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**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA**

DANIEL KINNAMON, Individually and  
on Behalf of All Others Similarly  
Situating,

Plaintiff,

v.

GOSSAMER BIO, INC. and FAHEEM  
HASNAIN,

Defendants.

Case No. '26CV2016 CAB AHG

CLASS ACTION

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

DEMAND FOR JURY TRIAL

1 Plaintiff Daniel Kinnamon (“Plaintiff”), individually and on behalf of all  
2 other persons similarly situated, by their undersigned attorneys, alleges in this  
3 Complaint for violations of the federal securities laws (the “Complaint”) the  
4 following based upon knowledge with respect to their own acts, and upon facts  
5 obtained through an investigation conducted by his counsel, which included, *inter*  
6 *alia*: (a) review and analysis of relevant filings made by Gossamer Bio, Inc.  
7 (“Gossamer” or the “Company”) with the United States Securities and Exchange  
8 Commission (the “SEC”); (b) review and analysis of Gossamer’s public documents,  
9 conference calls, press releases, and stock chart; (c) review and analysis of  
10 securities analysts’ reports and advisories concerning the Company; and (d)  
11 information readily obtainable on the internet.

12 Plaintiff believes that further substantial evidentiary support will exist for the  
13 allegations set forth herein after a reasonable opportunity for discovery. Most of the  
14 facts supporting the allegations contained herein are known only to the defendants  
15 or are exclusively within their control.

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21 **NATURE OF THE ACTION**

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23 1. This is a federal securities class action on behalf of all investors who  
24 purchased or otherwise acquired Gossamer securities between June 16, 2025, and  
25 February 20, 2026, inclusive (the “Class Period”), including securities acquired  
26 through assignments from selling put contracts, seeking to recover damages caused  
27 by Defendants’ violations of the federal securities laws.  
28

1           2. Defendants provided investors with material information concerning  
2 Gossamer's Phase 3 PROSERA study evaluating seralutinib for the treatment of  
3 pulmonary arterial hypertension (PAH). Defendants' statements included, among  
4 other things, confidence in PROSERA's trial design.  
5

6           3. Defendants provided these overwhelmingly positive statements to  
7 investors while, at the same time, disseminating false and misleading statements  
8 and/or concealing material adverse facts concerning the study design for the  
9 Company's Phase 3 PROSERA study, particularly, controlling for the placebo  
10 response at the Latin American testing sites. This caused Plaintiff and other  
11 shareholders to purchase Gossamer's securities at artificially inflated prices.  
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14           4. The truth emerged on February 23, 2026 when Gossamer published a  
15 press release and hosted a Special Call announcing topline results for its Phase 3  
16 PROSERA study, which failed to meet the primary endpoint of improved six-minute  
17 walk distance (6MWD) at Week 24, with a +13.3 meter placebo-adjusted gain (p-  
18 0.0320) failing to meet the required 0.025 alpha threshold. Gossamer attributed this  
19 miss to patients at Latin American sites performing particularly well on placebo due  
20 to enrollment of a heavily-treated lower-risk population.  
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24           5. As a result, investors and analysts reacted immediately to Gossamer's  
25 revelation. The price of Gossamer's common stock declined from a closing market  
26 price of \$2.13 per share on February 20, 2026 to \$0.42 per share on February 23,  
27 2025, a decline of over 80% in the span of just a single day.  
28



**THE PARTIES**

1  
2 12. Plaintiff purchased Gossamer common stock at artificially inflated  
3 prices during the Class Period and was damaged upon the revelation of the  
4 Defendants’ fraud. Plaintiff’s certification evidencing his transaction(s) in Gossamer  
5 is attached hereto.  
6

7  
8 13. Gossamer Bio, Inc. is a Delaware corporation with its principal  
9 executive offices located at 3115 Merryfield Row, Suite 120, San Diego, CA 92121.  
10 During the Class Period, the Company’s common stock traded on the NASDAQ  
11 Stock Market (the “NASDAQ”) under the symbol “GOSS.”  
12

13 14. Defendant Faheem Hasnain (“Hasnain”) was, at all relevant times, the  
14 Chief Executive Officer, Chairman, and Co-founder of Gossamer.  
15

16 15. Defendant Hasnain is sometimes referred to herein as the “Individual  
17 Defendant.” Gossamer together with the Individual Defendant are referred to herein  
18 as the “Defendants.”  
19

20 16. The Individual Defendant, because of his position with the Company,  
21 possessed the power and authority to control the contents of Gossamer’s reports to  
22 the SEC, press releases, and presentations to securities analysts, money and portfolio  
23 managers, and institutional investors, *i.e.*, the market. The Individual Defendant was  
24 provided with copies of the Company’s reports and press releases alleged herein to  
25 be misleading prior to, or shortly after, their issuance and had the ability and  
26 opportunity to prevent their issuance or cause them to be corrected. Because of his  
27  
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1 position and access to material non-public information available to him, the  
2 Individual Defendant knew that the adverse facts specified herein had not been  
3 disclosed to, and were being concealed from, the public, and that the positive  
4 representations which were being made were then materially false and/or  
5 misleading. The Individual Defendant is liable for the false statements pleaded  
6 herein, as those statements were each “group-published” information, the result of  
7 the collective actions of the Individual Defendant.  
8  
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10 17. Gossamer is liable for the acts of the Individual Defendant, and its  
11 employees under the doctrine of respondeat superior and common law principles of  
12 agency as all the wrongful act complained of herein were carried out within the scope  
13 of their employment with authorization.  
14  
15

16 18. The scienter of the Individual Defendant, and other employees and  
17 agents of the Company are similarly imputed to Gossamer under respondeat superior  
18 and agency principles.  
19

20 **SUBSTANTIVE ALLEGATIONS**

21 **A. Company Background**

22 19. Gossamer is a clinical stage biopharmaceutical company focused on the  
23 development and commercialization of seralutinib for the treatment of pulmonary  
24 hypertension (PH) associated with interstitial lung disease.  
25  
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1 *And while our potential first-in-class therapeutic, seralutinib,*  
2 *represents the possibility of a multi-billion-dollar opportunity across*  
3 *multiple indications, we recognize the unique significance of the*  
4 *upcoming pivotal readout in PAH as the foundation to that potential*  
5 *franchise. Our team remains duly focused on executing the*  
6 *PROSERA Study with discipline and operational excellence,*  
7 *grounded in our conviction around the strength of the science and*  
8 *the seriousness of the unmet need in PAH. We look forward to*  
9 *sharing topline results in February.*

10 (Emphasis added.)

11 November 5, 2025

12 22. On November 5, 2025, Gossamer published a press release announcing  
13 third quarter financial results and provided a business update. Defendant Hasnain  
14 provided an update on the Phase 3 study, in pertinent part:

15 We are proud to be progressing through the final stages of the  
16 PROSERA Phase 3 Study. This is a pivotal moment for our team, and  
17 I am continually impressed by the focus, diligence, and  
18 professionalism that everyone brings to this important work. We look  
19 forward to sharing top-line results with the community in February of  
20 next year.

21 23. The above statements in Paragraphs 20 to 22 were false and/or  
22 materially misleading. Specifically, Defendants knew or recklessly disregarded the  
23 trial design issues with Gossamer’s Phase 3 PROSERA study. In fact, Defendants  
24 misled and deceived investors by crafting a narrative that Phase 3 PROSERA would  
25 meet its primary endpoint. Defendants failed, however, to disclose that patients at  
26 the Latin American sites were largely heavily-treated and lower risk and, ultimately,  
27 performed particularly well on the placebo, thus, Gossamer’s Phase 3 PROSERA  
28

1 study failed to meet the primary endpoint of improved six-minute walk distance at  
2 week 24.

3  
4 **C. The Truth Emerges**

5 *February 23, 2026*

6 24. On February 23, 2026, Gossamer published a press release and hosted  
7 a Special Call announcing the topline results from its Phase 3 PROSERA study.

8  
9 Defendant Hasnain stated, in pertinent part:

10 While we are disappointed to have narrowly missed the stringent  
11 prespecified statistical threshold for our primary endpoint, the result  
12 still clears the traditional 0.05 p-value, and we believe these data clearly  
13 demonstrate seralutinib is an active drug in patients with PAH.

14 We are also pleased by the clinically meaningful improvements  
15 observed in intermediate- and high-risk patients who are at an increased  
16 risk of significant morbidity and mortality events and represent a  
17 population with a high unmet need. From a clinical development  
18 perspective, this is not a narrow or exploratory finding. Seralutinib has  
19 once again demonstrated a statistically robust and clinically meaningful  
20 signal in higher-risk patients, consistent with the TORREY Study,  
21 which is a clearly defined and readily identifiable population. This  
22 finding is compelling on its own.

23 Altogether, these data support the conclusion that seralutinib  
24 demonstrated greater activity in patients with more advanced disease.  
25 This is even more impressive given how heavily treated the PROSERA  
26 population was, including 55% of patients on triple or quadruple  
27 background PAH therapy and 61% on background prostacyclin  
28 therapy.

29 We are deeply grateful to the patients, investigators, and clinical teams  
30 whose participation made this study possible. Given the significant  
31 unmet need in PAH, and seralutinib's differentiated, nonvasodilatory  
32 mechanism, we believe these results warrant further discussions with  
33 the FDA regarding a potential path forward.

1           25. During the Special Call, Gossamer’s Chief Medical Officer, Richard  
2 Aranda, stated in relevant:

3  
4           Here, we put the PROSERA placebo performance into context. As you  
5 can see, in PROSERA, the placebo arm showed a larger improvement  
6 that is often seen in many other Phase III PH trials where placebo  
7 frequently remains near baseline or declined slightly over time. The  
8 unusually strong placebo improvement in PROSERA reduced the  
9 placebo-adjusted difference and is an important factor in interpreting  
10 why a numerically positive effect did not clear the prespecified  
11 statistical bar.

12           *To further understand our placebo response, we evaluated the*  
13 *placebo response by prespecified geographic region groupings and*  
14 *noted it differed across the regions. In North America, the placebo*  
15 *performance was more aligned with typical modern PH trials and the*  
16 *overall treatment effect was most pronounced with a 25.9-meter*  
17 *placebo-adjusted improvement in 6-minute walk distance. In other*  
18 *regions, particularly Latin America, outsized placebo improvements*  
19 *materially compressed the pool treatment difference.*

20 (Emphasis added).

21           26. As part of the associated Special Call, Gossamer management  
22 responded to analyst questions during a question-and-answer segment, in pertinent  
23 part:

24           <Q: Andreas Argyrides – Oppenheimer – Analyst> I was hoping for  
25 more clear-cut results here, but clearly an active drug. Just if you can  
26 give us a little bit on the placebo response here, just how the  
27 geographical breakdown compared to expectations at the time of  
28 enrollment? And then I have one follow-up.

1 <A: Bryan Giraudo – COO & CFO> Yes. So I think, Andreas, you  
2 recall that we made a significant investment in Latin America following  
3 the very, very significant results that we saw in the STELLAR study  
4 for sotatercept, where that was a geography that patients benefited the  
5 most. ***So certainly, for us to see an almost parity between the placebo  
6 rate and the treatment rate and how the statistical plan using Hodges-  
7 Lehmann works where that ended up reducing the treatment effect by  
8 8 meters.***

7 ***So adding 8 meters on the placebo side was extremely, extremely  
8 disturbing to our team because, again, we expected to have an effect  
9 that has been seen in most PAH studies where Latin America is the  
10 best performing geography. We're still early in the investigation of  
11 what happened in Latin America, and we certainly will have more to  
12 come as we continue that work.***

12 And even in other geographies, we saw a higher-than-normal placebo  
13 rate. Importantly, in the places where PAH treatment has been quite  
14 frankly, the most mature in North America and Western Europe,  
15 Australia, we are seeing what would be historically comparable placebo  
16 rates. So certainly, there is something that happened in Latin America.  
17 We have to understand it, and we will obviously engage not only with  
18 the investigators there, their sites as well with PPD who you recall was  
19 also CRO that did the STELLAR study. So more to come, but that was  
20 probably the most surprising and disappointing finding. Faheem?

19 <A: Faheem Hasnain – CEO> ***Yes, Paul. What's really fascinating  
20 about what happened in Latin America, we saw a substantial number  
21 of super responders on placebo with over 100-meter walk  
22 improvements, which is really kind of quite fascinating.*** But what I  
23 think is really interesting, which really shows the impact of this drug is  
24 that over time, we start to see a separation. Even though we had that  
25 substantial placebo effect, as we look at the Latin America data out to  
26 week 48, we actually see improvement on the drug arm, just to give you  
27 kind of a sense, when we do an apples-to-apples comparison, the  
28 placebo effect starts to catch up on these patients at week 48. So they  
have a 40-meter improvement on placebo at week 48, that drops to 15  
meters. But the drug effect goes from a 50-meter improvement up to a  
66-meter improvement.

1 So you start to see the separation of placebo and drug over time. And  
2 we think that might be related to and consistent with what we see in the  
3 less sick patients that as we're affecting physiological -- having those  
4 physiological effects in the lung and the heart, the sicker patients will  
5 take a little longer for that response to occur. And we saw that in  
6 TORREY, and we seem to be seeing it here again.

7 <A: Bryan Giraudo> So what we need to do, Andreas, is really  
8 unpackage where, in fact, those patients that were enrolled in Latin  
9 America, a REVEAL Lite 5 or greater, it's obviously disappointing. It's  
10 obviously extremely frustrating, and it is incumbent upon the Gossamer  
11 team with our friends at PPD and Chiesi to understand what happened  
12 because this result and all of our KOL thought partners upon seeing this  
13 were stunned by what happened in Latin America.

14 \* \* \*

15 <Q: Laura Kathryn Chico - Wedbush Securities – Analyst> So one  
16 more on the placebo response. Slide 9, you had that great picture of 6-  
17 minute walk distance placebo results from other studies at week 24. Do  
18 you have any sense as to how the week 48 placebo responses for other  
19 programs might fare? And I guess I'm just trying to understand if the  
20 week 48 placebo response you're seeing is also elevated or if that is  
21 more in line with what we would be expecting from other trials? And  
22 then just a housekeeping question. The PVR data was not collected in  
23 PROSERA, correct?

24 <A: Bryan Giraudo> So PVR was not collected. In regards to other  
25 studies, 48 weeks, not a lot of folks did what we did, where you kept  
26 placebo-controlled data to week 48, it would be really an apples and  
27 oranges comparison because you'd be comparing it to open-label  
28 extension data, right? So for example, in the sotatercept data sets, most  
of their 6-minute walk data is open label.

We were one of the first sponsors to go out to week 48 on a placebo-  
controlled basis. But what we can say is across all geographies over  
time, placebo starts to behave normally, specifically, as Faheem said,  
in Latin America, where when you look at those patients that had a  
week 24 walk and stayed in the study to week 48, which is roughly  
about 29 or 30 patients, you see placebo at week 48 starting to behave  
like you would have expected. So I also believe that, that week 48 data  
is another important pillar for our discussions with regulators because

1 it starts to meter out the placebo effect and also continues to show  
2 continued improvement for patients on drug.

3 So ultimately, we do think that, that week 48 endpoint is really, really  
4 important for our ability to say this drug has an important place in the  
5 marketplace for patients because of that long-term efficacy. And again,  
6 that placebo effect starting to normalize longer term.

7 (Emphasis added).

8 27. The aforementioned investor presentation and statements made by the  
9 Individual Defendant was misleading and in direct contrast to statements made in  
10 his previous press releases and presentations. In his previous statements, Defendant  
11 made no mention of issues with the Phase 3 PROSERA trial design in Latin America.  
12

13 28. Analysts expressed surprise and concern at the Company's primary  
14 endpoint miss. In particular, on February 24, 2026, Wedbush published a report  
15 downgrading Gossamer to Neutral and decreasing the Company's price target to \$1  
16 from \$6. The report states, in pertinent part:  
17

18 PROSERA falls short of expectations. GOSS reported Phase 3  
19 PROSERA data for seralutinib in pulmonary arterial hypertension  
20 (PAH). Most notable –the study failed to meet the primary endpoint on  
21 median change in 6-minute walk distance at 24 weeks for seralutinib  
22 vs. placebo. The seralutinib group demonstrated a +28.2m  
23 improvement from baseline, while placebo achieved +13.5m  
24 improvement (effect = +13.3m, p=0.0320). This was above the  
25 prespecified threshold of 0.025. Management noted unusual placebo  
26 performance, particularly among Latin America and Asia/Middle East  
27 regions. GOSS noted historic Phase 3 placebo responses varied (-9m to  
28 +11m).

29 29. Similarly, on March 5, 2026, Oppenheimer published a report reducing  
30 Gossamer's price target to \$3 from \$12 and stating, in relevant part:

1 The data irregularity in Latin America is a trial execution issue, not a  
2 drug effect issue, as every other region demonstrated a clear treatment  
3 benefit. The irregularity is specifically the absence of a treatment effect  
4 on top of the placebo—not an unusually large placebo response—  
5 which KOL believes points to human measurement error during  
6 6MWD lap counting. Gossamer is conducting a data review  
7 investigation.

8 30. As a result, investors and analysts reacted immediately to Gossamer’s  
9 revelation. The price of Gossamer’s common stock declined from a closing market  
10 price of \$2.13 per share on February 20, 2026 to \$0.42 per share on February 23,  
11 2025, a decline of over 80% in the span of just a single day.

12 **D. Additional Scienter Allegations**

13 31. During the Class Period, Defendants acted with scienter in that they  
14 knew or otherwise were deliberately reckless in not knowing that the public  
15 statements disseminated on behalf of Gossamer were materially false and misleading  
16 at the time they were made. Defendants had actual knowledge of, or access to, non-  
17 public information concerning the trial design and clinical test site selection as the  
18 drug sponsor, thereby knowing or recklessly disregarding the protocol design issues  
19 that ultimately caused the Phase 3 PROSERA study to fail to meet its primary  
20 endpoint of improved six-minute walk distance at week 24.

21 32. In fact, Defendants knew or deliberately disregarded that patients at the  
22 Latin American clinical testing sites were largely heavily-treated as well as lower  
23 risk and, therefore, performed particularly well on the placebo. Defendants knew or  
24 deliberately disregarded these issues that gave rise to the acute risks that ultimately  
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1 materialized and caused the trial to fail. Despite such knowledge, Defendants  
2 repeatedly conveyed a positive outlook to investors and constructed a narrative that  
3 the Phase 3 PROSERA trial would meet its primary endpoint.  
4

5 **E. Loss Causation and Economic Loss**

6 33. During the Class Period, as detailed herein, Gossamer and Defendants  
7 made materially false and misleading statements and engaged in a scheme to deceive  
8 the market and a course of conduct that artificially inflated the price of Gossamer's  
9 securities and operated as a fraud or deceit on Class Period purchasers of Gossamer's  
10 common stock by materially misleading the investing public. Later, when Gossamer  
11 and Defendants' prior misrepresentations and fraudulent conduct became apparent  
12 to the market, the price of Gossamer's securities materially declined, as the prior  
13 artificial inflation came out of the price over time. As a result of their purchases of  
14 Gossamer's securities during the Class Period, Plaintiff and other members of the  
15 Class suffered economic loss, *i.e.*, damages under federal securities laws.  
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20 34. Gossamer's stock price fell in response to the corrective event on  
21 February 23, 2026, as alleged *supra*. On February 23, 2026, Defendants disclosed  
22 information that was directly related to their prior misrepresentations and material  
23 omissions concerning the Phase 3 PROSERA trial's defects in Latin America.  
24

25 **F. Presumption of Reliance; Fraud-On-The-Market**

26 35. At all relevant times, the market for Gossamer's securities was an  
27 efficient market for the following reasons, among others:  
28

1 (a) Gossamer’s securities met the requirements for listing and was listed  
2 and actively traded on the NASDAQ during the Class Period, a highly efficient and  
3 automated market;  
4

5 (b) Gossamer communicated with public investors via established market  
6 communication mechanisms, including disseminations of press releases on the  
7 national circuits of major newswire services and other wide-ranging public  
8 disclosures, such as communications with the financial press and other similar  
9 reporting services;  
10

11 (c) Gossamer was followed by several securities analysts employed by  
12 major brokerage firms who wrote reports that were distributed to the sales force and  
13 certain customers of their respective brokerage firms during the Class Period. Each  
14 of these reports was publicly available and entered the public marketplace; and  
15

16 (d) Unexpected material news about Gossamer was reflected in and  
17 incorporated into the Company’s stock price during the Class Period.  
18

19 36. As a result of the foregoing, the market for Gossamer’s securities  
20 promptly digested current information regarding the Company from all publicly  
21 available sources and reflected such information in Gossamer’s stock price. Under  
22 these circumstances, all purchasers of Gossamer’s securities during the Class Period  
23 suffered similar injury through their purchase of Gossamer’s securities at artificially  
24 inflated prices, and a presumption of reliance applies.  
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1           37.     Alternatively, reliance need not be proven in this action because the  
2 action involves omissions and deficient disclosures. Positive proof of reliance is not  
3 a prerequisite to recovery pursuant to ruling of the United States Supreme Court in  
4 *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128 (1972). All that is  
5 necessary is that the facts withheld be material in the sense that a reasonable investor  
6 might have considered the omitted information important in deciding whether to buy  
7 or sell the subject security.

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10           **G.     No Safe Harbor; Inapplicability of Bespeaks Caution Doctrine**

11           38.     The statutory safe harbor provided for forward-looking statements  
12 under certain circumstances does not apply to any of the material misrepresentations  
13 and omissions alleged in this Complaint. As alleged above, Defendants’ liability  
14 stems from the fact that they provided investors with statements about regulatory  
15 developments and prospects while at the same time omitting acute risks undermining  
16 the validity of their statements.

17           39.     To the extent certain of the statements alleged to be misleading or  
18 inaccurate may be characterized as forward looking, they were not identified as  
19 “forward-looking statements” when made and there were no meaningful cautionary  
20 statements identifying important factors that could cause actual results to differ  
21 materially from those in the purportedly forward-looking statements.

22           40.     Defendants are also liable for any false or misleading “forward-looking  
23 statements” pleaded because, at the time each “forward-looking statement” was  
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1 made, the speaker knew the “forward-looking statement” was false or misleading  
2 and the “forward-looking statement” was authorized and/or approved by an  
3 executive officer of Gossamer who knew that the “forward-looking statement” was  
4 false. Alternatively, none of the historic or present-tense statements made by  
5 Defendants were assumptions underlying or relating to any plan, projection, or  
6 statement of future economic performance, as they were not stated to be such  
7 assumptions underlying or relating to any projection or statement of future economic  
8 performance when made, nor were any of the projections or forecasts made by the  
9 Defendants expressly related to or stated to be dependent on those historic or present-  
10 tense statements when made.  
11  
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13

14 **CLASS ACTION ALLEGATIONS**

15  
16 41. Plaintiff brings this action as a class action pursuant to Federal Rule of  
17 Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who  
18 purchased or otherwise acquired Gossamer’s securities during the Class Period,  
19 including securities acquired through assignments from selling put contracts (the  
20 “Class”); and were damaged upon the revelation of the alleged corrective disclosure.  
21 Excluded from the Class are Defendants herein, the officers and directors of the  
22 Company, at all relevant times, members of their immediate families and their legal  
23 representatives, heirs, successors or assigns and any entity in which Defendants have  
24 or had a controlling interest.  
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1           42. The members of the Class are so numerous that joinder of all members  
2 is impracticable. Throughout the Class Period, Gossamer’s securities were actively  
3 traded on the NASDAQ. While the exact number of Class members is unknown to  
4 Plaintiff at this time and can be ascertained only through appropriate discovery,  
5 Plaintiff believes that there are hundreds or thousands of members in the proposed  
6 Class. Record owners and other members of the Class may be identified from records  
7 maintained by Gossamer or its transfer agent and may be notified of the pendency  
8 of this action by mail, using the form of notice similar to that customarily used in  
9 securities class actions. As of October 31, 2025, there were 231.5 million shares of  
10 the Company’s common stock outstanding. Upon information and belief, these  
11 shares are held by thousands, if not millions, of individuals located throughout the  
12 country and possibly the world. Joinder would be highly impracticable.

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

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

1           45. 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  
3 Class. Among the questions of law and fact common to the Class are:  
4

- 5           (a) whether the federal securities laws were violated by Defendants' acts  
6 as alleged herein;
- 7
- 8           (b) whether statements made by Defendants to the investing public during  
9 the Class Period misrepresented material facts about the business,  
10 operations and management of Gossamer;
- 11
- 12           (c) whether the Individual Defendants caused Gossamer to issue false and  
13 misleading financial statements during the Class Period;
- 14
- 15           (d) whether Defendants acted knowingly or recklessly in issuing false and  
16 misleading financial statements;
- 17
- 18           (e) whether the prices of Gossamer's securities during the Class Period  
19 were artificially inflated because of the Defendants' conduct  
20 complained of herein; and
- 21           (f) whether the members of the Class have sustained damages and, if so,  
22 what is the proper measure of damages.  
23

24           46. A class action is superior to all other available methods for the fair and  
25 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 them.  
2 There will be no difficulty in the management of this action as a class action.

3  
4 **COUNT I**

5 ***Against All Defendants for Violations of***  
6 ***Section 10(b) and Rule 10b-5 Promulgated Thereunder***

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

9  
10 48. This Count is asserted against defendants and is based upon Section  
11 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated  
12 thereunder by the SEC.

13  
14 49. During the Class Period, Defendants engaged in a plan, scheme,  
15 conspiracy and course of conduct, pursuant to which they knowingly or recklessly  
16 engaged in acts, transactions, practices and courses of business which operated as a  
17 fraud and deceit upon. Plaintiff and the other members of the Class; made various  
18 untrue statements of material facts and omitted to state material facts necessary in  
19 order to make the statements made, in light of the circumstances under which they  
20 were made, not misleading; and employed devices, schemes and artifices to defraud  
21 in connection with the purchase and sale of securities. Such scheme was intended to,  
22 and, throughout the Class Period, did: (i) deceive the investing public, including  
23 Plaintiff and other Class members, as alleged herein; (ii) artificially inflate and  
24 maintain the market price of Gossamer common stock; and (iii) cause Plaintiff and  
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1 other members of the Class to purchase or otherwise acquire Gossamer's securities  
2 at artificially inflated prices. In furtherance of this unlawful scheme, plan and course  
3 of conduct, Defendants, and each of them, took the actions set forth herein.  
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5 50. Pursuant to the above plan, scheme, conspiracy and course of conduct,  
6 each of the Defendants participated directly or indirectly in the preparation and/or  
7 issuance of the quarterly and annual reports, SEC filings, press releases and other  
8 statements and documents described above, including statements made to securities  
9 analysts and the media that were designed to influence the market for Gossamer's  
10 securities. Such reports, filings, releases and statements were materially false and  
11 misleading in that they failed to disclose material adverse information and  
12 misrepresented the truth about the Company.  
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16 51. By virtue of their positions at the Company, Defendants had actual  
17 knowledge of the materially false and misleading statements and material omissions  
18 alleged herein and intended thereby to deceive Plaintiff and the other members of  
19 the Class, or, in the alternative, Defendants acted with reckless disregard for the truth  
20 in that they failed or refused to ascertain and disclose such facts as would reveal the  
21 materially false and misleading nature of the statements made, although such facts  
22 were readily available to Defendants. Said acts and omissions of Defendants were  
23 committed willfully or with reckless disregard for the truth. In addition, each  
24 Defendant knew or recklessly disregarded that material facts were being  
25 misrepresented or omitted as described above.  
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1           52. Information showing that Defendants acted knowingly or with reckless  
2 disregard for the truth is peculiarly within Defendants' knowledge and control. As  
3 the senior manager and/or director of the Company, the Individual Defendants had  
4 knowledge of the details of Gossamer's internal affairs.  
5

6           53. The Individual Defendant is liable both directly and indirectly for the  
7 wrongs complained of herein. Because of his position of control and authority, the  
8 Individual Defendant was able to and did, directly or indirectly, control the content  
9 of the statements of the Company. As officer and/or director of a publicly-held  
10 company, the Individual Defendant had a duty to disseminate timely, accurate, and  
11 truthful information with respect to Gossamer's businesses, operations, future  
12 financial condition and future prospects. As a result of the dissemination of the  
13 aforementioned false and misleading reports, releases and public statements, the  
14 market price of Gossamer's common stock was artificially inflated throughout the  
15 Class Period. In ignorance of the adverse facts concerning the Company which were  
16 concealed by Defendants, Plaintiff and the other members of the Class purchased or  
17 otherwise acquired Gossamer's common stock at artificially inflated prices and  
18 relied upon the price of the common stock, the integrity of the market for the  
19 common stock and/or upon statements disseminated by Defendants, and were  
20 damaged thereby.  
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26           54. During the Class Period, Gossamer's common stock was traded on an  
27 active and efficient market. Plaintiff and the other members of the Class, relying on  
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1 the materially false and misleading statements described herein, which the  
2 Defendants made, issued or caused to be disseminated, or relying upon the integrity  
3 of the market, purchased or otherwise acquired shares of Gossamer's common stock  
4 at prices artificially inflated by Defendants' wrongful conduct. Had Plaintiff and the  
5 other members of the Class known the truth, they would not have purchased or  
6 otherwise acquired said common stock, or would not have purchased or otherwise  
7 acquired them at the inflated prices that were paid. At the time of the purchases  
8 and/or acquisitions by Plaintiff and the Class, the true value of Gossamer's common  
9 stock was substantially lower than the prices paid by Plaintiff and the other members  
10 of the Class. The market price of Gossamer's common stock declined sharply upon  
11 public disclosure of the facts alleged herein to the injury of Plaintiff and Class  
12 members.

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

20  
21 56. As a direct and proximate result of Defendants' wrongful conduct,  
22 Plaintiff and the other members of the Class suffered damages in connection with  
23 their respective purchases, acquisitions and sales of the Company's common stock  
24 during the Class Period, upon the disclosure that the Company had been  
25 disseminating misrepresented financial statements to the investing public.  
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1 **COUNT II**

2 ***Against the Individual Defendants***  
3 ***for Violations of Section 20(a) of the Exchange Act***

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

6  
7 58. During the Class Period, the Individual Defendant participated in the  
8 operation and management of the Company, and conducted and participated, directly  
9 and indirectly, in the conduct of the Company’s business affairs. Because of his  
10 senior position, he knew the adverse non-public information about Gossamer’s  
11 misstatements.  
12

13  
14 59. As officer and/or director of a publicly owned company, the Individual  
15 Defendant had a duty to disseminate accurate and truthful information, and to correct  
16 promptly any public statements issued by Gossamer which had become materially  
17 false or misleading.  
18

19 60. Because of his position of control and authority as senior officer, the  
20 Individual Defendant was able to, and did, control the contents of the various reports,  
21 press releases and public filings which Gossamer disseminated in the marketplace  
22 during the Class Period concerning the misrepresentations. Throughout the Class  
23 Period, the Individual Defendant exercised his power and authority to cause  
24 Gossamer to engage in the wrongful acts complained of herein. The Individual  
25 Defendant therefore, was a “controlling person” of the Company within the meaning  
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1 of Section 20(a) of the Exchange Act. In this capacity, he participated in the unlawful  
2 conduct alleged which artificially inflated the market price of Gossamer’s common  
3 stock.  
4

5 61. The Individual Defendant, therefore, acted as a controlling person of  
6 the Company. By reason of his senior management position and/or being director of  
7 the Company, the Individual Defendant had the power to direct the actions of, and  
8 exercised the same to cause, Gossamer to engage in the unlawful acts and conduct  
9 complained of herein. The Individual Defendant exercised control over the general  
10 operations of the Company and possessed the power to control the specific activities  
11 which comprise the primary violations about which Plaintiff and the other members  
12 of the Class complain.  
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16 62. By reason of the above conduct, the Individual Defendant and/or  
17 Gossamer are liable pursuant to Section 20(a) of the Exchange Act for the violations  
18 committed by the Company.  
19

20 **PRAYER FOR RELIEF**

21 **WHEREFORE**, Plaintiff demand judgment against Defendants as follows:

22 A. Determining that the instant action may be maintained as a class action  
23 under Rule 23 of the Federal Rules of Civil Procedure, and certifying Plaintiff as the  
24 Class representatives;  
25

26 B. Requiring Defendants to pay damages sustained by Plaintiff and the  
27 Class by reason of the acts and transactions alleged herein;  
28

1 C. Awarding Plaintiff and the other members of the Class pre-judgment  
2 and post-judgment interest, as well as their reasonable attorneys' fees, expert fees  
3 and other costs; and  
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5 D. Awarding such other and further relief as this Court may deem just and  
6 proper.  
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8 **DEMAND FOR TRIAL BY JURY**

9 Plaintiff hereby demands a trial by jury.  
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