

1 Laurence M. Rosen, Esq. (SBN 219683)  
2 THE ROSEN LAW FIRM, P.A.  
3 355 South Grand Avenue, Suite 2450  
4 Los Angeles, CA 90071  
5 Telephone: (213) 785-2610  
6 Facsimile: (213) 226-4684  
7 Email: [rosen@rosenlegal.com](mailto:rosen@rosenlegal.com)

8 Counsel for Plaintiff

9 UNITED STATES DISTRICT COURT  
10 SOUTHERN DISTRICT OF CALIFORNIA

11 '14CV2129 MMAJMA

12 LOU BAKER, INDIVIDUALLY AND ON  
13 BEHALF OF ALL OTHERS SIMILARLY  
14 SITUATED,

CASE No.:

15 Plaintiff,

COMPLAINT

16 vs.

CLASS ACTION

17 SEAWORLD ENTERTAINMENT, INC.,  
18 JIM ATCHISON, JAMES HEANEY, DAN  
19 BROWN, MARC SWANSON, DAVID F.  
20 D'ALESSANDRO, AND THE  
21 BLACKSTONE GROUP L.P.

**JURY TRIAL DEMANDED**

22 Defendants.

23 Plaintiff Lou Baker, individually and on behalf of all other persons similarly  
24 situated, by his undersigned attorneys, for his complaint against SeaWorld  
25 Entertainment, Inc. ("SEAS" or the "Company"), alleges the following based upon  
26 personal knowledge as to himself and his own acts, and information and belief as to  
27 all other matters, based upon, *inter alia*, the investigation conducted by and through  
28 his attorneys, which included, among other things, a review of the Defendants'

1 public documents, conference calls and announcements made by the Defendants,  
2 United States Securities and Exchange Commission (“SEC”) filings, wire and press  
3 releases published by and regarding the Company, securities analysts’ reports and  
4 advisories about the Company, and information readily obtainable on the Internet.  
5 Plaintiff believes that substantial evidentiary support will exist for the allegations  
6 set forth herein after a reasonable opportunity for discovery.  
7  
8

### 9 NATURE OF THE ACTION

10 1. This is a securities class action on behalf of all persons or entities who  
11 purchased SEAS stock pursuant to and/or traceable to the Company’s registration  
12 statement and prospectus issued in connection with the Company’s initial public  
13 offering commenced on or after April 18, 2013, including open market purchases of  
14 SEAS securities during the period between April 18, 2013 to August 13, 2014,  
15 inclusive (the “Class Period”), seeking to pursue remedies under Sections 11 and 15  
16 of the Securities Act of 1933 (“Securities Act”) and Sections 10(b) and 20(a) of the  
17 Securities Exchange Act of 1934 (the “Exchange Act”).  
18  
19  
20

21 2. On April 18, 2013 the Company filed with the SEC an amended  
22 Registration Statement on Form S-1/A in connection with the an initial public  
23 offering (the “IPO”). The Registration Statement also contained a Prospectus and  
24 both documents contained, among other things, the Company’s financial results for  
25 the fiscal years ended December 31, 2012.  
26  
27  
28



1 and many of the acts, practices and transactions complained of herein occurred in  
2 substantial part in this District.

3  
4 10. In connection with the acts, conduct and other wrongs alleged in this  
5 Complaint, the Defendants, directly or indirectly, used the means and  
6 instrumentalities of interstate commerce, including but not limited to, the United  
7 States mails, interstate telephone communications and the facilities of the NYSE.  
8

9 11. SEAS operates a SeaWorld San Diego theme park at 500 Sea World  
10 Drive, San Diego, CA 92109, located in this District.  
11

12 12. There is currently other litigation involving Defendants in this district.

13 13. Events documented in the movie *Blackfish*, directed by Gabriela  
14 Cowperthwaite and released in 2013, which affected the price of SEAS stock, took  
15 place in this District.  
16

17 **PARTIES**

18 14. Plaintiff Lou Baker, as set forth in the attached PSLRA certification,  
19 purchased SEAS securities at artificially inflated prices during the Class Period and  
20 has been damaged thereby.  
21

22 15. Defendant SEAS is a Delaware Corporation with its principal  
23 executive offices in Orlando, Florida. SEAS is a theme park and entertainment  
24 company with SeaWorld locations in Orlando, Florida; San Diego, California; and  
25 San Antonio, Texas. SEAS also operates Busch Gardens, Sesame Place, Discovery  
26 Cove, Aquatica, Adventure Island, and Water Country USA theme parks.  
27  
28

1           16. Defendant Jim Atchison (“Atchison”) at all relevant times herein was  
2 the Company’s Chief Executive Officer, President and Director.

3  
4           17. Defendant James Heaney (“Heaney”) at all relevant times herein was  
5 the Company’s Chief Financial Officer.

6  
7           18. Defendant Dan Brown (“Brown”) at all relevant times herein was the  
8 Chief Operating Officer of SeaWorld, Discovery Cove and Aquatica Parks.

9           19. Defendant Marc Swanson (“Swanson”) at all relevant times herein was  
10 the Chief Accounting Officer.

11  
12           20. Defendant David F. D’Alessandro (“D’Alessandro”) at all relevant  
13 times herein was the Chairman of the Board of Directors.

14           21. Defendants Atchison, Heaney, Brown, Swanson, and D’Alessandro,  
15 are collectively the “Individual Defendants”.

16  
17           22. Defendant The Blackstone Group L.P. (“Blackstone”) is a full service  
18 investment banking company. Blackstone’s headquarters are located in New York,  
19 New York. Blackstone was the majority shareholder of SEAS.

20  
21                           **PLAINTIFF’S CLASS ACTION ALLEGATIONS**

22           23. Plaintiff brings this action as a class action pursuant to Federal Rules  
23 of Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those  
24 who) purchased SEAS common stock pursuant and/or traceable to its IPO and those  
25 who purchased the securities of SEAS during the Class Period. Excluded from the  
26 Class are the officers and directors of the Company at all relevant times, members  
27  
28

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

3  
4 24. The members of the Class are so numerous that joinder of all members  
5 is impracticable. Throughout the Class Period, the Company's common stock was  
6 actively traded on the NYSE. While the exact number of Class members is  
7 unknown to Plaintiff at this time, and can only be ascertained through appropriate  
8 discovery, Plaintiff believes that there are at least hundreds of members in the  
9 proposed Class. Members of the Class may be identified from records maintained  
10 by SEAS or its transfer agent, and may be notified of the pendency of this action by  
11 mail using a form of notice customarily used in securities class actions.  
12  
13

14 25. Plaintiff's claims are typical of the claims of the members of the Class,  
15 as all members of the Class are similarly affected by Defendants' wrongful conduct  
16 in violation of federal law that is complained of herein.  
17

18 26. Plaintiff will fairly and adequately protect the interests of the members  
19 of the Class and has retained counsel competent and experienced in class and  
20 securities litigation.  
21

22 27. Common questions of law and fact exist as to all members of the Class  
23 and predominate over any questions solely affecting individual members of the  
24 Class. Among the questions of law and fact common to the Class are:  
25

- 26 (a) whether the federal securities laws were violated by Defendants'  
27 acts as alleged herein;  
28

1 (b) whether statements made by the Defendants to the investing public  
2 during the Class Period misrepresented material facts about the  
3 business, operations, and management of the Company; and  
4

5 (c) to what extent the members of the Class have sustained damages,  
6 and the proper measure of damages.  
7

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

16 **SUBSTANTIVE ALLEGATIONS**

17 29. On January 19, 2013 Gabriela Cowperthwaite's documentary,  
18 *Blackfish*, premiered at the Sundance Film Festival. On January 22, 2013, CNN  
19 Films and Magnolia Pictures acquired the rights to *Blackfish*.  
20

21 30. *Blackfish* follows the 39 year tumultuous history of Tilikum, a  
22 SeaWorld Orca Whale, who has been involved in the death or serious injury of  
23 several SeaWorld trainers. *Blackfish* is comprised of interviews of former SeaWorld  
24 trainers, SeaWorld spectators and other experts such as Occupational Safety and  
25 Health Administration ("OSHA") employees and scientists.  
26  
27  
28

1           31. The film revealed for the first time that SEAS: (a) had improperly  
2 cared for and mistreated its Orca population causing mental distress to the  
3 Company's Orca population affecting trainer and audience safety; (b) continued to  
4 feature an Orca that had killed and injured numerous trainers; and (c) consequently  
5 exposed the Company to material and uncertainties that could adversely impact  
6 attendance at its family oriented parks.  
7

9           32. On April 18, 2013 the Company filed with the SEC an amended  
10 Registration Statement on Form S-1/A in connection with the IPO. The Registration  
11 Statement also contained a Prospectus and both documents contained, among other  
12 things, the Company's financial results for the fiscal years ended December 31,  
13 2010, December 31, 2011, and December 31, 2012.  
14

16           33. The Registration Statement declared effective on April 18, 2013 and  
17 the Company filed the final prospectus with the SEC on April 19, 2013.  
18

19           34. The Registration Statement and Prospectus was materially false  
20 because it failed to disclose that SEAS (a) had improperly cared for and mistreated  
21 its Orca population causing mental distress to the Company's Orca population  
22 affecting trainer and audience safety; (b) continued to feature an Orca that had  
23 killed and injured numerous trainers; and (c) consequently exposed the Company to  
24 material and uncertainties that could adversely impact attendance at its family  
25 oriented parks.  
26  
27  
28



1           35. On May 23, 2013 the Company filed its quarterly report for first  
2 quarter ended March 31, 2013 on Form 10-Q, signed by Defendants Heaney and  
3 Swanson.  
4

5           36. Attached to the 10-Q were separately signed Sarbanes-Oxley Act of  
6 2002 (“SOX”) certifications of Defendants Atchison and Heaney. In addition to  
7 stating that each of the them were responsible for establishing maintaining  
8 disclosure controls and procedures and internal control over financial reporting, the  
9 certifications falsely stated, in part, that the 10-K “does not contain any untrue  
10 statement of a material fact or omit to state a material fact necessary to make the  
11 statements made, in light of the circumstances under which such statements were  
12 made, not misleading...”;(2) “[a]ll significant deficiencies and material weaknesses  
13 in the design or operation of internal control over financial reporting which are  
14 reasonably likely to adversely affect the registrant’s ability to record, process,  
15 summarize and report and report financial information” was disclosed to the  
16 Company’s auditor, audit committee and board; and (3) “[a]ny fraud, whether or  
17 not material, that involves management or other employees who have a significant  
18 role in the registrant’s internal controls over financial reporting” were disclosed to  
19 the Company’s board, auditors, and audit committee.  
20  
21  
22  
23  
24

25           37. On July 19, 2013 *Blackfish* was released in theaters in New York, New  
26 York, Los Angeles, California, and Toronto, Canada.  
27  
28

1           38. On August 13, 2013 the Company filed a press release on Form 8-K  
2 reporting the financial results for the first half of 2013 reporting a 9% drop in  
3 attendance. SEAS falsely claimed that the drop in attendance was a product of the  
4 timing of Easter, when in reality, the bad publicity from the *Blackfish* film caused  
5 families to stay away from SEAS parks.  
6

7  
8           39. On August 14, 2013 the Company filed its second quarter ended June  
9 30, 2013 results with the SEC on Form 10-Q, signed by Defendants Heaney and  
10 Swanson.  
11

12           40. The 10-Q also included SOX certifications executed by Defendants  
13 Atchison and Heaney that was in sum and substance the same as the SOX  
14 certifications filed with the 1Q2013 10-Q, attesting to the accuracy of the 2Q2013  
15 10-Q.  
16

17           41. CNN aired *Blackfish* on its network on October 24, 2013. Nearly 21  
18 million people watched *Blackfish* on CNN during that broadcast – an unusually  
19 large audience for CNN programming.  
20

21           42. *Blackfish* was released on DVD in the United States on November 12,  
22 2013.  
23

24           43. CNN has aired *Blackfish* multiple times since the premier on October  
25 24, 2013.  
26

27           44. The dissemination of *Blackfish* sparked a nationwide debate about  
28 whales in captivity and the ethics of SeaWorld.

1           45. On November 14, 2013 the Company filed its third quarter ended  
2 September 30, 2013 results with the SEC on Form 10-Q, signed by Defendants  
3 Heaney and Swanson. The 10-Q also included SOX certifications executed by  
4 Defendants Atchison and Heaney that was in sum and substance the same as the  
5 SOX certifications filed with the 1Q2013 10-Q, attesting to the accuracy of the  
6 3Q2013 10-Q.  
7

8  
9           46. On December 9, 2013 the Company issued a press release on Form 8-  
10 K announcing a Share Repurchase Agreement with entities managed by an affiliate  
11 of The Blackstone Group L.P. In the agreement, SEAS agreed to “repurchase 1.5  
12 million shares of its common stock directly from the Selling Stockholders in a  
13 private, non-underwritten transaction at a price per share equal to the price per  
14 share that would be paid to the Selling Stockholders by the underwriters in the  
15 proposed underwritten secondary offering being made pursuant to the Company’s  
16 registration statement on Form S-1.”  
17  
18

19  
20           47. On December 17, 2013 the Company filed a press release on Form 8-K  
21 stating: “The previously announced underwritten secondary offering (the  
22 “Offering”) by the selling stockholders (the “Selling Stockholders”) affiliated with  
23 The Blackstone Group L.P. of 18,000,000 shares of common stock of SeaWorld  
24 Entertainment, Inc. (the “Company”), at a price of \$30.00 per share, closed on  
25 December 17, 2013. The Selling Stockholders received all of the net proceeds from  
26 the Offering. No shares were sold by the Company. Concurrently with the closing  
27  
28

1 of the Offering, the Company repurchased 1,500,000 shares of its common stock  
2 directly from the Selling Stockholders in a private, non-underwritten transaction at  
3 a price per share equal to the price per share that was paid to the Selling  
4 Stockholders by the underwriters in the Offering.”

6 48. On March 13, 2014 the Company filed a press release on Form 8-K  
7 reporting the financial results for the fourth quarter and full year of 2013. To  
8 explain a 4.1% decline in attendance in 2013, Defendant Atchison falsely stated  
9 that “contributing to the decline in full year attendance was unexpected adverse  
10 weather conditions in the Company’s second quarter and July as well as the impact  
11 of an early Easter in 2013.” In reality, the decline in attendance was the result of the  
12 mounting backlash from the *Blackfish* film.

15 49. On March 21, 2014 the Company filed its Form 10-K for the fiscal  
16 year ended December 31, 2013, signed by Defendants Atchison, Heaney, Swanson,  
17 and D’Alessandro. The 10-K also included SOX certifications executed by  
18 Defendants Atchison and Heaney, that were in sum and substance the same as the  
19 SOX certifications filed with the F1Q2013 10-Q, attesting to the accuracy of the  
20 10-K.

23 50. On April 2, 2014 the Company filed a press release on Form 8-K  
24 stating that on March 28, 2014, SeaWorld Entertainment, Inc. entered into an  
25 agreement another Share Repurchase Agreement with certain entities managed by  
26 an affiliate of The Blackstone Group L.P. SEAS agreed to repurchase 1.75 million  
27  
28

1 shares of its common stock directly from the Selling Stockholders in a private, non-  
2 underwritten transaction at a price per share equal to the price per share that would  
3 be paid to the Selling Stockholders by the underwriters in the proposed  
4 underwritten secondary offering being made pursuant to the Company's registration  
5 statement on Form S-1.  
6

7  
8 51. On April 2, 2014 Company filed Amendment 1 to the Registration  
9 Statement Form S-1 for a secondary offering. The secondary offering went into  
10 effect on April 3, 2014.  
11

12 52. On April 3, 2014 the Company filed a press release on Form 8-K  
13 announcing the offering of selling stock affiliated with The Blackstone Group L.P.  
14 The secondary offering was comprised of 15,000,000 shares at \$30 per share. The  
15 sellers granted the underwriters a 30-day option to purchase up to an additional  
16 2,250,000 shares from the selling stockholders.  
17

18 53. The prospectus was filed with the SEC on April 4, 2014.  
19

20 54. On April 9, 2014 the Company filed a press release on Form 8-K  
21 announcing the results of the secondary offering. 17,250,000 shares associated with  
22 Blackstone were sold at \$30 per share. No shares were sold by SEAS.  
23

24 55. On May 14, 2014 the Company filed a press release on Form 8-K  
25 about the financial results of the first quarter of 2014. In the press release,  
26 Defendant Atchison falsely stated that a reason for lower attendance than normal  
27 during this time period was a result of the shift of Easter and Spring Break into the  
28

1 second quarter. The reality however was that the decline in attendance was the  
2 result of the *Blackfish* film.

3  
4 56. On May 15, 2014 the Company filed its first quarter ended March 31,  
5 2014 results with the SEC on Form 10-Q, signed by Defendants Heaney and  
6 Swanson. The 10-Q also included SOX certifications executed by Defendants  
7 Atchison and Heaney that was in sum and substance the same as the SOX  
8 certifications filed with the 1Q2013 10-Q, attesting to the accuracy of the 1Q2014  
9 10-Q.

10  
11  
12 57. In the August 13, 2014 press release SEAS finally came clean that the  
13 decline in attendance was the results from the negative publicity from the *Blackfish*  
14 film. The press release states in relevant part:

15  
16 In addition, the Company believes attendance in the quarter was impacted by  
17 demand pressures related to recent media attention surrounding proposed  
18 legislation in the state of California.

19  
20 58. The proposed California legislation referenced in the press release, the  
21 Orca Welfare and Safety Act, would outlaw keeping Orca Whales in captivity for  
22 the purpose of entertainment. If violated, the law could impose a \$100,000 fine, six  
23 months in jail, or both. The legislation arose out of the public conversation that was  
24 ignited by the documentary *Blackfish*.

1           59. The August 13, 2014 press release states, “the Company now expects  
2 full year 2014 revenue and Adjusted EBITDA to be down in the range of 6-7% and  
3 14-16%, respectively, compared to the prior year.”  
4

5           60. Data compiled by Bloomberg LLP and published in the August 13,  
6 2014 article, “SeaWorld Drops as Killer Whale Controversy Hurts Sales” by Cécile  
7 Daurat<sup>1</sup>, reported that “Blackstone, which had owned all of SeaWorld’s equity, has  
8 since cut its stake to 22 percent.”  
9

10           61. The August 13, 2014 announcement caused the price of SEAS stock to  
11 plummet by \$9.25 per share, or 32.9%.  
12

13           62. On August 14, 2014 the Company filed its second quarter ended June  
14 30, 2014 results with the SEC on Form 10-Q, signed by Defendants Heaney and  
15 Swanson. The 10-Q also included SOX certifications executed by Defendants  
16 Atchison and Heaney that was in sum and substance the same as the SOX  
17 certifications filed with the 1Q2013 10-Q, attesting to the accuracy of the 2Q2014  
18 10-Q.  
19  
20

21           63. Attached to the 10-K were additional certifications pursuant to Section  
22 906 of SOX signed by Defendants Atchison and Heaney.  
23  
24  
25  
26  
27

---

28 <sup>1</sup> Article available <http://www.bloomberg.com/news/2014-08-13/seaworld-slumps-29-after-revenue-profit-miss-estimates.html>. (Last viewed on September 9, 2014).





1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

these reports was publicly available and entered the public marketplace; and

65. As a result of the foregoing, the market for the Company's common stock promptly digested current information regarding the Company from all publicly available sources and reflected such information in the Company's stock price. Under these circumstances, all purchasers of the Company's common stock during the Class Period suffered similar injury through their purchase of the Company's common stock at artificially inflated prices, and a presumption of reliance applies.

**Applicability of Presumption of Reliance:**  
**Affiliated Ute**

66. Neither Plaintiff nor the Class need prove reliance – either individually or as a class because under the circumstances of this case, positive proof of reliance is not a prerequisite to recovery, pursuant to ruling of the United States Supreme Court in *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128 (1972). All that is necessary is that the facts withheld be material in the sense that a reasonable investor might have considered the omitted information important in deciding whether to buy or sell the subject security.



1           71. First Claim Defendants, directly and indirectly, by the use, means or  
2 instrumentalities of interstate commerce and/or of the mails, engaged and  
3 participated in a continuous course of conduct to conceal adverse material  
4 information about the business, operations and future prospects of SEAS as  
5 specified herein.  
6

7  
8           75. First Claim Defendants employed devices, schemes, and artifices to  
9 defraud while in possession of material adverse non-public information, and  
10 engaged in acts, practices, and a course of conduct as alleged herein in an effort to  
11 assure investors of the Company's value and performance and continued substantial  
12 growth, which included the making of, or participation in the making of, untrue  
13 statements of material facts and omitting to state material facts necessary in order to  
14 make the statements made about the Company and its business operations and  
15 future prospects in the light of the circumstances under which they were made, not  
16 misleading, as set forth more particularly herein, and engaged in transactions,  
17 practices and a course of business that operated as a fraud and deceit upon the  
18 purchasers of the Company's securities during the Class Period.  
19

20  
21  
22           76. First Claim Defendants had actual knowledge of the  
23 misrepresentations and omissions of material facts set forth herein, or acted with  
24 reckless disregard for the truth in that they failed to ascertain and to disclose such  
25 facts, even though such facts were available. Such material misrepresentations  
26 and/or omissions were done knowingly or recklessly and for the purpose and effect  
27  
28

1 of concealing the Company's operating condition and future business prospects  
2 from the investing public and supporting the artificially inflated price of its  
3 securities. As demonstrated by misstatements of the Company's financial condition  
4 throughout the Class Period, if the First Claim Defendants did not have actual  
5 knowledge of the misrepresentations and omissions alleged, they were reckless in  
6 failing to obtain such knowledge by deliberately refraining from taking those steps  
7 necessary to discover whether those statements were false or misleading.  
8  
9

10           77. As a result of the dissemination of the materially false and misleading  
11 information and failure to disclose material facts, as set forth above, the market  
12 price of SEAS's securities was artificially inflated during the Class Period. In  
13 ignorance of the fact that market prices of the Company's publicly-traded securities  
14 were artificially inflated, and relying directly or indirectly on the false and  
15 misleading statements made by the First Claim Defendants, or upon the integrity of  
16 the market in which the common stock trades, and/or on the absence of material  
17 adverse information that was known to or recklessly disregarded by the First Claim  
18 Defendants, but not disclosed in public statements by the First Claim Defendants  
19 during the Class Period, Plaintiff and the other members of the Class acquired  
20 SEAS common stock during the Class Period at artificially high prices, and were,  
21 or will be, damaged thereby.  
22  
23  
24  
25

26           78. At the time of said misrepresentations and omissions, Plaintiff and  
27 other members of the Class were ignorant of their falsity, and believed them to be  
28

1 true. Had Plaintiff and the other members of the Class and the marketplace known  
2 the truth regarding SEAS's financial results, which was not disclosed by the  
3 Defendants, Plaintiff and other members of the Class would not have purchased or  
4 otherwise acquired their SEAS's securities, or, if they had acquired such securities  
5 during the Class Period, they would not have done so at the artificially inflated  
6 prices that they paid.  
7

8  
9 79. As a direct and proximate result of the First Claim Defendants'  
10 wrongful conduct, Plaintiff and other members of the Class suffered damages in  
11 connection with their purchases of SEAS's securities during the Class Period.  
12

13 80. This action was filed within two years of discovery of the fraud and  
14 within five years of each Plaintiff's purchases of securities giving rise to the cause  
15 of action.  
16

17 **SECOND CLAIM**  
18 **Violation of Section 20(a) Of**  
19 **The Exchange Act Against the Individual Defendants and Blackstone**

20 81. Plaintiff repeats and realleges each and every allegation contained  
21 above as if fully set forth herein.  
22

23 82. The Individual Defendants and Blackstone acted as controlling persons  
24 of SEAS within the meaning of Section 20(a) of the Exchange Act as alleged  
25 herein. By virtue of their high-level positions, agency, and their ownership and  
26 contractual rights, participation in and/or awareness of the Company's operations  
27 and/or intimate knowledge of the false financial statements filed by the Company  
28

1 with the SEC and disseminated to the investing public, the Individual Defendants  
2 had the power to influence and control, and did influence and control, directly or  
3 indirectly, the decision-making of the Company, including the content and  
4 dissemination of the various statements that plaintiff contends are false and  
5 misleading. The Individual Defendants were provided with or had unlimited access  
6 to copies of the Company's reports, press releases, public filings and other  
7 statements alleged by Plaintiff to have been misleading prior to and/or shortly after  
8 these statements were issued and had the ability to prevent the issuance of the  
9 statements or to cause the statements to be corrected.

13 83. In particular, each Individual Defendant had direct and supervisory  
14 involvement in the day-to-day operations of the Company and, therefore, is  
15 presumed to have had the power to control or influence the particular transactions  
16 giving rise to the securities violations as alleged herein, and exercised the same.

18 84. As set forth above, the First Claim Defendants each violated Section  
19 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint.

21 85. By virtue of their positions as controlling persons, the Individual  
22 Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct  
23 and proximate result of Defendants' wrongful conduct, Plaintiff and other members  
24 of the Class suffered damages in connection with their purchases of the Company's  
25 common stock during the Class Period.  
26  
27  
28



1 required to be stated in order to make the statements contained therein not  
2 misleading. Defendants knew, or in the exercise of reasonable care should have  
3 known, of the material misstatements and omissions contained in or omitted from  
4 the Registration Statement as set forth herein. As such, defendants are liable to the  
5 Class.  
6

7  
8 91. None of the Defendants made a reasonable investigation or possessed  
9 reasonable grounds for the belief that the statements contained in the Registration  
10 Statement were true or that there was no omission of material facts necessary to  
11 make the statements made therein not misleading.  
12

13 92. Defendants issued and disseminated, caused to be issued and  
14 disseminated, and participated in the issuance and dissemination of, material  
15 misstatements to the investing public, which were contained in the Registration  
16 Statement that misrepresented or failed to disclose, *inter alia*, the facts set forth  
17 above. By reason of the conduct herein alleged, each defendant violated and/or  
18 controlled a person who violated Section 11 of the Securities Act.  
19

20  
21 93. As a direct and proximate result of Defendants' acts and omissions in  
22 violation of the Securities Act, the market price of SEAS's securities sold in the  
23 Offering was artificially inflated, and Plaintiff and the Class suffered substantial  
24 damage in connection with their ownership of SEAS's securities pursuant to the  
25 Registration Statement.  
26  
27  
28





1           100. For the reasons set forth above, SEAS is liable to Plaintiff and the  
2 members of the Class who purchased SEAS common stock in the IPO on the untrue  
3 statements and omissions of material fact contained in the Registration Statement  
4 and Prospectus, under §§11 and 12(a)(2) of the Securities Act.  
5

6           101. The Individual Defendants were control persons of SEAS by virtue of,  
7 among other things, their positions as senior officers, directors and/or controlling  
8 shareholders of the Company. Each was in a position to control and did in fact  
9 control SEAS and the false and misleading statements and omissions contained in  
10 the Registration Statement and Prospectus  
11

12           102. None of the Individual Defendants made reasonable investigation or  
13 possessed reasonable grounds for the belief that the statements contained in the  
14 Registration Statement and Prospectus were accurate and complete in all material  
15 respects. Had they exercised reasonable care, they could have known of the  
16 material misstatements and omissions alleged herein.  
17

18           103. This claim was brought within one year after the discovery of the  
19 untrue statements and omissions in the Registration Statement and Prospectus and  
20 within three years after SEAS common stock was sold to the Class in connection  
21 with the public offering.  
22

23           104. By reason of the misconduct alleged herein, for which SEAS is  
24 primarily liable, as set forth above, the Individual Defendants are jointly and  
25  
26  
27  
28

1 severally liable with and to the same extent as SEAS pursuant to Section 15 of the  
2 Securities Act.

3  
4 **WHEREFORE**, Plaintiff prays for relief and judgment, as follows:

5 (a) Determining that this action is a proper class action, designating  
6 Plaintiff as Lead Plaintiff and certifying Plaintiff as a class representative under  
7 Rule 23 of the Federal Rules of Civil Procedure and Plaintiff's counsel as Lead  
8 Counsel;  
9

10 (b) Awarding compensatory damages in favor of Plaintiff and the  
11 other Class members against all Defendants, jointly and severally, for all damages  
12 sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial,  
13 including interest thereon;  
14

15 (c) Awarding plaintiff and the Class their reasonable costs and  
16 expenses incurred in this action, including counsel fees and expert fees;  
17

18 (d) Awarding rescissory damages; and  
19

20 (e) Awarding such other and further relief as the Court may deem just  
21 and proper.  
22  
23  
24  
25  
26  
27  
28

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**JURY TRIAL DEMANDED**

Plaintiff hereby demands a trial by jury.

Dated: September 9, 2014

Respectfully submitted,

**THE ROSEN LAW FIRM, P.A.**

/s/ Laurence Rosen  
Laurence M. Rosen, Esq. (SBN 219683)  
355 South Grand Avenue, Suite 2450  
Los Angeles, CA 90071  
Telephone: (213) 785-2610  
Facsimile: (213) 226-4684  
Email: [lrosen@rosenlegal.com](mailto:lrosen@rosenlegal.com)

Counsel for Plaintiff