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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

TOM BAKER, Individually and on  
behalf of all others similarly situated,  
  
Plaintiff,  
  
v.  
  
CUMMINS INC., N. THOMAS  
LINEBARGER, JENNIFER RUMSEY,  
and MARK A. SMITH,  
  
Defendants.

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

1 Plaintiff Tom Baker (“Plaintiff”), individually and on behalf of all other  
2 persons similarly situated, by Plaintiff’s undersigned attorneys, for Plaintiff’s  
3 complaint against Defendants (defined below), alleges the following based upon  
4 personal knowledge as to Plaintiff and Plaintiff’s own acts, and information and  
5 belief as to all other matters, based upon, among other things, the investigation  
6 conducted by and through his attorneys, which included, among other things, a  
7 review of the Defendants’ public documents, public filings, wire and press releases  
8 published by and regarding Cummins Inc. (“Cummins” or the “Company”), and  
9 information readily obtainable on the Internet. Plaintiff believes that substantial  
10 evidentiary support will exist for the allegations set forth herein after a reasonable  
11 opportunity for discovery.

12 **NATURE OF THE ACTION**

13  
14 1. This is a class action on behalf of persons or entities who purchased  
15 or otherwise acquired publicly traded Cummins securities between April 30, 2019  
16 and December 21, 2023, inclusive (the “Class Period”). Plaintiff seeks to recover  
17 compensable damages caused by Defendants’ violations of the federal securities  
18 laws under the Securities Exchange Act of 1934 (the “Exchange Act”).

19 **JURISDICTION AND VENUE**

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

23 3. This Court has jurisdiction over the subject matter of this action  
24 pursuant to 28 U.S.C. § 1331, and Section 27 of the Exchange Act (15 U.S.C.  
25 §78aa).

26 4. Venue is proper in this judicial district pursuant to 28 U.S.C. §  
27 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)) as the alleged  
28

1 misstatements entered and the subsequent damages took place in this judicial  
2 district.

3 5. In connection with the acts, conduct and other wrongs alleged in this  
4 complaint, Defendants (defined below), directly or indirectly, used the means and  
5 instrumentalities of interstate commerce, including but not limited to, the United  
6 States mails, interstate telephone communications and the facilities of the national  
7 securities exchange.

8 **PARTIES**

9 6. Plaintiff, as set forth in the accompanying certification, incorporated  
10 by reference herein, purchased Cummins securities during the Class Period and  
11 was economically damaged thereby.

12 7. Defendant Cummins purports to be a “a global power leader”. It  
13 “designs, manufactures, distributes and services diesel, natural gas, electric and  
14 hybrid powertrains and powertrain-related components including filtration,  
15 aftertreatment, turbochargers, fuel systems, controls systems, air handling systems,  
16 automated transmissions, axles, drivelines, brakes, suspension systems, electric  
17 power generation systems, batteries, electrified power systems, electric  
18 powertrains, hydrogen production and fuel cell products.”

19 8. Defendant Cummins is incorporated in Indiana and its head office is  
20 located at 500 Jackson Street, Columbus, Indiana 47202-3005.

21 9. Cummins’ common stock trades on the New York Stock Exchange  
22 (“NYSE”) under the ticker symbol “CMI”.

23 10. Defendant N. Thomas Linebarger (“Linebarger”) served as the  
24 Company’s Chief Executive Officer (“CEO”), from 2012 through August 1, 2022,  
25 and Chairman of the Board of Directors (the “Board”) from 2012 through August  
26 1, 2023.

1           11. Defendant Jennifer Rumsey (“Rumsey”) became the Company’s  
2 President and CEO on August 1, 2022, and has served as Chair of the Board since  
3 August 1, 2023.

4           12. Defendant Mark A. Smith (“Smith”) has served as the Company’s  
5 Chief Financial Officer from the beginning of the Class Period.

6           13. Defendants Linebarger, Rumsey, and Smith are collectively referred  
7 to herein as the “Individual Defendants.”

8           14. Each of the Individual Defendants:

9           (a) directly participated in the management of the Company;

10           (b) was directly involved in the day-to-day operations of the Company at  
11 the highest levels;

12           (c) was privy to confidential proprietary information concerning the  
13 Company and its business and operations;

14           (d) was directly or indirectly involved in drafting, producing, reviewing  
15 and/or disseminating the false and misleading statements and information  
16 alleged herein;

17           (e) was directly or indirectly involved in the oversight or implementation  
18 of the Company’s internal controls;

19           (f) was aware of or recklessly disregarded the fact that the false and  
20 misleading statements were being issued concerning the Company; and/or

21           (g) approved or ratified these statements in violation of the federal  
22 securities laws.

23           15. The Company is liable for the acts of the Individual Defendants and  
24 its employees under the doctrine of *respondeat superior* and common law  
25 principles of agency because all of the wrongful acts complained of herein were  
26 carried out within the scope of their employment.

27

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1 16. The scienter of the Individual Defendants and other employees and  
2 agents of the Company is similarly imputed to Cummins under *respondeat*  
3 *superior* and agency principles.

4 17. Defendant Cummins and the Individual Defendants are collectively  
5 referred to herein as “Defendants.”

## 6 **SUBSTANTIVE ALLEGATIONS**

### 7 **Background**

8 18. On April 29, 2019, Cummins issued a press release entitled  
9 “Cummins Reviewing Emissions Certification and Compliance Process for its  
10 Pickup Truck Applications” (the “April 2019 Announcement”), in which it  
11 announced that “the company is formally reviewing its emissions certification and  
12 compliance process for its pickup truck applications.”

13 19. The April 2019 Announcement stated, in pertinent part the following:  
14 Following conversations with the U.S. EPA and CARB regarding  
15 certification for the engines in the 2019 RAM 2500 and 3500 trucks, the  
16 company made the decision to review its certification process and  
17 compliance with emissions standards. This review is being conducted with  
18 external advisors to ensure the certification process for Cummins pickup  
19 truck applications is consistent with its internal policies, engineering  
20 standards and applicable laws. Cummins has voluntarily disclosed the  
21 review to our regulators and other agencies and will cooperate with them to  
22 ensure a complete and thorough review and implement recommendations  
23 for improvement.

### 24 **Materially False and Misleading**

#### 25 **Statements Issued During the Class Period**

26 20. On April 30, 2019, the Company filed with the SEC its quarterly  
27 report on Form 10-Q for the period ended March 31, 2019 (the “1Q19 Report”).  
28 Attached to the 1Q19 Report were certifications pursuant to the Sarbanes-Oxley  
Act of 2002 (“SOX”) signed by Defendants Linebarger and Smith attesting to the  
accuracy of financial reporting, the disclosure of any material changes to the  
Company’s internal control over financial reporting and the disclosure of all fraud.

1 21. The 1Q19 Report contained the following risk disclosure:

2 *We are conducting a formal review of our emissions certification process*  
3 *and compliance with emissions standards with respect to our pick-up truck*  
4 *applications. The results of this formal review or the discovery of any*  
5 *noncompliance issues, could have a materially adverse impact on our*  
6 *results of operations, financial condition and cash flows.*

7 We previously announced that we are conducting a formal review of our  
8 emissions certification process and compliance with emissions standards  
9 with respect to our pick-up truck applications, following conversations with  
10 the EPA and CARB regarding certification of our engines for model year  
11 2019 RAM 2500 and 3500 trucks. While we have voluntarily disclosed our  
12 formal review to our regulators and other agencies, we have not been issued  
13 any official notice from regulators regarding potential noncompliance issues  
14 with these particular engines. *We plan to work together closely with the*  
15 *relevant regulators to develop a resolution for these matters and we will*  
16 *implement recommendations for improvement as part of our ongoing*  
17 *commitment to compliance. At this time, we have not yet determined the*  
18 *impact, if any, to other model years or engines or the percentage of the*  
19 *engine populations that could be affected.*

20 Due to the preliminary nature of the formal review and the presence of many  
21 unknown facts and circumstances, we are not yet able to estimate the  
22 financial impact of these matters. It is possible that the consequences of  
23 remediation plans resulting from our formal review could have a materially  
24 adverse impact on our results of operations, financial condition and cash  
25 flows in the periods in which these emission certification issues are  
26 addressed.

27 (Emphasis added).

28 22. This statement was materially false and misleading at the time it was  
made because Cummins was continuing to make engines for RAM 2500 and 3500  
trucks with unlawful emission control devices.

23 23. The 1Q19 Report contained the following statement regarding legal  
24 proceedings:

1 On April 29, 2019, we announced that we are conducting a formal review of  
2 our emissions certification process and compliance with emissions standards  
3 for our pick-up truck applications, following conversations with the U.S.  
4 Environmental Protection Agency (EPA) and California Air Resources  
5 Board (CARB) regarding certification for our engines *in model year 2019*  
6 *RAM 2500 and 3500 trucks*. In addition, we announced that we have  
7 voluntarily disclosed our formal review to our regulators and other agencies  
8 and will work cooperatively to ensure a complete and thorough review. *Due*  
9 *to the preliminary nature of our formal review and the presence of many*  
10 *unknown facts and circumstances, we cannot predict the outcome and we*  
11 *cannot provide assurance that the matter will not have a materially*  
12 *adverse impact on our results of operations, financial condition and cash*  
13 *flows*.

14 (Emphasis added).

15 24. This statement was materially false and misleading because, at the  
16 time it was made, Cummins was continuing to make engines for RAM 2500 and  
17 3500 trucks with unlawful emission control devices, raising the likelihood of a  
18 stringent penalty in this matter.

19 25. On July 30, 2019 and October 29, 2019, Cummins filed with the SEC  
20 its quarterly reports on Form 10-Q for the periods ending June 30, 2019 (the “2Q19  
21 Report”) and September 29, 2019 (the “3Q19 Report”). Attached to the 2Q19 and  
22 3Q19 Reports were certifications pursuant to SOX signed by Defendants  
23 Linebarger and Smith attesting to the accuracy of financial reporting, the disclosure  
24 of any material changes to the Company’s internal control over financial reporting  
25 and the disclosure of all fraud.

26 26. The 2Q19 and 3Q19 Reports contained substantially similar  
27 disclosures as those discussed above in paragraphs 21 and 23.

28 27. Those statements were materially false and misleading for the reasons  
discussed in paragraphs 22 and 24.

29 28. On February 11, 2020, Cummins filed with the SEC its Annual Report  
on 10-K for the year ended December 31, 2019 (the “2019 Annual Report”).



1 Attached to the 2019 Annual Report were certifications pursuant to SOX signed  
2 by Defendants Linebarger and Smith attesting to the accuracy of financial  
3 reporting, the disclosure of any material changes to the Company's internal control  
4 over financial reporting and the disclosure of all fraud.

5 29. The 2019 Annual Report contained the following risk disclosure:

6 *We are conducting a formal internal review of our emission certification*  
7 *process and compliance with emission standards with respect to our pick-*  
8 *up truck applications and working with the EPA and CARB, as well as the*  
9 *Department of Justice (DOJ) and SEC, to address their questions about*  
10 *these applications. The results of this formal review and regulatory and*  
11 *government agency processes, or the discovery of any noncompliance*  
*issues, could have a material adverse impact on our results of operations*  
*and cash flows.*

12 We previously announced that we are conducting a formal internal review  
13 of our emissions certification process and compliance with emission  
14 standards with respect to all of our pick-up truck applications, *following*  
15 *conversations with the EPA and CARB regarding certification of our*  
16 *engines for model year 2019 RAM 2500 and 3500 trucks.* During  
17 conversations with the EPA and CARB about the effectiveness of our pick-  
18 up truck applications, the regulators raised concerns that certain aspects of  
19 our emissions systems may reduce the effectiveness of our emissions control  
20 systems and thereby act as defeat devices. As a result, our internal review  
21 focuses, in part, on the regulators' concerns. We are working closely with  
22 the regulators to enhance our emissions systems to improve the effectiveness  
23 of all of our pick-up truck applications and to fully address the regulators'  
24 requirements. Based on discussions with the regulators, we have developed  
25 a new calibration for the engines in model year 2019 RAM 2500 and 3500  
26 trucks that has been included in all engines shipped since September 2019.  
27 During our discussions, the regulators have asked us to look at other model  
28 years and other engines, though the primary focus of our review has been  
the model year 2019 RAM. *We will continue to work together closely with*  
*the relevant regulators to develop and implement recommendations for*  
*improvement as part of our ongoing commitment to compliance. We are*  
*also fully cooperating with the DOJ's and the SEC's information requests*  
*and inquiries.*



1 Due to the continuing nature of the formal review, our ongoing cooperation  
2 with the regulators and other government agencies, and the presence of  
3 many unknown facts and circumstances, we are not yet able to estimate the  
4 financial impact of these matters. It is possible that the consequences of any  
5 remediation plans resulting from our formal review and these regulatory and  
6 agency processes could have a material adverse impact on our results of  
7 operations and cash flows in the periods in which these emissions  
8 certification issues are addressed.

(Emphasis added).

9 30. This statement was materially false and misleading at the time it was  
10 made because the Company continued to make engines for RAM 2500 and 3500  
11 trucks with unlawful emissions control devices.

12 31. The 2019 Annual Report contained the following risk disclosure  
13 regarding the regulatory environment in which Cummins operates:

14 *Our products are subject to extensive statutory and regulatory*  
15 *requirements that can significantly increase our costs and, along with*  
16 *increased scrutiny from regulatory agencies and unpredictability in the*  
17 *adoption, implementation and enforcement of increasingly stringent*  
18 *emission standards by multiple jurisdictions around the world, could have*  
19 *a material adverse impact on our results of operations, financial condition*  
20 *and cash flows.*

21 Our engines are subject to extensive statutory and regulatory requirements  
22 governing emissions and noise, including standards imposed by the EPA,  
23 the EU, state regulatory agencies (such as the CARB) and other regulatory  
24 agencies around the world. Regulatory agencies are making certification and  
25 compliance with emissions and noise standards more stringent and  
26 subjecting diesel engine products to an increasing level of scrutiny. *The*  
27 *discovery of noncompliance issues could have a material adverse impact*  
28 *on our results of operations, financial condition and cash flows.*

Developing engines and components to meet more stringent and changing  
regulatory requirements, with different implementation timelines and  
emission requirements, makes developing engines efficiently for multiple  
markets complicated and could result in substantial additional costs that may  
be difficult to recover in certain markets. *While we have met previous*  
*deadlines, our ability to comply with existing and future regulatory*

1        ***standards will be essential for us to maintain our competitive advantage in***  
2        ***the engine markets we serve.*** The successful development and introduction  
3        of new and enhanced products in order to comply with new regulatory  
4        requirements are subject to other risks, such as delays in product  
5        development, cost over-runs and unanticipated technical and manufacturing  
6        difficulties.

7        In addition to these risks, the nature and timing of government  
8        implementation and enforcement of increasingly stringent emission  
9        standards in our worldwide markets are unpredictable and subject to change.  
10       Any delays in implementation or enforcement could result in a loss of our  
11       competitive advantage and could have a material adverse impact on our  
12       results of operations, financial condition and cash flows.

13       (Emphasis added).

14       32. This statement was materially false and misleading at the time it was  
15       made because Cummins was producing engines for the RAM 2500 and 3500 trucks  
16       with unlawful emissions control devices, raising the risk of regulatory enforcement  
17       and penalties.

18       33. The 2019 Annual Report contained the following section on  
19       environmental sustainability:

20       We adopted our comprehensive environmental sustainability plan in 2014  
21       after examining our entire environmental footprint, focusing on the key areas  
22       of water, waste, energy and greenhouse gases (GHG). As the concept and  
23       scope of environmental sustainability has matured and broadened, leaders  
24       have moved from initially working on environmental impacts within our  
25       direct control in our operations to an expanded view of fuel and raw  
26       materials that reaches across the entire product life-cycle from design to  
27       manufacture to end of life. ***Our environmental sustainability plan is the***  
28       ***way we carry out our priorities, goals and initiatives in our action areas,***  
      ***including reducing our carbon footprint, using fewer natural resources***  
      ***and partnering to solve complex problems.***

      The highest level of accountability for Cummins' climate-related risks and  
opportunities is with the Safety, Environment and Technology (SET)  
committee of the Board of Directors (the Board). The Action Committee for

1 Environmental Sustainability meets monthly and reports to the Chairman  
2 and to the SET committee at least annually.

3 Our Sustainability Progress Report for 2018/2019 includes goal progress  
4 and other key environmental and climate metrics and targets. This and prior  
5 reports as well as a Data Book of more detailed environmental data in  
6 accordance with the Global Reporting Initiative's Standard core compliance  
7 designation are available on our website at [www.cummins.com](http://www.cummins.com). Our annual  
8 submission to the Carbon Disclosure Project (CDP) for climate change and  
9 water are also available on the website. The climate submission provides  
10 information on our scenario planning exercise for climate and other risks as  
11 requested by CDP. These reports and data book are not incorporated into  
12 this Form 10-K by reference. We currently report on the following  
13 environmental sustainability goals and commitments from our 2014 plan:

- 14 • a product vision statement — "powering the future through product  
15 innovation that makes people's lives better and reduces our  
16 environmental footprint;"
- 17 • partnering with customers to improve the fuel efficiency of our  
18 products in use, ***targeting an annual run-rate reduction of 3.5***  
19 ***million metric tons of carbon dioxide***;
- 20 • achieving a 32 percent energy intensity reduction from company  
21 facilities by the end of 2020 (using a baseline year of 2010) and  
22 increasing the portion of electricity we use derived from renewable  
23 sources;
- 24 • reducing direct water use by 50 percent adjusted for hours worked and  
25 achieving water neutrality at 15 sites by the end of 2020;
- 26 • increasing our recycling rate from 88 percent to 95 percent and  
27 achieving zero disposal at 30 sites by the end of 2020; and
- 28 • utilizing the most efficient methods and modes to move goods across  
our network to reduce carbon dioxide per kilogram of goods moved  
by 10 percent by the end of 2020.

24 We continue to articulate our positions on key public policy issues and on a  
25 wide range of environmental issues. We are actively engaged with  
26 regulatory, industry and other stakeholder groups around the world as GHG  
27 and fuel efficiency standards become more prevalent globally. We were  
28 named number 17 in Newsweek's 2019 Green Ranking of U.S. companies,  
number 14 among Barron's Top 100 Most Sustainable Companies as well as

1 named to the Dow Jones North American Sustainability Index for the  
2 fourteenth consecutive year in 2019.

3 *In late 2019, Cummins introduced PLANET 2050, a sustainability strategy*  
4 *focused on three priority areas: addressing climate change and air*  
5 *emissions, using natural resources in the most sustainable way and*  
6 *improving communities*. It includes eight specific goals to achieve by 2030,  
7 as well as aspirational targets for 2050. Cummins is currently evaluating  
8 how the new goals will be integrated into business planning and will report  
9 on progress beginning in 2022.

8 (Emphasis added).

9 34. This statement was materially false and misleading at the time that it  
10 was made because Cummins was producing engines for the RAM 2500 and 3500  
11 trucks with unlawful emissions control devices. As such, Cummins materially  
12 overstated its commitment to environmental sustainability.

13 35. The 2019 Annual Report contained the following statement on  
14 environmental compliance:

15 Our engines are subject to extensive statutory and regulatory requirements  
16 that directly or indirectly impose standards governing emission and noise.  
17 Over the past several years we have substantially increased our global  
18 environmental compliance presence and expertise to understand and meet  
19 emerging product environmental regulations around the world. Our ability  
20 to comply with these and future emission standards is an essential element  
21 in maintaining our leadership position in regulated markets. We have made,  
22 and will continue to make, significant capital and research expenditures to  
23 comply with these standards.

24 Following conversations with the U.S. Environmental Protection Agency  
25 (EPA) and California Air Resources Board (CARB) regarding certification  
26 for the engines in the 2019 RAM 2500 and 3500 trucks, we made the  
27 decision to review our certification process and compliance with emission  
28 standards. This review is being conducted with external advisers to ensure  
the certification and all of our processes for our pick-up truck applications  
are consistent with our internal policies, engineering standards and  
applicable laws. In addition, we voluntarily disclosed our formal internal

1 review to our regulators and other agencies and have been working  
2 cooperatively with them to ensure a complete and thorough review.

3 ***We strive to be a leader in developing and implementing technologies that***  
4 ***provide customers with the highest performing products that also have the***  
5 ***least impact on the environment and have a long history of working with***  
6 ***governments and regulators to achieve these goals.*** We remain committed  
7 to ensuring that our products meet all current and future emission standards  
8 and delivering value to our customers.

9 On October 17, 2019, the Board approved the creation of a new Product  
10 Compliance and Regulatory Affairs Organization to lead engine emission  
11 certification and compliance and regulatory affairs. This new organization  
12 is led by the Vice President - Product Compliance and Regulatory Affairs  
13 who reports directly to the Chief Executive Officer, and the new Vice  
14 President joins the Cummins Executive Team and Cummins Leadership  
15 Team. The focus of this new organization will be to strengthen our ability to  
16 design great products that help our customers win while ensuring  
17 compliance with increasingly challenging global emission regulations. The  
18 organization will also work to enhance our collaboration with the agencies  
19 that set the direction and regulations of emissions to best ensure we are  
20 meeting every expectation today while planning ahead for future changes.

21 (Emphasis added).

22 36. This statement was materially false and misleading because at the  
23 time that it was made, Cummins was producing engines for the RAM 2500 and  
24 3500 trucks with unlawful emissions control devices. As such, Cummins  
25 overstated its commitment to environmental compliance.

26 37. The 2019 Annual Report contained the following disclosure regarding  
27 legal proceedings:

28 On April 29, 2019, we announced that we were conducting a formal internal  
review of our emissions certification process and compliance with emission  
standards for our pick-up truck applications, following conversations with  
the EPA and the CARB regarding certification of our engines in model year  
2019 RAM 2500 and 3500 trucks. This review is being conducted with  
external advisors to ensure the certification and compliance processes for all  
of our pick-up truck applications are consistent with our internal policies,



1 engineering standards and applicable laws. *In addition, we voluntarily*  
2 *disclosed our formal internal review to our regulators and to other*  
3 *government agencies, the DOJ and the SEC, and have been working*  
4 *cooperatively with them to ensure a complete and thorough review.* During  
5 conversations with the EPA and CARB about the effectiveness of our pick-  
6 up truck applications, the regulators raised concerns that certain aspects of  
7 our emissions systems may reduce the effectiveness of our emissions control  
8 systems and thereby act as defeat devices. As a result, our internal review  
9 focuses, in part, on the regulators' concerns. We are working closely with  
10 the regulators to enhance our emissions systems to improve the effectiveness  
11 of all of our pick-up truck applications and to fully address the regulators'  
12 requirements. *Based on discussions with the regulators, we have developed*  
13 *a new calibration for the engines in model year 2019 RAM 2500 and 3500*  
14 *trucks that has been included in all engines shipped since September 2019.*  
15 During our discussions, the regulators have asked us to look at other model  
16 years and other engines, though the primary focus of our review has been  
17 the model year 2019 RAM. *We are also fully cooperating with the DOJ's*  
18 *and the SEC's information requests and inquiries.* Due to the continuing  
19 nature of our formal review, our ongoing cooperation with our regulators  
20 and other government agencies, and the presence of many unknown facts  
21 and circumstances, *we cannot predict the final outcome of this review and*  
22 *these regulatory and agency processes, and we cannot provide assurance*  
23 *that the matter will not have a materially adverse impact on our results of*  
24 *operations and cash flows.*

18 (Emphasis added).

19 38. This statement was materially false and misleading at the time it was  
20 made because Cummins was producing engines for RAM 2500 and 3500 trucks  
21 with unlawful emission control devices, raising the likelihood of a stringent penalty  
22 in this matter.

23 39. On April 28, 2020, July 28, 2020, and October 27, 2020, the Company  
24 filed with the SEC its quarterly reports on Form 10-Q for the periods ending March  
25 29, 2020 (the "1Q20 Report"), June 28, 2020 (the "2Q20 Report"), and September  
26 27, 2020 (the "3Q20 Report") Attached to the 1Q20, 2Q20, and 3Q20 Reports were  
27 certifications pursuant to SOX signed by Defendants Linebarger and Smith  
28

1 attesting to the accuracy of financial reporting, the disclosure of any material  
2 changes to the Company's internal control over financial reporting and the  
3 disclosure of all fraud.

4 40. The 1Q20, 2Q20, and 3Q20 Reports each contained the following risk  
5 disclosure:

6 *We are conducting a formal internal review of our emission certification*  
7 *process and compliance with emission standards with respect to our pick-*  
8 *up truck applications and working with the EPA and CARB, as well as the*  
9 *Department of Justice (DOJ) and SEC, to address their questions about*  
10 *these applications. The results of this formal review and regulatory and*  
11 *government agency processes, or the discovery of any noncompliance*  
*issues, could have a material adverse impact on our results of operations*  
*and cash flows.*

12 We previously announced that we are conducting a formal internal review  
13 of our emissions certification process and compliance with emission  
14 standards with respect to all of our pick-up truck applications, following  
15 conversations with the EPA and CARB regarding certification of our  
16 engines for model year 2019 RAM 2500 and 3500 trucks. *During*  
17 *conversations with the EPA and CARB about the effectiveness of our pick-*  
18 *up truck applications, the regulators raised concerns that certain aspects*  
19 *of our emissions systems may reduce the effectiveness of our emissions*  
20 *control systems and thereby act as defeat devices.* As a result, our internal  
21 review focuses, in part, on the regulators' concerns. We are working closely  
22 with the regulators to enhance our emissions systems to improve the  
23 effectiveness of all of our pick-up truck applications and to fully address the  
24 regulators' requirements. Based on discussions with the regulators, we have  
25 developed a new calibration for the engines in model year 2019 RAM 2500  
26 and 3500 trucks that has been included in all engines shipped since  
27 September 2019. *During our discussions, the regulators have asked us to*  
28 *look at other model years and other engines, though the primary focus of*  
*our review has been the model year 2019 RAM. We will continue to work*  
*together closely with the relevant regulators to develop and implement*  
*recommendations for improvement as part of our ongoing commitment to*  
*compliance.* We are also fully cooperating with the DOJ's and the SEC's  
information requests and inquiries.[] Due to the continuing nature of the  
formal review, our ongoing cooperation with the regulators and other



1 government agencies, and the presence of many unknown facts and  
2 circumstances, we are not yet able to estimate the financial impact of these  
3 matters. It is possible that the consequences of any remediation plans  
4 resulting from our formal review and these regulatory and agency processes  
5 could have a material adverse impact on our results of operations and cash  
6 flows in the periods in which these emissions certification issues are  
7 addressed.

8 (Emphasis added).

9 41. This statement was materially false and misleading at the time it was  
10 made because Cummins was continuing to produce engines for RAM 2500 and  
11 3500 trucks with unlawful emission control devices.

12 42. On February 10, 2021, Cummins filed with the SEC its Annual Report  
13 on 10-K for the year ended December 31, 2020 (the “2020 Annual Report”).  
14 Attached to the 2020 Annual Report were certifications pursuant to SOX signed  
15 by Defendants Linebarger and Smith attesting to the accuracy of financial  
16 reporting, the disclosure of any material changes to the Company’s internal control  
17 over financial reporting and the disclosure of all fraud.

18 43. The 2020 Annual Report contained the following risk disclosure:  
19 ***We are conducting a formal internal review of our emission certification***  
20 ***process and compliance with emission standards with respect to our pick-***  
21 ***up truck applications and are working with the EPA and CARB to address***  
22 ***their questions about these applications. The results of this formal review***  
23 ***and regulatory processes, or the discovery of any noncompliance issues,***  
24 ***could have a material adverse impact on our results of operations and cash***  
25 ***flows.***

26 We previously announced that we are conducting a formal internal review  
27 of our emissions certification process and compliance with emission  
28 standards with respect to all of our pick-up truck applications, ***following***  
***conversations with the EPA and CARB regarding certification of our***  
***engines for model year 2019 RAM 2500 and 3500 trucks. During***  
***conversations with the EPA and CARB about the effectiveness of our pick-***  
***up truck applications, the regulators raised concerns that certain aspects***  
***of our emissions systems may reduce the effectiveness of our emissions***

1 *control systems and thereby act as defeat devices*. As a result, our internal  
2 review focuses, in part, on the regulators' concerns. We are working closely  
3 with the regulators to enhance our emissions systems to improve the  
4 effectiveness of all of our pick-up truck applications and to fully address the  
5 regulators' requirements. *Based on discussions with the regulators, we*  
6 *have developed a new calibration for the engines in model year 2019 RAM*  
7 *2500 and 3500 trucks that has been included in all engines shipped since*  
8 *September 2019*. During our discussions, the regulators have asked us to  
9 look at other model years and other engines. We will continue to work  
10 together closely with the relevant regulators to develop and implement  
11 recommendations for improvement as part of our ongoing commitment to  
12 compliance.

13 (Emphasis added).

14 44. This statement was materially false and misleading because, at the  
15 time it was made, Cummins was continuing to make engines for RAM 2500 and  
16 3500 trucks with unlawful emission control devices.

17 45. The 2020 Annual Report contained the following risk disclosure  
18 regarding the regulatory environment in which Cummins operates:

19 *Our products are subject to extensive statutory and regulatory*  
20 *requirements that can significantly increase our costs and, along with*  
21 *increased scrutiny from regulatory agencies and unpredictability in the*  
22 *adoption, implementation and enforcement of increasingly stringent and*  
23 *fragmented emission standards by multiple jurisdictions around the world,*  
24 *could have a material adverse impact on our results of operations,*  
25 *financial condition and cash flows.*

26 Our engines are subject to extensive statutory and regulatory requirements  
27 governing emissions and noise, including standards imposed by the EPA,  
28 the EU, state regulatory agencies (such as the CARB) and other regulatory  
agencies around the world. *Regulatory agencies are making certification  
and compliance with emissions and noise standards more stringent and  
subjecting diesel engine products to an increasing level of scrutiny. The  
discovery of noncompliance issues could have a material adverse impact  
on our results of operations, financial condition and cash flows.*

1 Developing engines and components to meet more stringent and changing  
2 regulatory requirements, with different implementation timelines and  
3 emission requirements, makes developing engines efficiently for multiple  
4 markets complicated and could result in substantial additional costs that may  
5 be difficult to recover in certain markets. While we have met previous  
6 deadlines, our ability to comply with existing and future regulatory  
7 standards will be essential for us to maintain our competitive position in the  
8 engine applications and industries we serve. The successful development  
9 and introduction of new and enhanced products in order to comply with new  
10 regulatory requirements are subject to other risks, such as delays in product  
11 development, cost over-runs and unanticipated technical and manufacturing  
12 difficulties.

13 In addition to these risks, the nature and timing of government  
14 implementation and enforcement of increasingly stringent emission  
15 standards in our worldwide markets are unpredictable and subject to change.  
16 Any delays in implementation or enforcement could result in a loss of our  
17 competitive advantage and could have a material adverse impact on our  
18 results of operations, financial condition and cash flows.

19 (Emphasis added).

20 46. This statement was materially false and misleading at the time it was  
21 made because Cummins was producing engines for the RAM 2500 and 3500 trucks  
22 with unlawful emissions control devices, raising the risk of regulatory enforcement  
23 and penalties.

24 47. The 2020 Annual Report contained the following section on  
25 environmental sustainability:

26 We are committed to making people's lives better by powering a more  
27 prosperous world. That prosperity includes strong communities, robust  
28 business and environmental sustainability.

The highest level of accountability for our climate-related risks and  
opportunities is with the Safety, Environment and Technology (SET)  
Committee of the Board of Directors (the Board). The Action Committee for  
Environmental Sustainability meets monthly and reports to the Chairman  
and to the SET Committee at least annually.

1 *In late 2019, we introduced PLANET 2050, a sustainability strategy*  
2 *focused on three priority areas: addressing climate change and air*  
3 *emissions, using natural resources in the most sustainable way and*  
4 *improving communities.* The strategy includes eight specific goals to  
5 achieve by 2030, including science-based carbon dioxide reduction targets  
6 for newly sold products and facilities, as well as aspirational targets for  
7 2050. We are currently evaluating how the new goals will be integrated into  
8 business planning and will report on progress beginning in 2022.

9 Our Sustainability Progress Report for 2019/2020 reports on environmental  
10 sustainability goals and commitments from our 2014 plan as well as other  
11 key environmental and climate metrics and targets. The 2014 plan goals  
12 were as follows:

- 13 • *partnering with customers to improve the fuel efficiency of our*  
14 *products in use, targeting an annual run-rate reduction of 3.5*  
15 *million metric tons of carbon dioxide;*
- 16 • achieving a 32 percent energy intensity reduction from company  
17 facilities by the end of 2020 (using a baseline year of 2010) and  
18 increasing the portion of electricity we use derived from renewable  
19 sources;
- 20 • reducing direct water use by 50 percent adjusted for hours worked and  
21 achieving water neutrality at 15 sites by the end of 2020;
- 22 • increasing our recycling rate from 88 percent to 95 percent and  
23 achieving zero disposal at 30 sites by the end of 2020 and
- 24 • utilizing the most efficient methods and modes to move goods across  
25 our network to reduce carbon dioxide per kilogram of goods moved  
26 by 10 percent by the end of 2020.

27 \* \* \*

28 *We continue to articulate our positions on key public policy issues*  
*and on a wide range of environmental issues. We are actively*  
*engaged with regulatory, industry and other stakeholder groups*  
*around the world as greenhouse gases (GHG) and fuel efficiency*  
*standards become more prevalent globally.* We were named number  
24 in Newsweek's Most Responsible Companies ranking, number 50  
among Barron's Top 100 Most Sustainable Companies as well as  
named to the Dow Jones North American Sustainability Index for the  
fifteenth consecutive year in 2020.

(Emphasis added).

1  
2 48. This statement was materially false and misleading because at the  
3 time that it was made, Cummins was producing engines for the RAM 2500 and  
4 3500 trucks with unlawful emissions control devices. As such, Cummins  
5 overstated its commitment to environmental sustainability.

6 49. The 2020 Annual Report contained the following statement on  
7 environmental compliance:

8 Our engines are subject to extensive statutory and regulatory requirements  
9 that directly or indirectly impose standards governing emissions and noise.  
10 Over the past several years we have increased our global environmental  
11 compliance presence and expertise to understand and meet emerging  
12 product environmental regulations around the world. Our ability to comply  
13 with these and future emission standards is an essential element in  
14 maintaining our leadership position in regulated markets. We have made,  
and will continue to make, significant capital and research expenditures to  
comply with these standards.

15 We strive to be a leader in developing and implementing technologies that  
16 provide customers with the highest performing products while minimizing  
17 the impact on the environment, and we have a long history of working with  
18 governments and regulators to achieve these goals. We remain committed to  
19 ensuring our products meet all current and future emission standards and  
delivering value to our customers.

20 Formed in 2019, the Product Compliance and Regulatory Affairs team leads  
21 both engine emissions certification and compliance and regulatory affairs  
22 initiatives. This organization is led by the Vice President - Product  
23 Compliance and Regulatory Affairs who reports directly to the Chief  
24 Executive Officer, and the new Vice President joins the Cummins Executive  
25 Team and Cummins Leadership Team. The focus of this organization is to  
26 strengthen our ability to design great products that help our customers win  
27 while ensuring compliance with increasingly challenging global emission  
28 regulations. The organization also works to enhance our collaboration with  
the agencies setting the direction and regulations of emissions to best ensure  
we are meeting every expectation today while planning for future changes.

1 Following conversations with the U.S. Environmental Protection Agency  
2 (EPA) and California Air Resources Board (CARB) regarding certification  
3 for the engines in the 2019 RAM 2500 and 3500 trucks, we made the  
4 decision to review our certification process and compliance with emission  
5 standards. This review is being conducted with external advisers to ensure  
6 the certification and all of our processes for our pick-up truck applications  
7 are consistent with our internal policies, engineering standards and  
8 applicable laws. In addition, we voluntarily disclosed our formal internal  
9 review to the regulators and to other government agencies, the Department  
10 of Justice (DOJ) and the Securities and Exchange Commission (SEC), and  
11 worked cooperatively with them to ensure a complete and thorough review.  
12 ***We fully cooperated with the DOJ's and the SEC's information requests  
13 and inquiries and, based on recent communications with these agencies,  
14 we do not expect further inquiries.*** [ . . . ]

15 (Emphasis added).

16 50. This statement was materially false and misleading at the time it was  
17 made because Cummins was producing engines for the RAM 2500 and 3500 trucks  
18 with unlawful emissions control devices. As such, Cummins overstated its  
19 commitment to environmental compliance.

20 51. On May 4, 2021, August 3, 2021, and November 2, 2021, the  
21 Company filed with the SEC its quarterly reports on Form 10-Q for the periods  
22 ending April 4, 2021 (the "1Q21 Report"), July 4, 2021 (the "2Q21 Report"), and  
23 October 3, 2021 (the "3Q21 Report") Attached to the 1Q21, 2Q21, and 3Q21  
24 Reports were certifications pursuant to SOX signed by Defendants Linebarger and  
25 Smith attesting to the accuracy of financial reporting, the disclosure of any material  
26 changes to the Company's internal control over financial reporting and the  
27 disclosure of all fraud.

28 52. The 1Q21 and 2Q21 Reports each incorporated by reference the risk  
disclosures in the 2020 Annual Report, as discussed in paragraphs 45, 47, and 49.

53. These risk disclosures mentioned in paragraph 52 were materially  
false and misleading for the reasons discussed in paragraphs 46, 48, and 50.



1 54. The 3Q21 Report contained the following risk disclosure:

2 *We are conducting a formal internal review of our emission certification*  
3 *process and compliance with emission standards with respect to our pick-*  
4 *up truck applications and are working with the U.S. Environmental*  
5 *Protection Agency (EPA) and California Air Resources Board (CARB) to*  
6 *address their questions about these applications. Due to the continuing*  
7 *nature of our formal internal review and on-going discussions with EPA*  
8 *and CARB, we cannot predict the final results of this formal review and*  
9 *these regulatory processes, nor whether, or the extent to which, they could*  
10 *have a material adverse impact on our results of operations and cash*  
11 *flows.*

12 We previously announced that we are conducting a formal internal review  
13 of our emissions certification process and compliance with emission  
14 standards with respect to all of our pick-up truck applications, following  
15 conversations with the EPA and CARB regarding certification of our  
16 engines for model year 2019 RAM 2500 and 3500 trucks. During  
17 conversations with the EPA and CARB about the effectiveness of our pick-  
18 up truck applications, the regulators raised concerns that certain aspects of  
19 our emissions systems may reduce the effectiveness of our emissions control  
20 systems and thereby act as defeat devices. As a result, our internal review  
21 focuses, in part, on the regulators' concerns. We are working closely with  
22 the regulators to enhance our emissions systems to improve the effectiveness  
23 of all of our pick-up truck applications and to fully address the regulators'  
24 requirements. *Based on discussions with the regulators, we have developed*  
25 *a new calibration for the engines in model year 2019 RAM 2500 and 3500*  
26 *trucks that has been included in all engines shipped since September 2019.*  
27 *During our discussions, the regulators turned their attention to other*  
28 *model years and other engines, most notably our pick-up truck*  
*applications for RAM 2500 and 3500 trucks for model years 2013 through*  
*2018.* We will continue to work together closely with the relevant regulators  
to develop and implement recommendations for improvement as part of our  
ongoing commitment to compliance.

(Emphasis added).

55. This statement was materially false and misleading at the time it was  
made because, contrary to Cummins' assurances about the legal compliance of



1 engines shipped since September 2019, Cummins was continuing to produce  
2 engines for RAM 2500 and 3500 trucks with unlawful emission control devices.

3 56. On February 8, 2022, Cummins filed with the SEC its Annual Report  
4 on 10-K for the year ended December 31, 2021 (the “2021 Annual Report”).  
5 Attached to the 2021 Annual Report were certifications pursuant to SOX signed  
6 by Defendants Linebarger and Smith attesting to the accuracy of financial  
7 reporting, the disclosure of any material changes to the Company’s internal control  
8 over financial reporting and the disclosure of all fraud.

9 57. The 2021 Annual Report contained the following risk disclosure:

10 *We are conducting a formal internal review of our emission certification*  
11 *process and compliance with emission standards with respect to our pick-*  
12 *up truck applications and are working with the EPA and CARB to address*  
13 *their questions about these applications. Due to the continuing nature of*  
14 *our formal internal review and on-going discussions with the EPA and*  
15 *CARB, we cannot predict the final results of this formal review and these*  
16 *regulatory processes, nor whether, or the extent to which, they could have*  
17 *a material adverse impact on our results of operations and cash flows.*

18 We previously announced that we are conducting a formal internal review  
19 of our emissions certification process and compliance with emission  
20 standards with respect to all of our pick-up truck applications, following  
21 conversations with the EPA and CARB regarding certification of our  
22 engines for model year 2019 RAM 2500 and 3500 trucks. During  
23 conversations with the EPA and CARB about the effectiveness of our pick-  
24 up truck applications, the regulators raised concerns that certain aspects of  
25 our emissions systems may reduce the effectiveness of our emissions control  
26 systems and thereby act as defeat devices. As a result, our internal review  
27 focuses, in part, on the regulators’ concerns. We are working closely with  
28 the regulators to enhance our emissions systems to improve the effectiveness  
of all of our pick-up truck applications and to fully address the regulators’  
requirements. ***Based on discussions with the regulators, we have developed  
a new calibration for the engines in model year 2019 RAM 2500 and 3500  
trucks that has been included in all engines shipped since September 2019.***  
During our discussions, the regulators turned their attention to other model  
years and other engines, most notably our pick-up truck applications for

1 RAM 2500 and 3500 trucks for model years 2013 through 2018. *We will*  
2 *continue to work together closely with the relevant regulators to develop*  
3 *and implement recommendations for improvement as part of our ongoing*  
4 *commitment to compliance.*

5 Due to the continuing nature of the formal review, our ongoing cooperation  
6 with the regulators and the presence of many unknown facts and  
7 circumstances, we are not yet able to estimate the financial impact of these  
8 matters. It is possible that the consequences of any remediation plans  
9 resulting from our formal review and these regulatory processes could have  
10 a material adverse impact on our results of operations and cash flows.

11 (Emphasis added).

12 58. This statement was materially false and misleading at the time it was  
13 made because, contrary to Cummins' assurances about the legal compliance of  
14 engines shipped since September 2019, Cummins was continuing to produce  
15 engines for RAM 2500 and 3500 trucks with unlawful emission control devices.

16 59. The 2021 Annual Report contained the following risk disclosure  
17 regarding the regulatory environment in which Cummins operates:

18 *Our products are subject to extensive statutory and regulatory*  
19 *requirements that can significantly increase our costs and, along with*  
20 *increased scrutiny from regulatory agencies and unpredictability in the*  
21 *adoption, implementation and enforcement of increasingly stringent and*  
22 *fragmented emission standards by multiple jurisdictions around the world,*  
23 *could have a material adverse impact on our results of operations,*  
24 *financial condition and cash flows.*

25 Our engines are subject to extensive statutory and regulatory requirements  
26 governing emissions and noise, including standards imposed by the EPA,  
27 the EU, state regulatory agencies (such as the CARB) and other regulatory  
28 agencies around the world. *Regulatory agencies are making certification*  
*and compliance with emissions and noise standards more stringent and*  
*subjecting diesel engine products to an increasing level of scrutiny. The*  
*discovery of noncompliance issues could have a material adverse impact*  
*on our results of operations, financial condition and cash flows.*

1 Developing engines and components to meet more stringent and changing  
2 regulatory requirements, with different implementation timelines and  
3 emission requirements, makes developing engines efficiently for multiple  
4 markets complicated and could result in substantial additional costs that may  
5 be difficult to recover in certain markets. While we have met previous  
6 deadlines, our ability to comply with existing and future regulatory  
7 standards will be essential for us to maintain our competitive position in the  
8 engine applications and industries we serve. The successful development  
9 and introduction of new and enhanced products in order to comply with new  
10 regulatory requirements are subject to other risks, such as delays in product  
11 development, cost over-runs and unanticipated technical and manufacturing  
12 difficulties.

13 In addition to these risks, the nature and timing of government  
14 implementation and enforcement of increasingly stringent emission  
15 standards in our worldwide markets are unpredictable and subject to change.  
16 Any delays in implementation or enforcement could result in a loss of our  
17 competitive advantage and could have a material adverse impact on our  
18 results of operations, financial condition and cash flows.

19 (Emphasis added).

20 60. This statement was materially false and misleading at the time it was  
21 made because Cummins was producing engines for the RAM 2500 and 3500 trucks  
22 with unlawful emissions control devices, raising the risk of regulatory enforcement  
23 and penalties.

24 61. The 2021 Annual Report contained the following section on  
25 environmental sustainability:

26 We are committed to making people's lives better by powering a more  
27 prosperous world. That prosperity includes strong communities, robust  
28 business and environmental sustainability.

The highest level of accountability for our climate-related risks and  
opportunities is with the Safety, Environment and Technology (SET)  
Committee of the Board of Directors (the Board). The internal Action  
Committee for Environmental Sustainability meets monthly and reports to  
the Chairman and to the SET Committee at least annually.

1        *In late 2019, we introduced PLANET 2050, a sustainability strategy*  
 2        *focused on three priority areas: addressing climate change and air*  
 3        *emissions, using natural resources in the most sustainable way and*  
 4        *improving communities. Additional commitments followed in 2021 with*  
 5        *Cummins Water Works, which is our multi-million dollar program for*  
 6        *strengthening communities through sustainable water and addressing the*  
 7        *global water crisis. The PLANET 2050 strategy includes nine specific*  
 8        *goals to achieve by 2030, including science-based carbon dioxide*  
 9        *reduction targets for newly sold products and facilities, as well as*  
 10       *aspirational targets for 2050.* We are currently evaluating how the new  
 11       goals will be integrated into business planning and will report on progress  
 12       beginning in 2022. Key areas of focus in 2021 included product  
 13       decarbonization pathways, customer sustainability collaboration and  
 14       circular economy efforts such as incorporating expanded lifecycle analysis  
 15       tools.

16       The nine PLANET 2050 goals for 2030 are as follows:

- 17       • Reduce absolute greenhouse gas (GHG) emissions from facilities and  
 18       operations by 50 percent.
- 19       • *Reduce scope three absolute lifetime GHG emissions from newly*  
 20       *sold products by 25 percent.*
- 21       • Partner with customers to reduce scope three GHG emissions from  
 22       products in the field by 55 million metric tons.
- 23       • Reduce volatile organic compounds emissions from paint and coating  
 24       operations by 50 percent.
- 25       • Create a circular lifecycle plan for every part to use less, use better,  
 26       use again.
- 27       • Generate 25 percent less waste in facilities and operations as percent  
 28       of revenue.
- 29       • Reuse or responsibly recycle 100 percent of packaging plastics and  
 30       eliminate single-use plastics in dining facilities, employee amenities  
 31       and events.
- 32       • Reduce absolute water consumption in facilities and operations by 30  
 33       percent.
- 34       • Produce net water benefits that exceed our annual water use in all our  
 35       regions.

\* \* \*

36       We continue to articulate our positions on key public policy issues  
 37       and on a wide range of environmental issues. We are actively engaged

1 around the world to promote science-based climate policies by  
2 working with regulatory, industry and other stakeholders, including  
3 joining advocacy groups and testifying before legislators and  
4 regulators. We will continue to work in partnership with others to  
5 advocate for tough, clear and enforceable regulations around the globe  
6 to address air and GHG emissions. In 2021, we were named to the  
7 S&P Dow Jones World and North American Sustainability Indices. It  
8 was the sixteenth consecutive time we were named to the North  
9 American index and the first time we were named to the world index  
10 since 2013. We were also named one of the inaugural recipients of the  
11 Prince Charles' Terra Carta Seal, recognizing companies for their  
12 leadership in climate action and sustainability.

13 We were named to Investor Business Daily's Best ESG Companies  
14 list for performance on environmental, social and governance matters,  
15 ranking number 37. We were also ranked number 84 among Barron's  
16 Top 100 Most Sustainable Companies.

17 (Emphasis added).

18 62. This statement was materially false and misleading at the time that it  
19 was made because Cummins was producing engines for the RAM 2500 and 3500  
20 trucks with unlawful emissions control devices. As such, Cummins materially  
21 overstated its commitment to environmental sustainability.

22 63. The 2021 Annual Report contained the following statement on  
23 environmental compliance:

24 Our engines are subject to extensive statutory and regulatory requirements  
25 that directly or indirectly impose standards governing emissions and noise.  
26 Over the past several years we have increased our global environmental  
27 compliance presence and expertise to understand and meet emerging  
28 product environmental regulations around the world. Our ability to comply  
with these and future emission standards is an essential element in  
maintaining our leadership position in regulated markets. We made, and will  
continue to make, significant capital and research expenditures to comply  
with these standards.



1 We strive to be a leader in developing and implementing technologies that  
2 provide customers with the highest performing products while minimizing  
3 the impact on the environment, and we have a long history of working with  
4 governments and regulators to achieve these goals. We remain committed to  
5 ensuring our products meet all current and future emission standards and  
6 delivering value to our customers.

7 Formed in 2019, the Product Compliance and Regulatory Affairs team leads  
8 both engine emissions certification and compliance and regulatory affairs  
9 initiatives and is overseen and reports directly to the SET Committee of the  
10 Board at least annually. This organization is led by the Vice President -  
11 Product Compliance and Regulatory Affairs who reports directly to the  
12 Chief Executive Officer. The Vice President is a member of both the  
13 Cummins Executive Team and Cummins Leadership Team. *The focus of  
14 this organization is to strengthen our ability to design great products that  
15 help our customers win while complying with increasingly challenging  
16 global emission regulations.* The organization also works to enhance our  
17 collaboration with the agencies setting the direction and regulations of  
18 emissions as we strive to meet every expectation today while planning for  
19 future changes.

20 Following conversations with the U.S. Environmental Protection Agency  
21 (EPA) and California Air Resources Board (CARB) regarding certification  
22 for the engines in the 2019 RAM 2500 and 3500 trucks, we made the  
23 decision to review our certification process and compliance with emission  
24 standards. *This review is being conducted with external advisers as we  
25 strive to ensure the certification and all of our processes for our pick-up  
26 truck applications are consistent with our internal policies, engineering  
27 standards and applicable laws.* We are working closely with the regulators  
28 to enhance our emissions systems to improve the effectiveness of all of our  
pick-up truck applications and to fully address the regulators' requirements.  
*Based on discussions with the regulators, we have developed a new  
calibration for the engines in model year 2019 RAM 2500 and 3500 trucks  
that has been included in all engines shipped since September 2019.*  
During our discussions, the regulators turned their attention to other model  
years and other engines, most notably our pick-up truck applications for  
RAM 2500 and 3500 trucks for model years 2013 through 2018. We will  
continue to work together closely with the relevant regulators to develop and  
implement recommendations for improvement as part of our ongoing  
commitment to compliance. [. . .]

1 (Emphasis added).

2 64. This statement was materially false and misleading at the time it was  
3 made because Cummins was producing engines for the RAM 2500 and 3500 trucks  
4 with unlawful emissions control devices. As such, Cummins overstated its  
5 commitment to environmental compliance.

6 65. On May 3, 2022, the Company filed with the SEC its quarterly reports  
7 on Form 10-Q for the period ending March 31, 2022 (the “1Q22 Report”). Attached  
8 to the 1Q22 Report were certifications pursuant to SOX signed by Defendants  
9 Linebarger and Smith attesting to the accuracy of financial reporting, the disclosure  
10 of any material changes to the Company’s internal control over financial reporting  
11 and the disclosure of all fraud.

12 66. The 1Q22 Report contained the following risk disclosure:

13 *We are conducting a formal internal review of our emission certification*  
14 *process and compliance with emission standards with respect to our pick-*  
15 *up truck applications and are working with the EPA and CARB to address*  
16 *their questions about these applications. Due to the continuing nature of*  
17 *our formal internal review and on-going discussions with the EPA and*  
18 *CARB, we cannot predict the final results of this formal review and these*  
19 *regulatory processes, nor whether, or the extent to which, they could have*  
20 *a material adverse impact on our results of operations and cash flows.*

21 We previously announced that we are conducting a formal internal review  
22 of our emissions certification process and compliance with emission  
23 standards with respect to all of our pick-up truck applications, *following*  
24 *conversations with the EPA and CARB regarding certification of our*  
25 *engines for model year 2019 RAM 2500 and 3500 trucks. During*  
26 *conversations with the EPA and CARB about the effectiveness of our pick-*  
27 *up truck applications, the regulators raised concerns that certain aspects*  
28 *of our emissions systems may reduce the effectiveness of our emissions*  
*control systems and thereby act as defeat devices.* As a result, our internal  
review focuses, in part, on the regulators’ concerns. We are working closely  
with the regulators to enhance our emissions systems to improve the  
effectiveness of all of our pick-up truck applications and to fully address the  
regulators’ requirements. *Based on discussions with the regulators, we*



1 ***have developed a new calibration for the engines in model year 2019 RAM***  
2 ***2500 and 3500 trucks that has been included in all engines shipped since***  
3 ***September 2019.*** During our discussions, the regulators turned their  
4 attention to other model years and other engines, most notably our pick-up  
5 truck applications for RAM 2500 and 3500 trucks for model years 2013  
6 through 2018. In connection with these and other ongoing discussions with  
7 the EPA and CARB, we are developing a new software calibration and will  
8 recall model years 2013 through 2018 RAM 2500 and 3500 trucks. ***We***  
9 ***accrued \$30 million for the recall during the first quarter of 2022, an***  
10 ***amount that reflects our current estimate of the cost of the recall.***

11 We will continue to work together closely with the relevant regulators to  
12 develop and implement recommendations for improvement and seek to  
13 reach further resolutions as part of our ongoing commitment to compliance.  
14 Due to the presence of many unknown facts and circumstances, we are not  
15 yet able to estimate any further financial impact of these matters. It is  
16 possible that the consequences of any remediation plans resulting from our  
17 formal review and these regulatory processes could have a material adverse  
18 impact on our results of operations and cash flows.

19 (Emphasis added).

20 67. This statement was materially false and misleading at the time it was  
21 made because, contrary to Cummins' assurances about the legal compliance of  
22 engines shipped since September 2019, Cummins was continuing to produce  
23 engines for RAM 2500 and 3500 trucks with unlawful emission control devices.

24 68. On August 3, 2022 and November 4, 2022, the Company filed with  
25 the SEC its quarterly reports on Form 10-Q for the periods ending June 30, 2022  
26 (the "2Q22 Report"), and September 30, 2022 (the "3Q22 Report"), respectively.  
27 Attached to the 2Q22 and 3Q22 Reports were SOX certifications signed by  
28 Rumsey and Smith attesting to the accuracy of financial reporting, the disclosure  
of any material changes to the Company's internal control over financial reporting  
and the disclosure of all fraud.

69. The 2Q22 Report contained the following risk disclosure:

1 ***We are conducting a formal internal review of our emission certification***  
2 ***process and compliance with emission standards with respect to our pick-***  
3 ***up truck applications and are working with the EPA and CARB to address***  
4 ***their questions about these applications. Due to the continuing nature of***  
5 ***our formal internal review and on-going discussions with the EPA and***  
6 ***CARB, we cannot predict the final results of this formal review and these***  
7 ***regulatory processes, nor whether, or the extent to which, they could have***  
8 ***a material adverse impact on our results of operations and cash flows.***

9 We previously announced that we are conducting a formal internal review  
10 of our emissions certification process and compliance with emission  
11 standards with respect to all of our pick-up truck applications, following  
12 conversations with the EPA and CARB regarding certification of our  
13 engines for model year 2019 RAM 2500 and 3500 trucks. During  
14 conversations with the EPA and CARB about the effectiveness of our pick-  
15 up truck applications, the regulators raised concerns that certain aspects of  
16 our emissions systems may reduce the effectiveness of our emissions control  
17 systems and thereby act as defeat devices. As a result, our internal review  
18 focuses, in part, on the regulators' concerns. ***We are working closely with***  
19 ***the regulators to enhance our emissions systems to improve the***  
20 ***effectiveness of all of our pick-up truck applications and to fully address***  
21 ***the regulators' requirements. Based on discussions with the regulators, we***  
22 ***have developed a new calibration for the engines in model year 2019 RAM***  
23 ***2500 and 3500 trucks that has been included in all engines shipped since***  
24 ***September 2019.*** During our discussions, the regulators turned their  
25 attention to other model years and other engines, most notably our pick-up  
26 truck applications for RAM 2500 and 3500 trucks for model years 2013  
27 through 2018. In connection with these and other ongoing discussions with  
28 the EPA and CARB, we are developing a new software calibration and will  
recall model years 2013 through 2018 RAM 2500 and 3500 trucks. We  
accrued \$30 million for the recall during the first quarter of 2022, an amount  
that reflects our current estimate of the cost of the recall.

(Emphasis added).

70. This statement was materially false and misleading at the time it was  
made because, contrary to Cummins' assurances about the legal compliance of

1 engines shipped since September 2019, Cummins was continuing to produce  
2 engines for RAM 2500 and 3500 trucks with unlawful emission control devices.

3 71. The 3Q22 Report contained a similar risk disclosure:

4 *We are conducting a formal internal review of our emission certification*  
5 *process and compliance with emission standards with respect to our pick-*  
6 *up truck applications and are working with the EPA and CARB to address*  
7 *their questions about these applications. Due to the continuing nature of*  
8 *our formal internal review and on-going discussions with the EPA and*  
9 *CARB, we cannot predict the final results of this formal review and these*  
*regulatory processes, nor whether, or the extent to which, they could have*  
*a material adverse impact on our results of operations and cash flows.*

10 We previously announced that we are conducting a formal internal review  
11 of our emissions certification process and compliance with emission  
12 standards with respect to all of our pick-up truck applications, following  
13 conversations with the EPA and CARB regarding certification of our  
14 engines for model year 2019 RAM 2500 and 3500 trucks. During  
15 conversations with the EPA and CARB about the effectiveness of our pick-  
16 up truck applications, the regulators raised concerns that certain aspects of  
17 our emissions systems may reduce the effectiveness of our emissions control  
18 systems and thereby act as defeat devices. As a result, our internal review  
19 focuses, in part, on the regulators' concerns. We are working closely with  
20 the regulators to enhance our emissions systems to improve the effectiveness  
21 of all of our pick-up truck applications and to fully address the regulators'  
22 requirements. Based on discussions with the regulators, we have developed  
23 a new calibration for the engines in model year 2019 RAM 2500 and 3500  
24 trucks that has been included in all engines shipped since September 2019.  
25 During our ongoing discussions, the regulators turned their attention to other  
26 model years and other engines, most notably our pick-up truck applications  
27 for RAM 2500 and 3500 trucks for model years 2013 through 2018 and Titan  
28 trucks for model years 2016 through 2019. In connection with these and  
other ongoing discussions with the EPA and CARB, we are developing a  
new software calibration and will recall model years 2013 through 2018  
RAM 2500 and 3500 trucks. We accrued \$30 million for the RAM recall  
during the first quarter of 2022, an amount that reflected our current estimate  
of the cost of that recall. We are also developing a new software calibration  
and hardware fix and will recall model years 2016 through 2019 Titan  
trucks. We accrued \$29 million for the Titan recall during the third quarter

1 of 2022, an amount that reflected our current estimate of the cost of that  
2 recall.

3 *We will continue to work together closely with the relevant regulators to*  
4 *develop and implement recommendations for improvement and seek to*  
5 *reach further resolutions as part of our ongoing commitment to*  
6 *compliance.* Due to the presence of many unknown facts and circumstances,  
7 we are not yet able to estimate any further financial impact of these matters.  
8 It is possible that the consequences resulting from our formal review and  
9 these regulatory processes could have a material adverse impact on our  
10 results of operations and cash flows.

11 (Emphasis added).

12 72. This statement was materially false and misleading at the time it was  
13 made because, contrary to Cummins' assurances about the legal compliance of  
14 engines shipped since September 2019, Cummins was continuing to produce  
15 engines for RAM 2500 and 3500 trucks with unlawful emission control devices.

16 73. On February 14, 2023, Cummins filed with the SEC its Annual Report  
17 on 10-K for the year ended December 31, 2022 (the "2022 Annual Report").  
18 Attached to the 2022 Annual Report were certifications pursuant to SOX signed  
19 by Defendants Rumsey and Smith attesting to the accuracy of financial reporting,  
20 the disclosure of any material changes to the Company's internal control over  
21 financial reporting and the disclosure of all fraud.

22 74. The 2022 Annual Report contained the following risk disclosure:  
23 *We are conducting a formal internal review of our emission certification*  
24 *process and compliance with emission standards with respect to our pick-*  
25 *up truck applications and are working with the EPA and CARB to address*  
26 *their questions about these applications. Due to the continuing nature of*  
27 *our formal internal review and on-going discussions with the EPA and*  
28 *CARB, we cannot predict the final results of this formal review and these*  
*regulatory processes, nor whether, or the extent to which, they could have*  
*a material adverse impact on our results of operations and cash flows.*

1 We previously announced that we are conducting a formal internal review  
2 of our emissions certification process and compliance with emission  
3 standards with respect to all of our pick-up truck applications, following  
4 conversations with the EPA and CARB regarding certification of our  
5 engines for model year 2019 RAM 2500 and 3500 trucks. During  
6 conversations with the EPA and CARB about the effectiveness of our pick-  
7 up truck applications, the regulators raised concerns that certain aspects of  
8 our emissions systems may reduce the effectiveness of our emissions control  
9 systems and thereby act as defeat devices. As a result, our internal review  
10 focuses, in part, on the regulators' concerns. We are working closely with  
11 the regulators to enhance our emissions systems to improve the effectiveness  
12 of all of our pick-up truck applications and to fully address the regulators'  
13 requirements. ***Based on discussions with the regulators, we have developed  
14 a new calibration for the engines in model year 2019 RAM 2500 and 3500  
15 trucks that has been included in all engines shipped since September 2019.***  
16 During our ongoing discussions, the regulators turned their attention to other  
17 model years and other engines, most notably our pick-up truck applications  
18 for RAM 2500 and 3500 trucks for model years 2013 through 2018 and Titan  
19 trucks for model years 2016 through 2019. We have also been in  
20 communication with Environmental and Climate Change Canada regarding  
21 similar issues relating to some of these very same platforms. ***In connection  
22 with these and other ongoing discussions with the EPA and CARB, we are  
23 developing a new software calibration and will recall model years 2013  
24 through 2018 RAM 2500 and 3500 trucks.*** We accrued \$30 million for the  
25 RAM recall during the first quarter of 2022, an amount that reflected our  
26 current estimate of the cost of that recall. ***We are also developing a new  
27 software calibration and hardware fix and will recall model years 2016  
28 through 2019 Titan trucks. We accrued \$29 million for the Titan recall  
during the third quarter of 2022, an amount that reflected our current  
estimate of the cost of that recall.***

We will continue to work together closely with the relevant regulators to  
develop and implement recommendations for improvement and seek to  
reach further resolutions as part of our ongoing commitment to compliance.  
***Due to the presence of many unknown facts and circumstances, we are  
not yet able to estimate any further financial impact of these matters. It is  
possible that the consequences resulting from our formal review and these  
regulatory processes could have a material adverse impact on our results  
of operations and cash flows.***



1 (Emphasis added).

2 75. This statement was materially false and misleading at the time it was  
3 made because, contrary to Cummins' assurances about the legal compliance of  
4 engines shipped since September 2019, Cummins was continuing to produce  
5 engines for RAM 2500 and 3500 trucks with unlawful emission control devices.

6 76. The 2022 Annual Report contained the following risk disclosure  
7 regarding the regulatory environment in which Cummins operates:

8 *Our products are subject to extensive statutory and regulatory*  
9 *requirements that can significantly increase our costs and, along with*  
10 *increased scrutiny from regulatory agencies and unpredictability in the*  
11 *adoption, implementation and enforcement of increasingly stringent and*  
12 *fragmented emission standards by multiple jurisdictions around the world,*  
*could have a material adverse impact on our results of operations,*  
*financial condition and cash flows.*

13 Our engines are subject to extensive statutory and regulatory requirements  
14 governing emissions and noise, including standards imposed by the EPA,  
15 the EU, state regulatory agencies (such as the CARB) and other regulatory  
16 agencies around the world. Regulatory agencies are making certification and  
17 compliance with emissions and noise standards more stringent and  
18 subjecting diesel engine products to an increasing level of scrutiny. *The*  
*discovery of noncompliance issues could have a material adverse impact*  
*on our results of operations, financial condition and cash flows.*

19 Developing engines and components to meet more stringent and changing  
20 regulatory requirements, with different implementation timelines and  
21 emission requirements, makes developing engines efficiently for multiple  
22 markets complicated and could result in substantial additional costs that may  
23 be difficult to recover in certain markets. *While we have met previous*  
*deadlines, our ability to comply with existing and future regulatory*  
24 *standards will be essential for us to maintain our competitive position in*  
*the engine applications and industries we serve.* The successful  
25 development and introduction of new and enhanced products in order to  
26 comply with new regulatory requirements are subject to other risks, such as  
27 delays in product development, cost over-runs and unanticipated technical  
28 and manufacturing difficulties.

1 In addition to these risks, the nature and timing of government  
2 implementation and enforcement of increasingly stringent emission  
3 standards in our worldwide markets are unpredictable and subject to change.  
4 Any delays in implementation or enforcement could result in a loss of our  
5 competitive advantage and could have a material adverse impact on our  
6 results of operations, financial condition and cash flows.

(Emphasis added).

7 77. This statement was materially false and misleading at the time it was  
8 made because Cummins was producing engines for the RAM 2500 and 3500 trucks  
9 with unlawful emissions control devices, raising the risk of regulatory enforcement  
10 and penalties.

11 78. The 2022 Annual Report contained the following statement on  
12 environmental compliance:

13 ***We are committed to making people's lives better by powering a more***  
14 ***prosperous world. That prosperity includes strong communities, robust***  
***business and environmental sustainability.***

15 The highest level of accountability for our climate-related risks and  
16 opportunities is with the Safety, Environment and Technology (SET)  
17 Committee of the Board of Directors (the Board). The internal Action  
18 Committee for Environmental Sustainability meets monthly and reports to  
19 the Chief Executive Officer (CEO) and to the SET Committee at least  
20 annually.

21 ***In 2019, we introduced PLANET 2050, a sustainability strategy focused***  
22 ***on three priority areas: addressing climate change and air emissions,***  
23 ***using natural resources in the most sustainable way and improving***  
24 ***communities.*** Additional commitments followed including Cummins Water  
25 Works, our program for strengthening communities through sustainable  
26 water and addressing the global water crisis, and Destination Zero, our long-  
27 term product decarbonization strategy. The PLANET 2050 strategy includes  
28 nine specific goals to achieve by 2030, including science-based carbon  
dioxide reduction targets for newly sold products and facilities, as well as  
aspirational targets for 2050. We started reporting progress in 2022. Key  
areas of focus in 2022 included product decarbonization pathways, customer



1 sustainability collaboration and circular economy efforts such as  
2 incorporating expanded lifecycle analysis tools.

3 The nine PLANET 2050 goals for 2030 are as follows:

- 4 • Reduce absolute greenhouse gas (GHG) emissions from facilities and  
5 operations by 50 percent.
- 6 • Reduce scope three absolute lifetime GHG emissions from newly sold  
7 products by 25 percent.
- 8 • Partner with customers to reduce scope three GHG emissions from  
9 products in the field by 55 million metric tons.
- 10 • Reduce volatile organic compounds emissions from paint and coating  
11 operations by 50 percent.
- 12 • Create a circular lifecycle plan for every part to use less, use better,  
13 use again.
- 14 • Generate 25 percent less waste in facilities and operations as percent  
15 of revenue.
- 16 • Reuse or responsibly recycle 100 percent of packaging plastics and  
17 eliminate single-use plastics in dining facilities, employee amenities  
18 and events.
- 19 • Reduce absolute water consumption in facilities and operations by 30  
20 percent.
- 21 • Produce net water benefits that exceed our annual water use in all our  
22 regions.

23 \* \* \*

24 *We continue to articulate our positions on key public policy issues*  
25 *and on a wide range of environmental issues. We are actively*  
26 *engaged around the world to promote science-based climate policies*  
27 *by working with regulatory, industry and other stakeholders,*  
28 *including joining advocacy groups and testifying before legislators*  
*and regulators. We will continue to work in partnership with others*  
*to advocate for tough, clear and enforceable regulations around the*  
*globe to address air and GHG emissions. In 2022, we were named to*  
*the S&P Dow Jones World and North American Sustainability*  
*Indices. It was the seventeenth consecutive time we were named to*  
*the North American index and the second time we were named to the*  
*world index since 2013. In 2021, we were named one of the inaugural*  
*recipients of the Terra Carta Seal by the Sustainable Markets*  
*Initiative, the effort founded by King Charles III while the Prince of*  
*Wales to recognize industry leaders in environmental sustainability.*

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In addition, in 2022 we were awarded a gold medal for sustainability performance by EcoVadis, a globally collaborative platform for trading partners to share sustainability performance information.

We were named to Investor Business Daily's Best ESG Companies list for performance on environmental, social and governance matters, ranking number 27. We were also ranked number 47 among Barron's Top 100 Most Sustainable Companies.

(Emphasis added).

79. This statement was materially false and misleading at the time that it was made because Cummins was producing engines for the RAM 2500 and 3500 trucks with unlawful emissions control devices. As such, Cummins materially overstated its commitment to environmental compliance.

80. The 2022 Annual Report contained the following statement on environmental compliance:

Our engines are subject to extensive statutory and regulatory requirements that directly or indirectly impose standards governing emissions and noise. Over the past several years we have increased our global environmental compliance presence and expertise to understand and meet emerging product environmental regulations around the world. Our ability to comply with these and future emission standards is an essential element in maintaining our leadership position in regulated markets.

We strive to be a leader in developing and implementing technologies that provide customers with the highest performing products while minimizing the impact on the environment, and we have a long history of working with governments and regulators to achieve these goals. We remain committed to ensuring our products meet all current and future emission standards and delivering value to our customers.

Announced in late 2019 and launched in early 2020, the Product Compliance and Regulatory Affairs team leads both engine emissions certification and compliance and regulatory affairs initiatives and reports to the SET Committee of the Board at least annually. This organization is led by the Vice President - Product Compliance and Regulatory Affairs. The focus of this organization is to strengthen our ability to design great products that

1 help our customers win while complying with increasingly challenging  
2 global emission regulations. The organization also works to enhance our  
3 collaboration with the agencies setting the direction and regulations of  
4 emissions as we strive to meet every expectation today while planning for  
5 future changes.

6 Following conversations with the U.S. Environmental Protection Agency  
7 (EPA) and California Air Resources Board (CARB) regarding certification  
8 for the engines in the 2019 RAM 2500 and 3500 trucks, we made the  
9 decision to review our certification process and compliance with emission  
10 standards. *This review is being conducted with external advisors as we  
11 strive to ensure the certification and compliance processes for all of our  
12 pick-up truck applications are consistent with our internal policies,  
13 engineering standards and applicable laws.* During conversations with the  
14 EPA and CARB about the effectiveness of our pick-up truck applications,  
15 the regulators raised concerns that certain aspects of our emissions systems  
16 may reduce the effectiveness of our emissions control systems and thereby  
17 act as defeat devices. As a result, our internal review focuses, in part, on the  
18 regulators' concerns. *We are working closely with the regulators to  
19 enhance our emissions systems to improve the effectiveness of all of our  
20 pick-up truck applications and to fully address the regulators'  
21 requirements. Based on discussions with the regulators, we have  
22 developed a new calibration for the engines in model year 2019 RAM 2500  
23 and 3500 trucks that has been included in all engines shipped since  
24 September 2019.* During our ongoing discussions, the regulators turned their  
25 attention to other model years and other engines, most notably our pick-up  
26 truck applications for RAM 2500 and 3500 trucks for model years 2013  
27 through 2018 and Titan trucks for model years 2016 through 2019. We have  
28 also been in communication with Environmental and Climate Change  
Canada regarding similar issues relating to some of these very same  
platforms. In connection with these and other ongoing discussions with the  
EPA and CARB, we are developing a new software calibration and will  
recall model years 2013 through 2018 RAM 2500 and 3500 trucks. We are  
also developing a new software calibration and hardware fix and will recall  
model years 2016 through 2019 Titan trucks. We will continue to work  
together closely with the relevant regulators to develop and implement  
recommendations for improvement as part of our ongoing commitment to  
compliance. [. . .]

(Emphasis added)

1 81. This statement was materially false and misleading at the time that it  
2 was made because Cummins was producing engines for the RAM 2500 and 3500  
3 trucks with unlawful emissions control devices. As such, Cummins overstated its  
4 commitment to environmental compliance.

5 82. On May 2, 2023, August 3, 2023, and November 2, 2023 the  
6 Company filed with the SEC its quarterly reports on Form 10-Q for the periods  
7 ending March 31, 2023 (the “1Q23 Report”), June 30, 2023 (the “2Q23 Report”)  
8 and September 30, 2023 (the “3Q23 Report”). Attached to the 1Q23, 2Q23 and  
9 3Q23 Reports were certifications pursuant to SOX signed by Defendants Rumsey  
10 and Smith attesting to the accuracy of financial reporting, the disclosure of any  
11 material changes to the Company’s internal control over financial reporting and  
12 the disclosure of all fraud.

13 83. The 1Q23, 2Q23 and 3Q23 Reports contained a substantially similar  
14 risk disclosure to the one discussed in paragraph 74.

15 84. The statement referenced in paragraph 74 was accordingly materially  
16 false and misleading for the same reason discussed in paragraph 75.

17 85. The statements contained in ¶¶ 20, 21, 23, 25, 26, 28, 29, 31, 33, 35,  
18 37, 39, 40, 42, 43, 45, 47, 49, 51, 52, 54, 56, 57, 59, 61, 63, 65, 66, 68, 69, 71, 73,  
19 74, 76, 78, and 80 were materially false and/or misleading because they  
20 misrepresented and failed to disclose the following adverse facts pertaining to the  
21 Company’s business, operations and prospects, which were known to Defendants  
22 or recklessly disregarded by them. Specifically, Defendants made false and/or  
23 misleading statements and/or failed to disclose that: (1) Contrary to its post-April  
24 2019 Announcement assurances about its commitment to compliance, Cummins  
25 continued to produce engines with unlawful emission defeating devices from 2019  
26 to 2023; (2) accordingly, Cummins understated its legal and regulatory risk, and  
27 overstated its commitment to environmental protection; and (3) as a result,  
28

1 Defendants' statements about its business, operations, and prospects, were  
2 materially false and misleading and/or lacked a reasonable basis at all relevant  
3 times.

#### 4 THE TRUTH EMERGES

5 86. On December 22, 2023, before the market opened, the Company filed  
6 with the SEC a current report on Form 8-K in which it announced the following:

7 On December 22, 2023, Cummins Inc. (the "Company") issued a press  
8 release announcing that the Company has reached an agreement in principle  
9 with the U.S. Environmental Protection Agency, the California Air  
10 Resources Board ("CARB"), *the Environmental and Natural Resources*  
11 *Division of the U.S. Department of Justice* and the California Attorney  
12 General's Office *to resolve civil claims regarding the Company's emissions*  
13 *certification and compliance process for certain engines primarily used in*  
14 *pick-up truck applications in the United States (collectively, the*  
15 *"Agreement in Principle")*. The Agreement in Principle relates to the  
16 ongoing formal review of the Company's emissions certification process  
17 and compliance with emissions standards for certain pickup truck  
18 applications. *The Company first announced this review on April 29, 2019,*  
19 *has since provided regular updates in periodic filings with the Securities and*  
20 *Exchange Commission and is continuing to cooperate with Environment and*  
21 *Climate Change Canada ("ECCC") with respect to ECCC's requests for*  
22 *certification-related information for certain pick-up truck applications.*

23 *The Company expects to record a charge of approximately \$2.04 billion in*  
24 *the fourth quarter of 2023 to resolve these claims and related matters.*  
25 Certain additional related immaterial charges will likely be incurred as these  
26 matters are fully concluded. The Company is in a strong financial position  
27 with existing liquidity and access to capital to satisfy obligations associated  
28 with the settlement, support ongoing obligations and execute its growth  
strategy.

(Emphasis added).

87. On the same day, the United States Department of Justice released a  
press release entitled "Attorney General Merrick Garland Statement on the

1 Agreement in Principle with Cummins to Settle Alleged Installation of Illegal  
2 Defeat Devices in Engines” (the “DOJ Press Release”).

3 88. The DOJ Press Release stated that Cummins “allegedly installed  
4 defeat devices on 630,000 model year 2013 to 2019 RAM 2500 and 3500 pickup  
5 truck engines”, but then revealed that Cummins *“also allegedly installed*  
6 *undisclosed auxiliary emission control devices on 330,000 model year 2019 to*  
7 *2023 RAM 2500 and 3500 pickup truck engines”*, revealing that the Company  
8 engaged in malfeasance for years after it disclosed the review of its compliance  
9 with emissions standards.

10 89. The DOJ Press Release noted that the penalty agreed to with Cummins  
11 would be the *“largest ever for a clean air act violation and the second largest ever*  
12 *environmental penalty.”* (Emphasis added).

13 90. The DOJ Press Release quoted Attorney General Merrick Garland as  
14 saying the following:

15 The Justice Department is committed to vigorously enforcing the  
16 environmental laws that protect the American people from harmful  
17 pollutants.

18 *Today, the Justice Department reached an initial agreement with*  
19 *Cummins Inc. to settle claims that, over the past decade, the company*  
20 *unlawfully altered hundreds of thousands of engines to bypass emissions*  
21 *tests in violation of the Clean Air Act.* As part of the agreement, the Justice  
22 Department will require Cummins to pay \$1.675 billion, *the largest civil*  
23 *penalty we have ever secured under the Clean Air Act, and the second*  
24 *largest environmental penalty ever secured.*

25 *The types of devices we allege that Cummins installed in its engines to*  
26 *cheat federal environmental laws have a significant and harmful impact*  
27 *on people’s health and safety. For example, in this case, our preliminary*  
28 *estimates suggest that defeat devices on some Cummins engines have*  
*caused them to produce thousands of tons of excess emissions of nitrogen*  
*oxides.* The cascading effect of those pollutants can, over long-term  
exposure, lead to breathing issues like asthma and respiratory infections.



1 (Emphasis added)

2  
3 91. On this news, the price of Cummins stock fell by \$7.01 per share, or  
4 2.87%, to close at \$236.99 on December 22, 2023.

5 92. As a result of Defendants' wrongful acts and omissions, and the  
6 precipitous decline in the market value of the Company's common shares, Plaintiff  
7 and other Class members have suffered significant losses and damages.

8 **PLAINTIFF'S CLASS ACTION ALLEGATIONS**

9 93. Plaintiff brings this action as a class action pursuant to Federal Rule  
10 of Civil Procedure 23(a) and (b)(3) on behalf of a class consisting of all persons  
11 other than defendants who acquired the Company's securities publicly traded on  
12 NYSE during the Class Period, and who were damaged thereby (the "Class").  
13 Excluded from the Class are Defendants, the officers and directors of the Company,  
14 members of the Individual Defendants' immediate families and their legal  
15 representatives, heirs, successors or assigns and any entity in which Defendants  
16 have or had a controlling interest.

17  
18 94. The members of the Class are so numerous that joinder of all members  
19 is impracticable. Throughout the Class Period, the Company's securities were  
20 actively traded on NYSE. While the exact number of Class members is unknown  
21 to Plaintiff at this time and can be ascertained only through appropriate discovery,  
22 Plaintiff believes that there are hundreds, if not thousands of members in the  
23 proposed Class.

24 95. Plaintiff's claims are typical of the claims of the members of the Class  
25 as all members of the Class are similarly affected by Defendants' wrongful conduct  
26 in violation of federal law that is complained of herein.

27 96. Plaintiff will fairly and adequately protect the interests of the  
28 members of the Class and has retained counsel competent and experienced in class

1 and securities litigation. Plaintiff has no interests antagonistic to or in conflict with  
2 those of the Class.

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

- 6 • whether the Exchange Act was violated by Defendants' acts as alleged  
7 herein;
- 8 • whether statements made by Defendants to the investing public during  
9 the Class Period misrepresented material facts about the business and  
10 financial condition of the Company;
- 11 • whether Defendants' public statements to the investing public during  
12 the Class Period omitted material facts necessary to make the statements  
13 made, in light of the circumstances under which they were made, not  
14 misleading;
- 15 • whether the Defendants caused the Company to issue false and  
16 misleading filings during the Class Period;
- 17 • whether Defendants acted knowingly or recklessly in issuing false  
18 filings;
- 19 • whether the prices of the Company securities during the Class Period  
20 were artificially inflated because of the Defendants' conduct complained of  
21 herein; and
- 22 • whether the members of the Class have sustained damages and, if so,  
23 what is the proper measure of damages.

24 98. A class action is superior to all other available methods for the fair  
25 and efficient adjudication of this controversy since joinder of all members is  
26 impracticable. Furthermore, as the damages suffered by individual Class members  
27 may be relatively small, the expense and burden of individual litigation make it  
28

1 impossible for members of the Class to individually redress the wrongs done to  
2 them. There will be no difficulty in the management of this action as a class action.

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

- 5 • the Company's shares met the requirements for listing, and were listed  
6 and actively traded on NYSE, an efficient market;
- 7 • as a public issuer, the Company filed periodic public reports;
- 8 • the Company regularly communicated with public investors via  
9 established market communication mechanisms, including through the  
10 regular dissemination of press releases via major newswire services and  
11 through other wide-ranging public disclosures, such as communications with  
12 the financial press and other similar reporting services;
- 13 • the Company's securities were liquid and traded with moderate to  
14 heavy volume during the Class Period; and
- 15 • the Company was followed by a number of securities analysts  
16 employed by major brokerage firms who wrote reports that were widely  
17 distributed and publicly available.

18 100. Based on the foregoing, the market for the Company's securities  
19 promptly digested current information regarding the Company from all publicly  
20 available sources and reflected such information in the prices of the shares, and  
21 Plaintiff and the members of the Class are entitled to a presumption of reliance  
22 upon the integrity of the market.

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

28 **COUNT I**

1 **For Violations of Section 10(b) And Rule 10b-5 Promulgated Thereunder**  
2 **Against All Defendants**

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

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

8 104. During the Class Period, Defendants, individually and in concert,  
9 directly or indirectly, disseminated or approved the false statements specified  
10 above, which they knew or deliberately disregarded were misleading in that they  
11 contained misrepresentations and failed to disclose material facts necessary in  
12 order to make the statements made, in light of the circumstances under which they  
13 were made, not misleading.

14 105. Defendants violated §10(b) of the 1934 Act and Rule 10b-5 in that  
15 they:

- 16 • employed devices, schemes and artifices to defraud;  
17 • made untrue statements of material facts or omitted to state material  
18 facts necessary in order to make the statements made, in light of the  
19 circumstances under which they were made, not misleading; or  
20 • engaged in acts, practices and a course of business that operated as a  
21 fraud or deceit upon plaintiff and others similarly situated in connection with  
22 their purchases of the Company's securities during the Class Period.

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

1 statements or documents as primary violations of the securities laws. These  
2 defendants by virtue of their receipt of information reflecting the true facts of the  
3 Company, their control over, and/or receipt and/or modification of the Company's  
4 allegedly materially misleading statements, and/or their associations with the  
5 Company which made them privy to confidential proprietary information  
6 concerning the Company, participated in the fraudulent scheme alleged herein.

7 107. Individual Defendants, who are the senior officers of the Company,  
8 had actual knowledge of the material omissions and/or the falsity of the material  
9 statements set forth above, and intended to deceive Plaintiff and the other members  
10 of the Class, or, in the alternative, acted with reckless disregard for the truth when  
11 they failed to ascertain and disclose the true facts in the statements made by them  
12 or any other of the Company's personnel to members of the investing public,  
13 including Plaintiff and the Class.

14 108. As a result of the foregoing, the market price of the Company's  
15 securities was artificially inflated during the Class Period. In ignorance of the  
16 falsity of Defendants' statements, Plaintiff and the other members of the Class  
17 relied on the statements described above and/or the integrity of the market price of  
18 the Company's securities during the Class Period in purchasing the Company's  
19 securities at prices that were artificially inflated as a result of Defendants' false and  
20 misleading statements.

21 109. Had Plaintiff and the other members of the Class been aware that the  
22 market price of the Company's securities had been artificially and falsely inflated  
23 by Defendants' misleading statements and by the material adverse information  
24 which Defendants did not disclose, they would not have purchased the Company's  
25 securities at the artificially inflated prices that they did, or at all.

26 110. As a result of the wrongful conduct alleged herein, Plaintiff and other  
27 members of the Class have suffered damages in an amount to be established at trial.

28

1 111. By reason of the foregoing, Defendants have violated Section 10(b)  
2 of the 1934 Act and Rule 10b-5 promulgated thereunder and are liable to the  
3 plaintiff and the other members of the Class for substantial damages which they  
4 suffered in connection with their purchase of the Company's securities during the  
5 Class Period.

6 **COUNT II**

7 **Violations of Section 20(a) of the Exchange Act**

8 **Against the Individual Defendants**

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

11 113. During the Class Period, the Individual Defendants participated in the  
12 operation and management of the Company, and conducted and participated,  
13 directly and indirectly, in the conduct of the Company's business affairs. Because  
14 of their senior positions, they knew the adverse non-public information about the  
15 Company's false financial statements.

16 114. As officers of a publicly owned company, the Individual Defendants  
17 had a duty to disseminate accurate and truthful information with respect to the  
18 Company's financial condition and results of operations, and to correct promptly  
19 any public statements issued by the Company which had become materially false  
20 or misleading.

21 115. Because of their positions of control and authority as senior officers,  
22 the Individual Defendants were able to, and did, control the contents of the various  
23 reports, press releases and public filings which the Company disseminated in the  
24 marketplace during the Class Period concerning the Company's results of  
25 operations. Throughout the Class Period, the Individual Defendants exercised their  
26 power and authority to cause the Company to engage in the wrongful acts  
27 complained of herein. The Individual Defendants therefore, were "controlling  
28



1 persons” of the Company within the meaning of Section 20(a) of the Exchange  
2 Act. In this capacity, they participated in the unlawful conduct alleged which  
3 artificially inflated the market price of the Company’s securities.

4 116. By reason of the above conduct, the Individual Defendants are liable  
5 pursuant to Section 20(a) of the Exchange Act for the violations committed by the  
6 Company.

7 **PRAYER FOR RELIEF**

8 **WHEREFORE**, Plaintiff, on behalf of himself and the Class, prays for  
9 judgment and relief as follows:

10 (a) declaring this action to be a proper class action, designating Plaintiff  
11 as Lead Plaintiff and certifying Plaintiff as a class representative under Rule 23 of  
12 the Federal Rules of Civil Procedure and designating Plaintiff’s counsel as Lead  
13 Counsel;

14 (b) awarding damages in favor of Plaintiff and the other Class members  
15 against all Defendants, jointly and severally, together with interest thereon;

16 (c) awarding Plaintiff and the Class reasonable costs and expenses  
17 incurred in this action, including counsel fees and expert fees; and

18 (d) awarding Plaintiff and other members of the Class such other and  
19 further relief as the Court may deem just and proper.

20 **JURY TRIAL DEMANDED**

21 Plaintiff hereby demands a trial by jury.

22  
23 Dated: January 15, 2024  
24  
25  
26  
27  
28