

Shareholder Alert: Bernstein Litowitz Berger & Grossmann LLP Announces the Filing of Securities Class Action Lawsuit Against Amazon.com, Inc.

New York, NY – (Business Wire) – July 6, 2022 – Today, prominent investor rights law firm Bernstein Litowitz Berger & Grossmann LLP (“BLB&G”) filed a class action lawsuit for violations of the federal securities laws in the U.S. District Court for the Western District of Washington against Amazon.com, Inc. (“Amazon” or the “Company”) and certain of the Company’s senior executives (collectively, “Defendants”) on behalf of all persons or entities that purchased or otherwise acquired shares of Amazon common stock between July 30, 2021, and April 28, 2022, inclusive (the “Class Period”).

BLB&G filed this action on behalf of its client, Asbestos Workers Philadelphia Welfare and Pension Fund, and the case is captioned *Asbestos Workers Philadelphia Welfare and Pension Fund v. Amazon.com, Inc.*, No. 2:22-cv-00934 (W.D. Wash.). The complaint is based on an extensive investigation and a careful evaluation of the merits of this case. A copy of the complaint is available on BLB&G’s website by clicking [here](#).

Amazon’s Alleged Fraud

Amazon is a global technology company with multiple business lines including, among others, e-commerce services and distribution, website development and hosting, inventory and supply chain management, and fulfillment and logistics. Prior to the onset of the COVID pandemic in early 2020, a key priority for Amazon was increasing its ability to provide its e-commerce customers with shortened delivery times, including same-day delivery. To meet that goal, Amazon invested significant capital to aggressively expand its infrastructure and fulfillment networks.

When the COVID pandemic (and related lockdowns and other restrictions) hit in early 2020, consumer demand for goods purchased through Amazon’s e-commerce business skyrocketed. To meet that increased demand, Amazon continued expanding its infrastructure and fulfillment network capacity. Indeed, between the end of 2019 and the end of 2021, Amazon more than doubled its warehouse, distribution, and data center space, expanding from 192 million square feet to 387.1 million square feet over that time.

The complaint alleges that, throughout the Class Period, Defendants made numerous false and misleading statements to investors concerning Amazon’s continued investments in expanding infrastructure and fulfillment network capacity. Specifically, Defendants repeatedly assured investors that the Company’s infrastructure and fulfillment investments were driven not just by recent increased demand related to the pandemic, but also “long-term trends” and “strong multiyear demand.” In reality, the Defendants knew or recklessly disregarded that the Company’s infrastructure and fulfillment network investments substantially outpaced demand, and that those investments were a massive, self-imposed, undue drain on Amazon’s financial condition. Indeed, contrary to Defendants’ public statements during the Class Period, by July 2021, Defendants had already implemented cutbacks to Amazon’s fulfillment capacity without disclosing that critical information to investors. As a result of Defendants’ misrepresentations and omissions, Amazon’s common stock traded at artificially inflated prices during the Class Period.

The truth emerged on April 28, 2022, when Amazon reported a \$3.8 billion net quarterly loss—its first reported net quarterly loss since 2015. After months of falsely representing that Amazon’s expansion of its e-commerce fulfillment network and infrastructure was necessary and appropriate to meet both short-term and long-term

customer demand, Defendants disclosed that day that Amazon was “no longer chasing physical or staffing capacity.” Defendants disclosed \$6 billion of “incremental costs,” including \$2 billion due to “overcapacity” in Amazon’s “fulfillment and transportation network.” Defendants further disclosed that they “expect[ed] the impacts of this . . . to persist for the next several quarters as we grow into this capacity.” As a result of these disclosures, Amazon’s share price declined precipitously.

If you wish to serve as Lead Plaintiff for the Class, you must file a motion with the Court no later than September 6, 2022, which is the first business day on which the U.S. District Court for the Western District of Washington is open that is 60 days after the publication date of July 6, 2022. Any member of the proposed Class may seek to serve as Lead Plaintiff through counsel of their choice, or may choose to do nothing and remain a member of the proposed Class.

If you wish to discuss this action or have any questions concerning this notice or your rights or interests, please contact Scott R. Foglietta of BLB&G at 212-554-1903, or via e-mail at scott.foglietta@blbglaw.com.

About BLB&G

BLB&G is widely recognized worldwide as a leading law firm advising institutional investors on issues related to corporate governance, shareholder rights, and securities litigation. Since its founding in 1983, BLB&G has built an international reputation for excellence and integrity and pioneered the use of the litigation process to achieve precedent-setting governance reforms. Unique among its peers, BLB&G has obtained several of the largest and most significant securities recoveries in history, recovering over \$37 billion on behalf of defrauded investors. More information about the firm can be found online at www.blbglaw.com.

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