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8 UNITED STATES DISTRICT COURT
9 NORTHERN DISTRICT OF CALIFORNIA

10 Individually and on Behalf
11 of All Others Similarly Situated,

12 Plaintiff,

13 v.

14 APPLE INC., TIMOTHY D. COOK, LUCA
15 MAESTRI, and KEVAN PAREKH,

16 Defendants.
17

Case No.

CLASS ACTION

COMPLAINT FOR VIOLATIONS OF THE
FEDERAL SECURITIES LAWS

DEMAND FOR JURY TRIAL

18 Plaintiff (“Plaintiff”), individually and on behalf of all others similarly
19 situated, by Plaintiff’s undersigned attorneys, for Plaintiff’s complaint against Defendants, alleges
20 the following based upon personal knowledge as to Plaintiff and Plaintiff’s own acts, and
21 information and belief as to all other matters, based upon, *inter alia*, the investigation conducted
22 by and through Plaintiff’s attorneys, which included, among other things, a review of the
23 Defendants’ public documents, conference calls and announcements made by Defendants, United
24 States (“U.S.”) Securities and Exchange Commission (“SEC”) filings, wire and press releases
25 published by and regarding Apple Inc. (“Apple” or the “Company”), analysts’ reports and
26 advisories about the Company, and information readily obtainable on the Internet. Plaintiff
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1 believes that substantial, additional evidentiary support will exist for the allegations set forth
2 herein after a reasonable opportunity for discovery.

3 **NATURE OF THE ACTION**

4 1. This is a federal securities class action on behalf of a class consisting of all persons
5 and entities other than Defendants that purchased or otherwise acquired Apple securities between
6 June 10, 2024 and June 9, 2025, both dates inclusive (the “Class Period”), seeking to recover
7 damages caused by Defendants’ violations of the federal securities laws and to pursue remedies
8 under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) and
9 Rule 10b-5 promulgated thereunder, against the Company and certain of its top officials.
10

11 2. Apple is a multinational technology company that engages primarily in the
12 businesses of smart-device and computer design and manufacturing, entertainment and artificial
13 intelligence (“AI”). Apple’s software includes a rudimentary digital personal assistant called
14 “Siri,” which the Company first introduced in October 2011.
15

16 3. Apple’s highest revenue product is the iPhone. The Company typically introduces
17 a new line of iPhones each year in the fall. Most recently, Apple introduced the iPhone 16 in
18 October 2024.

19 4. In recent years, several of Apple’s competitors have developed and/or launched
20 advanced AI capabilities based on large language models. For example, Google and Microsoft
21 have each launched generative-AI chatbots respectively referred to as Gemini and Copilot. In
22 addition, Amazon has announced that it was introducing Alexa+, a conversational, generative-AI
23 version of its own virtual assistant technology. Accordingly, Apple has felt pressure to introduce
24 AI-based capabilities on its iPhones, and in particular to introduce advanced AI-based Siri
25 features.
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1 5. In June 2024, Apple announced advanced AI-based Siri features at its Worldwide
2 Developer Conference (“WWDC”) (the “2024 WWDC”)—an event designed to showcase the
3 Company’s new software and technologies—as the primary reason for consumers to purchase
4 iPhone 16 devices. Specifically, the Company introduced Apple Intelligence, the “personal
5 intelligence system that combines the power of generative models with users’ personal context
6 — at the core of iPhone, iPad, and Mac to deliver intelligence that’s incredibly useful and
7 relevant.” Apple stated that Apple Intelligence, among other things, will make Siri “more deeply
8 integrated into the system experience,” and “[w]ith richer language-understanding capabilities,
9 Siri is more natural, more contextually relevant, and more personal, with the ability to simplify
10 and accelerate everyday tasks. It can follow along if users stumble over words and maintain
11 context from one request to the next.” However, unbeknownst to investors, Apple lacked a
12 functional prototype of these advanced AI-based Siri features at the time of the 2024 WWDC and
13 had no reasonable basis to believe it could deliver the product it was advertising within the iPhone
14 16 product cycle, *if ever*.

17 6. Throughout the Class Period, Defendants made materially false and misleading
18 statements regarding the Company’s business, operations, and prospects. Specifically,
19 Defendants made false and/or misleading statements and/or failed to disclose that: (i) Apple
20 misstated the time it would take to integrate the advanced AI-based Siri features into its devices;
21 (ii) accordingly, it was highly unlikely that these features would be available for the iPhone 16;
22 (iii) the lack of such advanced AI-based features would hurt iPhone 16 sales; (iv) as a result,
23 Apple’s business and/or financial prospects were overstated; and (v) as a result, the Company’s
24 public statements were materially false and misleading at all relevant times.

26 7. On March 7, 2025, Apple announced that it was indefinitely delaying promised
27 updates to its Siri digital assistant. Specifically, multiple news outlets quoted an Apple
28

1 spokeswoman as stating that certain features initially announced in June 2024, including Siri's
2 ability to tap into a user's personal information to answer queries and have more precise control
3 over apps, were "tak[ing] [] longer [to deliver] than [the Company] thought" and will now be
4 released sometime in "the coming year." That same day, this statement was published by John
5 Gruber, the writer and producer of the technology-focused weblog *Daring Fireball*, who
6 criticized Apple's promised AI-based Siri features as having been "vaporware" (imaginary) and
7 Apple's 2024 WWDC advertising as being, in retrospect, merely a "concept video." In addition,
8 Apple stopped running advertisements promoting the advanced AI-based Siri features and pulled
9 those advertisements from its website and YouTube account.

11 8. On this news, Apple's stock price fell \$11.59 per share, or 4.85%, to close at
12 \$227.48 per share on March 10, 2025.

14 9. Then, on March 12, 2025, Morgan Stanley published a report in which analyst Erik
15 Woodring lowered his price target on Apple from \$275 to \$252, asserting that the delay in
16 introducing advanced Siri features would impact iPhone upgrade cycles throughout 2025 and
17 2026. Woodring presented evidence that roughly 50% of iPhone owners who did not upgrade to
18 the iPhone 16 attributed their decision to such delays.

19 10. On this news, Apple's stock price fell \$11.16 per share, or 5.05%, over the
20 following two trading sessions, to close at \$209.68 per share on March 13, 2025.

22 11. Then, on April 3, 2025, the *Wall Street Journal* published an article entitled "Apple
23 and Amazon Promised Us Revolutionary AI. We're Still Waiting." The *Wall Street Journal*
24 stated, in relevant part, that "[w]ith 'more personal' Siri [. . .], the tech giant[] marketed features
25 [it] ha[s] yet to deliver," and suggested that while "this is challenging technology and the cost of
26 getting it wrong is devastatingly high, especially for [a] company[y] like Apple [. . .] that must
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1 build trust with customers,” “the same responsibility applies to marketing: They *shouldn’t*
2 announce products until they’re sure they can deliver them.” (Emphasis in original).

3 12. On this news, Apple’s stock price fell \$14.79 per share, or 7.28%, to close at
4 \$188.13 per share on April 4, 2025.

5 13. Finally, on June 9, Apple hosted its WWDC for 2025 (the “2025 WWDC”), almost
6 one year to the day after first announcing the suite of supposedly forthcoming Apple Intelligence
7 features at the 2024 WWDC. Conspicuously, the Company failed to announce any new updates
8 regarding advanced Siri features. Analysts and media outlets variously described the WWDC as
9 “underwhelming” and “disappointing,” with *CNN* commenting that “it’s unlikely that any of the
10 announcements made at Monday’s event will change the perception that Apple is behind its
11 competitors in AI.”
12

13 14. Following the 2025 WWDC, Apple’s stock price fell another \$2.47 per share, or
14 1.21%, to close at \$201.45 per share on June 9, 2025.

15 15. Apple’s own team has admitted that the advanced AI-based Siri features that it had
16 advertised as reasons to purchase iPhone 16 Devices had not been developed by the time of the
17 2024 WWDC, or at any other time. For example, at an all-hands meeting for the Siri division
18 following the announcement of the delays, Robby Walker (“Walker”), senior director responsible
19 for Siri, stated that Apple had publicly promoted the technology “before it was ready.” Walker
20 called the delays to the key features “ugly and embarrassing” and stated, “[t]his was not one of
21 these situations where we get to show people our plan after it’s done. We showed people before.”
22 He also noted that “to make matters worse,” Apple’s marketing communications department
23 wanted to promote the enhancements, and, despite not being ready, they were included in a series
24 of marketing campaigns and TV commercials. Apple touted the features as a “key selling point”
25 of the iPhone 16 line, which otherwise lacked major changes.
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1 opportunity to prevent their issuance or to cause them to be corrected. Because of their positions
2 with Apple, and their access to material information available to them but not to the public, the
3 Individual Defendants knew that the adverse facts specified herein had not been disclosed to and
4 were being concealed from the public, and that the positive representations being made were then
5 materially false and misleading. The Individual Defendants are liable for the false statements and
6 omissions pleaded herein.
7

8 29. Apple and the Individual Defendants are collectively referred to herein as
9 “Defendants.”

10 **SUBSTANTIVE ALLEGATIONS**

11 **Background**

12 30. Apple is a multinational technology company that engages primarily in the
13 businesses of smart-device and computer design and manufacturing, entertainment and AI.
14

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

16 31. The Class Period begins on June 10, 2024, when the Company issued a press
17 release entitled “Introducing Apple Intelligence, the personal intelligence system that puts
18 powerful generative models at the core of iPhone, iPad, and Mac.” The press release touted
19 upgrades to its Siri digital assistant in connection with the 2024 WWDC, stating, in relevant part:
20

21 Apple today introduced Apple Intelligence, the personal intelligence system for
22 iPhone, iPad, and Mac that combines the power of generative models with personal
23 context to deliver intelligence that’s incredibly useful and relevant. Apple
24 Intelligence is deeply integrated into iOS 18, iPadOS 18, and macOS Sequoia. It
25 harnesses the power of Apple silicon to understand and create language and images,
26 take action across apps, and draw from personal context to simplify and accelerate
everyday tasks. With Private Cloud Compute, Apple sets a new standard for privacy
in AI, with the ability to flex and scale computational capacity between on-device
processing and larger, server-based models that run on dedicated Apple silicon
servers.

27 “We’re thrilled to introduce a new chapter in Apple innovation. Apple Intelligence
28 will transform what users can do with our products — and what our products can
do for our users,” said [Defendant] Cook[.] “Our unique approach combines

1 generative AI with a user’s personal context to deliver truly helpful intelligence.
2 And it can access that information in a completely private and secure way to help
3 users do the things that matter most to them. This is AI as only Apple can deliver
4 it, and we can’t wait for users to experience what it can do.”

5 ***

6 **Siri Enters a New Era**

7 *Powered by Apple Intelligence, Siri becomes more deeply integrated into the*
8 *system experience. With richer language-understanding capabilities, Siri is more*
9 *natural, more contextually relevant, and more personal, with the ability to*
10 *simplify and accelerate everyday tasks. It can follow along if users stumble over*
11 *words and maintain context from one request to the next.* Additionally, users can
12 type to Siri, and switch between text and voice to communicate with Siri in
13 whatever way feels right for the moment. Siri also has a brand-new design with an
14 elegant glowing light that wraps around the edge of the screen when Siri is active.

15 ***

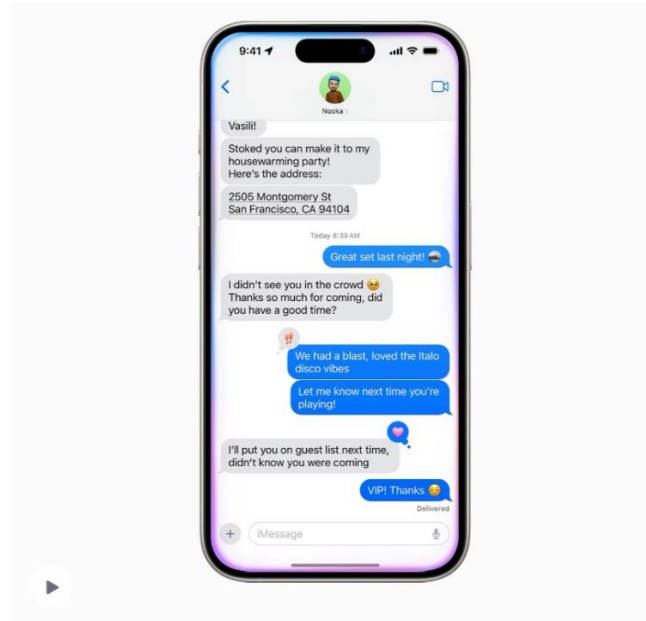
16 Siri can now give users device support everywhere they go, and answer thousands
17 of questions about how to do something on iPhone, iPad, and Mac. Users can learn
18 everything from how to schedule an email in the Mail app, to how to switch from
19 Light to Dark Mode.



20 Now Siri can give users device support everywhere they go, answering thousands of questions about
21 how to do something on iPhone, iPad, and Mac.



1 ***With onscreen awareness, Siri will be able to understand and take action with***
2 ***users' content in more apps over time.*** For example, if a friend texts a user their
3 new address in Messages, the receiver can say, “Add this address to his contact
4 card.”



14 With onscreen awareness, Siri makes it easy to perform an action related to information on the screen,
15 such as adding an address received in Messages to a friend's contact card.

16 ***With Apple Intelligence, Siri will be able to take hundreds of new actions in and***
17 ***across Apple and third-party apps.*** For example, a user could say, “Bring up that
18 article about cicadas from my Reading List,” or “Send the photos from the barbecue
19 on Saturday to Malia,” and Siri will take care of it.



26 Siri can now take hundreds of new actions in and across apps, including finding book recommendations
27 sent by a friend in Messages and Mail.

1 *Siri will be able to deliver intelligence that’s tailored to the user and their on-*
2 *device information.* For example, a user can say, “Play that podcast that Jamie
3 recommended,” and Siri will locate and play the episode, without the user having
4 to remember whether it was mentioned in a text or an email. Or they could ask,
“When is Mom’s flight landing?” and Siri will find the flight details and cross-
reference them with real-time flight tracking to give an arrival time.¹

5 32. On August 1, 2024, Apple issued a press release announcing the Company’s Q3
6 2024 results. The press release stated, in relevant part:

7 “Today Apple is reporting a new June quarter revenue record of \$85.8 billion, up 5
8 percent from a year ago,” said [Defendant] Cook[.] “*During the quarter, we were*
9 *excited to announce incredible updates to our software platforms at our*
10 *Worldwide Developers Conference, including Apple Intelligence, a breakthrough*
11 *personal intelligence system that puts powerful, private generative AI models at*
12 *the core of iPhone, iPad, and Mac.* We very much look forward to sharing these
tools with our users, and we continue to invest significantly in the innovations that
will enrich our customers’ lives, while leading with the values that drive our work.”

13 33. That same day, Apple hosted an earnings call with investors and analysts to discuss
14 the Company’s Q3 2024 results (the “Q3 2024 Earnings Call”). During the scripted portion of
15 the Q3 2024 Earnings Call, Defendant Cook stated, in relevant part:

16 At our Worldwide Developers Conference, we were thrilled to unveil game-
17 changing updates across our platforms, including Apple Intelligence. Apple
18 Intelligence builds on years of innovation and investment in AI and Machine
19 Learning. It will transform how users interact with technology, from writing tools
20 to help you express yourself, to image playground, which gives you the ability to
create fun images and communicate in new ways, to powerful tools for
summarizing and prioritizing notifications.

21 *Siri also becomes more natural, more useful, and more personal than ever.* Apple
22 Intelligence is built on a foundation of privacy, both through on-device processing
23 that does not collect users’ data and through private cloud compute, a
24 groundbreaking new approach to using the cloud, while protecting users’
information powered by Apple silicon. We are also integrating ChatGPT into
experiences within iPhone, Mac, and iPad, enabling users to draw on a broad base
of world knowledge.

25 We are very excited about Apple Intelligence and we remain incredibly optimistic
26 about the extraordinary possibilities of AI and its ability to enrich customers’ lives.

27 _____
28 ¹ All emphases included herein are added unless otherwise indicated.

1 We will continue to make significant investments in this technology and dedicate
2 ourselves to the innovation that will unlock its full potential.

3 34. Further, during the Q&A portion of the Q3 2024 Earnings Call, when asked to
4 discuss what the Company is expecting from the “promotional environment” over the next several
5 years, Defendant Cook responded, in relevant part, that “[w]e are very excited about Apple
6 Intelligence and what it brings, *and it is another compelling reason for an upgrade.*”

7 35. On September 9, 2024, Apple issued a press release entitled “Apple Intelligence
8 comes to iPhone, iPad, and Mac starting next month.” The press release stated, in relevant part:

9 Helpful Writing Tools, Mail and notifications summaries, *a more natural and*
10 *flexible Siri*, the Clean Up tool in Photos, and many more Apple Intelligence
11 features roll out in the U.S., with additional English-language support coming later
12 this year[.]

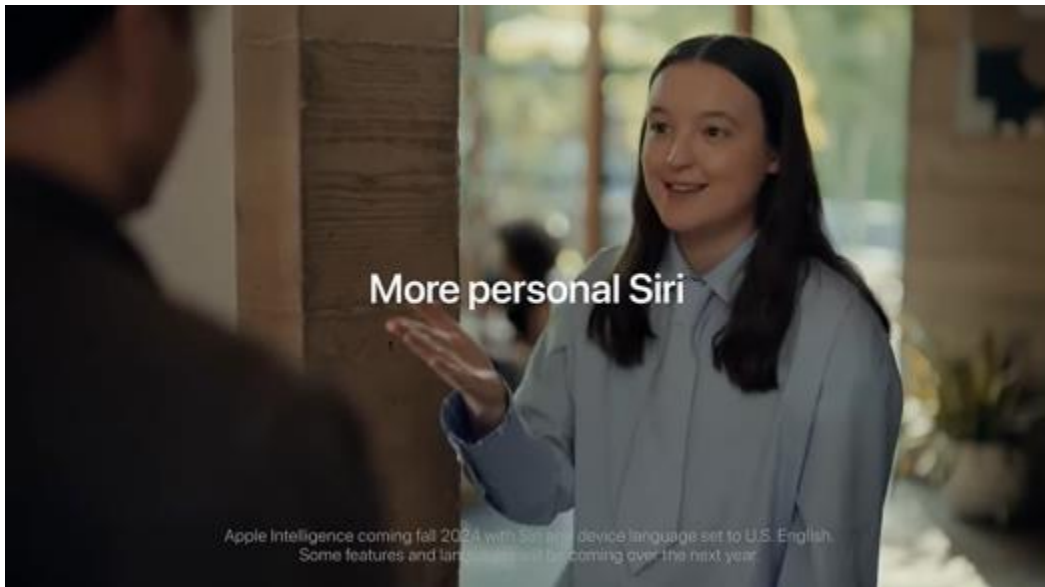
13 ***

14 Today, Apple announced that Apple Intelligence, *the personal intelligence system*
15 *that combines the power of generative models with personal context to deliver*
16 *intelligence that is incredibly useful and relevant*, will start rolling out next month
17 with iOS 18.1, iPadOS 18.1, and macOS Sequoia 15.1, with more features
18 launching in the coming months. In addition, Apple introduced the new iPhone 16
19 lineup, built from the ground up for Apple Intelligence and featuring the faster,
20 more efficient A18 and A18 Pro chips — making these the most advanced and
21 capable iPhone models ever.

22 ***

23 *Siri becomes more natural, flexible, and deeply integrated into the system*
24 *experience*. It has a brand-new design with an elegant glowing light that wraps
25 around the edge of the screen when active on iPhone, iPad, or CarPlay. On Mac, a
26 user can place Siri anywhere on their desktop to access it easily as they work. Users
27 can type to Siri at any time on iPhone, iPad, and Mac, and can switch fluidly
28 between text and voice as they use Siri to accelerate everyday tasks. *With richer*
language-understanding capabilities, Siri can follow along when users stumble
over their words and can maintain context from one request to the next. In
addition, with Siri’s extensive product knowledge, it can now answer thousands of
questions about the features and settings of Apple devices. Users can learn
everything from how to take a screen recording to how to easily share a Wi-Fi
password.

1 context and on-screen awareness to help schedule appointments, and labeled the advanced AI-
2 based Siri as “more personal”:



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13 38. On October 28, 2024, Apple issued a press release entitled “Apple Intelligence is
14 available today on iPhone, iPad, and Mac.” The press release stated, in relevant part:

15 “Apple Intelligence introduces a new era for iPhone, iPad, and Mac, delivering
16 brand-new experiences and tools that will transform what our users can
17 accomplish,” said [Defendant] Cook[.] “Apple Intelligence builds on years of
18 innovation in AI and machine learning to put Apple’s generative models at the core
19 of our devices, giving our users a personal intelligence system that is easy to use
20 — all while protecting their privacy. Apple Intelligence is generative AI in a way
21 that only Apple can deliver, and we’re incredibly excited about its ability to enrich
22 our users’ lives.”

23 ***

24 **Many More Features to Come**

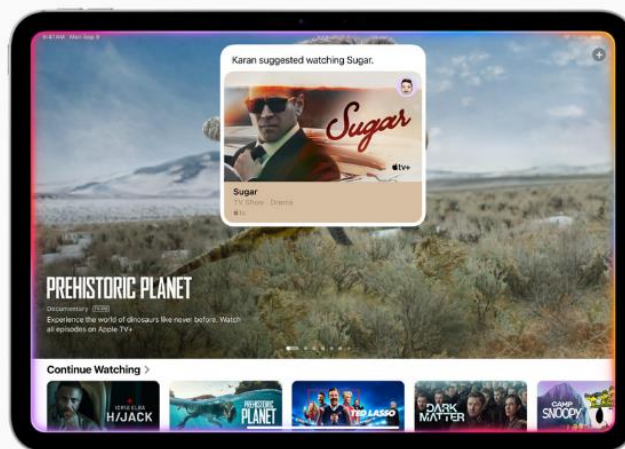
25 New Apple Intelligence features will be available in December, with additional
26 capabilities rolling out in the coming months.

27 Apple Intelligence will add new ways for users to express themselves visually.
28 Emoji will be taken to an entirely new level with the ability to create original
Genmoji by simply typing a description, and can also be personalized using a photo
of a friend or family member. Image Playground will allow users to create playful
images in moments. Image Wand will make notes more visually engaging by
turning rough sketches into delightful images. When a user circles an empty space,
Image Wand will create an image using context from the surrounding area.

In December, Writing Tools will get even more powerful with the ability for users to describe a specific change they want to apply to their text, like making a dinner party invite read like a poem, or adding more dynamic action words to a résumé. And users will have the option to access ChatGPT’s broad world knowledge within Writing Tools and Siri, allowing them to benefit from its image- and document-understanding capabilities without needing to jump between tools.

Also coming in December, a new visual intelligence experience will build on Apple Intelligence and help users learn about objects and places instantly, thanks to the new Camera Control on the iPhone 16 lineup.² Users will be able to pull up details about a restaurant in front of them and interact with information — for example, translating text from one language to another.³ Camera Control will also serve as a gateway to third-party tools with specific domain expertise, like when users want to search Google for where they can buy an item, or benefit from ChatGPT’s problem-solving skills. Users are in control of when third-party tools are used and what information is shared.

In the months to come, Priority Notifications will surface what’s most important, and Siri will become even more capable, with the ability to draw on a user’s personal context to deliver intelligence that’s tailored to them. Siri will also gain onscreen awareness, as well as be able to take hundreds of new actions in and across Apple and third-party apps.



With Apple Intelligence, Siri can draw on a user’s personal context to answer questions.

39. On October 31, 2024, Apple issued a press release announcing the Company’s Q4 2024 results. The press release stated, in relevant part:

“Today Apple is reporting a new September quarter revenue record of \$94.9 billion, up 6 percent from a year ago,” said [Defendant] Cook[.] “During the quarter, we

1 were excited to announce our best products yet, with the all-new iPhone 16 lineup,
2 Apple Watch Series 10, AirPods 4, and remarkable features for hearing health and
3 sleep apnea detection. ***And this week, we released our first set of features for Apple
Intelligence, which sets a new standard for privacy in AI and supercharges our
lineup heading into the holiday season.***

4 40. That same day, Apple hosted an earnings call with investors and analysts to discuss
5 the Company’s Q4 2024 results (the “Q4 024 Earnings Call”). During the scripted portion of the
6 Q4 2024 Earnings Call, Defendant Cook stated, in relevant part:
7

8 Apple Intelligence marks the beginning of a new chapter for Apple innovation and
9 redefines privacy and AI by extending our groundbreaking approach to privacy into
10 the cloud with Private Cloud Compute. Earlier this week, we made the first set of
11 Apple Intelligence features available in US English for iPhone, iPad, and Mac
12 users, with systemwide Writing Tools that help you refine your writing, ***a more
natural and conversational Siri***, a more intelligent Photos app, including the
13 ability to create movies simply by typing a description, and new ways to prioritize
14 and stay in the moment with notification summaries and priority messages. And we
15 look forward to additional intelligence features in December, with even more
16 powerful Writing Tools, a new visual intelligence experience that builds on Apple
Intelligence, and ChatGPT integration, as well as localized English in several
countries, including the UK, Australia, and Canada. These features have already
been provided to developers and we’re getting great feedback. ***More features will
be rolling out in the coming months, as well as support for more languages, and
this is just the beginning.***

17 41. Further, during the Q&A portion of the Q4 2024 Earnings Call, when asked to
18 discuss the impact Apple Intelligence may have on iPhone 16 sales, Defendant Cook responded,
19 in relevant part, “[o]n ***Apple Intelligence, we believe it’s a compelling upgrade reason.*** And
20 we’ll -- but we just launched it three days ago and so what we’ve got now from a data point point
21 of view is the number I just referenced that 18.1 has twice the adoption rate of 17.1. So, that
22 clearly shows a level of interest out there.”
23

24 42. On December 11, 2024, Apple issued a press release entitled “Apple Intelligence
25 now features Image Playground, Genmoji, Writing Tools enhancements, seamless support for
26 ChatGPT, and visual intelligence.” The press release stated, in relevant part:
27
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1 **Even More Capabilities Coming Soon**

2 *Additional Apple Intelligence capabilities will be available in the months to come.*
3 *Siri will be even more capable, with the ability to draw on a user's personal*
4 *context to deliver intelligence that's tailored to them.* Siri will also gain onscreen
5 awareness, and will be able to take hundreds of new actions in and across Apple
6 and third-party apps. Priority Notifications will also surface what's most important.
7 In addition, users will be able to create images in Image Playground in a Sketch
8 style, an academic and highly detailed style that uses a vibrant color palette
9 combined with technical lines to produce realistic drawings.

10 43. On January 30, 2025, Apple issued a press release announcing the Company's Q1
11 2025 results. The press release stated, in relevant part:

12 "Today Apple is reporting our best quarter ever, with revenue of \$124.3 billion, up
13 4 percent from a year ago," said [Defendant] Cook[.] "We were thrilled to bring
14 customers our best-ever lineup of products and services during the holiday season.
15 *Through the power of Apple silicon, we're unlocking new possibilities for our*
16 *users with Apple Intelligence, which makes apps and experiences even better and*
17 *more personal. And we're excited that Apple Intelligence will be available in even*
18 *more languages this April."*

19 44. That same day, Apple hosted an earnings call with investors and analysts to discuss
20 the Company's Q1 2025 results (the "Q1 2025 Earnings Call"). During the scripted portion of
21 the Q1 2025 Earnings Call, Defendant Cook stated, in relevant part:

22 We introduced visual intelligence with camera control to help users instantly learn
23 about their surroundings. Users can also seamlessly access chat GPT across iOS,
24 iPadOS and MacOS. And we were excited to recently begin our international
25 expansion with Apple Intelligence now available in Australia, Canada, New
26 Zealand, South Africa, and the U.K. We're working hard to take Apple Intelligence
27 even further. In April, we're bringing Apple Intelligence to more languages,
28 including French, German, Italian, Portuguese, Spanish, Japanese, Korean, and
simplified Chinese, as well as localized English to Singapore and India. *And we'll
continue to roll out more features in the future, including an even more capable
Siri.*

Apple Intelligence builds on years of innovations we've made across hardware and
software to transform how users experience our products. Apple Intelligence also
empowers users by delivering personal context that's relevant to them. And
importantly, Apple Intelligence is a breakthrough for privacy and AI with
innovations like Private Cloud Compute, which extends the industry-leading
security and privacy of Apple devices into the cloud. Apple Intelligence opens up
an exciting new frontier and is already elevating experiences across iPhone, iPad,

1 and Mac. We're going to keep investing in innovation and in transformative tools
2 that help users in their everyday lives.

3 45. Further, during the Q&A portion of the Q1 2025 Earnings Call, when asked "[d]o
4 you guys see the upgraded series expected in April as something that will, let's say, be the killer
5 application among the suite of features that you have announced in Apple Intelligence?",
6 Defendant Cook responded, in relevant part, "I think the killer feature is different for different
7 people. But I think for most, they're going to find that they're going to use many of the features
8 every day. *And certainly, one of those is the -- is Siri, and that will be coming over the next
9 several months.*"

10 46. The statements referenced in ¶¶ 31-45 were materially false and misleading
11 because Defendants made false and/or misleading statements, as well as failed to disclose material
12 adverse facts about the Company's business, operations, and prospects. Specifically, Defendants
13 made false and/or misleading statements and/or failed to disclose that: (i) Apple misstated the
14 time it would take to integrate the advanced AI-based Siri features into its devices; (ii)
15 accordingly, it was highly unlikely that these features would be available for the iPhone 16; (iii)
16 the lack of such advanced AI-based features would hurt iPhone 16 sales; (iv) as a result, Apple's
17 business and/or financial prospects were overstated; and (v) as a result, the Company's public
18 statements were materially false and misleading at all relevant times.

21 The Truth Emerges

22 47. On March 7, 2025, Apple announced that it was indefinitely delaying promised
23 updates to its Siri digital assistant. Specifically, multiple news outlets quoted an Apple
24 spokeswoman as stating:

25
26 Siri helps our users find what they need and get things done quickly, and in just the
27 past six months, we've made Siri more conversational, introduced new features like
28 type to Siri and product knowledge, and added an integration with ChatGPT. We've
also been working on a more personalized Siri, giving it more awareness of your
personal context, as well as the ability to take action for you within and across your

1 apps. *It's going to take us longer than we thought to deliver on these features and*
2 *we anticipate rolling them out in the coming year.*

3 48. That same day, this statement was published by John Gruber, the writer and
4 producer of the technology-focused weblog *Daring Fireball*, who criticized Apple's promised
5 AI-based Siri features as having been "vaporware" (imaginary) and Apple's WWDC advertising
6 as being, in retrospect, merely a "concept video." In addition, Apple stopped running
7 advertisements promoting the advanced AI-based Siri features and pulled those advertisements
8 from its website and YouTube account.

9 49. On this news, Apple's stock price fell \$11.59 per share, or 4.85%, to close at
10 \$227.48 per share on March 10, 2025.

11 50. Then, on March 12, 2025, Morgan Stanley published a report entitled "Fewer
12 (A)pple (I)ntelligence Catalysts Temper Upgrade Cycle," in which analyst Erik Woodring
13 lowered his price target on Apple from \$275 to \$252. The report also stated, in relevant part:
14

15 *The delayed rollout of a more advanced Siri means Apple will have fewer features*
16 *to accelerate iPhone upgrade rates in FY26, and as a result, we reduce our*
17 *CY25/CY26 iPhone shipments 1-5%, to 230M and 243M, respectively. We also*
18 *incorporate a degree of tariff headwinds in CY25. PT falls to \$252.*

19 **Key Takeaways**

- 20 *▪ The postponement of an advanced Siri integrated into Apple Intelligence*
21 *is likely to temper N12M iPhone upgrade rates vs. our prior expectations.*
- 22 *▪ As a result, we are reducing our CY25 and CY26 iPhone shipments to*
23 *230M (flat Y/Y) and 243M (+6% Y/Y), respectively, implying a flatter*
24 *replacement cycle curve.*

25 ***

26 **With fewer "shots on goal" to improve iPhone upgrade rates next cycle, we see**
27 **a more gradual path to shortening of iPhone replacement cycles.** To date, our
28 thesis has been that the combination of (1) more advanced AI features, (2) broader
global distribution of these features, (3) upgraded iPhone hardware, and (4) a new
iPhone 17 form factor would catalyze an iPhone upgrade cycle starting in FY26
and support share outperformance over the next 12 months. *However, recent*
reports that the rollout of a more-advanced Siri has been delayed - which was

1 *confirmed by Apple - dampen those prospects, as “an upgraded Siri personal*
2 *assistant” is the #1 AI feature prospective iPhone upgraders are interested in*
3 *when upgrading.* As a result, we are materially reducing our iPhone forecast and
4 now model 230M shipments in CY25 (flat Y/Y) and 243M shipments in CY26
5 (+6% Y/Y). At the same time, we are incorporating incremental cost headwinds
6 from China tariffs, as while we believe Apple is taking actions to help mitigate
7 tariffs, it’s unlikely that Apple can fully offset this cost without broad tariff
8 exemptions, which have not been granted. Net net, this leaves us with just \$8 of
9 earnings power in FY26 (vs. \$8.52 previously), which on a 30x target multiple
10 (down from 32x previously), drives our new \$252 price target (vs. \$275
11 previously).

12 ***

13 **What’s changed? Is a delayed Siri upgrade that important to our iPhone**
14 **forecast? Yes, and our November ‘24 AlphaWise Smartphone survey results**
15 **validate this point.** “Access to Advanced AI Features” was listed as a top 5 driver
16 of smartphone upgrades for the first time, and an “Upgraded Siri digital assistant”
17 was the Apple Intelligence feature prospective new model iPhone buyers (globally)
18 were most interested in[.] **Furthermore, ~50% of iPhone owners that didn’t**
19 **upgrade to an iPhone 16 acknowledged that the delayed Apple Intelligence**
20 **rollout had an impact on their decision not to upgrade[.] Given our prior iPhone**
21 **forecast assumed the iOS18.4 launch in April ‘25 would integrate a more**
22 **advanced Siri alongside broader Apple Intelligence language support and**
23 **accelerate upgrade rates this fall, we believe it is necessary to lower our upgrade**
24 **rate assumption, and FY26 shipment forecast, as a more advanced Siri is unlikely**
25 **to be available until after the iPhone 17 launch.** That’s not to say other factors
26 cannot support iPhone growth in FY26 (more on this below), but without a “killer
27 AI app” in market ahead of the iPhone 17 launch, we don’t see AI features
28 contributing to accelerating upgrade rates as meaningfully as we did previously.

51. On this news, Apple’s stock price fell \$11.16 per share, or 5.05%, over the
following two trading sessions, to close at \$209.68 per share on March 13, 2025.

52. Then, on April 3, 2025, the *Wall Street Journal* published an article entitled “Apple
and Amazon Promised Us Revolutionary AI. We’re Still Waiting.” The *Wall Street Journal*
article stated, in relevant part:

With ‘more personal’ Siri [. . .], the tech giant[] *marketed features [it has] yet to
deliver[.]*

In March, the iPhone maker said that some of its AI Siri enhancements—originally
showcased last June as part of iOS 18, which launched in September—were taking

1 longer to deliver than expected. “We anticipate rolling them out in the coming
2 year,” an Apple spokeswoman said.

3 Apple ran an iPhone 16 Pro ad that highlighted how this “more personal Siri” could
4 scan previous calendar appointments to help recall the name of someone you once
5 met at a coffee shop. The company stopped running the ad, and even made it vanish
6 from its YouTube account.



7
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9
10
11 In an ad featuring actress Bella Ramsey, Apple showed how Siri could look up contextual information.
Apple has since stopped running the ad.

12 ***Sure, these tech giants have made different promises, but the theme is the same:
13 We have been misled.***

14 I understand that this is challenging technology and the cost of getting it wrong is
15 devastatingly high, especially for companies like Apple and Amazon that must
16 build trust with customers. ***But the same responsibility applies to marketing: They
shouldn't announce products until they're sure they can deliver them.***

17 **Pressure to get it out**

18 I don't need to tell you about the AI mania that has gripped the stock market. If
19 you're a tech company and you're not shouting “AI! AI! AI!” to assure investors
20 and the public you're on it, you might as well go look for the BlackBerry
executives' support group.

21 ***

22 Apple's response? Apple Intelligence. Some analysts even predicted “The Great
23 Apple Intelligence iPhone Super Cycle,” expecting us to stampede Apple Stores to
24 buy the latest iPhone 16 models just for the new AI tools—despite minimal
25 hardware improvements. ***That never happened.***



Apple's Fifth Avenue store in New York lights up with the new Siri glow, yet most of the new Siri AI features have yet to arrive. PHOTO: MICHAEL NAGLE/BLOOMBERG NEWS

“We see this launch as the start of a multi-year software-driven upgrade cycle,” Bank of America wrote in an analyst note around the time of the iPhone 16 announcement in September. But Apple reported that iPhone sales in the quarter ended in December were down nearly 1% from the prior year.

Apple promised the new Siri and Apple Intelligence to those with iPhone 15 Pro and iPhone 16 models. Many of the features, including Writing Tools, Image Playground and notification summaries, rolled out in late 2024, with mixed results. The company never showed off the advanced Siri capabilities—including the ability for the assistant to take actions in apps and understand what’s on the screen—after the June keynote presentation.

“This is a big lift,” Craig Federighi, Apple’s senior vice president of software engineering, admitted when I asked about Siri’s progress in an October interview. “You could put something out there and have it be sort of a mess. Apple’s point of view is more like, ‘Let’s try to get each piece right and release it when it’s ready.’”

As a longtime product reviewer, I agree. I don’t want to test something that clearly isn’t ready. But when you overhype and underdeliver—and in Apple’s case, attempt to convince us these enhancements justify an expensive phone upgrade—we’re left wondering: *Why should we buy your next shiny thing? Where’s that trust?*

53. On this news, Apple’s stock price fell \$14.79 per share, or 7.28%, to close at \$188.13 per share on April 4, 2025.

54. Finally, on June 9, Apple hosted the 2025 WWDC, almost one year to the day after first announcing the suite of supposedly forthcoming Apple Intelligence features at the 2024

1 WWDC. Conspicuously, the Company failed to announce any new updates regarding advanced
2 Siri features.

3 55. Analysts and media outlets variously described the WWDC as “underwhelming”
4 and “disappointing.” For example, in an article entitled “The biggest updates Apple just
5 announced for the iPhone, Apple Watch and other major products,” *CNN* stated, in relevant part:
6

7 Apple just showed how it plans to incorporate artificial intelligence across all its
8 major products, from translating phone calls to giving the Mac a smarter search bar
9 and more.

10 *The updates aren’t as splashy as announcements from the past two years, which*
11 *heralded big changes with the [] introduction of Apple Vision Pro and Apple*
12 *Intelligence AI.* But they still gave consumers and Wall Street a clearer picture of
13 how Apple’s AI ambitions will impact its products as the company’s biggest rivals
14 barrel ahead in the AI race.

15 ***

16 The more modest improvements introduced at this year’s WWDC suggest that
17 Apple may be aiming for something it was certain it could deliver on this time
18 around. It also shows that rather than trying to create one, killer AI app — the
19 company says its delayed, AI-enhanced Siri is still in the works — the iPhone
20 maker wants Apple Intelligence to make all the tools its users interact with a bit
21 smarter and more useful.

22 *But it’s unlikely that any of the announcements made at Monday’s event will*
23 *change the perception that Apple is behind its competitors in AI.* Many of the
24 updates have already been available on Android phones from Google and Samsung
25 for quite some time.

26 *The event comes at a time when Apple badly needed a win. Steep AI competition*
27 *aside, the company is still having a rough year, with ongoing slow iPhone sales*
28 *growth and a trade war threatening to force the company to raise prices.*

56. Following the 2025 WWDC, Apple’s stock price fell another \$2.47 per share, or
1.21%, to close at \$201.45 per share on June 9, 2025.

57. Apple’s own team has admitted that the advanced AI-based Siri features that it had
advertised as reasons to purchase iPhone 16 Devices had not been developed by the time of the
2024 WWDC, or at any other time. At an all-hands meeting for the Siri division following the

1 announcement of the delays, Robby Walker, senior director responsible for Siri, stated that Apple
2 had publicly promoted the technology “before it was ready.” Walker called the delays to the key
3 features “ugly and embarrassing” and stated, “[t]his was not one of these situations where we get
4 to show people our plan after it’s done. We showed people before.” He also noted that “to make
5 matters worse,” Apple’s marketing communications department wanted to promote the
6 enhancements, and, despite not being ready, they were included in a series of marketing
7 campaigns and TV commercials. Apple touted the features as a “key selling point” of the iPhone
8 16 line, which otherwise lacked major changes.

10 58. In an article entitled “Apple Delays Siri Upgrade Indefinitely as AI Concerns
11 Escalate,” Bloomberg stated that Apple has pushed the expected release of these features until at
12 least the next full version of iOS, iOS 19, which is not expected to be released until September
13 2025 *at the earliest*. Moreover, while Apple is aiming to include these features in iOS 19, Walker
14 has stated that that “doesn’t mean that we’re shipping then,” and Apple has “other commitments
15 across Apple to other projects.” In fact, there is no guarantee that the advanced AI-based Siri
16 features Apple promised will *ever* be available. Indeed, Apple’s software chief Craig Federighi
17 and other Apple executives have “voiced strong concerns internally that the features didn’t work
18 properly—or as advertised—in their personal testing,” and some within Apple’s AI division
19 “believe that work on the features could be scrapped altogether, and that Apple may have to
20 rebuild the functions from scratch.”
21
22

23 59. As a result of Defendants’ wrongful acts and omissions, and the precipitous
24 decline in the market value of the Company’s securities, Plaintiff and other Class members have
25 suffered significant losses and damages.
26
27
28

1 63. The members of the Class are so numerous that joinder of all members is
2 impracticable. Throughout the Class Period, Apple securities were actively traded on the
3 NASDAQ. While the exact number of Class members is unknown to Plaintiff at this time and
4 can be ascertained only through appropriate discovery, Plaintiff believes that there are hundreds
5 or thousands of members in the proposed Class. Record owners and other members of the Class
6 may be identified from records maintained by Apple or its transfer agent and may be notified of
7 the pendency of this action by mail, using the form of notice similar to that customarily used in
8 securities class actions.
9

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

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

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

- 21 • whether the federal securities laws were violated by Defendants' acts as alleged
 herein;
- 22 • whether statements made by Defendants to the investing public during the Class
23 Period misrepresented material facts about the business, operations and
24 management of Apple;
- 25 • whether the Individual Defendants caused Apple to issue false and misleading
26 financial statements during the Class Period;
- 27 • whether Defendants acted knowingly or recklessly in issuing false and
28 misleading financial statements;

- whether the prices of Apple 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.

67. 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.

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

- Defendants made public misrepresentations or failed to disclose material facts during the Class Period;
- the omissions and misrepresentations were material;
- Apple securities are traded in an efficient market;
- the Company's shares were liquid and traded with moderate to heavy volume during the Class Period;
- the Company traded on the NASDAQ and was covered by multiple analysts;
- the misrepresentations and omissions alleged would tend to induce a reasonable investor to misjudge the value of the Company's securities; and
- Plaintiff and members of the Class purchased, acquired and/or sold Apple securities between the time the Defendants failed to disclose or misrepresented material facts and the time the true facts were disclosed, without knowledge of the omitted or misrepresented facts.

69. Based upon the foregoing, Plaintiff and the members of the Class are entitled to a presumption of reliance upon the integrity of the market.

1 74. Pursuant to the above plan, scheme, conspiracy and course of conduct, each of the
2 Defendants participated directly or indirectly in the preparation and/or issuance of the quarterly
3 and annual reports, SEC filings, press releases and other statements and documents described
4 above, including statements made to securities analysts and the media that were designed to
5 influence the market for Apple securities. Such reports, filings, releases and statements were
6 materially false and misleading in that they failed to disclose material adverse information and
7 misrepresented the truth about Apple's finances and business prospects.
8

9 75. By virtue of their positions at Apple, Defendants had actual knowledge of the
10 materially false and misleading statements and material omissions alleged herein and intended
11 thereby to deceive Plaintiff and the other members of the Class, or, in the alternative, Defendants
12 acted with reckless disregard for the truth in that they failed or refused to ascertain and disclose
13 such facts as would reveal the materially false and misleading nature of the statements made,
14 although such facts were readily available to Defendants. Said acts and omissions of Defendants
15 were committed willfully or with reckless disregard for the truth. In addition, each Defendant
16 knew or recklessly disregarded that material facts were being misrepresented or omitted as
17 described above.
18

19 76. Information showing that Defendants acted knowingly or with reckless disregard
20 for the truth is peculiarly within Defendants' knowledge and control. As the senior managers
21 and/or directors of Apple, the Individual Defendants had knowledge of the details of Apple's
22 internal affairs.
23

24 77. The Individual Defendants are liable both directly and indirectly for the wrongs
25 complained of herein. Because of their positions of control and authority, the Individual
26 Defendants were able to and did, directly or indirectly, control the content of the statements of
27 Apple. As officers and/or directors of a publicly-held company, the Individual Defendants had a
28

1 duty to disseminate timely, accurate, and truthful information with respect to Apple’s businesses,
2 operations, future financial condition and future prospects. As a result of the dissemination of the
3 aforementioned false and misleading reports, releases and public statements, the market price of
4 Apple securities was artificially inflated throughout the Class Period. In ignorance of the adverse
5 facts concerning Apple’s business and financial condition which were concealed by Defendants,
6 Plaintiff and the other members of the Class purchased or otherwise acquired Apple securities at
7 artificially inflated prices and relied upon the price of the securities, the integrity of the market
8 for the securities and/or upon statements disseminated by Defendants, and were damaged thereby.

10 78. During the Class Period, Apple securities were traded on an active and efficient
11 market. Plaintiff and the other members of the Class, relying on the materially false and
12 misleading statements described herein, which the Defendants made, issued or caused to be
13 disseminated, or relying upon the integrity of the market, purchased or otherwise acquired shares
14 of Apple securities at prices artificially inflated by Defendants’ wrongful conduct. Had Plaintiff
15 and the other members of the Class known the truth, they would not have purchased or otherwise
16 acquired said securities, or would not have purchased or otherwise acquired them at the inflated
17 prices that were paid. At the time of the purchases and/or acquisitions by Plaintiff and the Class,
18 the true value of Apple securities was substantially lower than the prices paid by Plaintiff and the
19 other members of the Class. The market price of Apple securities declined sharply upon public
20 disclosure of the facts alleged herein to the injury of Plaintiff and Class members.

23 79. By reason of the conduct alleged herein, Defendants knowingly or recklessly,
24 directly or indirectly, have violated Section 10(b) of the Exchange Act and Rule 10b-5
25 promulgated thereunder.

26 80. As a direct and proximate result of Defendants’ wrongful conduct, Plaintiff and
27 the other members of the Class suffered damages in connection with their respective purchases,
28

1 acquisitions and sales of the Company's securities during the Class Period, upon the disclosure
2 that the Company had been disseminating misrepresented financial statements to the investing
3 public.

4 **COUNT II**

5 **(Violations of Section 20(a) of the Exchange Act Against the Individual Defendants)**

6
7 81. Plaintiff repeats and re-alleges each and every allegation contained in the
8 foregoing paragraphs as if fully set forth herein.

9 82. During the Class Period, the Individual Defendants participated in the operation
10 and management of Apple, and conducted and participated, directly and indirectly, in the conduct
11 of Apple's business affairs. Because of their senior positions, they knew the adverse non-public
12 information about Apple's misstatement of income and expenses and false financial statements.

13 83. As officers and/or directors of a publicly owned company, the Individual
14 Defendants had a duty to disseminate accurate and truthful information with respect to Apple's
15 financial condition and results of operations, and to correct promptly any public statements issued
16 by Apple which had become materially false or misleading.

17
18 84. Because of their positions of control and authority as senior officers, the Individual
19 Defendants were able to, and did, control the contents of the various reports, press releases and
20 public filings which Apple disseminated in the marketplace during the Class Period concerning
21 Apple's results of operations. Throughout the Class Period, the Individual Defendants exercised
22 their power and authority to cause Apple to engage in the wrongful acts complained of herein.
23 The Individual Defendants, therefore, were "controlling persons" of Apple within the meaning of
24 Section 20(a) of the Exchange Act. In this capacity, they participated in the unlawful conduct
25 alleged which artificially inflated the market price of Apple securities.
26
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28

