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7
 8 UNITED STATES DISTRICT COURT
 9 NORTHERN DISTRICT OF CALIFORNIA

10
 11 UNITED UNION OF ROOFERS,
 WATERPROOFERS & ALLIED
 12 WORKERS LOCAL UNION NO. 8
 WBPA FUND, Individually and on Behalf
 13 of All Others Similarly Situated,

14 Plaintiff,

15 v.

16 SUPER MICRO COMPUTER, INC.,
 CHARLES LIANG, and HOWARD
 17 HIDESHIMA,

18 Defendants.

Case No. 3:18-cv-850

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

JURY TRIAL DEMANDED

19
 20 Plaintiff United Union of Roofers, Waterproofers & Allied Workers Local Union No. 8
 21 WBPA Fund (“Plaintiff”), by and through its attorneys, alleges the following upon information
 22 and belief, except as to those allegations concerning Plaintiff, which are alleged upon personal
 23 knowledge. Plaintiff’s information and belief is based upon, among other things, its counsel’s
 24 investigation, which includes without limitation: (a) review and analysis of public filings made by
 25 Super Micro Computer, Inc. (“Super Micro” or the “Company”) with the United States Securities
 26 and Exchange Commission (“SEC”); (b) review and analysis of press releases and other
 27 publications disseminated by Defendants and other related non-parties; (c) review of news
 28 articles, shareholder communications, conference call transcripts, and postings on Super Micro’s

1 website concerning the Company's public statements; and (d) review of other publicly available
2 information concerning Super Micro and the Individual Defendants.

3 **I. NATURE OF THE ACTION**

4 1. This is a class action on behalf of persons and entities that acquired Super Micro
5 securities between August 5, 2016 and January 30, 2018, inclusive (the "Class Period"), against
6 the Defendants Super Micro, its Chief Executive Officer Charles Liang ("Liang"), and its Chief
7 Financial Officer Howard Hideshima ("Hideshima") (collectively, "Defendants"), seeking to
8 pursue remedies under the Securities Exchange Act of 1934, 15 U.S.C. § 78a et. seq. (the
9 "Exchange Act").

10 2. Super Micro, headquartered in San Jose, California, designs, develops,
11 manufactures and sells server solutions. The Company's products include servers, motherboards,
12 SPU Systems, chassis and other accessories.

13 3. Beginning on August 29, 2017, Super Micro's stock price began to significantly
14 decline after the Company revealed that it would need to delay releasing its 2017 Annual Report
15 on Form 10-K ("Annual Report") pending an internal investigation into its accounting practices.

16 4. That internal investigation, undertaken by the Company's Audit Committee, was
17 focused on the illicit timing of revenue recognition of certain sales transactions that were
18 improperly booked. The Audit Committee completed its investigation in late January 2018, but
19 has yet to release its findings. On January 30, 2018, at the same time that the Company
20 announced the completion of the investigation, it also announced that Defendant Hideshima,
21 along with Super Micro's Senior VP of International Sales and Senior VP of Worldwide Sales,
22 had "resigned," effective immediately.

23 5. Additionally, Super Micro has yet to file its 2017 Annual Report, informing
24 investors that the Company was "unable . . . to provide a date as to when the Form 10-K will be
25 filed or to determine whether the Company's historical financial statements will be adjusted or, if
26 so, the amount of any such adjustment(s) and what periods any such adjustments may impact."

27 6. Investors were shocked to learn that Super Micro was improperly recognizing
28 revenue and as a result, would not be able to timely file its 2017 Annual Report. In all, after

1 Super Micro first announced the delayed filing of its Annual Report on August 29, 2017 through
2 early February 2018, the Company's stock price has fallen nearly 30% wiping out hundreds of
3 millions in market capitalization.

4 7. Throughout the Class Period, Defendants made materially false and/or misleading
5 statements, as well as failed to disclose material adverse facts about the Company's business,
6 operations, and prospects. Specifically, Defendants failed to disclose: (1) that Super Micro was
7 improperly and illicitly recognizing revenue on certain sales transactions; (2) that the Company
8 failed to implement and maintain the proper internal controls to prevent improper and illicit
9 recognition of revenue (3) Super Micro's financial results were not calculated in accordance with
10 U.S. Generally Accepted Accounting Principles ("GAAP"); (4) Super Micro's revenues and
11 income were artificially inflated as a result of its illicit business practices; (5) that these practices
12 caused the Company to be vulnerable to potential civil and criminal liability, and adverse
13 regulatory action; and (6) that, as a result of the foregoing, Defendants' statements about Super
14 Micro's business, operations, and prospects, were materially false and/or misleading and/or
15 lacked a reasonable basis.

16 8. As a result of Defendants' wrongful acts and omissions, and the precipitous
17 decline in the market value of the Company's securities, Plaintiff and other Class members have
18 suffered significant losses and damages.

19 **II. JURISDICTION AND VENUE**

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

23 10. This Court has jurisdiction over the subject matter of this action pursuant to 28
24 U.S.C. § 1331 and Section 27 of the Exchange Act (15 U.S.C. § 78aa).

25 11. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b) and
26 Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts in furtherance of the
27 alleged fraud or the effects of the fraud have occurred in this Judicial District. Many of the acts
28 charged herein, including the dissemination of materially false and/or misleading information,

1 occurred in substantial part in this Judicial District. In addition, the Company's principal
2 executive offices are in the Judicial District.

3 12. In connection with the acts, transactions, and conduct alleged herein, Defendants
4 directly and indirectly used the means and instrumentalities of interstate commerce, including the
5 United States mail, interstate telephone communications, and the facilities of a national securities
6 exchange.

7 **III. PARTIES**

8 13. Plaintiff United Union of Roofers, Waterproofers & Allied Workers Local Union
9 No. 8 WBPA Fund, as set forth in the accompanying certification, incorporated by reference
10 herein, purchased Super Micro securities during the Class Period, and suffered damages as a
11 result of the federal securities law violations and false and/or misleading statements and/or
12 material omissions alleged herein.

13 14. Defendant Super Micro Computer, Inc. is incorporated in Delaware and maintains
14 its principal executive offices in San Jose, California. Super Micro's common stock trades on the
15 NASDAQ Stock Market ("NASDAQ") under the symbol "SMCI."

16 15. Defendant Charles Liang ("Liang") was the CEO of Super Micro at all relevant
17 times.

18 16. Defendant Howard Hideshima ("Hideshima") was the CFO of Super Micro at all
19 relevant times.

20 17. Defendants Liang and Hideshima (collectively the "Individual Defendants"),
21 because of their positions with the Company, possessed the power and authority to control the
22 contents of Super Micro's reports to the SEC, press releases and presentations to securities
23 analysts, money and portfolio managers and institutional investors, *i.e.*, the market. The
24 Individual Defendants were provided with copies of the Company's reports and press releases
25 alleged herein to be misleading prior to, or shortly after, their issuance and had the ability and
26 opportunity to prevent their issuance or cause them to be corrected. Because of their positions and
27 access to material non-public information available to them, the Individual Defendants knew that
28 the adverse facts specified herein had not been disclosed to, and were being concealed from, the

1 public, and that the positive representations which were being made were then materially false
2 and/or misleading. The Individual Defendants are liable for the false statements pled herein.

3 **IV. SUBSTANTIVE ALLEGATIONS**

4 **A. Background**

5 18. Super Micro develops and provides high performance server solutions based upon
6 an innovative, modular and open-standard architecture. The Company claims to be a global
7 leader in server technology and green computing innovation. Super Micro offers its products to
8 data center, cloud computing, enterprise IT, big data, high performance computing, and
9 embedded markets.

10 **Defendants Issued Materially False and Misleading** 11 **Statements and Omissions During the Class Period**

12 19. On August 4, 2016, after the market closed, Super Micro issued a press release
13 announcing its 4Q 2016 results.¹ The press release stated, in relevant part:

14 Super Micro Computer, Inc. (NASDAQ:SMCI), a global leader in high-
15 performance, high-efficiency server, storage technology and green computing,
16 today announced fourth quarter and full-year financial results for the fiscal year
17 ended June 30, 2016. The final results are in line with the preliminary results
18 announced by the Company on July 18, 2016.

19 **Fiscal 4th Quarter Highlights**

- 20 • Quarterly net sales of \$524.3 million, down 1.6% from the third quarter of fiscal
21 year 2016 and down 8.6% from the same quarter of last year.
- 22 • GAAP net income of \$7.0 million, down 58.2% from the third quarter of fiscal
23 year 2016 and down 73.9% from the same quarter of last year.
- 24 • GAAP gross margin was 14.1%, down from 14.9% in the third quarter of fiscal
25 year 2016 and down from 15.6% in the same quarter of last year.
- 26 • Server solutions accounted for 65.5% of net sales compared with 69.9% in the
27 third quarter of fiscal year 2016 and 61.7% in the same quarter of last year.

28 Net sales for the fourth quarter ended June 30, 2016 totaled \$524.3 million, down
1.6% from \$532.7 million in the third quarter of fiscal year 2016. No customer
accounted for more than 10% of net sales during the quarter ended June 30, 2016.

GAAP net income for the fourth quarter of fiscal year 2016 was \$7.0 million or
\$0.13 per diluted share, a decrease of 73.9% from net income of \$26.7 million, or
\$0.51 per diluted share in the same period a year ago. Included in net income for
the quarter is \$4.4 million of stock-based compensation expense (pre-tax).

¹ Super Micro's fiscal year ends on June 30.

1 Excluding this item and the related tax effect, non-GAAP net income for the fourth
2 quarter was \$10.4 million, or \$0.20 per diluted share, compared to non-GAAP net
3 income of \$30.0 million, or \$0.57 per diluted share, in the same quarter of the prior
4 year. On a sequential basis, non-GAAP net income decreased from the third
5 quarter of fiscal year 2016 by \$8.6 million or \$0.16 per diluted share.

6 GAAP gross margin for the fourth quarter was 14.1% compared to 15.6% in the
7 same period a year ago. Non-GAAP gross margin for the fourth quarter was 14.1%
8 compared to 15.7% in the same period a year ago. GAAP and Non-GAAP gross
9 margin for the third quarter of fiscal year 2016 were both 14.9%.

10 * * *

11 Fiscal Year 2016 Summary

12 Net sales for the fiscal year ended June 30, 2016 were \$2,215.6 million, up 11.3%
13 from \$1,991.2 million for the fiscal year ended June 30, 2015. GAAP net income
14 for fiscal year 2016 decreased to \$72.0 million, or \$1.39 per diluted share, a
15 decrease of 29.3% from \$101.9 million, or \$2.03 per diluted share, for fiscal year
16 2015. Included in net income for the fiscal year ended June 30, 2016 is \$16.1
17 million of stock-based compensation expense (pre-tax). Excluding this item and
18 the related tax effect, non-GAAP net income for the fiscal year 2016 was \$83.8
19 million or \$1.59 per diluted share, a decrease of 24.9% compared to \$111.6 million
20 or \$2.15 per diluted share for fiscal year 2015.

21 20. On August 26, 2016, the Company filed its annual report on Form 10-K for the
22 year ended June 30, 2016. The 10-K was signed by Defendants Liang and Hideshima, and
23 reaffirmed the Company's statements about its financial results contained in the press release
24 issued on August 4, 2016.

25 21. The 10-K also contained signed certifications pursuant to the Sarbanes-Oxley Act
26 of 2002 ("SOX") by the Individual Defendants, stating that the financial information contained
27 therein was accurate and that its internal controls over financial reporting were effective.
28 Specifically, the Individual Defendants represented:

I, [Charles Liang/Howard Hideshima], certify that:

1. I have reviewed this annual report on Form 10-K of Super Micro Computer, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

1 4. The registrant's other certifying officer and I are responsible for establishing and
 2 maintaining disclosure controls and procedures (as defined in Exchange Act Rules
 3 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined
 4 in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

5 a. Designed such disclosure controls and procedures, or caused such
 6 disclosure controls and procedures to be designed under our supervision, to
 7 ensure that material information relating to the registrant, including its
 8 consolidated subsidiaries, is made known to us by others within those
 9 entities, particularly during the period in which this report is being
 10 prepared;

11 b. Designed such internal control over financial reporting, or caused such
 12 internal control over financial reporting to be designed under our
 13 supervision, to provide reasonable assurance regarding the reliability of
 14 financial reporting and the preparation of financial statements for external
 15 purposes in accordance with generally accepted accounting principles;

16 c. Evaluated the effectiveness of the registrant's disclosure controls and
 17 procedures and presented in this report our conclusions about the
 18 effectiveness of the disclosure controls and procedures, as of the end of the
 19 period covered by this report based on such evaluation; and

20 d. Disclosed in this report any change in the registrant's internal control
 21 over financial reporting that occurred during the registrant's most recent
 22 fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual
 23 report) that has materially affected, or is reasonably likely to materially
 24 affect, the registrant's internal control over financial reporting; and

25 5. The registrant's other certifying officer(s) and I have disclosed, based on our
 26 most recent evaluation of internal control over financial reporting, to the
 27 registrant's auditors and the audit committee of the registrant's board of directors
 28 (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or
 operation of internal control over financial reporting which are reasonably
 likely to adversely affect the registrant's ability to record, process,
 summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other
 employees who have a significant role in the registrant's internal control
 over financial reporting.

22. On October 27, 2016, after the market closed, Super Micro issued a press release
 announcing its 1Q 2017 results. The press release stated, in relevant part:

Super Micro Computer, Inc. (NASDAQ:SMCI), a global leader in high-
 performance, high-efficiency server, storage technology and green computing,
 today announced first quarter fiscal 2017 financial results for the quarter ended
 September 30, 2016.

Fiscal 1st Quarter Highlights

- Quarterly net sales of \$529.0 million, up 0.9% from the fourth quarter of fiscal

1 year 2016 and up 1.8% from the same quarter of last year.

2 • GAAP net income of \$13.5 million, up 94.1% from the fourth quarter of fiscal
3 year 2016 and down 1.2% from the same quarter of last year.

4 • GAAP gross margin was 15.1%, up from 14.1% in the fourth quarter of fiscal
5 year 2016 and up from 13.9% in the same quarter of last year.

6 • Server solutions accounted for 67.6% of net sales compared with 65.5% in the
7 fourth quarter of fiscal year 2016 and 68.6% in the same quarter of last year.

8 Net sales for the first quarter ended September 30, 2016 totaled \$529.0 million, up
9 0.9% from \$524.3 million in the fourth quarter of fiscal year 2016. No customer
10 accounted for more than 10% of net sales during the quarter ended September 30,
11 2016.

12 GAAP net income for the first quarter of fiscal year 2017 was \$13.5 million or
13 \$0.26 per diluted share, a decrease of 1.2% from net income of \$13.7 million, or
14 \$0.27 per diluted share in the same period a year ago. Included in net income for
15 the quarter is \$4.5 million of stock-based compensation expense (pre-tax).
16 Excluding this item and the related tax effect, non-GAAP net income for the first
17 quarter was \$16.7 million, or \$0.32 per diluted share, compared to non-GAAP net
18 income of \$16.5 million, or \$0.32 per diluted share, in the same quarter of the prior
19 year. On a sequential basis, non-GAAP net income increased from the fourth
20 quarter of fiscal year 2016 by \$6.3 million or \$0.12 per diluted share.

21 GAAP gross margin for the first quarter of fiscal year 2017 was 15.1% compared
22 to 13.9% in the same period a year ago. Non-GAAP gross margin for the first
23 quarter was 15.2% compared to 13.9% in the same period a year ago. GAAP and
24 Non-GAAP gross margin for the fourth quarter of fiscal year 2016 were both
25 14.1%.

26 * * *

27 Business Outlook & Management Commentary

28 The Company expects net sales of \$570 million to \$640 million for the second
quarter of fiscal year 2017 ending December 31, 2016. The Company expects non-
GAAP earnings per diluted share of approximately \$0.38 to \$0.52 for the second
quarter.

“We are pleased that Supermicro was able to report revenues and profits at the
higher end of our expectations for the first quarter. Strong growth from storage,
IoT Embedded, and accelerated computing contributed to our results. Although
internet datacenter and cloud were lower than previous quarters and same quarter
last year, we have many opportunities to win more business in the coming quarters
to increase utilization of our current capacity,” said Charles Liang, President and
Chief Executive Officer. “Technology is changing rapidly with several technology
transitions coming soon and Supermicro is the best positioned company in IT
infrastructure today to quickly adapt to the new technologies. We believe that we
have opportunities for growth across all of our product lines and we will continue
to focus on being first to market with the latest technology.”

1 23. On November 7, 2016, the Company filed its quarterly report on Form 10-Q for
2 the period September 30, 2016. The 10-Q was signed by Defendants Liang and Hideshima, and
3 reaffirmed the Company's statements about its financial results contained in the press release
4 issued on October 27, 2016.

5 24. This 10-Q also contained signed SOX certifications by the Individual Defendants,
6 stating that the financial information contained therein was accurate and that its internal controls
7 over financial reporting were effective. Specifically, the Individual Defendants represented:

8 I, [Charles Liang/Howard Hideshima], certify that:

9 1. I have reviewed this quarterly report on Form 10-Q of Super Micro Computer,
10 Inc.;

11 2. Based on my knowledge, this report does not contain any untrue statement of a
12 material fact or omit to state a material fact necessary to make the statements
13 made, in light of the circumstances under which such statements were made, not
14 misleading with respect to the period covered by this report;

15 3. Based on my knowledge, the financial statements, and other financial
16 information included in this report, fairly present in all material respects the
17 financial condition, results of operations and cash flows of the registrant as of, and
18 for, the periods presented in this report;

19 4. The registrant's other certifying officer and I are responsible for establishing and
20 maintaining disclosure controls and procedures (as defined in Exchange Act Rules
21 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined
22 in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

23 a. Designed such disclosure controls and procedures, or caused such
24 disclosure controls and procedures to be designed under our supervision, to
25 ensure that material information relating to the registrant, including its
26 consolidated subsidiaries, is made known to us by others within those
27 entities, particularly during the period in which this report is being
28 prepared;

 b. Designed such internal control over financial reporting, or caused such
internal control over financial reporting to be designed under our
supervision, to provide reasonable assurance regarding the reliability of
financial reporting and the preparation of financial statements for external
purposes in accordance with generally accepted accounting principles;

 c. Evaluated the effectiveness of the registrant's disclosure controls and
procedures and presented in this report our conclusions about the
effectiveness of the disclosure controls and procedures, as of the end of the
period covered by this report based on such evaluation; and

 d. Disclosed in this report any change in the registrant's internal control
over financial reporting that occurred during the registrant's most recent
fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual

1 report) that has materially affected, or is reasonably likely to materially
2 affect, the registrant's internal control over financial reporting; and

3 5. The registrant's other certifying officer(s) and I have disclosed, based on our
4 most recent evaluation of internal control over financial reporting, to the
5 registrant's auditors and the audit committee of the registrant's board of directors
6 (or persons performing the equivalent functions):

7 a. All significant deficiencies and material weaknesses in the design or
8 operation of internal control over financial reporting which are reasonably
9 likely to adversely affect the registrant's ability to record, process,
10 summarize and report financial information; and

11 b. Any fraud, whether or not material, that involves management or other
12 employees who have a significant role in the registrant's internal control
13 over financial reporting.

14 25. On January 26, 2017, after the market closed, Super Micro issued a press release
15 announcing its 2Q 2017 results. The press release stated, in relevant part:

16 Super Micro Computer, Inc. (NASDAQ:SMCI), a global leader in high-
17 performance, high-efficiency server, storage technology and green computing,
18 today announced second quarter fiscal 2017 financial results for the quarter ended
19 December 31, 2016.

20 Fiscal 2nd Quarter Highlights

- 21 • Quarterly net sales of \$652.0 million, up 23.3% from the first quarter of fiscal
- 22 year 2017 and up 2.0% from the same quarter of last year.
- 23 • GAAP net income of \$22.0 million, up 62.5% from the first quarter of fiscal year
- 24 2017 and down 36.6% from the same quarter of last year.
- 25 • GAAP gross margin was 14.3%, down from 15.1% in the first quarter of fiscal
- 26 year 2017 and down from 16.6% in the same quarter of last year.
- 27 • Server solutions accounted for 68.1% of net sales compared with 67.6% in the
- 28 first quarter of fiscal year 2017 and 71.0% in the same quarter of last year.

Net sales for the second quarter ended December 31, 2016 totaled \$652.0 million,
up 23.3% from \$529.0 million in the first quarter of fiscal year 2017. No customer
accounted for more than 10% of net sales during the quarter ended December 31,
2016.

GAAP net income for the second quarter of fiscal year 2017 was \$22.0 million or
\$0.43 per diluted share, a decrease of 36.6% from net income of \$34.7 million, or
\$0.67 per diluted share in the same period a year ago. Included in net income for
the quarter is \$4.7 million of stock-based compensation expense (pre-tax).
Excluding this item and the related tax effect, non-GAAP net income for the
second quarter was \$25.0 million, or \$0.48 per diluted share, compared to non-
GAAP net income of \$38.0 million, or \$0.73 per diluted share, in the same quarter
of the prior year. On a sequential basis, non-GAAP net income increased from the
first quarter of fiscal year 2017 by \$8.4 million or \$0.16 per diluted share.

1 GAAP gross margin for the second quarter of fiscal year 2017 was 14.3%
2 compared to 16.6% in the same period a year ago. Non-GAAP gross margin for
3 the second quarter was 14.4% compared to 16.7% in the same period a year ago.
4 GAAP gross margin for the first quarter of fiscal year 2017 was 15.1% and Non-
5 GAAP gross margin for the first quarter of fiscal year 2017 was 15.2%.

6 * * *

7 Business Outlook & Management Commentary

8 The Company expects net sales of \$570 million to \$630 million for the third
9 quarter of fiscal year 2017 ending March 31, 2017. The Company expects non-
10 GAAP earnings per diluted share of approximately \$0.34 to \$0.42 for the third
11 quarter.

12 “We are pleased to report record second quarter revenues of \$652.0 million that
13 exceeded our guidance and outpaced a strong compare with last year. Contributing
14 to this strong growth was our Twin family product line including our FatTwin,
15 Storage, HPC, MicroBlade, and strong growth from enterprise cloud and Asia
16 Pacific, particularly China. Component shortages and pricing, product and
17 geographic mix adversely impacted gross margins while improved leverage
18 allowed us to deliver stronger operating margins from last quarter,” said Charles
19 Liang, Chairman and Chief Executive Officer. “We expect to continue the growth
20 of last quarter and be reflected in the year-over-year revenue growth in the March
21 quarter based on an increasing number of sizable customer engagements
22 demanding the performance and advantages of our leading product lines. In
23 addition, we are well positioned to benefit from technology transitions in 2017 and
24 have upgraded our product lines to optimize these new technologies.”

25 26. On February 7, 2017, Super Micro filed its quarterly report on Form 10-Q for the
26 period ending December 31, 2016. The 10-Q was signed by Defendants Liang and Hideshima,
27 and reaffirmed the Company’s statements about its financial results contained in the press release
28 issued on January 26, 2017.

29 27. This 10-Q also contained signed SOX certifications by the Individual Defendants,
30 stating that the financial information contained therein was accurate and that its internal controls
31 over financial reporting were effective. Specifically, the Individual Defendants represented:

32 I, [Charles Liang/Howard Hideshima], certify that:

- 33 1. I have reviewed this quarterly report on Form 10-Q of Super Micro Computer,
34 Inc.;
- 35 2. Based on my knowledge, this report does not contain any untrue statement of a
36 material fact or omit to state a material fact necessary to make the statements
37 made, in light of the circumstances under which such statements were made, not
38 misleading with respect to the period covered by this report;
- 39 3. Based on my knowledge, the financial statements, and other financial
40 information included in this report, fairly present in all material respects the

1 financial condition, results of operations and cash flows of the registrant as of, and
2 for, the periods presented in this report;

3 4. The registrant's other certifying officer and I are responsible for establishing and
4 maintaining disclosure controls and procedures (as defined in Exchange Act Rules
5 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined
6 in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

7 a. Designed such disclosure controls and procedures, or caused such
8 disclosure controls and procedures to be designed under our supervision, to
9 ensure that material information relating to the registrant, including its
10 consolidated subsidiaries, is made known to us by others within those
11 entities, particularly during the period in which this report is being
12 prepared;

13 b. Designed such internal control over financial reporting, or caused such
14 internal control over financial reporting to be designed under our
15 supervision, to provide reasonable assurance regarding the reliability of
16 financial reporting and the preparation of financial statements for external
17 purposes in accordance with generally accepted accounting principles;

18 c. Evaluated the effectiveness of the registrant's disclosure controls and
19 procedures and presented in this report our conclusions about the
20 effectiveness of the disclosure controls and procedures, as of the end of the
21 period covered by this report based on such evaluation; and

22 d. Disclosed in this report any change in the registrant's internal control
23 over financial reporting that occurred during the registrant's most recent
24 fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual
25 report) that has materially affected, or is reasonably likely to materially
26 affect, the registrant's internal control over financial reporting; and

27 5. The registrant's other certifying officer(s) and I have disclosed, based on our
28 most recent evaluation of internal control over financial reporting, to the
registrant's auditors and the audit committee of the registrant's board of directors
(or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or
operation of internal control over financial reporting which are reasonably
likely to adversely affect the registrant's ability to record, process,
summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other
employees who have a significant role in the registrant's internal control
over financial reporting.

28. On April 27, 2017, after the market closed, Super Micro issued a press release
announcing its 3Q 2017 results. The press release stated, in relevant part:

Super Micro Computer, Inc. (NASDAQ:SMCI), a global leader in high-
performance, high-efficiency server, storage technology and green computing,
today announced third quarter fiscal 2017 financial results for the quarter ended
March 31, 2017.

1 29. On May 10, 2017, Super Micro filed its quarterly report on Form 10-Q for the
2 period ending March 31, 2017. The 10-Q was signed by Defendants Liang and Hideshima, and
3 reaffirmed the Company's statements about its financial results contained in the press release
4 issued on April 27, 2017.

5 30. This 10-Q also contained signed SOX certifications by the Individual Defendants,
6 stating that the financial information contained therein was accurate and that its internal controls
7 over financial reporting were effective. Specifically, the Individual Defendants represented:

8 I, [Charles Liang/Howard Hideshima], certify that:

9 1. I have reviewed this quarterly report on Form 10-Q of Super Micro Computer,
10 Inc.;

11 2. Based on my knowledge, this report does not contain any untrue statement of a
12 material fact or omit to state a material fact necessary to make the statements
13 made, in light of the circumstances under which such statements were made, not
14 misleading with respect to the period covered by this report;

15 3. Based on my knowledge, the financial statements, and other financial
16 information included in this report, fairly present in all material respects the
17 financial condition, results of operations and cash flows of the registrant as of, and
18 for, the periods presented in this report;

19 4. The registrant's other certifying officer and I are responsible for establishing and
20 maintaining disclosure controls and procedures (as defined in Exchange Act Rules
21 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined
22 in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

23 a. Designed such disclosure controls and procedures, or caused such
24 disclosure controls and procedures to be designed under our supervision, to
25 ensure that material information relating to the registrant, including its
26 consolidated subsidiaries, is made known to us by others within those
27 entities, particularly during the period in which this report is being
28 prepared;

 b. Designed such internal control over financial reporting, or caused such
internal control over financial reporting to be designed under our
supervision, to provide reasonable assurance regarding the reliability of
financial reporting and the preparation of financial statements for external
purposes in accordance with generally accepted accounting principles;

 c. Evaluated the effectiveness of the registrant's disclosure controls and
procedures and presented in this report our conclusions about the
effectiveness of the disclosure controls and procedures, as of the end of the
period covered by this report based on such evaluation; and

 d. Disclosed in this report any change in the registrant's internal control
over financial reporting that occurred during the registrant's most recent
fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual

1 report) that has materially affected, or is reasonably likely to materially
2 affect, the registrant's internal control over financial reporting; and

3 5. The registrant's other certifying officer(s) and I have disclosed, based on our
4 most recent evaluation of internal control over financial reporting, to the
5 registrant's auditors and the audit committee of the registrant's board of directors
6 (or persons performing the equivalent functions):

7 a. All significant deficiencies and material weaknesses in the design or
8 operation of internal control over financial reporting which are reasonably
9 likely to adversely affect the registrant's ability to record, process,
10 summarize and report financial information; and

11 b. Any fraud, whether or not material, that involves management or other
12 employees who have a significant role in the registrant's internal control
13 over financial reporting.

14 31. On August 3, 2017, after the market closed, Super Micro issued a press release
15 announcing its 4Q and year-end 2017 results. The press release stated, in relevant part:

16 Super Micro Computer, Inc. (NASDAQ:SMCI), a global leader in high-
17 performance, high-efficiency server, storage technology and green computing,
18 today announced fourth quarter and full-year financial results for the fiscal year
19 ended June 30, 2017. The final results are in line with the preliminary results
20 announced by the Company on July 20, 2017.

21 Fiscal 4th Quarter Highlights

- 22 • Quarterly net sales of \$717.9 million, up 13.7% from the third quarter of fiscal
23 year 2017 and up 36.9% from the same quarter of last year.
- 24 • GAAP net income of \$17.1 million, up 2.8% from the third quarter of fiscal year
25 2017 and up 145.7% from the same quarter of last year.
- 26 • GAAP gross margin was 13.5%, down from 14.0% in the third quarter of fiscal
27 year 2017 and down from 14.1% in the same quarter of last year.
- 28 • Server solutions accounted for 74.3% of net sales compared with 70.0% in the
third quarter of fiscal year 2017 and 65.5% in the same quarter of last year.

Net sales for the fourth quarter ended June 30, 2017 totaled \$717.9 million, up
13.7% from \$631.1 million in the third quarter of fiscal year 2017. No customer
accounted for more than 10% of net sales during the quarter ended June 30, 2017.

GAAP net income for the fourth quarter of fiscal year 2017 was \$17.1 million or
\$0.33 per diluted share, an increase of 145.7% from net income of \$7.0 million, or
\$0.13 per diluted share in the same period a year ago. Included in net income for
the quarter is \$5.1 million of stock-based compensation expense (pre-tax).
Excluding this item and the related tax effect, non-GAAP net income for the fourth
quarter was \$20.7 million, or \$0.39 per diluted share, compared to non-GAAP net
income of \$10.4 million, or \$0.20 per diluted share, in the same quarter of the prior
year. On a sequential basis, non-GAAP net income increased from the third
quarter of fiscal year 2017 by \$0.4 million or \$0.01 per diluted share.

1 GAAP and Non-GAAP gross margin for the fourth quarter of fiscal year 2017 was
 2 13.5% compared to 14.1% in the same period a year ago. GAAP and Non-GAAP
 gross margin for the third quarter of fiscal year 2017 were both 14.0%.

3 * * *

4 Fiscal Year 2017 Summary

5 Net sales for the fiscal year ended June 30, 2017 were \$2,529.9 million, up 14.2%
 6 from \$2,215.6 million for the fiscal year ended June 30, 2016. GAAP net income
 7 for fiscal year 2017 decreased to \$69.3 million, or \$1.34 per diluted share, a
 8 decrease of 3.7% from \$72.0 million, or \$1.39 per diluted share, for fiscal year
 9 2016. Included in net income for the fiscal year ended June 30, 2017 is \$19.2
 million of stock-based compensation expense (pre-tax). Excluding this item and
 the related tax effect, non-GAAP net income for the fiscal year 2017 was \$82.8
 million or \$1.57 per diluted share, a decrease of 1.3% compared to \$83.8 million
 or \$1.59 per diluted share for fiscal year 2016.

10 Business Outlook & Management Commentary

11 The Company expects net sales of \$625 million to \$685 million for the first
 12 quarter of fiscal year 2018 ending September 30, 2017. The Company expects
 non-GAAP earnings per diluted share of approximately \$0.30 to \$0.40 for the first
 13 quarter.

14 “Supermicro has built a strong foundation for sustained high growth while
 15 improving profitability. During the last couple of years we have made significant
 16 investments in global production capacity, engineering, quality, global services,
 and systems and datacenter management software. It is these investments that will
 17 power the new Supermicro 3.0,” said Charles Liang, Chairman and Chief
 18 Executive Officer. “Supermicro 3.0 positions us as the only Tier 1 IT
 19 Infrastructure Provider capable of both first to market product innovation and
 20 global scale, quality, services and support to engage our rapidly growing enterprise
 customer base deeply in their business requirements. The record high revenue and
 21 strong 27.6% second half growth over last year is a direct result of these
 22 Supermicro 3.0 investments. With the major investments in place and the new
 23 Skylake product portfolio shipping, future investment and expenses will begin to
 24 flatten driving improved profitability moving forward.”

25 32. The above statements identified in ¶¶19-31 were materially false and/or
 26 misleading, and failed to disclose material adverse facts about the Company’s business,
 27 operations, and prospects, which were known to Defendants or recklessly disregarded by them.
 28 Specifically, Defendants failed to disclose: (1) that Super Micro was improperly and illicitly
 recognizing revenue on certain sales transactions; (2) that the Company failed to implement and
 maintain the proper internal controls to prevent improper and illicit recognition of revenue; (3)
 Super Micro’s financial results were not calculated in accordance with GAAP; (4) Super Micro’s
 revenues and income were artificially inflated as a result of its illicit business practices; (5) that

1 these practices caused the Company to be vulnerable to potential civil and criminal liability, and
2 adverse regulatory action; and (6) that, as a result of the foregoing, Defendants' statements about
3 Super Micro's business, operations, and prospects, were materially false and/or misleading and/or
4 lacked a reasonable basis.

5 The Truth Emerges

6 33. On August 29, 2017, investors first learned of potential accounting and financial
7 reporting issues at Super Micro when the Company filed a Notice of Late Filing with the SEC,
8 stating:

9 *Super Micro Computer, Inc. (the "Company") is not in a position to file its*
10 *Form 10-K for fiscal year ended June 30, 2017 (the "Form 10-K"), in a timely*
11 *manner because the Registrant cannot complete the Form 10-K in a timely manner*
12 *without unreasonable effort or expense. Additional time is needed for the*
13 *Company to compile and analyze certain information and documentation and*
14 *complete preparation of its financial statements in order to permit the Company's*
15 *independent registered public accounting firm to complete its audit of the financial*
16 *statements to be incorporated in the Form 10-K and complete its audit of the*
17 *Company's internal controls over financial reporting as of June 30, 2017.*

18 34. On this news, Super Micro's share price declined \$1.35 per share, or 5%, from a
19 close of \$27.20 per share on August 29, 2017 to a close of \$25.85 per share on August 30, 2017 –
20 wiping out \$66 million in the Company's market capitalization in one day.

21 35. Just two weeks later, on September 14, 2017, Super Micro received a notification
22 letter from NASDAQ stating that the Company was not in compliance with NASDAQ listing
23 rules. The Company explained that it needed additional time to "to compile and analyze certain
24 information and documentation and finalize its financial statements, as well as complete a related
25 internal review, in order to permit the Company's independent registered public accounting firm
26 to complete its audit of the financial statements to be incorporated in the Form 10-K and complete
27 its audit of the Company's internal controls over financial reporting as of June 30, 2017." Super
28 Micro went on to state that it "is unable at this time to provide a date as to when the review and
the audits will be completed."

36. On this news, Super Micro's share price plummeted \$4.05 per share, or 16%, over
the course of the next two trading days, from a close of \$25.25 per share on September 14, 2017

1 to a close of \$21.20 per share on September 18, 2017 – wiping out another \$200 million in the
2 Company’s market capitalization.

3 37. On October 26, 2017, Super Micro disclosed that, in connection with the in-
4 process audit of the Company’s financial results, a sale transaction was being subjected to
5 additional review. The sales transaction in question was originally recorded as revenue during the
6 quarter ended December 31, 2016; however, “prior to review by the Company’s independent
7 auditors and prior to the Company’s public announcement of its results for the quarter, the
8 recognition of revenue was reversed and the revenue was subsequently recognized in the quarter
9 ended March 31, 2017.” After learning of this transaction, the Audit Committee of the Board of
10 Directors initiated an independent investigation to determine whether there were any similar
11 transactions and, if so, whether such transactions were properly accounted for.

12 38. On this news, Super Micro’s share price declined an additional \$1.85 per share, or
13 9%, over the course of the next two trading days, from a close of \$21.70 per share on October 26,
14 2017 to a close of \$19.85 per share on October 30, 2017 – this time wiping out \$90 million in the
15 Company’s market capitalization.

16 39. On January 30, 2018, after the close of trading, Super Micro again disappointed
17 investors by announcing that the Audit Committee had completed the previously disclosed
18 investigation, but that additional time was still required to analyze the impact on its historical
19 financial statements and that the Company was conducting “additional reviews.” Super Micro
20 also disclosed that Defendant Hideshima, along with Super Micro’s Senior VP of International
21 Sales and Senior VP of Worldwide Sales, had “resigned,” effective immediately. In response,
22 Super Micro fell approximately 7.5% on heavy volume, from \$24.65 to \$22.83 per share.

23 **CLASS ACTION ALLEGATIONS**

24 40. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil
25 Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and entities that acquired
26 Super Micro securities between August 5, 2016 and January 30, 2018, inclusive, and who were
27 damaged thereby (the “Class”). Excluded from the Class are Defendants, the officers and
28 directors of the Company, at all relevant times, members of their immediate families and their

1 legal representatives, heirs, successors, or assigns, and any entity in which Defendants have or
2 had a controlling interest.

3 41. The members of the Class are so numerous that joinder of all members is
4 impracticable. Throughout the Class Period, Super Micro's common stock actively traded on the
5 NASDAQ. While the exact number of Class members is unknown to Plaintiff at this time and can
6 only be ascertained through appropriate discovery, Plaintiff believes that there are at least
7 hundreds or thousands of members in the proposed Class. Millions of Super Micro shares were
8 traded publicly during the Class Period on the NASDAQ. During the Class Period, Super Micro
9 had over 48.6 million shares of common stock outstanding. Record owners and other members of
10 the Class may be identified from records maintained by Super Micro or its transfer agent and may
11 be notified of the pendency of this action by mail, using the form of notice similar to that
12 customarily used in securities class actions.

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

16 43. Plaintiff will fairly and adequately protect the interests of the members of the Class
17 and has retained counsel competent and experienced in class and securities litigation.

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

21 a. whether the federal securities laws were violated by Defendants' acts as
22 alleged herein;

23 b. whether statements made by Defendants to the investing public during the
24 Class Period omitted and/or misrepresented material facts about the business, operations, and
25 prospects of Super Micro; and

26 c. to what extent the members of the Class have sustained damages and the
27 proper measure of damages.
28

1 misleading statements during the Class Period resulted in Plaintiff and other members of the
2 Class purchasing the Company's securities at artificially inflated prices, thus causing the damages
3 complained of herein when the truth was revealed.

4 **LOSS CAUSATION**

5 49. Defendants' wrongful conduct, as alleged herein, directly and proximately caused
6 the economic loss suffered by Plaintiff and the Class.

7 50. During the Class Period, Plaintiff and the Class purchased Super Micro's securities
8 at artificially inflated prices and were damaged thereby. The price of the Company's securities
9 significantly declined when the misrepresentations made to the market, and/or the information
10 alleged herein to have been concealed from the market, and/or the effects thereof, were revealed,
11 causing investors' losses.

12 **APPLICABILITY OF PRESUMPTION OF RELIANCE**
13 **(FRAUD-ON-THE-MARKET DOCTRINE)**

14 51. The market for Super Micro's securities was open, well-developed and efficient at
15 all relevant times. As a result of the materially false and/or misleading statements and/or failures
16 to disclose, Super Micro's securities traded at artificially inflated prices during the Class Period.
17 Plaintiff and other members of the Class purchased or otherwise acquired the Company's
18 securities relying upon the integrity of the market price of Super Micro's securities and market
19 information relating to Super Micro, and have been damaged thereby.

20 52. During the Class Period, the artificial inflation of Super Micro's stock was caused
21 by the material misrepresentations and/or omissions particularized in this Complaint causing the
22 damages sustained by Plaintiff and other members of the Class. As described herein, during the
23 Class Period, Defendants made or caused to be made a series of materially false and/or
24 misleading statements about Super Micro's business, operations, and results. These material
25 misstatements and/or omissions created an unrealistically positive assessment of Super Micro and
26 its business, operations, and results, thus causing the price of the Company's securities to be
27 artificially inflated at all relevant times, and when disclosed, negatively affected the value of the
28 Company stock. Defendants' materially false and/or misleading statements during the Class

1 Period resulted in Plaintiff and other members of the Class purchasing the Company's securities
2 at such artificially inflated prices, and each of them has been damaged as a result.

3 53. At all relevant times, the market for Super Micro's securities was an efficient
4 market for the following reasons, among others:

5 a. Super Micro was listed and actively traded on the NASDAQ, a highly
6 efficient and automated market;

7 b. As a regulated issuer, Super Micro filed periodic public reports with the
8 SEC and/or the NASDAQ;

9 c. Super Micro regularly communicated with public investors via established
10 market communication mechanisms, including through regular dissemination of press releases on
11 the national circuits of major newswire services and through other wide-ranging public
12 disclosures, such as communications with the financial press and other similar reporting services;
13 and/or

14 d. Super Micro was followed by securities analysts employed by brokerage
15 firms who wrote reports about the Company, and these reports were distributed to the sales force
16 and certain customers of their respective brokerage firms. Each of these reports was publicly
17 available and entered the public marketplace.

18 54. As a result of the foregoing, the market for Super Micro's securities promptly
19 digested current information regarding Super Micro from all publicly available sources and
20 reflected such information in Super Micro's stock price. Under these circumstances, all
21 purchasers of Super Micro's securities during the Class Period suffered similar injury through
22 their purchase of Super Micro's securities at artificially inflated prices and a presumption of
23 reliance applies.

24 55. A Class-wide presumption of reliance is also appropriate in this action under the
25 Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128 (1972),
26 because the Class's claims are, in large part, grounded on Defendants' material misstatements
27 and/or omissions. Because this action involves Defendants' failure to disclose material adverse
28 information regarding the Company's business operations and financial prospects—information

1 that Defendants were obligated to disclose—positive proof of reliance is not a prerequisite to
2 recovery. All that is necessary is that the facts withheld be material in the sense that a reasonable
3 investor might have considered them important in making investment decisions. Given the
4 importance of the Class Period material misstatements and omissions set forth above, that
5 requirement is satisfied here.

6 **NO SAFE HARBOR**

7 56. The statutory safe harbor provided for forward-looking statements under certain
8 circumstances does not apply to any of the allegedly false statements pleaded in this Complaint.
9 The statements alleged to be false and misleading herein all relate to then-existing facts and
10 conditions. In addition, to the extent certain of the statements alleged to be false may be
11 characterized as forward looking, they were not identified as “forward-looking statements” when
12 made and there were no meaningful cautionary statements identifying important factors that could
13 cause actual results to differ materially from those in the purportedly forward-looking statements.
14 In the alternative, to the extent that the statutory safe harbor is determined to apply to any
15 forward-looking statements pleaded herein, Defendants are liable for those false forward-looking
16 statements because at the time each of those forward-looking statements was made, the speaker
17 had actual knowledge that the forward-looking statement was materially false or misleading,
18 and/or the forward-looking statement was authorized or approved by an executive officer of
19 Super Micro who knew that the statement was false when made.

20 **FIRST CLAIM**

21 **Violation of Section 10(b) of The Exchange Act and** 22 **Rule 10b-5 Promulgated Thereunder** 23 **Against All Defendants**

24 57. Plaintiff repeats and re-alleges each and every allegation contained above as if
25 fully set forth herein.

26 58. During the Class Period, Defendants carried out a plan, scheme and course of
27 conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing
28 public, including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and
other members of the Class to purchase Super Micro’s securities at artificially inflated prices. In

1 furtherance of this unlawful scheme, plan and course of conduct, Defendants, and each defendant,
2 took the actions set forth herein.

3 59. Defendants (i) employed devices, schemes, and artifices to defraud; (ii) made
4 untrue statements of material fact and/or omitted to state material facts necessary to make the
5 statements not misleading; and (iii) engaged in acts, practices, and a course of business which
6 operated as a fraud and deceit upon the purchasers of the Company's securities in an effort to
7 maintain artificially high market prices for Super Micro's securities in violation of Section 10(b)
8 of the Exchange Act and Rule 10b-5. All Defendants are sued either as primary participants in the
9 wrongful and illegal conduct charged herein or as controlling persons as alleged below.

10 60. Defendants, individually and in concert, directly and indirectly, by the use, means
11 or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a
12 continuous course of conduct to conceal adverse material information about Super Micro's
13 financial well-being, as specified herein. Defendants employed devices, schemes and artifices to
14 defraud, while in possession of material adverse non-public information and engaged in acts,
15 practices, and a course of conduct as alleged herein in an effort to assure investors of Super
16 Micro's value and performance and continued substantial growth, which included the making of,
17 or the participation in the making of, untrue statements of material facts and/or omitting to state
18 material facts necessary in order to make the statements made about Super Micro and its business
19 operations and future prospects in light of the circumstances under which they were made, not
20 misleading, as set forth more particularly herein, and engaged in transactions, practices and a
21 course of business which operated as a fraud and deceit upon the purchasers of the Company's
22 securities during the Class Period.

23 61. Each of the Individual Defendants' primary liability and controlling person
24 liability arises from the following facts: (i) the Individual Defendants were high-level executives
25 and/or directors at the Company during the Class Period and members of the Company's
26 management team or had control thereof; (ii) each of these defendants, by virtue of their
27 responsibilities and activities as a senior officer and/or director of the Company, was privy to and
28 participated in the creation, development and reporting of the Company's internal budgets, plans,

1 projections and/or reports; (iii) each of these defendants enjoyed significant personal contact and
2 familiarity with the other defendants and was advised of, and had access to, other members of the
3 Company's management team, internal reports and other data and information about the
4 Company's finances, operations, and sales at all relevant times; and (iv) each of these defendants
5 was aware of the Company's dissemination of information to the investing public which they
6 knew and/or recklessly disregarded was materially false and misleading.

7 62. Defendants had actual knowledge of the misrepresentations and/or omissions of
8 material facts set forth herein, or acted with reckless disregard for the truth in that they failed to
9 ascertain and to disclose such facts, even though such facts were available to them. Such
10 Defendants' material misrepresentations and/or omissions were done knowingly or recklessly and
11 for the purpose and effect of concealing Super Micro's financial well-being and prospects from
12 the investing public and supporting the artificially inflated price of its securities. As demonstrated
13 by Defendants' overstatements and/or misstatements of the Company's business, operations,
14 financial well-being, and prospects throughout the Class Period, Defendants, if they did not have
15 actual knowledge of the misrepresentations and/or omissions alleged, were reckless in failing to
16 obtain such knowledge by deliberately refraining from taking those steps necessary to discover
17 whether those statements were false or misleading.

18 63. As a result of the dissemination of the materially false and/or misleading
19 information and/or failure to disclose material facts, as set forth above, the market price of Super
20 Micro's securities was artificially inflated during the Class Period. In ignorance of the fact that
21 market prices of the Company's securities were artificially inflated, and relying directly or
22 indirectly on the false and misleading statements made by Defendants, or upon the integrity of the
23 market in which the securities trades, and/or in the absence of material adverse information that
24 was known to or recklessly disregarded by Defendants, but not disclosed in public statements by
25 Defendants during the Class Period, Plaintiff and the other members of the Class acquired Super
26 Micro's securities during the Class Period at artificially high prices and were damaged thereby.

27 64. At the time of said misrepresentations and/or omissions, Plaintiff and other
28 members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff

1 and the other members of the Class and the marketplace known the truth regarding the problems
2 that Super Micro was experiencing, which were not disclosed by Defendants, Plaintiff and other
3 members of the Class would not have purchased or otherwise acquired their Super Micro
4 securities, or, if they had acquired such securities during the Class Period, they would not have
5 done so at the artificially inflated prices which they paid.

6 65. By virtue of the foregoing, Defendants violated Section 10(b) of the Exchange Act
7 and Rule 10b-5 promulgated thereunder.

8 66. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the
9 other members of the Class suffered damages in connection with their respective purchases and
10 sales of the Company's securities during the Class Period.

11 **SECOND CLAIM**

12 **Violation of Section 20(a) of The Exchange Act** 13 **Against the Individual Defendants**

14 67. Plaintiff repeats and re-alleges each and every allegation contained above as if
15 fully set forth herein.

16 68. The Individual Defendants acted as controlling persons of Super Micro within the
17 meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level
18 positions and their ownership and contractual rights, participation in, and/or awareness of the
19 Company's operations and intimate knowledge of the false financial statements filed by the
20 Company with the SEC and disseminated to the investing public, Individual Defendants had the
21 power to influence and control and did influence and control, directly or indirectly, the decision-
22 making of the Company, including the content and dissemination of the various statements which
23 Plaintiff contends are false and misleading. Individual Defendants were provided with or had
24 unlimited access to copies of the Company's reports, press releases, public filings, and other
25 statements alleged by Plaintiff to be misleading prior to and/or shortly after these statements were
26 issued and had the ability to prevent the issuance of the statements or cause the statements to be
27 corrected.
28

1 Dated: February 8, 2018

Respectfully submitted,

2 LIEFF CABRASER HEIMANN & BERNSTEIN, LLP

3
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5
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25 *Counsel for Plaintiff and the Proposed Class*

CERTIFICATION AND AUTHORIZATION

I, Riccardo Iaccarino, on behalf of the United Union of Roofers, Waterproofers & Allied Workers Local Union No. 8 WBPA Fund (“Roofers Local 8”), hereby certify, as to the claims asserted under the federal securities laws, that:

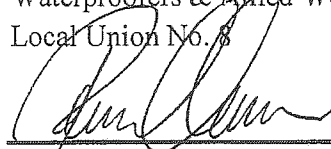
1. I have reviewed the complaint in this matter and I am authorized in my capacity as General Counsel of Roofers Local 8 to initiate litigation and to execute this Certification on behalf of Roofers Local 8.
2. Roofers Local 8 did not purchase the securities that are the subject of this action at the direction of counsel, or in order to participate in any action arising under the federal securities laws.
3. Roofers Local 8 is willing to serve as a representative party on behalf of the Class, including providing testimony at deposition and trial, if necessary.
4. Roofers Local 8’s transactions in Super Micro Computer, Inc.’s common stock are set forth below:

Date	Transaction	Shares	Price
02/07/17	Purchase	375	\$25.99
02/07/17	Purchase	300	\$25.99
06/09/17	Purchase	200	\$24.94
06/09/17	Purchase	150	\$24.94
01/19/18	Purchase	350	\$22.77
01/19/18	Purchase	425	\$22.77

5. Roofers Local 8 has sought to serve and was appointed as lead plaintiff and representative party on behalf of a class in the following actions under the federal securities laws filed during the three-year period preceding the date of this Certification: *None*
6. Roofers Local 8 has sought to serve as a lead plaintiff and representative party on behalf of a class in the following actions under the federal securities laws filed during the three-year period preceding the date of this Certification, but either withdrew its motion for lead plaintiff, was not appointed lead plaintiff or the lead plaintiff decision is still pending: *None*
7. Roofers Local 8 will not accept any payment for serving as a representative party on behalf of the Class beyond Roofers Local 8’s pro rata share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the Class, as ordered or approved by the Court.

I declare under penalty of perjury that the foregoing is true and correct.
Executed this 7th day of February, 2018.

United Union of Roofers,
Waterproofers & Allied Workers
Local Union No. 8

A handwritten signature in black ink, appearing to read "Riccardo Iaccarino", written over a horizontal line.

Riccardo Iaccarino, Esq.
General Counsel