UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

_____, Individually and On Behalf of All Others Similarly Situated, Plaintiff, v. CREDIT SUISSE GROUP AG, BRADY DOUGAN, TIDJANE THIAM and DAVID R. MATHERS, Defendants.	**Case No.** **CLASS ACTION COMPLAINT** **JURY TRIAL DEMANDED**

CLASS ACTION COMPLAINT

Plaintiff _____ ("Plaintiff"), individually and on behalf of all other persons similarly situated, by her undersigned attorneys, for her complaint against Defendants, alleges the following based upon personal knowledge as to herself and her own acts, and information and belief as to all other matters, based upon, *inter alia*, the investigation conducted by and through her attorneys, which included, among other things, a review of the 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 Credit Suisse Group AG ("Credit Suisse" or the "Company"), analysts' reports and advisories about the Company, and information readily obtainable on the Internet. Plaintiff believes that substantial evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

NATURE OF THE ACTION

1. This is a federal securities class action on behalf of a class consisting of all persons other than defendants who purchased or otherwise acquired Credit Suisse's American Depositary Receipts ("ADRs") between March 20, 2015, and February 3, 2016, both dates

inclusive (the "Class Period"), seeking to recover damages caused by defendants' violations of the federal securities laws and to pursue remedies under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder, against the Company and certain of its top officials.

2. Credit Suisse is a Swiss multinational financial services holding company, with one of its four primary divisions focused on investment banking. Throughout the Class Period, Defendants repeatedly touted in SEC filings that Credit Suisse maintained "comprehensive risk management processes and sophisticated control systems" governing its investment operations. A notable component of the Bank's risk management structure was its high-level Capital Allocation and Risk Management Committee ("CARMC"), which was responsible for, among other obligations, establishing and allocating appropriate trading and risk limits for the Bank's various businesses. Significantly, Credit Suisse represented in its Class Period filings that the trading and risk limits set by the CARMC were "binding" on the Bank's businesses and trading desks. In addition, only senior management had the authority to temporarily increase a divisional risk committee limit and, even in those cases, such authority was limited to an "approved percentage for a period not to exceed 90 days."

3. Founded in 1856, the Company is headquartered in Zurich, Switzerland, and its ADRs trade on the New York Stock Exchange ("NYSE") under the ticker symbol "CS."

4. Throughout the Class Period, Defendants made materially false and misleading statements regarding the Company's business, operational and compliance policies. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (i) Credit Suisse's risk protocols and control systems were routinely disregarded; (ii) Credit Suisse was amassing billions of dollars of risky, highly illiquid securities, in violation of those risk

protocols; and (iii) as a result, Credit Suisse's statements about Credit Suisse's business, operations, and risk controls were false and misleading and/or lacked a reasonable basis.

5. Contrary to Defendants' representations, however, Credit Suisse's trading and risk limits were not actually binding, and were routinely increased to allow the Bank to accumulate billions of dollars in extremely risky, highly illiquid investments. Indeed, Defendants' scheme enabled the Bank to surreptitiously accumulate nearly $3 billion in distressed debt and U.S. collateralized loan obligations ("CLOs"), which were notoriously difficult to liquidate and required significant capital investments. This outsized investment position—which was undisclosed to shareholders—violated Credit Suisse's purported risk protocols and rendered the Bank highly susceptible to losses when credit markets contracted.

6. By the beginning of 2016, with credit markets tightening, Defendants could no longer hide the truth. On February 4, 2016, Credit Suisse announced its Fourth Quarter and Full Year 2015 financial results, which included a massive $633 million write-down from the sale of the Bank's outsized, illiquid distressed debt and CLO positions—an incredible loss that would swell to nearly $1 billion in the ensuing weeks. Even worse, Defendant Tidjane Thiam, Credit Suisse's recently-appointed CEO, explicitly admitted that these risky and outsized investments were only allowed because trading limits were continuously raised, which enabled traders take larger and larger positions in violation of the Bank's publicly-touted risk policies. In addition, Thiam acknowledged that Credit Suisse's investment bank had acquired these securities over the years as it was "trying to generate revenue at all costs."

7. The market reacted in astonishment. Analysts and former Credit Suisse insiders were incredulous that the position went unreported, responding with disbelief at the notion that Credit Suisse's senior executives did not know about the outsized illiquid positions sooner.

Credit Suisse bankers said it was ***"inconceivable"*** that the CARMC was unaware of the holdings. A former Credit Suisse subsidiary board member remarked: "If the CFO didn't know about it, then sure as hell the chief risk officer would have, which means everybody would have . . . It's hard to imagine that nobody knew about this stuff." In assigning an uncertainty rating to Credit Suisse's securities, a Morningstar report notably explained: "We're more worried by Thiam's admission that the bank held large illiquid position that he and other top managers did not know about in October."

8. In the wake of Credit Suisse's revelations, the price of the Bank's ADRs declined from a close of $16.69 on February 3, 2016 to a close of $14.89 on February 4, 2016—an 11% drop that wiped out approximately $230 million in market capitalization.

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

JURISDICTION AND VENUE

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

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

12. Venue is proper in this Judicial District pursuant to §27 of the Exchange Act (15 U.S.C. §78aa) and 28 U.S.C. §1391(b). A substantial portion of the acts in furtherance of the alleged fraud, including the preparation and dissemination of materially false and misleading information and the effects of the fraud, have occurred in this Judicial District. In addition, the

Company's United States offices are located in this District at 11 Madison Avenue, New York, NY 10010. In addition, Credit Suisse's ADRs are traded on the NYSE.

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

PARTIES

14. Plaintiff, as set forth in the attached Certification, acquired Credit Suisse securities at artificially inflated prices during the Class Period and was damaged upon the revelation of the alleged corrective disclosures.

15. Defendant Credit Suisse is headquartered in Switzerland, with principal executive offices located at Paradeplatz 8, Zurich, Switzerland 8070, and its U.S. offices are located at 11 Madison Avenue, New York, New York 10010. Credit Suisse's ADRs trade on the NYSE under the ticker symbol "CS."

16. Defendant Brady W. Dougan ("Dougan") served as the Company's Chief Executive Officer ("CEO") from 2007 through June 30, 2015.

17. Defendant Tidjane Thiam ("Thiam") has served as the Company's CEO and member of the Executive Board since July 1, 2015.

18. Defendant David R. Mathers ("Mathers") has served as the Company's Chief Financial Officer ("CFO") and member of the Executive Board since 2012.

19. The defendants referenced above in ¶¶ 16-18 are sometimes referred to herein as the "Individual Defendants."

20. The Individual Defendants possessed the power and authority to control the contents of Credit Suisse's SEC filings, press releases, and other market communications. The Individual Defendants were provided with copies of the Company's SEC filings and press releases alleged herein to be misleading prior to or shortly after their issuance and had the ability and opportunity to prevent their issuance or to cause them to be corrected. Because of their positions with the Company, and their access to material information available to them but not to the public, the Individual Defendants knew that the adverse facts specified herein had not been disclosed to and were being concealed from the public, and that the positive representations being made were then materially false and misleading. The Individual Defendants are liable for the false statements and omissions pleaded herein.

SUBSTANTIVE ALLEGATIONS

Background

21. Credit Suisse, based in Zurich, Switzerland, is a multinational financial services holding company that operated the Credit Suisse Bank and other financial services investments. The Bank's U.S. headquarters are located in New York, New York. Credit Suisse operates through three regionally focused divisions: Swiss Universal Bank, International Wealth Management, and Asia Pacific. These regional businesses are supported by two divisions that specialize in investment banking capabilities: Global Markets and Investment Banking & Capital Markets. The Global Markets division provides a broad range of financial products, including securities sales, trading and execution, prime brokerage, and investment research.

22. Between 2012 and 2015, in an effort to chase more and more revenue and feeding off a culture of "seeking revenue at any cost," traders at Credit Suisse's investment banking

division racked more than $3 billion in incredibly risky, highly illiquid securities consisting mainly of distressed credit and U.S. CLOs.

Materially False and Misleading Statements Issued During the Class Period

Credit Suisse's 2014 Annual Report Touts the Company's Comprehensive and Binding Risk Controls and Trading Limits

23. The Class Period begins on March 20, 2015, when Credit Suisse filed an Annual Report on Form 20-F with the SEC, announcing the Company's financial and operating results for the quarter and fiscal year ended December 31, 2014 (the "2014 20-F"). The 2014 20-F was signed by Defendants Dougan and Mathers on behalf of Credit Suisse. The 2014 20-F touted the extensive risk protocols and practices in place at Credit Suisse to prevent the Bank from incurring any unnecessary risks, including risks posed by holding large positions of risky illiquid securities.

24. The 2014 20-F explicitly stated that Credit Suisse had "comprehensive risk management processes and sophisticated control systems." These processes included the Capital Allocation & Risk Management Committee ("CARMC"). In the 2014 20-F, the Company stated, in relevant part:

> CARMC is responsible for supervising and directing our risk profile, recommending risk limits at the Group level to the Risk Committee and the Board, establishing and allocating risk limits among the various businesses, and for developing measures, methodologies and tools to monitor and manage the risk portfolio.

25. CARMC, in consultation with the Board of Directors and Credit Suisse executive management, was responsible for setting the Bank's risk limits and, according to the 2014 20-F, such limits were "binding." Where a breach of such limits did occur however, these instances were immediately reported to the "Chairman of the Board's Risk Committee and the Group

CEO" (i.e., Defendant Dougan and Thiam). In addition, "written notification to the full Board" was provided at the next meeting.

26. Credit Suisse's risk policies allowed for temporary increases in risk exposure, however such increases were limited to approved percentages and were not allowed to exceed 90 days. In the 2014 20-F, the Company further stated:

> **CARMC limits are binding** and generally set close to the planned risk profile to ensure that any meaningful increase in risk exposures is promptly escalated. The divisional chief risk officers and certain other members of senior management have the authority to temporarily increase the divisional risk committee limits by an approved percentage for a period not to exceed 90 days. Any divisional risk committee limit excess is subject to a formal escalation procedure and must be remediated or expressly approved by senior management.

27. The risk protocols further explained that the Bank's risk limits were reviewed on a daily, weekly or monthly basis:

> The limit framework encompasses specific limits on a large number of different products and risk type concentrations… The majority of these limits are monitored on a daily basis. Limits for which the inherent calculation time is longer are monitored on a weekly basis. A smaller subset of limits relating to exposures for which the risk profile changes more infrequently (for example, those relating to illiquid investments) is monitored on a monthly basis. In 2014, 98% of all limit excesses were resolved within the approved standard period. A smaller subset of limits relating to exposures for which the risk profile changes more infrequently (for example, those relating to illiquid investments) is monitored on a monthly basis.

28. However, as explained below, these statements were knowingly and/or recklessly false and misleading because they failed to disclose that Defendants had been continuously raising risk limits with respect to the Bank's illiquid investments—so much so that its risk management processes were in fact, wholly false and illusory.

Defendant Thiam Takes The Helm Of The Bank, And Months Later Credit Suisse Completes An $8 Billion Debt Exchange Offering

29. On July 1, 2015, Defendant Dougan stepped down as CEO of Credit Suisse and was replaced by Tidjane Thiam. Thiam took over after months of investor criticism of Defendant

Dougan for failing to reform the Bank and scale back its risky investment banking business fast enough in the wake of the global regulations implemented after the worldwide recession in 2008 requiring banks to hold more capital.

30. Almost immediately upon taking control, Thiam began an internal review of each of Credit Suisse Group's business lines, with the stated goal of reducing the size of Credit Suisse's investment bank and focusing the Company more on its wealth management clients. During the Class Period, on October 21, 2015, Defendant Thiam outlined his new strategy for the Bank in an investor day presentation in which Thiam referred to the securitized products and credit groups (both responsible for the illiquid positions discussed herein) as "ugly ducklings" because they were very profitable but consumed a ton of capital.

31. Thiam's plan for Credit Suisse focused on deleveraging and increasing the Bank's capital cushion which had been one of the worst performers of all the European banks. Thiam's Investor Day presentation included an announcement that the Bank would seek to raise 6 billion CHF ($6.1 billion) in capital through a rights offering in Switzerland. Without disclosing the truth about their outsized illiquid investments, Credit Suisse completed the rights offering on December 3, 2015.

32. Then, on December 15, 2015, Credit Suisse co-issued $8 billion in long term debt with its subsidiary, Credit Suisse Group Funding (Guernsey) Limited in a debt exchange offering (the "Exchange Offering"). Credit Suisse also guaranteed the Exchange Offering. In connection with the Exchange Offering, Credit Suisse filed a Registration Statement with the SEC on form F-4. The Registration Statement and Prospectus for the Exchange Offering was signed by Defendants Thiam and Mathers and explicitly incorporated the 2014 Annual Report by

reference, including the statements contained therein touting to the market the comprehensive and binding nature of the Company's risk protocols and control systems.

33. The statements referenced in ¶¶ 23-32 were materially false and misleading because defendants made false and/or misleading statements, as well as failed to disclose material adverse facts about the Company's business, operational and compliance policies. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (i) Credit Suisse's risk protocols and control systems were routinely disregarded; (ii) Credit Suisse was amassing billions of dollars of risky, highly illiquid securities, in violation of those risk protocols; and (iii) as a result, Credit Suisse's statements about Credit Suisse's business, operations, and risk controls were false and misleading and/or lacked a reasonable basis.

The Truth Begins to Emerge

34. On February 4, 2016, with billions of dollars of additional capital now in their possession, Credit Suisse publicly announced its Fourth Quarter and Full Year 2015 financial results. In doing so, Credit Suisse's global markets group reported an adjusted pre-tax loss of 658 million CHF ($686.35 million). What shocked investors the most however was that of the $686 million in losses that were reported, ***$632 million were attributable to write-downs from sales of illiquid securities.***

35. Also on February 4, 2016, prior to the market's open, Credit Suisse held a conference call with analysts to discuss the Fourth Quarter and Full Year 2015 results. During that Call, Thiam explained:

> As we mentioned, in the fourth quarter, we saw significant mark-to-market losses of $632 million across both Global Markets and IBCM. The losses were incurred across our securitized products, credit and corporate loan books, although the majority were incurred in the leveraged finance business in distressed trading, underwriting and par….

36. As a result of the Company's announcement on February 4, 2016, the price of Credit Suisse ADRs declined from a close of $16.69 on February 3, 2016 to a close of $14.89 on February 4, 2016; a drop of 11% wiping out approximately $230 million in market capitalization.

37. On March 23, 2016, in a conference call with market analysts outlining revisions to Thiam's restructuring plan, Defendant Thiam was forced to provide a more in-depth explanation to investors as Credit Suisse announced an additional $346 million in write-downs that would hit the books in the first quarter of 2016 as a result of the sale of those risky and illiquid securities. In disclosing the additional write-down, Thiam admitted that "clearly, something didn't go right there or something went wrong." Thiam further stressed: "I will say that even internally, the scale of those positions was a surprise to a number of people and was not a widely-known fact. So then you can fault our system."

38. In a Bloomberg News interview the same day, Defendant Thiam further admitted that the Company's revenue-seeking culture was to blame for the Bank's recent troubles.

> **Thiam:** …there needs to be a cultural change, because its completely unacceptable. And there has been people consequences around that. It is unacceptable.
>
> **Interviewer:** Were people trying to withhold information or was it just –
>
> **Thiam:** It's a very interesting question. It's linked to a cost problem. If you're costs are too high, and you're not taking them down, you will lead a revenue-driven strategy. ***A lot of the problem in the investment bank is that people have been trying to generate revenue at all costs if I may say so.***

39. On March 23, 2016, as reported by *The New York Times* and *Reuters*, Thiam further admitted that the reason Credit Suisse had improperly acquired the risky and illiquid securities was because, in contrast to the Company's assurances that risk limits were "binding," the Company had continuously raised its trading limits to allow traders to take ever-increasing positions.

40. The Individual Defendants knew or recklessly disregarding knowledge of the Bank's ever-growing position in the illiquid investments. According to an article published by the International Financing Review ("IFR"), "two Credit Suisse bankers told IFR the real surprise was that Thiam, installed as chief executive less than a year ago, could claim that the bank's positions were not known about. The bankers, who asked not to be named, said it was inconceivable that the bank's Capital Allocation and Risk Management Committee (CARMC) was unaware of the holdings."

41. As set forth above, CARMC reported directly to the executive board members, including the Individual Defendants. As the IFR article continued, "The COO, the CFO knew about the [positions taken by] these businesses. CARMC happens every month. The notion that people didn't know is simply not believable."

42. In addition, a former board member of a Credit Suisse investment banking subsidiary directly implicated Defendant Mathers in particular, saying "[i]f the CFO didn't know about it, then sure as hell the chief risk officer would have done, which means everybody would have done."…"It's hard to imagine that nobody knew about this stuff."

43. In the wake of Defendant Thiam's admissions, the Bank's purported ignorance was also questioned by market analysts. For instance, on March 24, 2016, Morningstar Research stated:

> We're more worried by Thiam's admission that the bank held large illiquid position that he and other top managers did not know about in October. These positions were behind the $633 million write-downs in the fourth quarter and another $346 million of write-downs in the first quarter. We're most disturbed by his comment that bankers built up these positions supported by a culture that encouraged revenue at any cost. He attributed that pressure to a too-high cost base, but we're less sure; we think culture is very hard to turn around, and investors should brace themselves for continued volatility in results. We plan to maintain our high uncertainty rating.

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> CS has finally acknowledged that their outsized positions in illiquid credit positions no longer work…We would be interested to know when mgmt [sic] became aware and why this was not disclosed in the capital raising prospectus in Dec, given markets weakened in Nov. Does this create additional litigation risk? We are also keen to hear about changes in risk management.

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

PLAINTIFF'S CLASS ACTION ALLEGATIONS

45. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who purchased or otherwise acquired Credit Suisse securities during the Class Period (the "Class"); and were damaged upon the revelation of the alleged corrective disclosures. Excluded from the Class are defendants herein, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which defendants have or had a controlling interest.

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

47. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by defendants' wrongful conduct in violation of federal law that is complained of herein.

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

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

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

50. 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.

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

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

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

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

COUNT I

(Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Promulgated Thereunder Against All Defendants)

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

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

56. During the Class Period, defendants engaged in a plan, scheme, conspiracy and course of conduct, pursuant to which they knowingly or recklessly engaged in acts, transactions, practices and courses of business which operated as a fraud and deceit upon Plaintiff and the other members of the Class; made various untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and employed devices, schemes and artifices to defraud in connection with the purchase and sale of securities. Such scheme was intended to, and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; (ii) artificially inflate and maintain the market price of Credit Suisse securities; and (iii) cause Plaintiff and other members of the Class to purchase or otherwise acquire Credit Suisse securities and options at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, defendants, and each of them, took the actions set forth herein.

57. Pursuant to the above plan, scheme, conspiracy and course of conduct, each of the defendants participated directly or indirectly in the preparation and/or issuance of the quarterly and annual reports, SEC filings, press releases and other statements and documents described above, including statements made to securities analysts and the media that were designed to influence the market for Credit Suisse securities. Such reports, filings, releases and statements

were materially false and misleading in that they failed to disclose material adverse information and misrepresented the truth about Credit Suisse's finances and business prospects.

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

59. Information showing that defendants acted knowingly or with reckless disregard for the truth is peculiarly within defendants' knowledge and control. As the senior managers and/or directors of Credit Suisse, the Individual Defendants had knowledge of the details of Credit Suisse's internal affairs.

60. The Individual Defendants are liable both directly and indirectly for the wrongs complained of herein. Because of their positions of control and authority, the Individual Defendants were able to and did, directly or indirectly, control the content of the statements of Credit Suisse. As officers and/or directors of a publicly-held company, the Individual Defendants had a duty to disseminate timely, accurate, and truthful information with respect to Credit Suisse's businesses, operations, future financial condition and future prospects. As a result of the dissemination of the aforementioned false and misleading reports, releases and public statements, the market price of Credit Suisse securities was artificially inflated throughout

the Class Period. In ignorance of the adverse facts concerning Credit Suisse's business and financial condition which were concealed by defendants, Plaintiff and the other members of the Class purchased or otherwise acquired Credit Suisse securities at artificially inflated prices and relied upon the price of the securities, the integrity of the market for the securities and/or upon statements disseminated by defendants, and were damaged thereby.

61. During the Class Period, Credit Suisse securities were traded on an active and efficient market. Plaintiff and the other members of the Class, relying on the materially false and misleading statements described herein, which the defendants made, issued or caused to be disseminated, or relying upon the integrity of the market, purchased or otherwise acquired shares of Credit Suisse securities at prices artificially inflated by defendants' wrongful conduct. Had Plaintiff and the other members of the Class known the truth, they would not have purchased or otherwise acquired said securities, or would not have purchased or otherwise acquired them at the inflated prices that were paid. At the time of the purchases and/or acquisitions by Plaintiff and the Class, the true value of Credit Suisse securities was substantially lower than the prices paid by Plaintiff and the other members of the Class. The market price of Credit Suisse securities declined sharply upon public disclosure of the facts alleged herein to the injury of Plaintiff and Class members.

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

63. As a direct and proximate result of defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases, acquisitions and sales of the Company's securities during the Class Period, upon the disclosure

that the Company had been disseminating misrepresented financial statements to the investing public.

COUNT II

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

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

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

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

67. Because of their positions of control and authority as senior officers, the Individual Defendants were able to, and did, control the contents of the various reports, press releases and public filings which Credit Suisse disseminated in the marketplace during the Class Period concerning Credit Suisse's results of operations. Throughout the Class Period, the Individual Defendants exercised their power and authority to cause Credit Suisse to engage in the wrongful acts complained of herein. The Individual Defendants therefore, were "controlling persons" of Credit Suisse within the meaning of Section 20(a) of the Exchange Act. In this

capacity, they participated in the unlawful conduct alleged which artificially inflated the market price of Credit Suisse securities.

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

69. By reason of the above conduct, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act for the violations committed by Credit Suisse.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff demands judgment against Defendants as follows:

A. Determining that the instant action may be maintained as a class action under Rule 23 of the Federal Rules of Civil Procedure, and certifying Plaintiff as the Class representative;

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

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

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

DEMAND FOR TRIAL BY JURY

Plaintiff hereby demands a trial by jury.

Dated: December __, 2017

Respectfully submitted,

POMERANTZ LLP

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