
17 week 48 placebo response you're seeing is also elevated or if that is
18 more in line with what we would be expecting from other trials? And
19 then just a housekeeping question. The PVR data was not collected in
20 PROSERA, correct?

21 <A: Bryan Giraud> So PVR was not collected. In regards to other
22 studies, 48 weeks, not a lot of folks did what we did, where you kept
23 placebo-controlled data to week 48, it would be really an apples and
24 oranges comparison because you'd be comparing it to open-label
25 extension data, right? So for example, in the sotatercept data sets, most
26 of their 6-minute walk data is open label.

27 We were one of the first sponsors to go out to week 48 on a placebo-
28 controlled basis. But what we can say is across all geographies over
time, placebo starts to behave normally, specifically, as Faheem said,
in Latin America, where when you look at those patients that had a
week 24 walk and stayed in the study to week 48, which is roughly
about 29 or 30 patients, you see placebo at week 48 starting to behave
like you would have expected. So I also believe that, that week 48 data
is another important pillar for our discussions with regulators because

1 it starts to meter out the placebo effect and also continues to show
2 continued improvement for patients on drug.

3 So ultimately, we do think that, that week 48 endpoint is really, really
4 important for our ability to say this drug has an important place in the
5 marketplace for patients because of that long-term efficacy. And again,
6 that placebo effect starting to normalize longer term.

7 (Emphasis added).

8 27. The aforementioned investor presentation and statements made by the
9 Individual Defendant was misleading and in direct contrast to statements made in
10 his previous press releases and presentations. In his previous statements, Defendant
11 made no mention of issues with the Phase 3 PROSERA trial design in Latin America.
12

13 28. Analysts expressed surprise and concern at the Company's primary
14 endpoint miss. In particular, on February 24, 2026, Wedbush published a report
15 downgrading Gossamer to Neutral and decreasing the Company's price target to \$1
16 from \$6. The report states, in pertinent part:
17

18 PROSERA falls short of expectations. GOSS reported Phase 3
19 PROSERA data for seralutinib in pulmonary arterial hypertension
20 (PAH). Most notable –the study failed to meet the primary endpoint on
21 median change in 6-minute walk distance at 24 weeks for seralutinib
22 vs. placebo. The seralutinib group demonstrated a +28.2m
23 improvement from baseline, while placebo achieved +13.5m
24 improvement (effect = +13.3m, p=0.0320). This was above the
25 prespecified threshold of 0.025. Management noted unusual placebo
26 performance, particularly among Latin America and Asia/Middle East
27 regions. GOSS noted historic Phase 3 placebo responses varied (-9m to
28 +11m).

29 Similarly, on March 5, 2026, Oppenheimer published a report reducing
30 Gossamer's price target to \$3 from \$12 and stating, in relevant part:

1 The data irregularity in Latin America is a trial execution issue, not a
2 drug effect issue, as every other region demonstrated a clear treatment
3 benefit. The irregularity is specifically the absence of a treatment effect
4 on top of the placebo—not an unusually large placebo response—
5 which KOL believes points to human measurement error during
6 6MWD lap counting. Gossamer is conducting a data review
7 investigation.

8 30. As a result, investors and analysts reacted immediately to Gossamer’s
9 revelation. The price of Gossamer’s common stock declined from a closing market
10 price of \$2.13 per share on February 20, 2026 to \$0.42 per share on February 23,
11 2025, a decline of over 80% in the span of just a single day.

12 **D. Additional Scienter Allegations**

13 31. During the Class Period, Defendants acted with scienter in that they
14 knew or otherwise were deliberately reckless in not knowing that the public
15 statements disseminated on behalf of Gossamer were materially false and misleading
16 at the time they were made. Defendants had actual knowledge of, or access to, non-
17 public information concerning the trial design and clinical test site selection as the
18 drug sponsor, thereby knowing or recklessly disregarding the protocol design issues
19 that ultimately caused the Phase 3 PROSERA study to fail to meet its primary
20 endpoint of improved six-minute walk distance at week 24.

21 32. In fact, Defendants knew or deliberately disregarded that patients at the
22 Latin American clinical testing sites were largely heavily-treated as well as lower
23 risk and, therefore, performed particularly well on the placebo. Defendants knew or
24 deliberately disregarded these issues that gave rise to the acute risks that ultimately
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1 materialized and caused the trial to fail. Despite such knowledge, Defendants
2 repeatedly conveyed a positive outlook to investors and constructed a narrative that
3 the Phase 3 PROSERA trial would meet its primary endpoint.
4

5 **E. Loss Causation and Economic Loss**

6 33. During the Class Period, as detailed herein, Gossamer and Defendants
7 made materially false and misleading statements and engaged in a scheme to deceive
8 the market and a course of conduct that artificially inflated the price of Gossamer's
9 securities and operated as a fraud or deceit on Class Period purchasers of Gossamer's
10 common stock by materially misleading the investing public. Later, when Gossamer
11 and Defendants' prior misrepresentations and fraudulent conduct became apparent
12 to the market, the price of Gossamer's securities materially declined, as the prior
13 artificial inflation came out of the price over time. As a result of their purchases of
14 Gossamer's securities during the Class Period, Plaintiff and other members of the
15 Class suffered economic loss, *i.e.*, damages under federal securities laws.
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20 34. Gossamer's stock price fell in response to the corrective event on
21 February 23, 2026, as alleged *supra*. On February 23, 2026, Defendants disclosed
22 information that was directly related to their prior misrepresentations and material
23 omissions concerning the Phase 3 PROSERA trial's defects in Latin America.
24

25 **F. Presumption of Reliance; Fraud-On-The-Market**

26 35. At all relevant times, the market for Gossamer's securities was an
27 efficient market for the following reasons, among others:
28

1 (a) Gossamer's securities met the requirements for listing and was listed
2 and actively traded on the NASDAQ during the Class Period, a highly efficient and
3 automated market;
4

5 (b) Gossamer communicated with public investors via established market
6 communication mechanisms, including disseminations of press releases on the
7 national circuits of major newswire services and other wide-ranging public
8 disclosures, such as communications with the financial press and other similar
9 reporting services;
10

11 (c) Gossamer was followed by several securities analysts employed by
12 major brokerage firms who wrote reports that were distributed to the sales force and
13 certain customers of their respective brokerage firms during the Class Period. Each
14 of these reports was publicly available and entered the public marketplace; and
15

16 (d) Unexpected material news about Gossamer was reflected in and
17 incorporated into the Company's stock price during the Class Period.
18

19 36. As a result of the foregoing, the market for Gossamer's securities
20 promptly digested current information regarding the Company from all publicly
21 available sources and reflected such information in Gossamer's stock price. Under
22 these circumstances, all purchasers of Gossamer's securities during the Class Period
23 suffered similar injury through their purchase of Gossamer's securities at artificially
24 inflated prices, and a presumption of reliance applies.
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1 37. Alternatively, reliance need not be proven in this action because the
2 action involves omissions and deficient disclosures. Positive proof of reliance is not
3 a prerequisite to recovery pursuant to ruling of the United States Supreme Court in
4 *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128 (1972). All that is
5 necessary is that the facts withheld be material in the sense that a reasonable investor
6 might have considered the omitted information important in deciding whether to buy
7 or sell the subject security.
8

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10 **G. No Safe Harbor; Inapplicability of Bespeaks Caution Doctrine**

11 38. The statutory safe harbor provided for forward-looking statements
12 under certain circumstances does not apply to any of the material misrepresentations
13 and omissions alleged in this Complaint. As alleged above, Defendants’ liability
14 stems from the fact that they provided investors with statements about regulatory
15 developments and prospects while at the same time omitting acute risks undermining
16 the validity of their statements.
17

18 39. To the extent certain of the statements alleged to be misleading or
19 inaccurate may be characterized as forward looking, they were not identified as
20 “forward-looking statements” when made and there were no meaningful cautionary
21 statements identifying important factors that could cause actual results to differ
22 materially from those in the purportedly forward-looking statements.
23

24 40. Defendants are also liable for any false or misleading “forward-looking
25 statements” pleaded because, at the time each “forward-looking statement” was
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1 made, the speaker knew the “forward-looking statement” was false or misleading
2 and the “forward-looking statement” was authorized and/or approved by an
3 executive officer of Gossamer who knew that the “forward-looking statement” was
4 false. Alternatively, none of the historic or present-tense statements made by
5 Defendants were assumptions underlying or relating to any plan, projection, or
6 statement of future economic performance, as they were not stated to be such
7 assumptions underlying or relating to any projection or statement of future economic
8 performance when made, nor were any of the projections or forecasts made by the
9 Defendants expressly related to or stated to be dependent on those historic or present-
10 tense statements when made.
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14 **CLASS ACTION ALLEGATIONS**

15
16 41. Plaintiff brings this action as a class action pursuant to Federal Rule of
17 Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who
18 purchased or otherwise acquired Gossamer’s securities during the Class Period,
19 including securities acquired through assignments from selling put contracts (the
20 “Class”); and were damaged upon the revelation of the alleged corrective disclosure.
21 Excluded from the Class are Defendants herein, the officers and directors of the
22 Company, at all relevant times, members of their immediate families and their legal
23 representatives, heirs, successors or assigns and any entity in which Defendants have
24 or had a controlling interest.
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1 42. The members of the Class are so numerous that joinder of all members
2 is impracticable. Throughout the Class Period, Gossamer's securities were actively
3 traded on the NASDAQ. While the exact number of Class members is unknown to
4 Plaintiff at this time and can be ascertained only through appropriate discovery,
5 Plaintiff believes that there are hundreds or thousands of members in the proposed
6 Class. Record owners and other members of the Class may be identified from records
7 maintained by Gossamer or its transfer agent and may be notified of the pendency
8 of this action by mail, using the form of notice similar to that customarily used in
9 securities class actions. As of October 31, 2025, there were 231.5 million shares of
10 the Company's common stock outstanding. Upon information and belief, these
11 shares are held by thousands, if not millions, of individuals located throughout the
12 country and possibly the world. Joinder would be highly impracticable.

13 43. Plaintiff's claims are typical of the claims of the members of the Class
14 as all members of the Class are similarly affected by Defendants' wrongful conduct
15 in violation of federal law that is complained of herein.

16 44. Plaintiff will fairly and adequately protect the interests of the members
17 of the Class and has retained counsel competent and experienced in class and
18 securities litigation. Plaintiff has no interests antagonistic to or in conflict with those
19 of the Class.

1 45. Common questions of law and fact exist as to all members of the Class
2 and predominate over any questions solely affecting individual members of the
3 Class. Among the questions of law and fact common to the Class are:
4

- 5 (a) whether the federal securities laws were violated by Defendants' acts
6 as alleged herein;
7
8 (b) whether statements made by Defendants to the investing public during
9 the Class Period misrepresented material facts about the business,
10 operations and management of Gossamer;
11
12 (c) whether the Individual Defendants caused Gossamer to issue false and
13 misleading financial statements during the Class Period;
14
15 (d) whether Defendants acted knowingly or recklessly in issuing false and
16 misleading financial statements;
17
18 (e) whether the prices of Gossamer's securities during the Class Period
19 were artificially inflated because of the Defendants' conduct
20 complained of herein; and
21
22 (f) whether the members of the Class have sustained damages and, if so,
23 what is the proper measure of damages.

24 46. A class action is superior to all other available methods for the fair and
25 efficient adjudication of this controversy since joinder of all members is
26 impracticable. Furthermore, as the damages suffered by individual Class members
27 may be relatively small, the expense and burden of individual litigation make it
28

1 impossible for members of the Class to individually redress the wrongs done to them.
2 There will be no difficulty in the management of this action as a class action.
3

4 **COUNT I**

5 ***Against All Defendants for Violations of***
6 ***Section 10(b) and Rule 10b-5 Promulgated Thereunder***

7 47. Plaintiff repeats and realleges each and every allegation contained
8 above as if fully set forth herein.
9

10 48. This Count is asserted against defendants and is based upon Section
11 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated
12 thereunder by the SEC.
13

14 49. During the Class Period, Defendants engaged in a plan, scheme,
15 conspiracy and course of conduct, pursuant to which they knowingly or recklessly
16 engaged in acts, transactions, practices and courses of business which operated as a
17 fraud and deceit upon. Plaintiff and the other members of the Class; made various
18 untrue statements of material facts and omitted to state material facts necessary in
19 order to make the statements made, in light of the circumstances under which they
20 were made, not misleading; and employed devices, schemes and artifices to defraud
21 in connection with the purchase and sale of securities. Such scheme was intended to,
22 and, throughout the Class Period, did: (i) deceive the investing public, including
23 Plaintiff and other Class members, as alleged herein; (ii) artificially inflate and
24 maintain the market price of Gossamer common stock; and (iii) cause Plaintiff and
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1 other members of the Class to purchase or otherwise acquire Gossamer's securities
2 at artificially inflated prices. In furtherance of this unlawful scheme, plan and course
3 of conduct, Defendants, and each of them, took the actions set forth herein.
4

5 50. Pursuant to the above plan, scheme, conspiracy and course of conduct,
6 each of the Defendants participated directly or indirectly in the preparation and/or
7 issuance of the quarterly and annual reports, SEC filings, press releases and other
8 statements and documents described above, including statements made to securities
9 analysts and the media that were designed to influence the market for Gossamer's
10 securities. Such reports, filings, releases and statements were materially false and
11 misleading in that they failed to disclose material adverse information and
12 misrepresented the truth about the Company.
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16 51. By virtue of their positions at the Company, Defendants had actual
17 knowledge of the materially false and misleading statements and material omissions
18 alleged herein and intended thereby to deceive Plaintiff and the other members of
19 the Class, or, in the alternative, Defendants acted with reckless disregard for the truth
20 in that they failed or refused to ascertain and disclose such facts as would reveal the
21 materially false and misleading nature of the statements made, although such facts
22 were readily available to Defendants. Said acts and omissions of Defendants were
23 committed willfully or with reckless disregard for the truth. In addition, each
24 Defendant knew or recklessly disregarded that material facts were being
25 misrepresented or omitted as described above.
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1 52. Information showing that Defendants acted knowingly or with reckless
2 disregard for the truth is peculiarly within Defendants' knowledge and control. As
3 the senior manager and/or director of the Company, the Individual Defendants had
4 knowledge of the details of Gossamer's internal affairs.
5

6 53. The Individual Defendant is liable both directly and indirectly for the
7 wrongs complained of herein. Because of his position of control and authority, the
8 Individual Defendant was able to and did, directly or indirectly, control the content
9 of the statements of the Company. As officer and/or director of a publicly-held
10 company, the Individual Defendant had a duty to disseminate timely, accurate, and
11 truthful information with respect to Gossamer's businesses, operations, future
12 financial condition and future prospects. As a result of the dissemination of the
13 aforementioned false and misleading reports, releases and public statements, the
14 market price of Gossamer's common stock was artificially inflated throughout the
15 Class Period. In ignorance of the adverse facts concerning the Company which were
16 concealed by Defendants, Plaintiff and the other members of the Class purchased or
17 otherwise acquired Gossamer's common stock at artificially inflated prices and
18 relied upon the price of the common stock, the integrity of the market for the
19 common stock and/or upon statements disseminated by Defendants, and were
20 damaged thereby.
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26 54. During the Class Period, Gossamer's common stock was traded on an
27 active and efficient market. Plaintiff and the other members of the Class, relying on
28

1 the materially false and misleading statements described herein, which the
2 Defendants made, issued or caused to be disseminated, or relying upon the integrity
3 of the market, purchased or otherwise acquired shares of Gossamer's common stock
4 at prices artificially inflated by Defendants' wrongful conduct. Had Plaintiff and the
5 other members of the Class known the truth, they would not have purchased or
6 otherwise acquired said common stock, or would not have purchased or otherwise
7 acquired them at the inflated prices that were paid. At the time of the purchases
8 and/or acquisitions by Plaintiff and the Class, the true value of Gossamer's common
9 stock was substantially lower than the prices paid by Plaintiff and the other members
10 of the Class. The market price of Gossamer's common stock declined sharply upon
11 public disclosure of the facts alleged herein to the injury of Plaintiff and Class
12 members.

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17 55. By reason of the conduct alleged herein, Defendants knowingly or
18 recklessly, directly or indirectly, have violated Section 10(b) of the Exchange Act
19 and Rule 10b-5 promulgated thereunder.

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21 56. As a direct and proximate result of Defendants' wrongful conduct,
22 Plaintiff and the other members of the Class suffered damages in connection with
23 their respective purchases, acquisitions and sales of the Company's common stock
24 during the Class Period, upon the disclosure that the Company had been
25 disseminating misrepresented financial statements to the investing public.
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1 **COUNT II**

2 ***Against the Individual Defendants***
3 ***for Violations of Section 20(a) of the Exchange Act***

4 57. Plaintiff repeats and realleges each and every allegation contained in
5 the foregoing paragraphs as if fully set forth herein.
6

7 58. During the Class Period, the Individual Defendant participated in the
8 operation and management of the Company, and conducted and participated, directly
9 and indirectly, in the conduct of the Company's business affairs. Because of his
10 senior position, he knew the adverse non-public information about Gossamer's
11 misstatements.
12

13 59. As officer and/or director of a publicly owned company, the Individual
14 Defendant had a duty to disseminate accurate and truthful information, and to correct
15 promptly any public statements issued by Gossamer which had become materially
16 false or misleading.
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18 60. Because of his position of control and authority as senior officer, the
19 Individual Defendant was able to, and did, control the contents of the various reports,
20 press releases and public filings which Gossamer disseminated in the marketplace
21 during the Class Period concerning the misrepresentations. Throughout the Class
22 Period, the Individual Defendant exercised his power and authority to cause
23 Gossamer to engage in the wrongful acts complained of herein. The Individual
24 Defendant therefore, was a "controlling person" of the Company within the meaning
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1 of Section 20(a) of the Exchange Act. In this capacity, he participated in the unlawful
2 conduct alleged which artificially inflated the market price of Gossamer's common
3 stock.
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5 61. The Individual Defendant, therefore, acted as a controlling person of
6 the Company. By reason of his senior management position and/or being director of
7 the Company, the Individual Defendant had the power to direct the actions of, and
8 exercised the same to cause, Gossamer to engage in the unlawful acts and conduct
9 complained of herein. The Individual Defendant exercised control over the general
10 operations of the Company and possessed the power to control the specific activities
11 which comprise the primary violations about which Plaintiff and the other members
12 of the Class complain.
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15 62. By reason of the above conduct, the Individual Defendant and/or
16 Gossamer are liable pursuant to Section 20(a) of the Exchange Act for the violations
17 committed by the Company.
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20 **PRAYER FOR RELIEF**

21 **WHEREFORE**, Plaintiff demand judgment against Defendants as follows:

22 A. Determining that the instant action may be maintained as a class action
23 under Rule 23 of the Federal Rules of Civil Procedure, and certifying Plaintiff as the
24 Class representatives;
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26 B. Requiring Defendants to pay damages sustained by Plaintiff and the
27 Class by reason of the acts and transactions alleged herein;
28

1 C. Awarding Plaintiff and the other members of the Class pre-judgment
2 and post-judgment interest, as well as their reasonable attorneys' fees, expert fees
3 and other costs; and
4

5 D. Awarding such other and further relief as this Court may deem just and
6 proper.
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8 **DEMAND FOR TRIAL BY JURY**

9 Plaintiff hereby demands a trial by jury.

10 Dated:

Respectfully submitted,
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