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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

\_\_\_\_\_, on behalf of  
himself and all others similarly  
situated,

Plaintiff,

v.

TRUECAR, INC. and MICHAEL  
GUTHRIE,

Defendants.

Case No. 18-cv-2612

CLASS ACTION

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

JURY TRIAL DEMANDED

1 Plaintiff \_\_\_\_\_ (“Plaintiff”), by his attorneys, on behalf of himself and  
2 all others similarly situated, alleges the following based upon the investigation of  
3 Plaintiff’s counsel, except as to allegations specifically pertaining to Plaintiff,  
4 which are based on personal knowledge. The investigation of counsel included,  
5 among other things, a review of TrueCar, Inc. (“TrueCar” or the  
6 “Company”) public filings with the United States Securities and Exchange  
7 Commission (“SEC”), press releases issued by the Company, media, news and  
8 analyst reports about the Company, conference calls with Company executives  
9 and investors, and other publicly available data, including, but not limited to,  
10 publicly available trading data relating to the price and trading volume of TrueCar  
11 common stock.

11 **I. INTRODUCTION**

12 1. This action is a securities fraud action brought under Sections 10(b)  
13 and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) and  
14 Rule 10b-5 promulgated thereunder by the SEC brought by Plaintiff on behalf of all  
15 persons and entities who purchased the publicly traded common stock of TrueCar  
16 from at least as early as February 16, 2017 through November 6, 2017, inclusive  
17 (the “Class Period”).

18 2. TrueCar develops and publishes an online automobile information and  
19 communication platform. The Company provides data and price reports for new  
20 and used cars, and provides a platform for car dealers to communicate with  
21 consumers. TrueCar operates a company-branded platform that can be accessed  
22 directly, and also customizes and operates its platform on a co-branded basis for  
23 many affinity group marketing partners, including financial institutions, such as the  
24 United Services Automobile Association (“USAA”), membership-based  
25 organizations such as Consumer Reports, and employee buying programs for large  
26 enterprises such as IBM and WalMart. TrueCar’s platform enables users to obtain  
27 market-based pricing data on new and used cars, and to connect with its network of  
28 TrueCar Certified Dealers. The platform also enables automobile manufacturers, or

1 OEMs, to connect with TrueCar users during the purchase process to deliver  
2 targeted incentives to consumers.

3 3. The Company's single largest source of unique visitors and unit sales  
4 from affinity group marketing partners is from its relationship with USAA, a  
5 related party that currently owns approximately 9% of TrueCar's outstanding  
6 common stock. Therefore, USAA has a significant influence on TrueCar's  
7 financial performance. USAA is an institution that serves current and former  
8 military members and their families.

9 4. The majority of TrueCar's revenues (over 90%) are transaction  
10 revenue that is either based on a fee per vehicle sold or in the form of a subscription  
11 arrangement. The subscription arrangements can be a flat rate subscription or a  
12 subscription for which TrueCar guarantees a dealer a minimum number of sales or  
13 introductions. If the minimum is not met TrueCar gives a credit to the dealer.

14 5. During the Class Period the Company made numerous positive  
15 statements concerning the Company's prospects and growth, while failing to  
16 disclose negative developments related to USAA, its largest source of revenue.

17 6. On November 6, after missing on guidance, the Company disclosed  
18 that USAA had made significant changes to its website during the Class period that  
19 had a material adverse effect on the volume of purchases generated by USAA.

20 7. On this news, TrueCar's shares declined by \$5.76 per share, or  
21 35.25%, to close at \$10.58 per share on November 7, 2017 on heavy trading  
22 volume.

23 8. As a result of Defendants' wrongful acts and omissions, and the  
24 precipitous decline in the market value of the Company's common stock, Plaintiff  
25 and other Class members have suffered significant losses and damages.

## 26 **II. JURISDICTION AND VENUE**

27 9. The claims asserted arise under Sections 10(b) and 20(a) of the  
28 Exchange Act and Rule 10b-5 promulgated thereunder. Jurisdiction is conferred by

1 Section 27 of the Exchange Act. Venue is proper in this district throughout the  
2 Class Period and Defendants made materially false and misleading representations  
3 to investors that were disseminated to investors in this District.

4 10. In connection with the facts and omissions alleged in this complaint,  
5 Defendants, directly or indirectly, used the means and instrumentalities of interstate  
6 commerce, including, but not limited to, the mails, interstate telephone  
7 communications, and the facilities of the national securities markets.

### 8 **III. PARTIES**

9 11. Plaintiff purchased TrueCar common stock as detailed in the  
10 certification attached hereto and was damaged thereby.

11 12. TrueCar is incorporated in Delaware and its principal executive offices  
12 are at 120 Broadway, Suite 200, Santa Monica, CA 90401. TrueCar's common  
13 stock trades on the NASDAQ Stock Market ("NASDAQ") under the symbol  
14 "TRUE."

15 13. Defendant Michael Guthrie ("Guthrie") was the Chief Financial  
16 Officer ("CFO") of TrueCar at all relevant times.

17 14. Defendants TrueCar, and Guthrie are collectively referred to as  
18 "Defendants".

19 15. Guthrie, because of his position with the Company, possessed the  
20 power and authority to control the contents of TrueCar's press releases, SEC filings  
21 and presentations to securities analysts, money and portfolio managers and  
22 institutional investors, *i.e.*, the market. Guthrie was provided with copies of the  
23 Company's press releases and SEC filings alleged herein to be misleading prior to  
24 or shortly after their issuance and had the ability and opportunity to prevent their  
25 issuance or cause them to be corrected. Because of his position and access to  
26 material non-public information available to him but not to the public, Guthrie  
27 knew that the adverse facts specified herein had not been disclosed to and were  
28

1 being concealed from the public and that the positive representations which were  
2 being made were then materially false and misleading.

#### 3 **IV. CLASS ACTION ALLEGATIONS**

4 16. Plaintiff brings this action as a class action pursuant to Federal Rules  
5 of Civil Procedure 23(a) and 23(b)(3) on behalf of a class of all persons and entities  
6 who purchased the publicly traded common stock of TrueCar from at least as early  
7 as February 16, 2017 through November 6, 2017, inclusive (the “Class Period”).

8 17. The members of the Class are so numerous that joinder of all members  
9 is impracticable. While the exact number of Class members is unknown to Plaintiff  
10 at the present time and can only be ascertained through appropriate discovery,  
11 Plaintiff believes that there are hundreds of members of the Class located  
12 throughout the United States. As of February 22, 2018, TrueCar had over  
13 100 million shares of common stock outstanding.

14 18. Plaintiff’s claims are typical of the claims of the members of the Class.  
15 Plaintiff and all members of the Class have sustained damages because of  
16 Defendants’ unlawful activities alleged herein. Plaintiff has retained counsel  
17 competent and experienced in class and securities litigation and intends to pursue  
18 this action vigorously. The interests of the Class will be fairly and adequately  
19 protected by Plaintiff. Plaintiff has no interests which are contrary to or in conflict  
20 with those of the Class that Plaintiff seeks to represent.

#### 21 **V. FALSE AND MISLEADING STATEMENTS**

22 19. On February 16, 2017 the Company issued a press release entitled  
23 “TrueCar Reports Fourth Quarter and Full Year 2016 Financial Results.” The Press  
24 Release stated the following regarding the Company’s future prospects and growth:

25 . . . We are excited about re-accelerating our top-line growth while also  
26 improving our margins. . . . [The Company is] very confident that we  
27 now clearly understand and have our hands placed securely on the  
28

1 practical levers that we believe will enable us to continue to drive  
2 double-digit rates of unit and revenue growth for some time.

3 The Press Release also quoted Guthrie stating:

4 We are pleased with the financial results in the fourth quarter of  
5 2016 . . . We have set the stage for strong growth and margin  
6 expansion over the next few years.  
7

8 20. On February 16, 2017 Defendants conducted a conference call with  
9 investors. On the conference call Guthrie made the following statements regarding  
10 USAA and the Company's future prospects and growth:

11 **Michael Guthrie - CFO**

12 . . . You look at the USAA channel, we had great growth in the fourth  
13 quarter. We had a record in the month of December. And as I said in  
14 the call, we're 11 years into the partnership and still think there is just  
15 quite a bit that we can do together with our partners at USAA, to  
16 continue to make car buying better and better for their members. And  
17 so, even though that's a very large channel, we still look at the  
18 penetration rates there and we know that they're reasonably low, both  
19 on new car and used car. So there's much more work to do there.  
20

21  
22 21. On February 28, 2017, at a JMP Securities Technology conference, the  
23 Company made the following statement regarding USAA and the Company's  
24 future prospects and growth:

25 . . . And as we really look at where the unit growth comes from next  
26 year, we absolutely expect all of our channels to grow and grow  
27 nicely, TrueCar-branded, USAA.  
28

1           22. On or about January 19, 2017, TrueCar filed with the SEC a Form S-3  
2 Registration Statement (the “Registration Statement”). The Registration Statement  
3 became effective on February 7, 2017.

4           23. On April 26, 2017, TrueCar entered into an underwriting agreement  
5 providing for the offering and sale by the Company and certain selling stockholders  
6 of 9,000,000 shares of common stock, plus 1,350,000 shares of common stock in  
7 connection with the underwriters’ option to purchase additional shares, at \$16.50  
8 (the “Offering”). The Company sold a total of 1,150,000 shares in the Offering.  
9 The offering closed on May 2, 2017 and was made pursuant to the Registration  
10 Statement and a prospectus supplement thereunder (the “Prospectus”), which forms  
11 part of the Registration Statement, filed with the SEC.

12           24. In the Offering, USAA sold 2,723,777 of its 12,175,333 beneficially  
13 owned shares, reducing its beneficial ownership in the Company from 13.6% to  
14 10.4%. USAA also sold an additional 408,566 shares in connection with the  
15 underwriters’ exercise in full of their over-allotment option to purchase additional  
16 shares of common stock.

17           25. On May 9, 2017 the Company issued a press release entitled “TrueCar  
18 Reports First Quarter 2017 Financial Results.” The Press Release quotes defendant  
19 Guthrie stating the following regarding the Company’s future prospects and  
20 growth:

21           After just completing our successful public offering, we are pleased  
22 with the financial results in the first quarter of fiscal 2017 and the  
23 momentum we are building as we head into the seasonally strongest  
24 part of our year.

25  
26           26. On May 9, 2017, Defendants conducted a conference call with  
27 investors. On the conference call Guthrie made the following statements regarding  
28 the Company’s future prospects and growth:

1 I'd also like to highlight that all this progress is being made while we  
2 are undertaking a major platform rebuild that is progressing well and  
3 will allow us to innovate more quickly. While we still have plenty of  
4 work to do, I'm pleased to say that we are starting 2017 with  
5 significant momentum.

6  
7 27. Defendants' statements in paragraphs 19-21 and 25-26 above were  
8 materially false and/or misleading, and failed to disclose material adverse facts  
9 about the Company's business, operations, and prospects. Specifically, Defendants  
10 failed to disclose: (1) that USAA had been planning significant changes to the  
11 website maintained by TrueCar that would have a material adverse effect on the  
12 volume of purchases generated by USAA; (2) that USAA had made significant  
13 changes to the website maintained by TrueCar that would have a material adverse  
14 effect on the volume of purchases generated by USAA; and (3) that, as a result of  
15 the foregoing, Defendants' statements about TrueCar's business, operations, and  
16 prospects, were materially false and/or misleading and/or lacked a reasonable basis.

17 28. On August 8, 2017, the Company issued a press release entitled  
18 "TrueCar Reports Second Quarter 2017 Financial Results." The Press Release  
19 stated the following regarding the Company's future prospects and growth:

20 The momentum that we have been building over the past few quarters  
21 at TrueCar is continuing quite nicely . . . We're growing well; we're  
22 delivering value to consumers, dealers and manufacturers; we're  
23 expanding our business; and we're producing operating leverage all  
24 while making key investments for the long term.

25  
26 29. On August 8, 2017 Defendants conducted a conference call with  
27 investors. On the August 8, 2017 conference call Guthrie made the following  
28 statement regarding the Company's growth and expected Q3 units sold:



1 And finally, we are already seeing signs of high unit growth rates as  
2 our July results come in. As a result, we expect Q3 units to be in the  
3 range of [265,000 to 270,000] or 20% to 22% year-over-year growth.  
4

5 30. However, along with these bullish projections, on August 8, 2017  
6 Defendants lowered third quarter guidance for a segment of TrueCar's business.  
7 Following this news, TrueCar's shares declined by \$3.77 per share, or 19.32%, to  
8 close at \$15.78 per share on August 10, 2017 on heavy trading volume.

9 31. Defendants' statements in paragraphs 28-30 above were materially  
10 false and/or misleading, and failed to disclose material adverse facts about the  
11 Company's business, operations, and prospects. Specifically, Defendants failed to  
12 disclose: (1) that USAA had been planning significant changes to its website that  
13 would have a material adverse effect on the volume of purchases generated by  
14 USAA; (2) that USAA made significant changes to its website that would have a  
15 material adverse effect on the volume of purchases generated by USAA; (3) that the  
16 changes to USAA's website maintained by TrueCar caused a material adverse  
17 effect on the volume of purchases generated by USAA; and (4) that, as a result of  
18 the foregoing, Defendants' statements about TrueCar's business, operations, and  
19 prospects, were materially false and/or misleading and/or lacked a reasonable basis.

## 20 **VI. THE TRUTH BEGINS TO EMERGE**

21 32. On November 6, 2017 the Company issued a press release entitled  
22 "TrueCar Reports Third Quarter 2017 Financial Results." In the press release the  
23 company reported 253,527 units sold, missing previous guidance of 265,000 to  
24 270,000 units.

25 33. On November 6, 2017, Defendants conducted a conference call with  
26 investors. On the conference call the Company made the following statements:  
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1 . . . Recently, USAA launched a significant website redesign. USAA's  
2 mission is to facilitate the financial security of its members, associates  
3 and their families by providing a full range of highly competitive  
4 financial products and services. In doing so, USAA seeks to be the  
5 provider of choice for the military community.

6 Because the car represents a large financial commitment, USAA wants  
7 to ensure that their members receive the best possible advice before  
8 entering into the purchase or lease of a new or used car. In order to do  
9 that, the new USAA Car Buying experience has introduced several  
10 new steps in the process and new content related to total cost of  
11 ownership before the member is linked to the Car Buying Service  
12 powered by TrueCar.

13  
14 It is important to note that USAA and we are working on site  
15 optimization and that USAA is supporting their Car Buying experience  
16 with a significant marketing campaign that started in early Q4. For  
17 Q3, however, we saw a decline in traffic, prospects and units on  
18 USAA. We support USAA's mission and believe that together we can  
19 make the needed improvements to produce great results for the Car  
20 Buying Service while ensuring that members are better served. In  
21 addition, we have begun the annual planning process with USAA, and  
22 both of us expect to grow the program significantly in 2018.

23 \* \* \*

24 Units in the quarter totaled 253,527, up 15% year-over-year. The  
25 TrueCar branded channel generated 108,376 units, up 12%. Partners,  
26 driven by strong growth at Chase and Sam's Club, contributed 80,310  
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1 units, up 45%. And USAA, given the challenges of their new  
2 experience, produced 64,841 units, down 5% from last year.

3  
4 34. On the November 6, 2017 conference call the Company made the  
5 following statement in response to a question about the timing and impact of the  
6 changes made by USAA:

7 . . . USAA has made these changes as a result of their desire to provide  
8 more financial advice to their members when they're making a big  
9 purchase like buying a car. So the changes in the user experience  
10 involved inserting some steps, questions and also content related to  
11 vehicle affordability and cost of ownership.

12  
13 So we saw these coming. It wasn't like we were blind to them. And  
14 after we saw them launched, we together realized that they were  
15 having a downward effect on our numbers. And so together, we've  
16 been working since then to mitigate the decline and find improvements  
17 to get us back into the normal sort of growth trend with USAA that  
18 we've had for many, many years, double-digit growth consistently. . . .

19  
20 35. Following this news, TrueCar's shares declined by \$5.76 per share, or  
21 35.25%, to close at \$10.58 per share on November 7, 2017 on heavy trading  
22 volume.

## 23 **VII. ADDITIONAL SCIENTER ALLEGATIONS**

24 36. As alleged herein, defendants acted with scienter in that defendants  
25 knew that the public documents and statements issued or disseminated in the name  
26 of the Company were materially false and misleading; knew that such statements or  
27 documents would be issued or disseminated to the investing public; and knowingly  
28 and substantially participated or acquiesced in the issuance or dissemination of such

1 statements or documents as primary violations of the federal securities laws. As set  
2 forth elsewhere herein in detail, Guthrie, by virtue of his receipt of information  
3 reflecting the true facts regarding TrueCar, its control over, and/or receipt and/or  
4 modification of TrueCar's allegedly materially misleading misstatements and/or his  
5 associations with the Company which made him privy to confidential proprietary  
6 information concerning TrueCar, participated in the fraudulent scheme alleged  
7 herein.

8 37. Defendants knew or recklessly disregarded the falsity and misleading  
9 nature of the information which they caused to be disseminated to the investing  
10 public. The ongoing fraudulent scheme described in this complaint could not have  
11 been perpetrated over a substantial period of time, as has occurred, without the  
12 knowledge and complicity of the personnel at the highest level of the Company,  
13 including Guthrie.

14 38. Defendants had the motive and opportunity to perpetrate the fraudulent  
15 scheme and course of business described herein because Guthrie was one of the  
16 most senior officers of TrueCar, issued statements and press releases on behalf of  
17 TrueCar and had the opportunity to commit the fraud alleged herein.

18 39. Defendants were motivated to conceal the fraud alleged herein in order  
19 to raise capital for the Company, and for the benefit of certain existing stockholders  
20 of the Company. On April 26, 2017, TrueCar announced an offering of 9,000,000  
21 shares of common stock at a price of \$16.50 per share (\$148.50 million), and an  
22 additional 1,350,000 shares (\$22.275 million) in connection with the underwriters'  
23 option to purchase additional shares. The Offering closed on May 2, 2017.

24 40. From July 26, 2017 through August 4, 2017, before the Company  
25 lowered guidance on August 8, 2017, defendant Guthrie sold 652,927 shares at an  
26 average price of \$18.88 per share, for proceeds of \$12,327,261.80.

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1           41. On February 1, 2018, the Company announced that on January 28,  
2 2018, defendant Guthrie notified the Company that he would be resigning from his  
3 position as CFO, effective February 1, 2018.

#### 4 **VIII. LOSS CAUSATION/ECONOMIC LOSS**

5           42. During the Class Period, as detailed herein, Defendants engaged in a  
6 scheme to deceive the market and a course of conduct that artificially inflated  
7 TrueCar's common share price and operated as a fraud or deceit on Class Period  
8 purchasers of TrueCar common stock by misrepresenting the Company's operating  
9 condition and future business prospects. Defendants achieved this by making  
10 positive statements about TrueCar's business and financial results while they knew,  
11 or disregarded with deliberate recklessness, the adverse facts alleged above.

12           43. Later, however, when Defendants' prior misrepresentations were  
13 disclosed and became apparent to the market, the price of TrueCar's common stock  
14 fell precipitously as the prior artificial inflation came out of TrueCar's share price.

15           44. As a result of their purchases of TrueCar common stock during the  
16 Class Period, Plaintiff and other members of the Class suffered economic loss, *i.e.*,  
17 damages under the federal securities laws. At the close of the market on March 28,  
18 2018, TrueCar's common stock was trading at \$9.18 per share.

19           45. As a direct result of the public revelations regarding the truth about the  
20 condition of TrueCar's business and the negative adverse factors that had been  
21 impacting TrueCar's business during the Class Period, the price of TrueCar's  
22 common stock materially declined. This drop removed the inflation from  
23 TrueCar's share price, causing real economic loss to investors who purchased  
24 TrueCar common stock during the Class Period.

25           46. The decline in TrueCar's share price was a direct result of the nature  
26 and extent of Defendants' fraud finally being revealed to investors and the market.  
27 The timing and magnitude of TrueCar's share price declines negate any inference  
28 that the loss suffered by Plaintiff and other Class members was caused by changed

1 market conditions, macroeconomic or industry factors, or Company-specific facts  
2 unrelated to the Defendants' fraudulent conduct.

### 3 **IX. FRAUD-ON-THE-MARKET DOCTRINE**

4 47. At all relevant times, the market for TrueCar's common stock was an  
5 efficient market for the following reasons, among others:

6 (a) The Company's common stock met the requirements for public  
7 listing and were listed and actively traded on the Nasdaq, a highly efficient market;

8 (b) As a regulated issuer, the Company filed periodic public reports  
9 with the SEC; and

10 (c) The Company regularly issued press releases which were carried  
11 by national news wires. Each of these releases was publicly available and entered  
12 the public marketplace.

13 48. As a result, the market for the Company's publicly traded common  
14 stock promptly digested current information with respect to TrueCar from all  
15 publicly available sources and reflected such information in the price of the  
16 Company's common stock. Under these circumstances, all purchasers of the  
17 Company's publicly traded common stock during the Class Period suffered similar  
18 injury through their purchase of the publicly traded common stock of TrueCar at  
19 artificially inflated prices and a presumption of reliance applies.

### 20 **X. NO SAFE HARBOR**

21 49. The statutory safe harbor provided for forward-looking statements  
22 under certain circumstances does not apply to any of the allegedly false statements  
23 pleaded in this complaint. Many of the specific statements pleaded herein were not  
24 identified as "forward-looking statements" when made. To the extent there were  
25 any forward-looking statements, there were no meaningful cautionary statements  
26 identifying important factors that could cause actual results to differ materially from  
27 those in the purportedly forward-looking statements. Alternatively, to the extent  
28 that the statutory safe harbor does apply to any forward-looking statements pleaded

1 herein, Defendants are liable for those false forward-looking statements because at  
2 the time each of those forward-looking statements was made, the particular speaker  
3 knew that the particular forward-looking statement was false, and/or the forward-  
4 looking statement was authorized and/or approved by an executive officer of  
5 TrueCar who knew that those statements were false when made.

6 **XI. RELIEF REQUESTED**

7 **FIRST CLAIM FOR RELIEF**  
8 **For Violation of Section 10(b) of the 1934 Act**  
9 **and Rule 10b-5 Against All Defendants**

10 50. Plaintiff repeats and re-alleges each and every allegation contained  
11 above as if fully set forth herein.

12 51. During the Class Period, Defendants disseminated or approved the  
13 false statements specified above, which they knew or recklessly disregarded were  
14 materially false and misleading in that they contained material misrepresentations  
15 and failed to disclose material facts necessary in order to make the statements  
16 made, in light of the circumstances under which they were made, not misleading.

17 52. Defendants violated Section 10(b) of the 1934 Act and Rule 10b-5 in  
18 that they:

19 (a) Employed devices, schemes and artifices to defraud;

20 (b) Made untrue statements of material facts or omitted to state  
21 material facts necessary in order to make statements made, in light of the  
22 circumstances under which they were made not misleading; or

23 (c) Engaged in acts, practices, and a course of business that  
24 operated as a fraud or deceit upon Plaintiff and others similarly situated in  
25 connection with their purchases of TrueCar's publicly traded common stock during  
26 the Class Period.

27 53. Plaintiff and the Class have suffered damages in that, in reliance on the  
28 integrity of the market, they paid artificially inflated prices for TrueCar's publicly  
traded common stock. Plaintiff and the Class would not have purchased TrueCar's

1 common stock at the prices they paid, or at all, if they had been aware that the  
2 market prices had been artificially and falsely inflated by Defendants' misleading  
3 statements.

4 54. As a direct and proximate result of these Defendants' wrongful  
5 conduct, Plaintiff and the other members of the Class suffered damages in  
6 connection with their purchases of TrueCar's common stock during the Class  
7 Period.

8 **SECOND CLAIM FOR RELIEF**  
9 **For Violation of Section 20(a) of the 1934 Act**  
10 **Against Guthrie**

11 55. Plaintiff repeats and re-alleges each and every allegation contained  
12 above as if full set forth herein.

13 56. Guthrie acted as a controlling person of TrueCar within the meaning of  
14 Section 20(a) of the Exchange Act as alleged herein. By virtue of his high-level  
15 position, and his ownership and contractual rights, participation in and/or awareness  
16 of the Company's operations and/or intimate knowledge of the statements filed by  
17 the Company with the SEC and disseminated to the investing public, Guthrie had  
18 the power to influence and control and did influence and control, directly or  
19 indirectly, the decision-making of the Company, including the content and  
20 dissemination of the various statements that Plaintiff contends are false and  
21 misleading. Guthrie was provided with or had unlimited access to copies of the  
22 Company's reports, press releases, public filings and other statements alleged by  
23 Plaintiff to be misleading prior to and/or shortly after these statements were issued  
24 and had the ability to prevent the issuance of the statements or cause the statements  
25 to be corrected.

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



1           58. As set forth above, TrueCar and Guthrie each violated Section 10(b)  
2 and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue  
3 of their positions each as a controlling person, Guthrie is liable pursuant to  
4 Section 20(a) of the Exchange Act. As a direct and proximate result of TrueCar's  
5 and Guthrie's wrongful conduct, Plaintiff and other members of the Class suffered  
6 damages in connection with their purchases of the Company's common stock  
7 during the Class Period.

8 **XI. PRAYER FOR RELIEF**

9           WHEREFORE, Plaintiff prays for judgment as follows:

10          A. Declaring this action to be a proper class action;

11          B. Awarding damages, including interest; awarding reasonable costs,  
12 including attorneys' fees; and

13          C. Such equitable/injunctive relief as the Court may deem proper.

14 **XII. JURY DEMAND**

15           Plaintiff demands a trial by jury.  
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