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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

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

Plaintiff,

v.

PPG INDUSTRIES, INC., MICHAEL  
H. MCGARRY, VINCENT J.  
MORALES, and MARK C. KELLY

Defendants.

Case No.

CLASS ACTION COMPLAINT FOR  
VIOLATION OF THE FEDERAL  
SECURITIES LAWS

JURY TRIAL DEMANDED

Plaintiff \_\_\_\_\_ (“Plaintiff”), by Plaintiff’s undersigned attorneys,  
individually and on behalf of all other persons similarly situated, alleges the  
following based upon personal knowledge as to Plaintiff’s own acts, and  
information and belief as to all other matters, based upon, inter alia, the  
investigation conducted by and through Plaintiff’s attorneys, which included,  
among other things, a review of Defendants’ public documents, conference calls  
and announcements made by Defendants, United States Securities and Exchange  
Commission (“SEC”) filings, wire and press releases published by and regarding  
PPG Industries, Inc. (“PPG” or the “Company”), analysts’ reports and advisories

1 about the Company, and information readily obtainable on the Internet. Plaintiff  
2 believes that substantial evidentiary support will exist for the allegations set forth  
3 herein after a reasonable opportunity for discovery.

4 **NATURE OF THE ACTION**

5 1. This is a federal securities class action brought on behalf of a class  
6 consisting of all persons and entities, other than Defendants and their affiliates, who  
7 purchased or otherwise acquired publicly traded securities of PPG from April 24,  
8 2017 through May 10, 2018, inclusive (the “Class Period”), seeking to recover  
9 compensable damages caused by Defendants’ violations of federal securities laws  
10 (the “Class”).

11 **JURISDICTION AND VENUE**

12 2. The claims asserted herein arise under and pursuant to §§10(b) and  
13 20(a) of the Exchange Act (15 U.S.C. §§78j(b) and §78t(a)) and Rule 10b-5  
14 promulgated thereunder by the SEC (17 C.F.R. §240.10b-5).

15 3. This Court has jurisdiction over the subject matter of this action under  
16 28 U.S.C. §1331 and §27 of the Exchange Act.

17 4. Venue is proper in this judicial district pursuant to §27 of the Exchange  
18 Act (15 U.S.C. §78aa) and 28 U.S.C. §1391(b) as the Company conducts business  
19 and maintains facilities within this judicial district.

20 5. In connection with the acts, conduct and other wrongs alleged in this  
21 Complaint, Defendants, directly or indirectly, used the means and instrumentalities  
22 of interstate commerce, including but not limited to, the United States mail,  
23 interstate telephone communications and the facilities of the national securities  
24 exchange.

1 **PARTIES**

2 6. Plaintiff, as set forth in the attached Certification, acquired PPG  
3 securities at artificially inflated prices during the Class Period and was damaged  
4 upon the revelation of the alleged corrective disclosures.

5 7. Defendant PPG manufactures and distributes paints, coatings, and  
6 specialty materials in the United States and internationally. PPG is incorporated in  
7 Pennsylvania. PPG maintains principal manufacturing and distribution facilities in  
8 Sylmar, California, and principal research and development centers in Burbank,  
9 California. PPG securities trade on the NYSE under the ticker symbol “PPG.”

10 8. Defendant Michael H. McGarry (“McGarry”) has been the Company’s  
11 Chief Executive Officer (“CEO”) and Chairman of the Board of Directors (the  
12 “Board”) since September 1, 2015 and September 1, 2016, respectively.

13 9. Defendant Vincent J. Morales (“Morales”) has served as the  
14 Company’s Chief Financial Officer (“CFO”) and Senior Vice President since  
15 March 1, 2017.

16 10. Defendant Mark C. Kelly (“Kelly”) served as the Company’s Vice  
17 President and Controller during the Class Period.

18 11. Defendants McGarry, Morales and Kelly are sometimes referred to  
19 herein as the “Individual Defendants.”

20 12. Each of the Individual Defendants:

- 21 a. directly participated in the management of the Company;
  - 22 b. was directly involved in the day-to-day operations of the Company  
23 at the highest levels;
  - 24 c. was privy to confidential proprietary information concerning the  
25 Company and its business and operations;
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- 1 d. was directly or indirectly involved in drafting, producing,  
2 reviewing and/or disseminating the false and misleading statements  
3 and information alleged herein;  
4 e. was directly or indirectly involved in the oversight or  
5 implementation of the Company's internal controls;  
6 f. was aware of or recklessly disregarded the fact that the false and  
7 misleading statements were being issued concerning the Company;  
8 and/or  
9 g. approved or ratified these statements in violation of the federal  
10 securities laws.

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

15 14. The scienter of the Individual Defendants and other employees and  
16 agents of the Company is similarly imputed to PPG under *respondeat superior* and  
17 agency principles.

18 15. Defendant PPG and the Individual Defendants are referred to herein,  
19 collectively, as the "Defendants."

## 20 **SUBSTANTIVE ALLEGATIONS**

### 21 **Background**

22 16. On February 16, 2017, the Company filed a Form 10-K for the year  
23 ended December 31, 2016 (the "2016 10-K") with the SEC, which provided the  
24 Company's annual financial statements and position. The 2016 10-K stated that the  
25 Company's internal controls over financial reporting were effective as of December  
26 31, 2016.

## **Materially False and Misleading Statements**

1  
2 17. On April 24, 2017, the Company filed a Form 10-Q for the quarter  
3 ended March 31, 2017 (the “1Q 2017 10-Q”) with the SEC, which provided the  
4 Company’s first quarter 2017 financial results and position. The 1Q 2017 10-Q  
5 stated there “were no changes in the Company’s internal control over financial  
6 reporting that occurred during the Company’s most recent fiscal quarter that have  
7 materially affected, or are reasonably likely to materially affect, the Company’s  
8 internal control over financial reporting.” The 1Q 2017 10-Q was signed by  
9 Defendants Morales and Kelly.

10 18. The 1Q 2017 10-Q contained signed certifications pursuant to the  
11 Sarbanes-Oxley Act of 2002 (“SOX”) Defendants McGarry and Morales attesting  
12 to the accuracy of financial reporting, the disclosure of any material changes to the  
13 Company’s internal controls over financial reporting, and the disclosure of all  
14 fraud.

15 19. On July 21, 2017, the Company filed a Form 10-Q for the quarter  
16 ended June 30, 2017 (the “2Q 2017 10-Q”) with the SEC, which provided the  
17 Company’s second quarter 2017 financial results and position. The 2Q 2017 10-Q  
18 stated there “were no changes in the Company’s internal control over financial  
19 reporting that occurred during the Company’s most recent fiscal quarter that have  
20 materially affected, or are reasonably likely to materially affect, the Company’s  
21 internal control over financial reporting.” The 2Q 2017 10-Q was signed by  
22 Defendants Morales and Kelly.

23 20. The 2Q 2017 10-Q contained signed SOX certifications by  
24 Defendants McGarry and Morales attesting to the accuracy of financial reporting,  
25 the disclosure of any material changes to the Company’s internal controls over  
26 financial reporting, and the disclosure of all fraud.

1           21. On October 20, 2017, the Company filed a Form 10-Q for the quarter  
2 ended September 30, 2017 (the “3Q 2017 10-Q”) with the SEC, which provided  
3 the Company’s third quarter 2017 financial results and position. The 3Q 2017 10-  
4 Q stated there “were no changes in the Company’s internal control over financial  
5 reporting that occurred during the Company’s most recent fiscal quarter that have  
6 materially affected, or are reasonably likely to materially affect, the Company’s  
7 internal control over financial reporting.” The 3Q 2017 10-Q was signed by  
8 Defendants Morales and Kelly.

9           22. The 3Q 2017 10-Q contained signed SOX certifications by  
10 Defendants McGarry and Morales attesting to the accuracy of financial reporting,  
11 the disclosure of any material changes to the Company’s internal controls over  
12 financial reporting, and the disclosure of all fraud.

13           23. On February 15, 2018, PPG filed an annual report on Form 10-K for  
14 the fiscal year ended December 31, 2017 (the “2017 10-K”) with the SEC, which  
15 provided the Company’s annual financial statements and position. The 2017 10-K  
16 was signed by Defendants McGarry, Morales and Kelly. The 2017 10-K contained  
17 signed SOX certifications by Defendants McGarry and Morales attesting to the  
18 accuracy of financial reporting, the disclosure of any material changes to the  
19 Company’s internal control over financial reporting and the disclosure of all fraud.

20           24. The statements referenced in ¶¶17-23 above were materially false  
21 and/or misleading because they misrepresented and failed to disclose the following  
22 adverse facts pertaining to the Company’s business, operations, and prospects,  
23 which were known to Defendants or recklessly disregarded by them. Specifically,  
24 Defendants made false and/or misleading statements and/or failed to disclose that:  
25 (1) PPG’s consolidated financial statements for the year ended December 31, 2017  
26 and the quarterly financial statements of 2017 contained improper accounting entries  
27 and could no longer be relied upon; (2) PPG failed to maintain adequate internal  
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1 controls; and (3) as a result, Defendants' public statements were materially false and  
2 misleading at all relevant times.

### 3 **The Truth Begins to Emerge**

4 25. On April 19, 2018, after market-close, PPG issued a press release  
5 entitled "PPG reports first quarter 2018 financial results[,]" disclosing that the  
6 Company received a report concerning potential violations of its accounting policies  
7 and identifying certain expenses that should have been accrued in the first quarter.  
8 The Company stated that the investigation was ongoing. The press release states, in  
9 relevant part:

10 As PPG's earnings release was being finalized, the company received  
11 a report through its internal reporting system concerning potential  
12 violations of PPG's accounting policies and procedures regarding the  
13 failure to accrue certain specified expenses in the first quarter. Based  
14 on preliminary review, the company identified approximately \$1.4  
15 million of expense that should have been accrued in the first quarter,  
16 and the earnings reported in this release reflect the accrual of such \$1.4  
17 million of expenses. The report also alleges that there may have been  
18 other unspecified expenses, potentially up to \$5 million in the  
19 aggregate, that were improperly not accrued in the first quarter. The  
20 Audit Committee of the company's Board of Directors is overseeing an  
21 investigation of the matters set forth in the report, with the assistance  
22 of outside counsel. The company is currently unable to predict the  
23 timing or outcome of the investigation and will move with diligence.

24 26. On this news, the Company's shares fell \$0.77 or 0.7% to close at  
25 \$108.87 on April 20, 2018.

26 27. On May 10, 2018, after market-close, PPG issued a press release  
27 entitled "PPG provides update on Form 10-Q filing and internal investigation[,]"  
28 disclosing that: 1) PPG's Audit Committee found evidence that improper accounting  
entries were made by certain employees at the direction of PPG's former Vice  
President and Controller; 2) PPG's Former Vice President was terminated as of May  
10, 2018; 3) PPG would be unable to timely file its Quarterly Report on Form 10-Q

1 for the quarter ended March 31, 2018; and 4) PPG's financial statements for the 2017  
2 year should not be relied upon. The press release states, in relevant part:

3 **PPG provides update on Form 10-Q filing and internal**  
4 **investigation**

5 PITTSBURGH, May 10, 2018 - PPG (NYSE:PPG) today announced  
6 that it has filed a Form 12b-25 Notification of Late Filing with the U.S.  
7 Securities and Exchange Commission regarding its Quarterly Report on  
8 Form 10-Q for the quarter ended March 31, 2018.

9 As previously disclosed on April 19, 2018, PPG received a report  
10 through its internal reporting system alleging violations of PPG's  
11 accounting policies and procedures regarding the failure to accrue  
12 certain specified expenses in the first quarter of 2018. Based on its  
13 initial review at that time, PPG identified approximately \$1.4 million  
14 of expenses (including legal fees, property taxes and performance-  
15 based compensation) that should have been accrued in the first quarter  
16 of 2018 and that were then reflected in PPG's earnings for the quarter  
17 ended March 31, 2018 released on April 19, 2018. In addition, the  
18 report alleged that there may have been other unspecified expenses,  
19 potentially up to \$5 million in the aggregate, that were improperly not  
20 accrued in the first quarter.

21 *The Audit Committee of the Company's Board of Directors is*  
22 *overseeing an investigation of the matters set forth in the report, with*  
23 *the assistance of outside counsel and forensic accountants. To date,*  
24 *the investigation has identified the following items not yet reflected in*  
25 *our March 31, 2018 results as reported in our April 19, 2018 press*  
26 *release and which impact the quarter ended March 31, 2018, in*  
27 *addition to the approximately \$1.4 million of expenses described*  
28 *above: (1) failure to record amortization expense in the amount of*  
*\$1.4 million to correct for amortization of an intangible asset that was*  
*inadvertently not recorded over a three-year period and discovered in*  
*March 2018; (2) understatement of a health insurance accrued*  
*liability in the amount of \$500,000; and (3) failure to record an*  
*adjustment increasing the value of inventory in our Europe, Middle*  
*East and Africa region in the amount of \$2.1 million due to inflation*  
*of raw materials costs (which, when corrected, would have a positive*



1 *effect on income in the first quarter of 2018, resulting in a net*  
2 *increase to income from continuing operations before income taxes*  
3 *from these three items of approximately \$200,000).*

4 Apart from the investigation, the Company has identified certain  
5 inadvertent errors with respect to the quarter ended March 31, 2018.  
6 *The Company has quantified errors that would result in a net*  
7 *decrease in income from continuing operations before income taxes*  
8 *of approximately \$7.8 million but may quantify additional errors*  
9 *prior to the filing of the Company's Quarterly Report on Form 10-Q*  
10 *for the quarter ended March 31, 2018. These errors will be corrected*  
11 *as appropriate.*

12 *In addition to the matters identified by the investigation relating to*  
13 *the quarter ended March 31, 2018, the investigation to date has also*  
14 *identified improper reclassifications of gains from income from*  
15 *discontinued operations to income from continuing operations, in*  
16 *total pre-tax amounts of \$2.1 million in the quarter ended June 30,*  
17 *2017 and \$4.7 million in the quarter ended December 31, 2017. The*  
18 *investigation to date has also identified improper shifting of pre-tax*  
19 *expense between quarterly periods in 2017 as follows: (1) a total of*  
20 *\$3.4 million in compensation expense recorded in the third and*  
21 *fourth quarters of 2017 that should have been recorded in the quarter*  
22 *ended June 30, 2017 and (2) additional expense accrual for health*  
23 *care claims in the amount of \$3.5 million recorded in the third and*  
24 *fourth quarters of 2017 that should have been recorded in the quarter*  
25 *ended June 30, 2017. The investigation is continuing and there is no*  
26 *assurance that additional items will not be identified. The Company*  
27 *does not intend to provide additional updates on the results of the*  
28 *investigation until it is concluded or the Company determines that*  
*further disclosure is appropriate or necessary.*

*The investigation has found evidence that the improper accounting*  
*entries were made by certain employees at the direction of the*  
*Company's former vice president and controller. The former vice*  
*president and controller was put on administrative leave as of April*  
*25, 2018, and his employment with the Company was terminated as*  
*of May 10, 2018. Two employees who acted under his direction have*  
*been re-assigned to different positions within the Company where they*

1 will not have a role in PPG’s internal control over financial reporting  
2 nor its disclosure controls and procedures.

3 *In light of the matters set forth above relating to periods in 2017, as*  
4 *well as the ongoing investigation with respect to such periods, the*  
5 *Company, in consultation with the Audit Committee of the Board of*  
6 *Directors and the Company’s independent registered public*  
7 *accounting firm, PricewaterhouseCoopers LLP (“PwC”), concluded*  
8 *that the Company’s consolidated financial statements for the year*  
9 *ended December 31, 2017 included in its Annual Report on Form 10-*  
*K and the related report of PwC, and for the quarterly and year-to-*  
*date periods in 2017, should no longer be relied upon.*

10 The Company is working diligently to complete its investigation, but is  
11 currently unable to predict the timing or outcome of the investigation.  
12 PPG has self-reported information concerning this investigation to the  
13 Securities and Exchange Commission. As a result of the ongoing  
14 investigation, PPG will not be able to file its Quarterly Report on Form  
15 10-Q for the quarter ended March 31, 2018 by the deadline of May 10,  
16 2018 and has filed a Form 12b-25 Notification of Late Filing. PPG is  
17 currently unable to predict when it will be able to file its Quarterly  
18 Report.

19 (Emphasis added.)

20 28. On this news, the Company’s shares fell \$5.74 or over 5.4% to close at  
21 \$100.37 on May 11, 2018, damaging investors.

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

### 25 **PLAINTIFF’S CLASS ACTION ALLEGATIONS**

26 30. Plaintiff brings this action as a class action pursuant to Federal Rule of  
27 Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who  
28 purchased or otherwise acquired PPG securities publicly traded on NYSE during the  
Class Period (the “Class”); and were damaged upon the revelation of the alleged

1 corrective disclosures. Excluded from the Class are Defendants herein, the officers  
2 and directors of the Company, at all relevant times, members of their immediate  
3 families and their legal representatives, heirs, successors or assigns and any entity in  
4 which Defendants have or had a controlling interest.

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

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

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

21 34. Common questions of law and fact exist as to all members of the Class  
22 and predominate over any questions solely affecting individual members of the  
23 Class. Among the questions of law and fact common to the Class are:

- 24 a. whether the federal securities laws were violated by Defendants' acts  
25 as alleged herein;
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- b. whether statements made by Defendants to the investing public during the Class Period misrepresented material facts about the business, operations and management of PPG;
- c. whether the Individual Defendants caused PPG to issue false and misleading financial statements during the Class Period;
- d. whether Defendants acted knowingly or recklessly in issuing false and misleading financial statements;
- e. whether the prices of PPG securities during the Class Period were artificially inflated because of the Defendants' conduct complained of herein; and
- f. whether the members of the Class have sustained damages and, if so, what is the proper measure of damages.

35. 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.

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

- a. Defendants made public misrepresentations or failed to disclose material facts during the Class Period;
- b. the omissions and misrepresentations were material;
- c. PPG securities are traded in an efficient market;
- d. the Company's shares were liquid and traded with moderate to heavy volume during the Class Period;

- 1 e. the Company traded on the NYSE and was covered by multiple  
2 analysts;
- 3 f. the misrepresentations and omissions alleged would tend to induce a  
4 reasonable investor to misjudge the value of the Company's securities;  
5 and
- 6 g. Plaintiff and members of the Class purchased, acquired and/or sold PPG  
7 securities between the time the Defendants failed to disclose or  
8 misrepresented material facts and the time the true facts were disclosed,  
9 without knowledge of the omitted or misrepresented facts.

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

12 38. Alternatively, Plaintiff and the members of the Class are entitled to the  
13 presumption of reliance established by the Supreme Court in *Affiliated Ute Citizens*  
14 *of the State of Utah v. United States*, 406 U.S. 128, 92 S. Ct. 2430 (1972), as  
15 Defendants omitted material information in their Class Period statements in violation  
16 of a duty to disclose such information, as detailed above.

17 **COUNT I**

18 **Violation of Section 10(b) of The Exchange Act and Rule 10b-5**  
19 **Against All Defendants**

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

22 40. This Count is asserted against Defendants and is based upon Section  
23 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated  
24 thereunder by the SEC.

25 41. During the Class Period, Defendants engaged in a plan, scheme,  
26 conspiracy and course of conduct, pursuant to which they knowingly or recklessly  
27 engaged in acts, transactions, practices and courses of business which operated as a  
28 fraud and deceit upon Plaintiff and the other members of the Class; made various

1 untrue statements of material facts and omitted to state material facts necessary in  
2 order to make the statements made, in light of the circumstances under which they  
3 were made, not misleading; and employed devices, schemes and artifices to defraud  
4 in connection with the purchase and sale of securities. Such scheme was intended to,  
5 and, throughout the Class Period, did: (i) deceive the investing public, including  
6 Plaintiff and other Class members, as alleged herein; (ii) artificially inflate and  
7 maintain the market price of PPG securities; and (iii) cause Plaintiff and other  
8 members of the Class to purchase or otherwise acquire PPG securities at artificially  
9 inflated prices. In furtherance of this unlawful scheme, plan and course of conduct,  
10 Defendants, and each of them, took the actions set forth herein.

11 42. Pursuant to the above plan, scheme, conspiracy and course of conduct,  
12 each of the Defendants participated directly or indirectly in the preparation and/or  
13 issuance of the quarterly and annual reports, SEC filings, press releases and other  
14 statements and documents described above, including statements made to securities  
15 analysts and the media that were designed to influence the market for PPG securities.  
16 Such reports, filings, releases and statements were materially false and misleading  
17 in that they failed to disclose material adverse information and misrepresented the  
18 truth about PPG' finances and business prospects.

19 43. By virtue of their positions at PPG, Defendants had actual knowledge  
20 of the materially false and misleading statements and material omissions alleged  
21 herein and intended thereby to deceive Plaintiff and the other members of the Class,  
22 or, in the alternative, Defendants acted with reckless disregard for the truth in that  
23 they failed or refused to ascertain and disclose such facts as would reveal the  
24 materially false and misleading nature of the statements made, although such facts  
25 were readily available to Defendants. Said acts and omissions of Defendants were  
26 committed willfully or with reckless disregard for the truth. In addition, each  
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1 defendant knew or recklessly disregarded that material facts were being  
2 misrepresented or omitted as described above.

3 44. Defendants were personally motivated to make false statements and  
4 omit material information necessary to make the statements not misleading in order  
5 to personally benefit from the sale of PPG securities from their personal portfolios.

6 45. PPG showing that Defendants acted knowingly or with reckless  
7 disregard for the truth is peculiarly within Defendants' knowledge and control. As  
8 the senior managers and/or directors of PPG, the Individual Defendants had  
9 knowledge of the details of PPG' internal affairs.

10 46. The Individual Defendants are liable both directly and indirectly for the  
11 wrongs complained of herein. Because of their positions of control and authority,  
12 the Individual Defendants were able to and did, directly or indirectly, control the  
13 content of the statements of PPG. As officers and/or directors of a publicly-held  
14 company, the Individual Defendants had a duty to disseminate timely, accurate, and  
15 truthful information with respect to PPG' businesses, operations, future financial  
16 condition and future prospects. As a result of the dissemination of the  
17 aforementioned false and misleading reports, releases and public statements, the  
18 market price of PPG securities was artificially inflated throughout the Class Period.  
19 In ignorance of the adverse facts concerning PPG' business and financial condition  
20 which were concealed by Defendants, Plaintiff and the other members of the Class  
21 purchased or otherwise acquired PPG securities at artificially inflated prices and  
22 relied upon the price of the securities, the integrity of the market for the securities  
23 and/or upon statements disseminated by Defendants, and were damaged thereby.

24 47. During the Class Period, PPG securities were traded on an active and  
25 efficient market. Plaintiff and the other members of the Class, relying on the  
26 materially false and misleading statements described herein, which the Defendants  
27 made, issued or caused to be disseminated, or relying upon the integrity of the  
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1 market, purchased or otherwise acquired shares of PPG securities at prices  
2 artificially inflated by Defendants' wrongful conduct. Had Plaintiff and the other  
3 members of the Class known the truth, they would not have purchased or otherwise  
4 acquired said securities, or would not have purchased or otherwise acquired them at  
5 the inflated prices that were paid. At the time of the purchases and/or acquisitions  
6 by Plaintiff and the Class, the true value of PPG securities was substantially lower  
7 than the prices paid by Plaintiff and the other members of the Class. The market  
8 price of PPG securities declined sharply upon public disclosure of the facts alleged  
9 herein to the injury of Plaintiff and Class members.

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

13 49. As a direct and proximate result of Defendants' wrongful conduct,  
14 Plaintiff and the other members of the Class suffered damages in connection with  
15 their respective purchases, acquisitions and sales of the Company's securities during  
16 the Class Period, upon the disclosure that the Company had been disseminating  
17 misrepresented financial statements to the investing public.

## 18 **COUNT II**

### 19 **Violation of Section 20(a) of The Exchange Act** 20 **Against The Individual Defendants**

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

23 51. During the Class Period, the Individual Defendants participated in the  
24 operation and management of PPG, and conducted and participated, directly and  
25 indirectly, in the conduct of PPG' business affairs. Because of their senior positions,  
26 they knew the adverse non-public information about PPG' current financial position  
27 and future business prospects.  
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1 52. As officers and/or directors of a publicly owned company, the  
2 Individual Defendants had a duty to disseminate accurate and truthful information  
3 with respect to PPG’ business practices, and to correct promptly any public  
4 statements issued by PPG which had become materially false or misleading.

5 53. Because of their positions of control and authority as senior officers,  
6 the Individual Defendants were able to, and did, control the contents of the various  
7 reports, press releases and public filings which PPG disseminated in the marketplace  
8 during the Class Period concerning the Company’s business, operational and  
9 accounting policies. Throughout the Class Period, the Individual Defendants  
10 exercised their power and authority to cause PPG to engage in the wrongful acts  
11 complained of herein. The Individual Defendants therefore, were “controlling  
12 persons” of PPG within the meaning of Section 20(a) of the Exchange Act. In this  
13 capacity, they participated in the unlawful conduct alleged which artificially inflated  
14 the market price of PPG securities.

15 54. Each of the Individual Defendants, therefore, acted as a controlling  
16 person of PPG. By reason of their senior management positions and/or being  
17 directors of PPG, each of the Individual Defendants had the power to direct the  
18 actions of, and exercised the same to cause, PPG to engage in the unlawful acts and  
19 conduct complained of herein. Each of the Individual Defendants exercised control  
20 over the general operations of PPG and possessed the power to control the specific  
21 activities which comprise the primary violations about which Plaintiff and the other  
22 members of the Class complain.

23 55. By reason of the above conduct, the Individual Defendants are liable  
24 pursuant to Section 20(a) of the Exchange Act for the violations committed by PPG.

25 **PRAYER FOR RELIEF**

26 WHEREFORE, Plaintiff demands judgment against Defendants as follows:  
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1       A.     Determining that the instant action may be maintained as a class action  
2 under Rule 23 of the Federal Rules of Civil Procedure, and certifying Plaintiff as  
3 the Class representative;

4       B.     Requiring Defendants to pay damages sustained by Plaintiff and the  
5 Class by reason of the acts and transactions alleged herein;

6       C.     Awarding Plaintiff and the other members of the Class prejudgment  
7 and post-judgment interest, as well as their reasonable attorneys' fees, expert fees  
8 and other costs; and

9       D.     Awarding such other and further relief as this Court may deem just and  
10 proper.

11                           **DEMAND FOR TRIAL BY JURY**

12       Plaintiff hereby demands a trial by jury.

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14 Dated: May \_\_, 2018

Respectfully submitted,  
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