

## New Trend: Artificial Intelligence-Related Filings in SCAC

September 4, 2024

As part of the SCAC's ongoing tracking of [current trends](#) of interest, the SCAC announced on July 31 the addition of cases involving Artificial Intelligence as our newest current trend.

Artificial Intelligence-related filings are those in which the company at issue (1) develops AI models, (2) manufactures products used in AI infrastructure, or (3) uses AI models for business purposes; and in addition the allegations are related to AI, or misrepresentations or failures to disclose risks associated with the use of AI. AI-related filings include those with allegations related to machine learning and autonomous driving, among others.

The Clearinghouse has to date identified 35 AI-related shareholder lawsuits. The earliest case captured under the trend was filed on March 24, 2020.

One AI case related to autonomous driving was filed on February 27, 2023 against [Tesla, Inc.](#), in which the plaintiff alleges that defendants significantly overstated the efficacy, viability, and safety of the Company's Autopilot and FSD technologies and that these technologies created a serious risk of accident and injury associated with the operation of Tesla vehicles.

The most recent case related to Artificial Intelligence is the action filed against [Super Micro Computer, Inc. \(SMCI\) and two of its executives on August 30, 2024](#). A plaintiff shareholder filed the lawsuit against SMCI, an international company that develops, manufactures, and provides server and storage systems for various markets, including data centers, cloud computing, AI and 5G, and other edge computing. The complaint alleged that the defendants provided positive statements about the company's revenue and growth to investors while, at the same time, disseminating materially false and misleading statements and/or concealing material adverse facts concerning the true state of SMCI's accounting; notably, that it was subject to consistent overreporting of sales and underreporting of expenses, that it had re-hired multiple executives who departed in the wake of the company's prior accounting scandal, that the company had a closer relationship to its related parties than disclosed, that SMCI had more related parties than it had disclosed, and that the Company had not ceased exporting products to areas restricted by the United States government as a result of the Russia-Ukraine war, risking government sanction.

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