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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

DOUGLAS BRAY, Individually and
On Behalf of All Others Similarly
Situated,

Plaintiff,

v.

ROCKET LAB USA, INC., PETER
BECK, and ADAM SPICE,

Defendants.

Case No.

**CLASS ACTION COMPLAINT
FOR VIOLATIONS OF THE
FEDERAL SECURITIES LAWS
DEMAND FOR JURY TRIAL**

1 Plaintiff Douglas Bray (“Plaintiff”), individually and on behalf of all others
2 similarly situated, by and through his attorneys, alleges the following upon
3 information and belief, except as to those allegations concerning Plaintiff, which are
4 alleged upon personal knowledge. Plaintiff’s information and belief is based upon,
5 among other things, his counsel’s investigation, which includes without limitation:
6 (a) review and analysis of regulatory filings made by Rocket Lab USA, Inc. (“Rocket
7 Lab” or the “Company”) with the United States (“U.S.”) Securities and Exchange
8 Commission (“SEC”); (b) review and analysis of press releases and media reports
9 issued by and disseminated by Rocket Lab ; and (c) review of other publicly available
10 information concerning Rocket Lab .

11 **NATURE OF THE ACTION AND OVERVIEW**

12 1. This is a class action on behalf of persons and entities that purchased or
13 otherwise acquired Rocket Lab securities between November 12, 2024 and February
14 25, 2025, inclusive (the “Class Period”). Plaintiff pursues claims against the
15 Defendants under the Securities Exchange Act of 1934 (the “Exchange Act”).

16 2. Rocket Lab is a space company which provides launch services,
17 spacecraft design services, spacecraft components, spacecraft manufacturing and
18 other spacecraft and on-orbit management solutions. In March 2021, the Company
19 announced plans to develop a reusable-ready medium-capacity launch vehicle to
20 increase the payload capacity of its space launch vehicle. The Company refers to this
21 vehicle as the Neutron Launch Vehicle (“Neutron”). In early 2024, Rocket Lab
22 announced it would conduct a test launch of Neutron in mid-2025, with three
23 commercial launches in 2026 and five in 2027.

24 3. On February 25, 2025, at approximately 10 AM EST, Bleecker Street
25 Research published a report alleging, among other things, that Rocket Lab “has
26 materially misled investors about the likelihood that its Neutron rocket will launch in
27 mid-2025.” The report revealed that the Company’s plans for three barge landing
28 tests, which were originally scheduled to occur in a window between September 2024

1 and March 2025, had been pushed back to a window beginning in September 2025
2 and could occur as late as March 2026. The report further revealed significant delays
3 in preparing the Company’s launch pad, including a potable water problem not
4 scheduled to be fixed until January 2026, which would delay launch further. The
5 report also alleged that Company’s only Neutron contract so far is with an “unreliable
6 startup” named E-Space which is described as “risk item.” The report further alleged
7 this “contract is not a full-price deal, contrary to what Rocket Lab has said.”

8 4. On this news, Rocket Lab’s stock price fell \$2.21, or 9.8%, to close at
9 \$20.28 per share on February 25, 2025, on unusually heavy trading volume.

10 5. Throughout the Class Period, Defendants made materially false and/or
11 misleading statements, as well as failed to disclose material adverse facts about the
12 Company’s business, operations, and prospects. Specifically, Defendants failed to
13 disclose to investors that: (1) the Company’s plans for three barge landing tests were
14 significantly delayed; (2) a critical potable water problem was not scheduled to be
15 fixed until January 2026, which delayed preparation of the launch pad; (3) as a result
16 of the foregoing, there was a substantial risk that Rocket Lab’s Neutron rocket would
17 not launch in mid-2025; (4) Neutron’s only contract was made at a discount with an
18 unreliable partner; and (5) that, as a result of the foregoing, Defendants’ positive
19 statements about the Company’s business, operations, and prospects were materially
20 misleading and/or lacked a reasonable basis.

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

24 **JURISDICTION AND VENUE**

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

1 presentations to securities analysts, money and portfolio managers and institutional
2 investors, i.e., the market. The Individual Defendants were provided with copies of
3 the Company’s reports and press releases alleged herein to be misleading prior to, or
4 shortly after, their issuance and had the ability and opportunity to prevent their
5 issuance or cause them to be corrected. Because of their positions and access to
6 material non-public information available to them, the Individual Defendants knew
7 that the adverse facts specified herein had not been disclosed to, and were being
8 concealed from, the public, and that the positive representations which were being
9 made were then materially false and/or misleading. The Individual Defendants are
10 liable for the false statements pleaded herein.

11 **SUBSTANTIVE ALLEGATIONS**

12 **Background**

13 16. Rocket Lab is a space company which provides launch services,
14 spacecraft design services, spacecraft components, spacecraft manufacturing and
15 other spacecraft and on-orbit management solutions. In March 2021, the Company
16 announced plans to develop a reusable-ready medium-capacity launch vehicle to
17 increase the payload capacity of its space launch vehicle. The Company refers to this
18 vehicle as the Neutron. In early 2024, Rocket Lab announced it would conduct a test
19 launch of Neutron in mid-2025, with three commercial launches in 2026 and five in
20 2027.

21 **Materially False and Misleading**

22 **Statements Issued During the Class Period**

23 17. The Class Period begins on November 12, 2024. On that day, the
24 Company issued a press release announcing its financial results for the quarter ended
25 September 30, 2024. The press release reported the Company’s “***Significant***
26 ***achievements for the quarter***”¹ including “***signing a launch service agreement for***
27 _____

28 ¹ Unless otherwise stated, all emphasis in bold and italics hereinafter is added.

1 **multiple launches on Neutron with a confidential commercial satellite constellation**
2 **customer.”** The press release also stated there was “**continued progress across**
3 **Neutron and space systems.”** The press release concluded with the Company’s
4 financial results. Specifically, the press release stated, in relevant part:

5 Rocket Lab founder and CEO, Sir Peter Beck, said: “In the third quarter
6 2024 we once again executed against our end-to-end space strategy with
7 successes and key achievements reached across small and medium
8 launch, as well as space systems. Revenue grew 55% year-on-year to
9 \$105 million and we continue to see strong demand growth with our
10 backlog at \$1.05 billion. **Significant achievements for the quarter**
11 **included signing a launch service agreement for multiple launches on**
12 **Neutron with a confidential commercial satellite constellation**
13 **customer;** successfully launching twelve Electron launches year-to-date,
14 making 2024 a record year for launches with more still to come; signing
15 \$55 million in new Electron launches, further cementing Electron’s
16 position as a global launch leader; and being selected by NASA to
17 complete a study contract for a proposal to retrieve samples from Mars
18 and return them to Earth as part of a world-first mission. We expect to
19 close out the year strongly with more Electron launches scheduled in
20 November and December, alongside **continued progress across**
21 **Neutron and space systems,** that is behind our guidance for a record
22 \$125-\$135 million revenue quarter in Q4.”

23 **Business Highlights for the Third Quarter 2024, plus updates since**
24 **September 30, 2024.**

25 * * *

26 **Neutron:**

27 • **Signed a launch service agreement for multiple launches on Neutron**
28 **with a confidential commercial satellite constellation operator that**
signifies the beginning of a productive collaboration that could see
Neutron deploy the entire constellation.

• Announced a federal defense contract that supports Neutron and the development of its Archimedes engine with the U.S. Air Force’s Research Laboratory.

• Doubled engine testing cadence for Archimedes over the quarter at Rocket Lab’s engine test site in Mississippi, alongside strong production execution at the Company’s Engine Development Complex in California which included multiple engines manufactured, assembled, and shipped for engine testing.

• **Significant progress made across Neutron’s structures and infrastructure, including the completion of construction on the rocket’s Assembly, Integration, and Test (A.I.T.) facility in Virginia.**

• Well-positioned to on-ramp to the U.S. Space Force’s National Security Space Launch (NSSL) Lane 1 program, which began accepting

1 proposals in November 2024 to on-ramp new launch providers to an
 2 indefinite delivery indefinite quantity (IDIQ) contract valued at \$5.6
 billion over a five-year period.

	*	*	*
	Three Months Ended September 30,		
	2024		2023
Revenues	\$ 104,808		\$ 67,661
Cost of revenues	76,812		52,694
Gross profit	27,996		14,967
Operating expenses:			
Research and development, net	47,723		26,626
Selling, general and administrative	32,172		27,200
Total operating expenses	79,895		53,826
Operating loss	(51,899)		(38,859)
Other income (expense):			
Interest expense, net	(454)		(1,413)
Loss on foreign exchange	(490)		(120)
Other income, net	1,848		1,176
Total other income (expense), net	904		(357)
Loss before income taxes	(50,995)		(39,216)
Provision for income taxes	(944)		(1,352)
Net loss	\$ (51,939)		\$ (40,568)
Net loss per share attributable to Rocket Lab USA, Inc.:			
Basic and diluted	\$ (0.10)		\$ (0.08)
Weighted-average common shares outstanding:			
Basic and diluted	497,701,715		484,034,071

14 18. On November 12, 2024, the Company submitted its quarterly report for
 15 the period ended September 30, 2024 on a Form 10-Q filed with the SEC, affirming
 16 the previously reported financial results. The quarterly report purported to discuss the
 17 Company's recent developments concerning the Neutron, as well as the Company's
 18 Launch Vehicle Build-Rate, Launch Cadence, and the effect of the foregoing on the
 19 Company's revenue. Specifically, the quarterly report stated, in relevant part:

20 Recent Developments

21 *Neutron Update*

22 *We have made significant progress* across Neutron's structures and
 23 infrastructure, including the completion of construction on the rocket's
 24 Assembly, Integration, and Test (A.I.T.) facility in Virginia. *We have*
 25 *doubled engine testing cadence for Archimedes over the quarter at*
 26 *Rocket Lab's engine test site in Mississippi, alongside strong*
 27 *production execution* at our Engine Development Complex in California
 which included multiple engines manufactured, assembled, and shipped
 for engine testing. *We signed a launch service agreement for two*
 28 *dedicated Neutron launches with a confidential commercial satellite*
constellation customer.

Key Metrics and Select Financial Data

1 We monitor the following key financial and operational metrics that
2 assist us in evaluating our business, measuring our performance,
3 identifying trends and making strategic decisions.

3 ***Launch Vehicle Build-Rate and Launch Cadence***

4 We built approximately eight launch vehicles 2021, approximately 12
5 launch vehicles in 2022 and approximately 11 launch vehicles in 2023.
6 We built approximately 10 launch vehicles through the nine months
7 ended September 30, 2024. We launched six vehicles in 2021, nine
8 vehicles in 2022 and ten vehicles in 2023. We have launched 11 vehicles
9 through the nine months ended September 30, 2024 and launched 12
10 vehicles through November 12, 2024. Growth rates between launches
11 and total launch service revenue are not perfectly correlated because our
12 total revenue is affected by other variables, such as the revenue per
13 launch, which can vary considerably based on factors such as unique
14 orbit and insertion requirements, payload handling needs, launch
15 location, time sensitivity of mission completion and other factors. ***We***
16 ***believe that the growth in our build rate and launch rate is a positive***
17 ***indicator of our ability to scale our launch operations.***

11 **Revenue Growth**

12 ***Three Months Ended September 30, 2024 and 2023***

13 We generated \$104.8 million and \$67.7 million in revenue for the three
14 months ended September 30, 2024 and 2023, respectively, representing
15 a year-on-year increase in revenue of approximately 55%. This year-on-
16 year increase primarily resulted from space systems revenue growth of
17 \$37.5 million, offset by a decrease in launch revenue of \$0.4 million due
18 to a lower revenue per launch.

17 19. On the same date, the Company hosted an earnings call in connection
18 with the Company's third quarter 2024 financial results. During the earnings call,
19 Defendant Spice reiterated the expectation of a mid-2025 launch date, stating in
20 relevant part:

21 [W]e do expect to pick up in cash consumption in the next few quarters,
22 owing to an increased ***expected increase in Neutron spending ahead of***
23 ***our mid-2025 launch*** and lumpiness in large space systems milestone
24 payment collections.

24 20. The above statements identified in ¶¶ 17-19 were materially false and/or
25 misleading, and failed to disclose material adverse facts about the Company's
26 business, operations, and prospects. Specifically, Defendants failed to disclose to
27 investors that: (1) the Company's plans for three barge landing tests were significantly
28 delayed; (2) a critical potable water problem was not scheduled to be fixed until

1 January 2026, which delayed preparation of the launch pad; (3) as a result of the
2 foregoing, there was a substantial risk that Rocket Lab’s Neutron rocket would not
3 launch in mid-2025; (4) Neutron’s only contract was made at a discount with an
4 unreliable partner; and (5) that, as a result of the foregoing, Defendants’ positive
5 statements about the Company’s business, operations, and prospects were materially
6 misleading and/or lacked a reasonable basis.

7 **Disclosures at the End of the Class Period**

8 21. On February 25, 2025, at approximately 10 AM EST, Bleecker Street
9 Research published a report entitled “Rocket Lab (RKL B): We Think It’s Gonna Be
10 a Long, Long Time” (the “Report”). The Report alleged, among other things, that
11 Rocket Lab “has materially misled investors about the likelihood that its Neutron
12 rocket will launch in mid-2025.” Specifically, the Report stated the following, in
13 relevant part:

14 **Rocket Lab (RKL B): We Think It’s Gonna Be a Long, Long Time**

15 * * *

16 **Key Points:**

17 Rocket Lab (RKL B) is a rocket development and space systems
18 company that has seen shares rise 485% over the last year to a \$11.2
19 billion valuation, propelled by investor and analyst excitement over the
upcoming launch of Neutron, a medium-lift rocket that RKL B hopes will
compete with SpaceX’s Falcon 9.

20 We believe that RKL B has materially misled investors about the
21 likelihood that its Neutron rocket will launch in mid-2025, a timeline the
22 company has repeatedly claimed in media interviews and on earnings
calls. In fact, rocket experts we spoke to put the timeline of a rocket
launch from mid-2026 to mid-2027, a one to two year delay.

23 Many aspects of RKL B’s Neutron program remain far behind where they
24 need to be: from engine development, to engine and structure production,
25 to launch pad construction, to rocket transport to the launch site, per
documents we reviewed and 23 interviews with industry experts,
including former Rocket Lab engineers and executives.

26 22. The Report revealed that the Company’s plans for three barge landing
27 tests, which were originally scheduled to occur in a window between September 2024
28 and March 2025, had been pushed back to a window beginning in September 2025,

1 and could occur as late as March 2026. Specifically, the Report stated the following,
2 in relevant part:

3 **Rocket Transportation Delays Put a Launch in 2026 at Best**

4 * * *

5 Initially, Rocket Lab and NASA staff had settled on a direct beach
6 landing of a barge from Baltimore. The sand dunes on the barrier would
7 have to be flattened with earth movers, and a temporary platform erected
8 to carry the massive rocket stages from the barge into the facility by
9 mobile cranes. This plan had been formalized as a temporary solution in
10 late 2023, and NASA applied for a permit from the Virginia Marine
11 Resource Commission (VMRC) in July 2024. The permit application
12 indicated that the three landings needed for an initial launch would occur
13 between 1 September 2024 and 14 March 2025:

14 **Part 1 - General Information: Question 4. Detailed Description of**
15 **the Project:**

16 This project is on the Wallops Island Flight Facility (Appendix B - Graphic 1-1 and 1-2). This
17 JPA is requesting authorization for three (3) barge landing test events onto Wallops Island beach
18 within an area NASA has proposed for these tests south of the Launch Pad O-B at the southern
19 breakwater within the potential barge landing location (Appendix B - Graphic 1-6). The project
20 would temporarily impact the beach area. The barge landing would occur within this location
21 area which allows for minor adjustments in the actual landing location if in-water obstructions
22 are identified. **These three test events would occur between September 1, 2024, and March 14,**
23 **2025.**

24 * * *

25 NASA and Rocket Lab initially viewed a beach landing as the sole path
26 for rocket delivery, since other infrastructure like a new bridge would
27 require 1-2 years of additional analysis under the National
28 Environmental Policy construction could even begin.

1 However, timelines only deteriorated from there. Whereas in July, a
2 September 2024 - March 2025 window was proposed, by October 2024,
3 these plans had changed. An October 15 document submission to NOAA
4 for compliance with Essential Fish Habitat (EFH) assessments showed
5 that Rocket Lab and NASA had opened a new window for landings, now
6 moved back an entire year and starting in September 2025:



UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
NATIONAL MARINE FISHERIES SERVICE
GREATER ATLANTIC REGIONAL FISHERIES OFFICE
55 Great Republic Drive
Gloucester, MA 01930

October 17, 2024

7
8 Lori Levine
9 WFF Natural Resources Manager
10 U.S. National Aeronautics and Space Administration
11 Wallops Flight Facility
12 Wallops Island, VA 23337

13 RE: Essential Fish Habitat Consultation, Wallops Flight Facility Barge Beach Test Landing

14 Dear Ms. Levine:

15 We have reviewed the October 15, 2024, essential fish habitat assessment (EFH) worksheet
16 submitted for National Aeronautics and Space Administration's (NASA) proposal to conduct
17 three barge landing test events on the Wallops Island beach within NASA's Wallops Flight
18 Facility (WFF) south of the Launch Pad 0-B at the southern breakwater. The purpose of the
19 project is to perform test events to assess the Neutron rocket parts delivery, rocket construction,
20 and to prepare for the rocket launches from the Mid-Atlantic Regional Spaceport (MARS) on the
21 eastern coast of Virginia from the WFF. The three test events would occur between fall of 2024
22 and March 14, 2025 or **September 1, 2025, and March 14, 2026.**

23 23. The Report further revealed significant delays in preparing the
24 Company's launch pad, including a potable water problem not scheduled to be fixed
25 until January 2026 which would delay launch further as potable water is required for
26 launch. Specifically, the Report stated the following, in relevant part:

27 **Wallops Launch Pad Is Behind Schedule, Alternate Transportation
28 Options Won't Help Delay**

While Rocket Lab shows pictures of development on the Wallops launch pad, experts told us the pad looked many months away from being complete. We found local filings corroborate this, and also imply Neutron can't launch before 2026.

"The last picture [of Wallops] I saw, I'd be surprised if they were going to be done by the end of year and have everything good to go from a regulatory perspective... there was a lot more dirt to be dug and structures to be installed."

–Former Rocket Lab Executive,

January 2025 The space and rocket infrastructure at Wallops, officially named the Mid Atlantic Regional Spaceport (MARS), is supported by NASA, but the funding and contract management runs through the State of Virginia-managed Virginia Spaceport Authority. This unique

1 arrangement forces all work at the facility to be managed in compliance
2 with Virginia State appropriation and funding law.

3 In particular, construction at the launch pad can be tracked via Virginia's
4 Procurement system (<https://eva.virginia.gov/>). We have been following
5 progress at MARS for hints about where Rocket Lab stands on this front,
6 and our research shows that numerous projects required for Rocket Lab
7 to begin Neutron operations are well behind schedule. In fact, the entire
8 island has a potable water problem that won't get fixed until early 2026.
9 Potable water is a requirement for launch.

10 Recent inspections of the Wallops utility water system in connection
11 with a bridge widening project show a "catastrophic deterioration" of the
12 water supply. This problem will not be fixed until January 2, 2026:

13 The specific purpose of the project is to allow NASA, its tenants, and customers to continue
14 transporting personnel, mission hardware, and equipment via roadway and bridge to
15 Wallops Island once the existing Causeway Bridge is decommissioned at the end of its
16 service life, as well as to replace several utility lines providing electric, water, and sewer
17 services to Wallops Island that are currently attached to the existing Causeway Bridge. The
18 utilities need to be replaced and relocated to continue uninterrupted service to Wallops
19 Island. Additionally, recent inspections of the water utility infrastructure showed
20 catastrophic deterioration of the potable water supply to Wallops Island, which require
21 imminent attention. If the existing utilities are not replaced, Wallops Island would not receive
22 potable water due to the deterioration of the utility lines. This would pose a major safety
23 concern as potable water is used not only for drinking but also for building fire suppression
24 systems and heat and acoustic vibration deluge during rocket launches.

14 19.0 BRIDGE CONSTRUCTION AND UTILITY RELOCATION SCHEDULE

15 Bridge construction will take place from February 12th, 2025, to August 11th, 2027.

16 Roadway construction will take place from January 25th, 2025, to December 7th, 2027.

17 Utility relocations will take place from September 3rd, 2025, to January 2nd, 2026.

18 Fender/dolphin systems will be installed from July 1st, 2027, to August 13th, 2027.

19 Oyster relocation will take place in March 2024.

20 Existing bridge demolition will take place from December 29th, 2027, to August 30th, 2028.

21 One NASA range engineer currently stationed at Kennedy Space Center
22 told us that the availability of water was mission critical for deluge
23 suppression systems and that its availability would dictate not only
24 launches, but forms a prerequisite for construction of the final portion of
25 the Neutron pad itself.

26 *"Having all of the piping, emergency infrastructure to support some
27 catastrophic event, all of the software demonstrated and proven, is all
28 another piece. Getting a picture of a pad and a stand? Great. But there
is a lot behind that that is less interesting from a picture perspective, but
is very important, and that all takes time... And if one thing is off, you
have to take multiple steps backward and prove that everything you just
changed still works the way that you did when you tested and qualified
it weeks or months prior."*

–Aerospace Executive

27 We confirmed that the critical issues in the potable water system were
28 well known prior to Rocket Lab's November earnings call. Certified
plans for the reconstruction of potable water lines were dated the first

1 week of November 2024. As with the rocket transportation setbacks,
 2 Rocket Lab did not address any of these issues to investors, instead
 3 remarking airily that on the regulatory front, “there’s nothing that’s kind
 4 of out of bed at the moment.”

5 24. The Report also alleged that Company’s only Neutron contract so far is
 6 with an “unreliable startup” named E-Space which is described as “risk item.” The
 7 Report further alleged this “contract is not a full-price deal, contrary to what Rocket
 8 Lab has said.” Specifically, the Report stated the following, in relevant part:

9 **Rocket Lab Appears to Have Misled About Neutron Launch
 10 Contract Pricing; We Believe its Unnamed Customer is E-Space, A
 11 Startup with Questionable Ability to Pay For and Deliver a
 12 Constellation to the Pad**

13 * * *

14 We believe that Rocket Lab’s first and so far only Neutron contract is
 15 not a full-price deal, contrary to what Rocket Lab’s has said, and the
 16 unnamed customer is an unreliable startup named E-Space. In November
 17 2024, Rocket Lab announced it had signed a two-launch contract with a
 18 “confidential commercial satellite constellation operator” slated for mid-
 19 2026. On the Q3 2024 earnings call that month, Peter Beck insisted that
 20 the contract was “in line” with standard Neutron pricing of \$50-\$55
 21 million:

22 **Analyst:** *“And then you stated that the ASPs, you’re going to be pretty
 23 firm on pricing. Is that the \$50 million to \$55 million that you initially
 24 talked about, and that’s sort of where things have settled maybe for these
 25 2 dedicated missions?”*

26 **Peter Beck:** *“Yes. I mean the launch pricing, as we pointed out, is -- that
 27 was a really important thing for us. And I think as I’ve said, I made --
 28 well, I kind of had to, but with Electron, it took us years to flush out bad
 contracts with respect to ASP. So no, **this contract is in line with our
 previously discussed ASP for Neutron.**”*

However, it is unheard of for a launch vehicle with no reliability track
 record to charge full-freight pricing, so this statement appears to be a lie
 or at best, a misdirection. Industry experts, including former Rocket Lab
 employees, were skeptical of the value of the contract and the wording
 used to describe it, and they suspected that Rocket Lab was discounting
 the contract significantly:

*“It would be pretty typical to be flying the first few flights at a discount,
 because as a customer you’re taking so much risk on something that
 hasn’t been proven yet... If you’re a commercial customer and you’re
 spending \$40 or \$50 million, you’re going to go with the most reliable
 vehicle unless you were offered a significant discount.”*

–Former Senior RKL B Engineer

1 In fact, significantly discounted contract pricing may reflect Rocket
2 Lab's acknowledgement that Neutron performance will fall short of its
advertisised 13,000 kg payload capacity:

3 *"[If] you're not sure if you can hit the full performance that you're out
4 there talking about publicly, and you have this vehicle where you're
going to do a first test flight... you can't exactly go out and sign a
5 contract where you're signing up to that full performance... **They're not
coming out and saying 'hey, this customer paid standard pricing',
6 they're saying it's 'in line', because lesser performance is going to be
indicative of a lesser price tag, and so I think where that type of diction
comes from.**"*

7 *"If it were me writing this contract... I would basically say if we're at
8 this performance level, it's going to be X dollars, if we can hit higher
than that, it's going to be this [higher] amount of dollars, and if we can
9 hit what we're saying publicly, the 13,000 kg [of payload to LEO], if we
can hit that performance curve, in this case I would assume they would
10 try to push the standard pricing. **All the payment terms would be
baselined at the very lowest level that was discussed and can be signed
11 up to, and that's going to be the one that's planned for.**"*

12 –Former RKL B Executive

13 The background of the mystery customer lines up with someone willing
14 to accept a deeply discounted flight on a rocket with no track record. We
believe it is a startup called E-Space, run by entrepreneur Greg Wyler,
15 who has a colorful and promotional history. We arrive at that conclusion
in the following way: last November, Electron launched a satellite,
16 Protosat-1, for a confidential customer. E-Space, for its part, had
received clearance to send a payload to New Zealand in September
17 (permit 2425-0903). September is just after RKL B's confidential
customer would have signed the launch contract, which carried a tight
18 two-month turnaround from agreement to launch. As a final clue,
Protosat-1 was registered under the flag of Rwanda, to which E-Space
and Wyler have business ties.

19 A person we spoke to with knowledge of the industry agreed with our
20 assessment:

21 *"Rocket Lab has come out and said it's a secretive first customer, which
22 boils the population down to a handful in the space industry, because if
people are going to launch their constellation, they want to be public
23 about it because they're raising more money. So there's no point being
secretive. Now you're down to AST [Spacemobile], Apple, and Greg
24 Wyler, basically. But Pete [Beck] actually came out and said that
Neutron could potentially launch the entire constellation, whereas
25 Apple's already signed up with other launch providers, so that kind of
discounts them if we're to take Pete at his word."*

26 We believe E-Space is a lot more bluff than substance when it comes to
27 actually getting things done. Wyler is a serial entrepreneur who founded
the constellation OneWeb but left in 2017, before it had launched a single
28 satellite; OneWeb went bankrupt in 2020. There is an odd information
vacuum surrounding E-Space: there isn't even a coherent description of

1 their service on their website, which is laden with buzzwords. Where
2 Wyler *has* made public pronouncements about E-Space, they have
3 tended to be extreme, claiming that E-Space would put 100,000 or
4 327,000 satellites in orbit, making them by far the largest constellation
5 in the world. Several senior executives and a board member have all
6 churned out of the young company, for Wyler:

7 *“The other angle [to view E-Space from] is that Greg has gone from ship
8 to ship basically trying to extract as much personal value as he can, and
9 as soon as he does that he’s on to his next venture. This is kind of just
10 the next one, where he’s very secretive, so he has people guessing, he’s
11 trying to raise money, he’s trying to be in more unique places where
12 investments in space aren’t as fruitful, like Africa, and trying to extract
13 as much value [as he can]. And meanwhile he’ll just do the same thing
14 and move on again. On a personal level, I wish him success, but I can
15 also understand the school of thought of him just coming in, burning the
16 ships, taking as much loot as he can, and moving on to the next venture
17 before people realize what happened.”*

18 –Person with knowledge of the industry

19 We asked the same person, *“Is Greg Wyler money-good for the Neutron
20 launches?”*

21 Person with knowledge of the industry: *“I consider that a risk item, quite
22 frankly, because I don’t know who’s backing him, I don’t know how
23 much they’re backing him for... he’s going to need hundreds of millions
24 of dollars to get things even initially off the ground. The other risk item
25 is schedule... like, who’s building these satellites? He’s got this one
26 pathfinder [satellite] up there... I don’t think he has the operational size
27 to do a number of these. How is this all going to work out? From the
28 perspective of him getting close to that [Rocket Lab] launch date and
going ‘Well, we’re quite frankly just not ready’ and having that [first
commercial launch of Neutron] push out, I think that is also a factor
there... I’ve got to wonder where Greg is going to get all his funds from...
It’s not a great first [Neutron][customer, and that’s because Pete
[Beck]... thinks he can hold on price, and people are kind of sitting there
and going, ‘This is a new launch vehicle, it’s fraught with risk. I’m not
paying standard price.’”*

A senior aerospace executive agreed that the company is a poor get for
Rocket Lab:

*“They [E-Space] haven’t even made it past [Series A] and it’s been four
years... They’re probably not going to build a multi-100 satellite
constellation with that size and that funding raised. I don’t see much
progress to say that’s a real customer today. Rocket Lab need to show a
more real customer than that.”*

To the extent Neutron’s sole existing launch customer can’t pay or walks
away from the launch, that will further hurt cash flow in an already cash-
constrained business. For all the foregoing reasons, It appears that
Rocket Lab’s cash flow needs are going to be extreme as a result of
delays and profitability challenges with Neutron.

1 25. On this news, Rocket Lab’s stock price fell \$2.21, or 9.8%, to close at
2 \$20.28 per share on February 25, 2025, on unusually heavy trading volume.

3 **CLASS ACTION ALLEGATIONS**

4 26. Plaintiff brings this action as a class action pursuant to Federal Rule of
5 Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and
6 entities that purchased or otherwise acquired Rocket Lab securities between
7 November 12, 2024 and February 25, 2025, inclusive, and who were damaged thereby
8 (the “Class”). Excluded from the Class are Defendants, the officers and directors of
9 the Company, at all relevant times, members of their immediate families and their
10 legal representatives, heirs, successors, or assigns, and any entity in which Defendants
11 have or had a controlling interest.

12 27. The members of the Class are so numerous that joinder of all members
13 is impracticable. Throughout the Class Period, Rocket Lab’s shares actively traded
14 on the NASDAQ. While the exact number of Class members is unknown to Plaintiff
15 at this time and can only be ascertained through appropriate discovery, Plaintiff
16 believes that there are at least hundreds or thousands of members in the proposed
17 Class. Millions of Rocket Lab shares were traded publicly during the Class Period
18 on the NASDAQ. Record owners and other members of the Class may be identified
19 from records maintained by Rocket Lab or its transfer agent and may be notified of
20 the pendency of this action by mail, using the form of notice similar to that
21 customarily used in securities class actions.

22 28. Plaintiff’s claims are typical of the claims of the members of the Class
23 as all members of the Class are similarly affected by Defendants’ wrongful conduct
24 in violation of federal law that is complained of herein.

25 29. Plaintiff will fairly and adequately protect the interests of the members
26 of the Class and has retained counsel competent and experienced in class and
27 securities litigation.

28

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

4 (a) whether the federal securities laws were violated by Defendants’
5 acts as alleged herein;

6 (b) whether statements made by Defendants to the investing public
7 during the Class Period omitted and/or misrepresented material facts about the
8 business, operations, and prospects of Rocket Lab ; and

9 (c) to what extent the members of the Class have sustained damages
10 and the proper measure of damages.

11 31. A class action is superior to all other available methods for the fair and
12 efficient adjudication of this controversy since joinder of all members is
13 impracticable. Furthermore, as the damages suffered by individual Class members
14 may be relatively small, the expense and burden of individual litigation makes it
15 impossible for members of the Class to individually redress the wrongs done to them.
16 There will be no difficulty in the management of this action as a class action.

17 **UNDISCLOSED ADVERSE FACTS**

18 32. The market for Rocket Lab’s securities was open, well-developed and
19 efficient at all relevant times. As a result of these materially false and/or misleading
20 statements, and/or failures to disclose, Rocket Lab’s securities traded at artificially
21 inflated prices during the Class Period. Plaintiff and other members of the Class
22 purchased or otherwise acquired Rocket Lab’s securities relying upon the integrity of
23 the market price of the Company’s securities and market information relating to
24 Rocket Lab, and have been damaged thereby.

25 33. During the Class Period, Defendants materially misled the investing
26 public, thereby inflating the price of Rocket Lab’s securities, by publicly issuing false
27 and/or misleading statements and/or omitting to disclose material facts necessary to
28 make Defendants’ statements, as set forth herein, not false and/or misleading. The

1 statements and omissions were materially false and/or misleading because they failed
2 to disclose material adverse information and/or misrepresented the truth about Rocket
3 Lab's business, operations, and prospects as alleged herein.

4 34. At all relevant times, the material misrepresentations and omissions
5 particularized in this Complaint directly or proximately caused or were a substantial
6 contributing cause of the damages sustained by Plaintiff and other members of the
7 Class. As described herein, during the Class Period, Defendants made or caused to
8 be made a series of materially false and/or misleading statements about Rocket Lab's
9 financial well-being and prospects. These material misstatements and/or omissions
10 had the cause and effect of creating in the market an unrealistically positive
11 assessment of the Company and its financial well-being and prospects, thus causing
12 the Company's securities to be overvalued and artificially inflated at all relevant
13 times. Defendants' materially false and/or misleading statements during the Class
14 Period resulted in Plaintiff and other members of the Class purchasing the Company's
15 securities at artificially inflated prices, thus causing the damages complained of herein
16 when the truth was revealed.

17 **LOSS CAUSATION**

18 35. Defendants' wrongful conduct, as alleged herein, directly and
19 proximately caused the economic loss suffered by Plaintiff and the Class.

20 36. During the Class Period, Plaintiff and the Class purchased Rocket Lab's
21 securities at artificially inflated prices and were damaged thereby. The price of the
22 Company's securities significantly declined when the misrepresentations made to the
23 market, and/or the information alleged herein to have been concealed from the market,
24 and/or the effects thereof, were revealed, causing investors' losses.

25 **SCIENTER ALLEGATIONS**

26 37. As alleged herein, Defendants acted with scienter since Defendants knew
27 that the public documents and statements issued or disseminated in the name of the
28 Company were materially false and/or misleading; knew that such statements or

1 documents would be issued or disseminated to the investing public; and knowingly
2 and substantially participated or acquiesced in the issuance or dissemination of such
3 statements or documents as primary violations of the federal securities laws. As set
4 forth elsewhere herein in detail, the Individual Defendants, by virtue of their receipt
5 of information reflecting the true facts regarding Rocket Lab, their control over,
6 and/or receipt and/or modification of Rocket Lab's allegedly materially misleading
7 misstatements and/or their associations with the Company which made them privy to
8 confidential proprietary information concerning Rocket Lab, participated in the
9 fraudulent scheme alleged herein.

10 **APPLICABILITY OF PRESUMPTION OF RELIANCE**

11 **(FRAUD-ON-THE-MARKET DOCTRINE)**

12 38. The market for Rocket Lab's securities was open, well-developed and
13 efficient at all relevant times. As a result of the materially false and/or misleading
14 statements and/or failures to disclose, Rocket Lab's securities traded at artificially
15 inflated prices during the Class Period. On January 23, 2025, the Company's share
16 price closed at a Class Period high of \$31.57 per share. Plaintiff and other members
17 of the Class purchased or otherwise acquired the Company's securities relying upon
18 the integrity of the market price of Rocket Lab's securities and market information
19 relating to Rocket Lab, and have been damaged thereby.

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

1 Company shares. Defendants' materially false and/or misleading statements during
2 the Class Period resulted in Plaintiff and other members of the Class purchasing the
3 Company's securities at such artificially inflated prices, and each of them has been
4 damaged as a result.

5 40. At all relevant times, the market for Rocket Lab's securities was an
6 efficient market for the following reasons, among others:

7 (a) Rocket Lab shares met the requirements for listing, and was listed
8 and actively traded on the NASDAQ, a highly efficient and automated market;

9 (b) As a regulated issuer, Rocket Lab filed periodic public reports
10 with the SEC and/or the NASDAQ;

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

16 (d) Rocket Lab was followed by securities analysts employed by
17 brokerage firms who wrote reports about the Company, and these reports were
18 distributed to the sales force and certain customers of their respective brokerage firms.
19 Each of these reports was publicly available and entered the public marketplace.

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

26 42. A Class-wide presumption of reliance is also appropriate in this action
27 under the Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United States*,
28 406 U.S. 128 (1972), because the Class's claims are, in large part, grounded on

1 Defendants’ material misstatements and/or omissions. Because this action involves
2 Defendants’ failure to disclose material adverse information regarding the Company’s
3 business operations and financial prospects—information that Defendants were
4 obligated to disclose—positive proof of reliance is not a prerequisite to recovery. All
5 that is necessary is that the facts withheld be material in the sense that a reasonable
6 investor might have considered them important in making investment decisions.
7 Given the importance of the Class Period material misstatements and omissions set
8 forth above, that requirement is satisfied here.

9 **NO SAFE HARBOR**

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

25
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28

1 **FIRST CLAIM**

2 **Violation of Section 10(b) of The Exchange Act and**

3 **Rule 10b-5 Promulgated Thereunder**

4 **Against All Defendants**

5 44. Plaintiff repeats and re-alleges each and every allegation contained
6 above as if fully set forth herein.

7 45. During the Class Period, Defendants carried out a plan, scheme and
8 course of conduct which was intended to and, throughout the Class Period, did: (i)
9 deceive the investing public, including Plaintiff and other Class members, as alleged
10 herein; and (ii) cause Plaintiff and other members of the Class to purchase Rocket
11 Lab's securities at artificially inflated prices. In furtherance of this unlawful scheme,
12 plan and course of conduct, Defendants, and each defendant, took the actions set forth
13 herein.

14 46. Defendants (i) employed devices, schemes, and artifices to defraud; (ii)
15 made untrue statements of material fact and/or omitted to state material facts
16 necessary to make the statements not misleading; and (iii) engaged in acts, practices,
17 and a course of business which operated as a fraud and deceit upon the purchasers of
18 the Company's securities in an effort to maintain artificially high market prices for
19 Rocket Lab's securities in violation of Section 10(b) of the Exchange Act and Rule
20 10b-5. All Defendants are sued either as primary participants in the wrongful and
21 illegal conduct charged herein or as controlling persons as alleged below.

22 47. Defendants, individually and in concert, directly and indirectly, by the
23 use, means or instrumentalities of interstate commerce and/or of the mails, engaged
24 and participated in a continuous course of conduct to conceal adverse material
25 information about Rocket Lab's financial well-being and prospects, as specified
26 herein.

27 48. Defendants employed devices, schemes and artifices to defraud, while in
28 possession of material adverse non-public information and engaged in acts, practices,

1 and a course of conduct as alleged herein in an effort to assure investors of Rocket
2 Lab's value and performance and continued substantial growth, which included the
3 making of, or the participation in the making of, untrue statements of material facts
4 and/or omitting to state material facts necessary in order to make the statements made
5 about Rocket Lab and its business operations and future prospects in light of the
6 circumstances under which they were made, not misleading, as set forth more
7 particularly herein, and engaged in transactions, practices and a course of business
8 which operated as a fraud and deceit upon the purchasers of the Company's securities
9 during the Class Period.

10 49. Each of the Individual Defendants' primary liability and controlling
11 person liability arises from the following facts: (i) the Individual Defendants were
12 high-level executives and/or directors at the Company during the Class Period and
13 members of the Company's management team or had control thereof; (ii) each of
14 these defendants, by virtue of their responsibilities and activities as a senior officer
15 and/or director of the Company, was privy to and participated in the creation,
16 development and reporting of the Company's internal budgets, plans, projections
17 and/or reports; (iii) each of these defendants enjoyed significant personal contact and
18 familiarity with the other defendants and was advised of, and had access to, other
19 members of the Company's management team, internal reports and other data and
20 information about the Company's finances, operations, and sales at all relevant times;
21 and (iv) each of these defendants was aware of the Company's dissemination of
22 information to the investing public which they knew and/or recklessly disregarded
23 was materially false and misleading.

24 50. Defendants had actual knowledge of the misrepresentations and/or
25 omissions of material facts set forth herein, or acted with reckless disregard for the
26 truth in that they failed to ascertain and to disclose such facts, even though such facts
27 were available to them. Such defendants' material misrepresentations and/or
28 omissions were done knowingly or recklessly and for the purpose and effect of

1 concealing Rocket Lab’s financial well-being and prospects from the investing public
2 and supporting the artificially inflated price of its securities. As demonstrated by
3 Defendants’ overstatements and/or misstatements of the Company’s business,
4 operations, financial well-being, and prospects throughout the Class Period,
5 Defendants, if they did not have actual knowledge of the misrepresentations and/or
6 omissions alleged, were reckless in failing to obtain such knowledge by deliberately
7 refraining from taking those steps necessary to discover whether those statements
8 were false or misleading.

9 51. As a result of the dissemination of the materially false and/or misleading
10 information and/or failure to disclose material facts, as set forth above, the market
11 price of Rocket Lab’s securities was artificially inflated during the Class Period. In
12 ignorance of the fact that market prices of the Company’s securities were artificially
13 inflated, and relying directly or indirectly on the false and misleading statements made
14 by Defendants, or upon the integrity of the market in which the securities trades,
15 and/or in the absence of material adverse information that was known to or recklessly
16 disregarded by Defendants, but not disclosed in public statements by Defendants
17 during the Class Period, Plaintiff and the other members of the Class acquired Rocket
18 Lab’s securities during the Class Period at artificially high prices and were damaged
19 thereby.

20 52. At the time of said misrepresentations and/or omissions, Plaintiff and
21 other members of the Class were ignorant of their falsity, and believed them to be
22 true. Had Plaintiff and the other members of the Class and the marketplace known
23 the truth regarding the problems that Rocket Lab was experiencing, which were not
24 disclosed by Defendants, Plaintiff and other members of the Class would not have
25 purchased or otherwise acquired their Rocket Lab securities, or, if they had acquired
26 such securities during the Class Period, they would not have done so at the artificially
27 inflated prices which they paid.

28

1 53. By virtue of the foregoing, Defendants violated Section 10(b) of the
2 Exchange Act and Rule 10b-5 promulgated thereunder.

3 54. As a direct and proximate result of Defendants' wrongful conduct,
4 Plaintiff and the other members of the Class suffered damages in connection with
5 their respective purchases and sales of the Company's securities during the Class
6 Period.

7 **SECOND CLAIM**

8 **Violation of Section 20(a) of The Exchange Act**

9 **Against the Individual Defendants**

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

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

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

