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

situated,
Plaintiff,
v.
ILLUMINA, INC., FRANCIS A.
DESOUZA, JOHN THOMPSON, SAM
A. SAMAD, and JOYDEEP GOSWAMI,
Defendants.

all Case No.
**COMPLAINT FOR VIOLATIONS
OF THE FEDERAL SECURITIES
LAWS**
CLASS ACTION
JURY TRIAL DEMANDED

1 Plaintiff (“Plaintiff”), by and
2 through its counsel, alleges the following upon information and belief, except as to
3 those allegations concerning Plaintiff, which are alleged upon personal knowledge.
4 Plaintiff’s information and belief is based upon counsel’s investigation, which
5 includes, *inter alia*, review and analysis of: (i) regulatory filings made by Illumina,
6 Inc. (“Illumina” or the “Company”) with the United States Securities and Exchange
7 Commission (“SEC”); (ii) press releases, presentations, and media reports issued
8 and disseminated by the Company; (iii) analyst reports concerning Illumina; and (iv)
9 other public information regarding the Company.

10 **I. INTRODUCTION**

11 1. Plaintiff brings this securities class action against Illumina and certain
12 of its current and former senior executives (collectively, “Defendants”) under
13 Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange
14 Act”) and SEC Rule 10b-5, promulgated thereunder, on behalf of all investors who
15 purchased or otherwise acquired Illumina common stock between September 21,
16 2020 and November 9, 2023, inclusive (the “Class Period”).

17 2. Based in San Diego, California, Illumina develops, manufactures, and
18 markets integrated systems for large scale analysis of genetic variation and
19 biological functions.

20 3. In 2015, Illumina created a subsidiary called GRAIL. GRAIL’s goal
21 was to create a non-invasive blood test that could screen asymptomatic patients for
22 several types of cancer. In 2017, Illumina spun GRAIL off as a standalone, privately
23 held company.

24 4. On September 21, 2020—the first day of the Class Period—Illumina
25 announced its plan to re-acquire GRAIL for \$8 billion.

26 5. Throughout the Class Period, Defendants repeatedly justified the
27 GRAIL acquisition to investors, including by stating the acquisition “will result in
28

1 the savings of tens of thousands of lives . . . simply because we can accelerate the
2 business” and that the acquisition was “creating long-term shareholder value.” As a
3 result of Defendants’ material misrepresentations and omissions, shares of
4 Illumina’s common stock traded at artificially inflated prices during the Class
5 Period.

6 6. The truth began to emerge on March 30, 2021, when the U.S. Federal
7 Trade Commission (the “FTC”) sued in U.S. Federal Court to block Illumina’s
8 acquisition of GRAIL. In response, Illumina published a press release stating it
9 “disagrees with, and will oppose, the [FTC]’s challenge to its previously announced
10 acquisition of GRAIL.” On this news, the price of Illumina common stock declined
11 nearly 6.6%, from a closing price of \$395.00 per share on March 29, 2021, to a
12 closing price of \$368.96 on March 30, 2021.

13 7. Then, right before the market closed on July 13, 2021, *Reuters*
14 published an article reporting that European Union regulators were demanding
15 concessions from GRAIL as part of its review of the acquisition. This news caused
16 the price of Illumina common stock to decline over 4.6%, from a closing price of
17 \$483.52 per share on July 13, 2021, to a closing price of \$460.92 per share on July
18 14, 2021.

19 8. After the market closed on August 18, 2021, Illumina announced that
20 it had closed its acquisition of GRAIL. On this news, the price of Illumina common
21 stock declined nearly 7.9%, from a closing price of \$510.61 on August 18, 2021, to
22 a closing price of \$470.36 on August 19, 2021.

23 9. On Sunday, January 16, 2022, the *Financial Times* published an article
24 reporting that Illumina’s CEO was “confident Illumina would prevail in the case
25 launched against [European Union regulators] which [the Company] argues has no
26 jurisdiction to investigate the GRAIL deal.” In response, the price of Illumina
27 common stock declined more than 5.4%, from a closing price of \$405.14 per share
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1 on January 14, 2022, to a closing price of \$383.13 on January 18, 2022, the next day
2 the markets were open.

3 10. Then, before the market opened on May 1, 2023, Carl Icahn published
4 an open letter to Illumina shareholders, questioning the GRAIL acquisition and
5 requesting that Illumina’s Board of Directors “bring in an outside – and
6 demonstrably independent – law firm and forensic accounting team to investigate
7 and address these questions publicly.” Illumina responded just before the market
8 closed on May 1, 2023, by filing a Proxy Statement with the SEC on Schedule 14A,
9 stating “none of Illumina’s directors . . . has ever held any equity interests in GRAIL”
10 and “[a]t the time of Illumina’s various investment rounds in GRAIL, no individuals
11 at Illumina were investors in GRAIL. . . . and did not otherwise receive any GRAIL
12 equity.” On this news, the price of Illumina common stock declined more than 5%,
13 from a closing price of \$205.56 on April 28, 2023, to a closing price of \$195.16 on
14 May 2, 2023.

15 11. On May 25, 2023, Illumina held its shareholder vote, culminating with
16 Carl Icahn winning one seat on the Company’s Board. This caused the price of
17 Illumina common stock to decline by nearly 9%, from a closing price of \$212.65 per
18 share on May 24, 2023, to a closing price of \$193.53 per share on May 25, 2023.

19 12. Then, after the market closed on June 26, 2023, Illumina filed a Current
20 Report with the SEC on Form 8-K. In that report, Illumina announced a “multiyear
21 plan to realign its operating expenses” and plans to reduce its annualized run rate by
22 at least \$100 million. On this news, the price of Illumina common stock declined
23 4.4%, from a closing price of \$191.88 on June 26, 2023, to a closing price of \$183.43
24 on June 27, 2023.

25 13. On August 10, 2023, after the market closed, Illumina disclosed that it
26 was the target of an SEC investigation. In response, the price of Illumina common
27
28

1 stock declined more than 2.5%, from a closing price of \$185.12 on August 10, 2023,
2 to a closing price of \$180.48 on August 11, 2023.

3 14. Then, after the market closed on October 17, 2023, Carl Icahn filed a
4 derivative and class action lawsuit in Delaware Court of Chancery against current
5 and former members of Illumina's board of directors. In response, the price of
6 Illumina common stock declined more than 5.6%, from a closing price of \$131.87
7 on October 17, 2023, to a closing price of \$124.45 on October 18, 2023.

8 15. Finally, after the market closed on November 9, 2023, Illumina
9 announced it would be taking an \$821 million write down related to GRAIL. On
10 this news, the price of Illumina common stock declined more than 8%, from a
11 closing price of \$106.98 on November 9, 2023, to a closing price of \$98.37 on
12 November 10, 2023.

13 16. As a result of Defendants' wrongful acts and omissions, which caused
14 the precipitous decline in the market value of the Company's common stock,
15 Plaintiff and other Class members have suffered significant damages.

16 **II. JURISDICTION AND VENUE**

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

20 18. This Court has jurisdiction over the subject matter of this action
21 pursuant to 28 U.S.C. §§ 1331 and 1337, and Section 27 of the Exchange Act, 15
22 U.S.C. § 78aa.

23 19. Venue is proper in this District pursuant to Section 27 of the Exchange
24 Act, 15 U.S.C. § 78aa, and 28 U.S.C. § 1391(b). Illumina maintains its corporate
25 headquarters in San Diego, California, which is situated in this District, conducts
26 substantial business in this District, and many of the acts and conduct that constitute
27 the violations of law complained of herein, including the preparation and
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1 dissemination to the public of materially false and misleading information, occurred
2 in this District. In connection with the acts alleged in this Complaint, Defendants,
3 directly or indirectly, used the means and instrumentalities of interstate commerce,
4 including, but not limited to, the mails, interstate telephone communications, and the
5 facilities of the national securities markets.

6 **III. PARTIES**

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11 As indicated on the attached certification, Plaintiff
12 purchased shares of Illumina common stock at artificially inflated prices during the
13 Class Period, and suffered damages as a result of the violations of the federal
14 securities laws alleged herein.

15 21. Defendant Illumina develops, manufactures, and markets integrated
16 systems for large scale analysis of genetic variation and biological functions.
17 Illumina is incorporated in Delaware and maintains its principal executive offices at
18 5200 Illumina Way, San Diego, California. Illumina’s common stock trades on the
19 NASDAQ, which is an efficient market, under ticker symbol “ILMN.” As of
20 November 6, 2023, Illumina had over 158 million shares of common stock
21 outstanding, owned by hundreds or thousands of investors.

22 22. Defendant Francis A. deSouza (“deSouza”) was the Company’s Chief
23 Executive Officer (“CEO”) from 2016 until June 11, 2023.

24 23. Defendant John Thompson (“Thompson”) was a member of Illumina’s
25 Board of Directors beginning on May 3, 2017, and served as the Chairman of the
26 Company’s Board of Directors from May 2021 to May 25, 2023, when he was voted
27 off the Board at the 2023 annual stockholder meeting.

1 24. Defendant Sam A. Samad (“Samad”) was Illumina’s Chief Financial
2 Officer (“CFO”) and Senior Vice President from January 2017 to July 8, 2022.

3 25. Defendant Joydeep Goswami (“Goswami”) has been Illumina’s CFO
4 since July 8, 2022, as well as Illumina’s Chief Strategy and Corporate Development
5 Officer since September 2019.

6 26. Defendants deSouza, Thompson, Samad, and Goswami are collectively
7 referred to hereinafter as the “Individual Defendants.” The Individual Defendants,
8 because of their positions with Illumina, possessed the power and authority to
9 control the contents of the Company’s reports to the SEC, press releases, and
10 presentations to securities analysts, money and portfolio managers, and institutional
11 investors. Each of the Individual Defendants was provided with copies of the
12 Company’s reports and press releases alleged herein to be misleading prior to, or
13 shortly after, their issuance and had the ability and opportunity to prevent their
14 issuance or cause them to be corrected. Because of their positions and access to
15 material non-public information available to them, each of the Individual Defendants
16 knew that the adverse facts specified herein had not been disclosed to, and were
17 being concealed from, the public, and that the positive representations which were
18 being made were then materially false and/or misleading.

19 **IV. BACKGROUND**

20 27. Illumina develops, manufactures, and markets integrated systems for
21 large scale analysis of genetic variation and biological functions. In 2015, Illumina
22 formed a subsidiary company: GRAIL. GRAIL’s goal was to decrease global cancer
23 mortality by detecting cancer at a curable, asymptomatic stage through a non-
24 invasive blood test that could screen for several types of cancer at once. In 2017,
25 Illumina spun-off GRAIL into a privately held company.

1 **V. DEFENDANTS' MATERIALLY FALSE AND MISLEADING**
2 **STATEMENTS CAUSE SUBSTANTIAL LOSSES TO INVESTORS**

3 28. The Class Period begins on September 21, 2020, when Illumina
4 published a press release, which was also filed with the SEC on Form 8-K,
5 announcing its re-acquisition of GRAIL. In that announcement, Illumina stated the
6 acquisition would “launch [a] new era of cancer detection” and that Illumina planned
7 to use its “global scale, manufacturing and clinical capabilities” to support and
8 accelerate GRAIL’s commercialization efforts.

9 29. On October 29, 2020, Illumina held a conference call with analysts and
10 investors to discuss the Company’s earnings and operations for the third quarter of
11 2020. On that call, Defendant deSouza stated, “[w]e believe our planned acquisition
12 of GRAIL will accelerate a new era of cancer detection, transforming cancer
13 survivability and opening up the largest clinical application of genomics we’ve
14 seen.”

15 30. On that same call, in response to an analyst’s question about “the
16 approach that Illumina took to GRAIL’s acquisition in light of another multi-cancer
17 liquid biopsy acquisition this week. . . . it appears that GRAIL is valued significantly
18 higher versus Thrive. So could you elaborate if there is anything . . . that gives you
19 a greater confidence and a higher valuation?” Defendant Samad responded, “What
20 attracted us to GRAIL was its unique position in the market in terms of being the
21 closest to having a commercial test and in terms of having the performance
22 characteristics consistent with being closest to having a commercial test.”

23 31. The statements referenced in ¶¶ 28-30 were materially false and
24 misleading and failed to disclose Defendants’ undisclosed interest in GRAIL.
25 Specifically, Defendants made the false statements specified above, which they
26 knew or recklessly disregarded to be false and misleading and/or caused the
27 Company to make materially false and misleading statements to the investing public
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1 that failed to disclose that: (i) certain Illumina insiders had personal financial
2 motives for acquiring GRAIL; and (ii) acquiring GRAIL was not in the Company's
3 best interests. As a result, Defendants' positive statements about the GRAIL
4 acquisition were materially false and/or misleading and/or lacked a reasonable basis.

5 32. On March 30, 2021, the FTC sued to block Illumina's acquisition of
6 GRAIL. In response, Illumina issued a press release, which was also filed with the
7 SEC on Form 425. In that press release, Illumina stated that it "disagrees with, and
8 will oppose, the [FTC]'s challenge to its previously announced acquisition of
9 GRAIL."

10 33. On this news, the price of Illumina common stock declined more than
11 6.5%, from a closing price of \$395.00 per share on March 29, 2021, to a closing
12 price of \$368.96 on March 30, 2021.

13 34. However, despite these disclosures, Defendants continued to
14 misrepresent the reasons for the GRAIL acquisition. In the March 30, 2021 press
15 release, Illumina stated, "In reuniting the two organizations [Illumina and GRAIL],
16 Illumina will leverage its global scale of manufacturing and clinical capabilities, as
17 well as its global regulatory and reimbursement expertise, to bring early-stage,
18 multi-cancer testing to patients more quickly and more affordably, resulting in more
19 lives being saved."

20 35. On April 20, 2021, Illumina issued a press release in which Defendant
21 deSouza stated, "Reuniting GRAIL and Illumina will allow us to bring GRAIL's
22 breakthrough early detection multi-cancer test to patients across the world faster and
23 consequently save lives."

24 36. On April 27, 2021, Illumina held a conference call with analysts and
25 investors to discuss the Company's earnings and operations for the first quarter of
26 2021. On that call, Defendant deSouza stated, "One of the many reasons we decided
27 to acquire GRAIL was to accelerate patient access to breakthrough, multi-cancer
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1 early detection blood tests, which could save tens of thousands of lives.” He also
2 stated, “We are committed to pursuing the acquisition of GRAIL. . . . We continue
3 to feel that the facts are on our side; the law is on our side. And we continue to
4 expect that the deal will close.”

5 37. On May 13, 2021, Defendant Samad represented Illumina at the Bank
6 of America Healthcare Conference. At that conference, in response to a question by
7 an analyst regarding why Illumina decided to go after GRAIL, Defendant Samad
8 responded, “So why GRAIL? I mean it’s the single most compelling, I would say,
9 application that’s going to be coming up in human health” and “we believe the
10 profile of [GRAIL’s cancer screening test] is beyond – well-above and well-beyond
11 any other product that’s to be introduced in that space.” Defendant Samad also
12 explained “we think GRAIL is definitely going to be a market accelerator and a
13 really important product.”

14 38. The statements referenced in ¶¶ 34-37 were materially false and
15 misleading and failed to disclose Defendants’ undisclosed interest in GRAIL.
16 Specifically, Defendants made the false statements specified above, which they
17 knew or recklessly disregarded to be false and misleading and/or caused the
18 Company to make materially false and misleading statements to the investing public
19 that failed to disclose that: (i) certain Illumina insiders had personal financial
20 motives for acquiring GRAIL; and (ii) acquiring GRAIL was not in the Company’s
21 best interests. As a result, Defendants’ positive statements about the GRAIL
22 acquisition were materially false and/or misleading and/or lacked a reasonable basis.

23 39. Right before the market closed on July 13, 2021, *Reuters* reported that
24 European Union regulators were demanding concessions from GRAIL as part of
25 their review of Illumina’s acquisition of GRAIL.
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1 40. On this news, the price of Illumina common stock declined more than
2 4.6%, from a closing price of \$483.52 per share on July 13, 2021, to a closing price
3 of \$460.92 on July 14, 2021.

4 41. However, despite these disclosures, Defendants continued to
5 misrepresent the reasons for the GRAIL acquisition. On August 5, 2021, Illumina
6 held a conference call with analysts and investors to discuss the Company's earnings
7 and operations for the second quarter of 2021. On that call, in response to an analyst
8 question about why Illumina remains committed to GRAIL, Defendant deSouza
9 stated, "We continue to believe that this deal will result in the savings of tens of
10 thousands of lives that would not be saved if we didn't buy GRAIL, simply because
11 we can accelerate the business. So to answer the question, we are committed to
12 working through this deal."

13 42. The statements referenced in ¶ 41 were materially false and misleading
14 and failed to disclose Defendants' undisclosed interest in GRAIL. Specifically,
15 Defendants made the false statements specified above, which they knew or
16 recklessly disregarded to be false and misleading and/or caused the Company to
17 make materially false and misleading statements to the investing public that failed
18 to disclose that: (i) certain Illumina insiders had personal financial motives for
19 acquiring GRAIL; and (ii) acquiring GRAIL was not in the Company's best
20 interests. As a result, Defendants' positive statements about the GRAIL acquisition
21 were materially false and/or misleading and/or lacked a reasonable basis.

22 43. On August 18, 2021, after the market closed, Illumina issued a press
23 release, which was also filed with the SEC on Form 8-K, announcing that Illumina
24 had closed its acquisition of GRAIL.

25 44. On this news, the price of Illumina common stock declined nearly
26 7.9%, from a closing price of \$510.61 per share on August 18, 2021 to a closing
27 price of \$470.36 on August 19, 2021.

1 45. However, despite these disclosures, Defendants continued to
2 misrepresent the reasons for the GRAIL acquisition. In the August 18, 2021 press
3 release, Illumina stated that its “acquisition of GRAIL will accelerate access and
4 adoption of this life-saving test worldwide” and that “[t]he deal will save lives.”

5 46. On September 13, 2021, Defendant deSouza represented Illumina at the
6 Morgan Stanley Global Healthcare Conference – Fireside Chat. At that conference,
7 in response to a question regarding the key considerations when it came to Illumina’s
8 acquisition of GRAIL, Defendant deSouza stated:

9 In addition to the considerations around shareholder value
10 and making sure we’re doing the move that long term
11 maximizes shareholder value, we also felt a moral
12 obligation to close the deal because the potentially life
13 savings, the savings life associated with doing this deal are
14 so substantial. By accelerating GRAIL in terms of its
15 global distribution and the accessibility of the tests
16 globally, we will save many thousands of lives by getting
17 this test into the hands of more people and making it more
18 affordable than GRAIL would do on their own. And so,
19 there was a moral element here, too, by saying in addition
20 to creating long-term shareholder value, we have an
21 obligation to have this deal reviewed and get to a decision
22 because of the life-saving potential of doing this deal. And
23 so all those considerations came together and that’s how
24 we made the decision.

25 47. On November 4, 2021, Illumina held a conference call with analysts
26 and investors to discuss the Company’s earnings and operations for the third quarter
27 of 2021. On that call, Defendant deSouza stated, “[W]hat we want to do is, make
28 sure that GRAIL continues to create value because . . . in the event that [] we have
GRAIL and can grow it, that’s huge, huge success obviously and hugely valuable
for our shareholders. But we know that if we create a lot of value in GRAIL, then
no matter what the regulatory outcome is, it’s still a big win not only for the people
who are getting screened but also for our shareholders because we’ll have an asset
that’s significantly appreciated.”

1 48. The statements referenced in ¶¶ 45-47 were materially false and
2 misleading and failed to disclose Defendants’ undisclosed interest in GRAIL.
3 Specifically, Defendants made the false statements specified above, which they
4 knew or recklessly disregarded to be false and misleading and/or caused the
5 Company to make materially false and misleading statements to the investing public
6 that failed to disclose that: (i) certain Illumina insiders had personal financial
7 motives for acquiring GRAIL; and (ii) acquiring GRAIL was not in the Company’s
8 best interests. As a result, Defendants’ positive statements about the GRAIL
9 acquisition were materially false and/or misleading and/or lacked a reasonable basis.

10 49. On Sunday, January 16, 2022, the *Financial Times* reported that
11 Defendant deSouza was “confident Illumina would prevail in the case launched
12 against [European Union regulators] which [the Company] argues had no
13 jurisdiction to investigate the GRAIL deal.”

14 50. On this news, the price of Illumina common stock declined nearly
15 5.5%, from a closing price of \$405.14 per share on January 14, 2022, to a closing
16 price of \$383.13 on January 18, 2022, the next day the markets were open.

17 51. Despite these disclosures, Defendants continued to misrepresent the
18 reasons for the GRAIL acquisition. On May 12, 2022, Defendant Samad represented
19 Illumina at the Bank of America Healthcare Conference. At that conference,
20 Defendant Samad stated that the GRAIL test “itself and other revenue from GRAIL
21 could potentially be even larger than our core business. . . . that’s how
22 transformational this product is.”

23 52. On October 3, 2022, Illumina held its annual “Investor Day” meeting
24 with analysts and investors. At that meeting, Defendant deSouza stated, “[W]e
25 believe Illumina’s acquisition of GRAIL can have lifesaving benefits for people who
26 have cancer and don’t know about it. And we also believe it creates long-term
27 shareholder value for Illumina’s shareholders, which is why we did the deal.”
28

1 53. On November 30, 2022, Defendant deSouza represented Illumina at the
2 Piper Sandler Healthcare Conference. At that conference, Defendant deSouza
3 stated, “We knew what it took to bring on a platform like GRAIL that, for us,
4 provided long-term value, long-term growth opportunities that very few other assets
5 would have provided.”

6 54. On March 24, 2023, Illumina issued a press release, which was also
7 filed with the SEC on Form DEFA14A. In that press release, Illumina stated, “The
8 Board takes its fiduciary duties seriously and exercises considered and deliberate
9 judgement [sic] with independent advice. Illumina steadfastly follows appropriate
10 risk management and disclosure practices. Illumina’s disclosures are full,
11 transparent and timely, consistent with SEC and other disclosure requirements.”

12 55. The statements referenced in ¶¶ 51-54 were materially false and
13 misleading and failed to disclose Defendants’ undisclosed interest in GRAIL.
14 Specifically, Defendants made the false statements specified above, which they
15 knew or recklessly disregarded to be false and misleading and/or caused the
16 Company to make materially false and misleading statements to the investing public
17 that failed to disclose that: (i) certain Illumina insiders had personal financial
18 motives for acquiring GRAIL; and (ii) acquiring GRAIL was not in the Company’s
19 best interests. As a result, Defendants’ positive statements about the GRAIL
20 acquisition were materially false and/or misleading and/or lacked a reasonable basis.

21 56. On May 1, 2023, Carl Icahn published an open letter to Illumina
22 shareholders, questioning the GRAIL acquisition and requesting that the Board
23 “bring in an outside – and demonstrably independent – law firm and forensic
24 accounting team to investigate and address these questions publicly.”

25 57. In response, just before the market closed on May 1, 2023, Illumina
26 issued a press release, which was also filed with the SEC on Form DEFA14A,
27 stating:
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1 None of Illumina’s directors involved in either the
2 decision to sign or the decision to close the GRAIL
3 acquisition – including our former CEO and Executive
4 Chairman Jay Flatley, our current CEO Francis deSouza
5 and each of Illumina’s current directors – has ever held
6 any equity interest in GRAIL. At the time of Illumina’s
7 various investment rounds in GRAIL, no individuals at
8 Illumina were investors in GRAIL. Illumina’s employees,
9 executive officers and Board members were not permitted
10 to participate in GRAIL investment rounds and did not
11 otherwise receive any GRAIL equity. Illumina, Inc. was
12 the founder of GRAIL and individuals employed by
13 Illumina moved to GRAIL as part of the spin-out in 2016.
14 Those who moved to GRAIL terminated their relationship
15 with Illumina at the time of transition and directors and
16 employees who remained at Illumina could not receive
17 any GRAIL equity.

18 58. On this news, the price of Illumina common stock declined nearly
19 5.1%, from a closing price of \$205.56 per share on April 28, 2023, to a closing price
20 of \$195.16 on May 2, 2023.

21 59. On May 25, 2023, Carl Icahn secured a seat on the Company’s Board
22 as a result of his proxy contest.

23 60. On this news, the price of Illumina common stock declined nearly 9%,
24 from a closing price of \$212.65 per share on May 24, 2023, to a closing price of
25 \$193.53 on May 25, 2023.

26 61. Then, on June 26, 2023, Illumina’s announced a “multiyear plan to
27 realign its operating expenses” and plans to reduce its annualized run rate by at least
28 \$100 million.

62. On this news, the price of Illumina common stock declined 4.4%, from
a closing price of \$191.88 per share on June 26, 2023, to a closing price of \$183.43
on June 27, 2023.

63. Then, after the market closed on August 10, 2023 Illumina filed its
quarterly report with the SEC on Form 10-Q for the second quarter of 2023. In that
quarterly report, Illumina stated “In July 2023, we were informed that the staff of
the SEC was conducting an investigation relating to Illumina and was requesting

1 documents and communications primarily related to Illumina’s acquisition of
2 GRAIL and certain statements and disclosures concerning GRAIL, its products and
3 its acquisition, and related to the conduct and compensation of certain members of
4 Illumina and GRAIL management, among other things.”

5 64. On this news, the price of Illumina common stock declined over 2.5%,
6 from a closing price of \$185.12 per share on August 10, 2023, to a closing price of
7 \$180.48 on August 11, 2023.

8 65. However, despite these disclosures, Defendants continued to
9 misrepresent the reasons for the GRAIL acquisition. On September 11, 2023,
10 Defendant Goswami represented Illumina at the Morgan Stanley Global Healthcare
11 Conference. At that conference, Defendant Goswami stated “GRAIL was a very
12 different kind of bet, right. There was a slightly different set of customers, the
13 timeframe in which that bet would play out. We knew from the beginning that it
14 was a long-term bet, but it was such a huge bet that it over – if it played out, right, it
15 created a market which would rival the size of our business in the outer years.”

16 66. The statements referenced in ¶¶ 57 and 65 were materially false and
17 misleading and failed to disclose Defendants’ undisclosed interest in GRAIL.
18 Specifically, Defendants made the false statements specified above, which they
19 knew or recklessly disregarded to be false and misleading and/or caused the
20 Company to make materially false and misleading statements to the investing public
21 that failed to disclose that: (i) certain Illumina insiders had personal financial
22 motives for acquiring GRAIL; and (ii) acquiring GRAIL was not in the Company’s
23 best interests. As a result, Defendants’ positive statements about the GRAIL
24 acquisition were materially false and/or misleading and/or lacked a reasonable basis.

25 67. On October 17, 2023, Carl Icahn filed a derivative and class action
26 lawsuit in Delaware Court of Chancery against current and former members of
27 Illumina’s board of directors.

1 68. On this news, the price of Illumina common stock declined over 5.6%,
2 from a closing price of \$131.87 per share on October 17, 2023, to a closing price of
3 \$124.45 on October 18, 2023.

4 69. Finally, after the market closed on November 9, 2023, Illumina filed its
5 quarterly report with the SEC on Form 10-Q for the third quarter of 2023. In that
6 quarterly report, Illumina stated it had taken a “goodwill and intangible impairments
7 of \$821 million related to the GRAIL segment.”

8 70. On this news, the price of Illumina common stock declined over 8%,
9 from a closing price of \$106.98 per share on November 9, 2023, to a closing price
10 of \$98.37 on November 10, 2023.

11 **VI. LOSS CAUSATION**

12 71. During the Class Period, as detailed herein, Defendants made
13 materially false and misleading statements and omissions, and engaged in a scheme
14 to deceive the market. This conduct artificially inflated the price of Illumina’s
15 common stock and operated as a fraud or deceit on the Class (as defined below).
16 Later, when Defendants’ prior misrepresentations and fraudulent conduct were
17 disclosed to the market, the price of Illumina’s common stock fell precipitously as
18 the prior artificial inflation came out of the price over time. As a result of their
19 purchases of Illumina common stock during the Class Period, Plaintiff and other
20 members of the Class suffered economic loss, *i.e.*, damages, under the federal
21 securities laws, which were caused by Defendants’ material misrepresentations and
22 omissions.

23 **VII. CLASS ACTION ALLEGATIONS**

24 72. Plaintiff brings this action as a class action pursuant to Rule 23 of the
25 Federal Rules of Civil Procedure on behalf of all persons who purchased or
26 otherwise acquired the publicly traded common stock of Illumina during the Class
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1 Period (the “Class”). Excluded from the Class are Defendants and their families,
2 directors, and officers of Illumina and their families and affiliates.

3 73. The members of the Class are so numerous that joinder of all members
4 is impracticable. The disposition of their claims in a class action will provide
5 substantial benefits to the parties and the Court. As of November 6, 2023, Illumina
6 had over 158 million shares of common stock outstanding, owned by hundreds or
7 thousands of investors.

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

12 (a) Whether Defendants violated the Exchange Act;

13 (b) Whether Defendants omitted and/or misrepresented material
14 facts;

15 (c) Whether Defendants’ statements omitted material facts
16 necessary in order to make the statements made, in light of the circumstances under
17 which they were made, not misleading;

18 (d) Whether the Individual Defendants are personally liable for the
19 alleged misrepresentations and omissions described herein;

20 (e) Whether Defendants knew or recklessly disregarded that their
21 statements and/or omissions were false and misleading;

22 (f) Whether Defendants’ conduct impacted the price of Illumina
23 common stock;

24 (g) Whether Defendants’ conduct caused the members of the Class
25 to sustain damages; and

26 (h) The extent of damage sustained by Class members and the
27 appropriate measure of damages.

1 75. Plaintiff's claims are typical of those of the Class because Plaintiff and
2 the Class sustained damages from Defendants' wrongful conduct.

3 76. Plaintiff will adequately protect the interests of the Class and has
4 retained counsel experienced in class action securities litigation. Plaintiff has no
5 interests which conflict with those of the Class.

6 77. A class action is superior to other available methods for the fair and
7 efficient adjudication of this controversy. Joinder of all Class members is
8 impracticable.

9 **VIII. INAPPLICABILITY OF STATUTORY SAFE HARBOR**

10 78. Illumina's "Safe Harbor" warnings accompanying its forward-looking
11 statements issued during the Class Period were ineffective to shield those statements
12 from liability.

13 79. Defendants are also liable for any false or misleading forward-looking
14 statements pleaded herein because, at the time each such statement was made, the
15 speaker knew the statement was false or misleading and the statement was
16 authorized and/or approved by an executive officer of Illumina who knew that the
17 statement was false. None of the historic or present tense statements made by
18 Defendants were assumptions underlying or relating to any plan, projection, or
19 statement of future economic performance, as they were not stated to be such
20 assumptions underlying or relating to any projection or statement of future economic
21 performance when made, nor were any of the projections or forecasts made by
22 Defendants expressly related to, or stated to be dependent on, those historic or
23 present tense statements when made.

24 **IX. PRESUMPTION OF RELIANCE**

25 80. At all relevant times, the market for Illumina's common stock was an
26 efficient market for the following reasons, among others:
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1 (a) Illumina common stock met the requirements for listing, and was
2 listed and actively traded on the NASDAQ, a highly efficient and automated market;

3 (b) As a regulated issuer, Illumina filed periodic public reports with
4 the SEC and the NASDAQ;

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

10 (d) Illumina was followed by several securities analysts employed
11 by major brokerage firm(s) who wrote reports which were distributed to the sales
12 force and certain customers of their respective brokerage firm(s). Each of these
13 reports was publicly available and entered the public marketplace.

14 81. As a result of the foregoing, the market for Illumina common stock
15 promptly digested current information regarding Illumina from all publicly available
16 sources and reflected such information in the price of Illumina common stock.
17 Under these circumstances, all purchasers of Illumina common stock during the
18 Class Period suffered similar injury through their purchase of Illumina common
19 stock at artificially inflated prices and the presumption of reliance applies.

20 82. A Class-wide presumption of reliance is also appropriate in this action
21 under the Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United*
22 *States*, 406 U.S. 128 (1972), because the Class' claims are grounded on Defendants'
23 material omissions. Because this action involves Defendants' failure to disclose
24 material adverse information regarding the true reason for the Company's multi-
25 billion-dollar acquisition of GRAIL, positive proof of reliance is not a prerequisite
26 to recovery. All that is necessary is that the facts withheld be material in the sense
27 that a reasonable investor might have considered them important in making
28

1 investment decisions. Given the cost of the GRAIL acquisition, that requirement is
2 satisfied here.

3 **X. CLAIMS FOR RELIEF**

4 **COUNT I**

5 **For Violations of Section 10(b) of the Exchange Act**

6 **and SEC Rule 10b-5 Promulgated Thereunder**

7 **(Against All Defendants)**

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

10 84. During the Class Period, Defendants carried out a plan, scheme, and
11 course of conduct which was intended to and, throughout the Class Period, did: (i)
12 deceive the investing public, including Plaintiff and other Class members, as alleged
13 herein; and (ii) cause Plaintiff and other members of the Class to purchase Illumina
14 common stock at artificially inflated prices.

15 85. Defendants: (i) employed devices, schemes, and artifices to defraud;
16 (ii) made untrue statements of material fact and/or omitted to state material facts
17 necessary to make the statements not misleading; and (iii) engaged in acts, practices,
18 and a course of business which operated as a fraud and deceit upon the purchasers
19 of the Company's common stock in an effort to maintain artificially high market
20 prices for Illumina common stock in violation of Section 10(b) of the Exchange Act
21 and Rule 10b-5, promulgated thereunder.

22 86. Defendants, individually and in concert, directly and indirectly, by the
23 use, means or instrumentalities of interstate commerce and/or of the mails, engaged
24 and participated in a continuous course of conduct to conceal adverse material
25 information and misrepresented the truth about the prospects of the Company's lead
26 asset.

1 87. During the Class Period, Defendants made the false statements
2 specified above, which they knew or recklessly disregarded to be false and
3 misleading in that they contained misrepresentations and failed to disclose material
4 facts necessary in order to make the statements made, in light of the circumstances
5 under which they were made, not misleading.

6 88. Defendants had actual knowledge of the misrepresentations and
7 omissions of material fact set forth herein, or recklessly disregarded the true facts
8 that were available to them. Defendants engaged in this misconduct to conceal
9 Illumina's true condition from the investing public and to support the artificially
10 inflated prices of the Company's common stock.

11 89. Plaintiff and the Class have suffered damages in that, in reliance on the
12 integrity of the market, they paid artificially inflated prices for Illumina's common
13 stock. Plaintiff and the Class would not have purchased the Company's common
14 stock at the prices they paid, or at all, had they been aware that the market prices for
15 Illumina's common stock had been artificially inflated by Defendants' fraudulent
16 course of conduct.

17 90. As a direct and proximate result of Defendants' wrongful conduct,
18 Plaintiff and the other members of the Class suffered damages in connection with
19 their respective purchases of the Company's common stock during the Class Period.

20 91. By virtue of the foregoing, Defendants violated Section 10(b) of the
21 Exchange Act and Rule 10b-5, promulgated thereunder.

22 **COUNT II**

23 **For Violations of Section 20(a) of the Exchange Act**

24 **(Against the Individual Defendants)**

25 92. Plaintiff repeats, incorporates, and realleges each and every allegation
26 set forth above as if fully set forth herein.

1 93. The Individual Defendants acted as controlling persons of Illumina
2 within the meaning of Section 20(a) of the Exchange Act. By virtue of their high-
3 level positions, participation in and/or awareness of the Company's operations,
4 direct involvement in the day-to-day operations of the Company, and/or intimate
5 knowledge of the Company's actual performance, and their power to control public
6 statements about Illumina, the Individual Defendants had the power and ability to
7 control the actions of Illumina and its employees. By reason of such conduct, the
8 Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act.

9 **XI. PRAYER FOR RELIEF**

10 94. WHEREFORE, Plaintiff prays for judgment as follows:

11 (a) Determining that this action is a proper class action under Rule
12 23 of the Federal Rules of Civil Procedure;

13 (b) Awarding compensatory damages in favor of Plaintiff and other
14 Class members against all Defendants, jointly and severally, for all damages
15 sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial,
16 including interest thereon;

17 (c) Awarding Plaintiff and the Class their reasonable costs and
18 expenses incurred in this action, including attorneys' fees and expert fees; and

19 (d) Awarding such equitable/injunctive or other further relief as the
20 Court may deem just and proper.

21 **XII. JURY DEMAND**

22 95. Plaintiff demands a trial by jury.
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