

THE ROSEN LAW FIRM, P.A.
Phillip Kim, Esq. (PK 9384)
Laurence M. Rosen, Esq. (LR 5733)
275 Madison Avenue, 34th Floor
New York, New York 10016
Telephone: (212) 686-1060
Fax: (212) 202-3827
Email: lrosen@rosenlegal.com
Email: pkim@rosenlegal.com

Counsel for Plaintiff

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

MING HOM, Individually and on Behalf of
All Others Similarly Situated,

Plaintiff,

v.

VALE S.A., MURILO PINTO DE OLIVEIRA
FERREIRA, AND LUCIANO SIANI PIRES,

Defendants.

Case No.

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

JURY TRIAL DEMANDED

Plaintiff Ming Hom (“Plaintiff”), individually and on behalf of all other persons similarly situated, by Plaintiff’s undersigned attorneys, for Plaintiff’s Complaint against Defendants, alleges the following based upon personal knowledge as to Plaintiff and Plaintiff’s own acts, and upon information and belief as to all other matters based on the investigation conducted by and through Plaintiff’s attorneys, which included, among other things, a review of U.S. Securities and Exchange Commission (“SEC”) filings by Vale S.A. (“Vale” or the “Company”), as well as media and analyst reports about the Company. Plaintiff believes that substantial evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

NATURE OF THE ACTION

1. This is a federal securities class action on behalf of a class consisting of all persons other than Defendants who purchased Vale securities between March 21, 2015 and November 30, 2015 (the “Class Period”), inclusive, seeking to recover compensable damages caused by Defendants’ violations of federal securities laws and pursue remedies under the Securities Exchange Act of 1934 (the “Exchange Act”).

JURISDICTION AND VENUE

2. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of the Exchange Act, (15 U.S.C. §78j (b) and 78t (a)), and Rule 10b-5 promulgated thereunder (17 C.F.R. §240.10b-5).

3. This Court has jurisdiction over the subject matter of this action pursuant to §27 of the Exchange Act (15 U.S.C. §78aa) and 28 U.S.C. § 1331.

4. Venue is proper in this District pursuant to §27 of the Exchange Act and 28 U.S.C. §1391(b) as the Company’s securities are listed on the NYSE which is located in this District. Defendants’ public statements that are alleged to be false and misleading herein were transmitted into this District and relied upon by investors.

5. In connection with the acts, conduct and other wrongs alleged in this Complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including but not limited to, the United States mails, interstate telephone communications and the facilities of the national securities exchange.

PARTIES

6. Plaintiff, as set forth in the accompanying certification, incorporated by reference herein, purchased Vale securities at artificially inflated prices during the Class Period and has been damaged thereby.

7. Defendant Vale is a Brazilian Corporation headquartered in Rio de Janeiro, Brazil. Vale is a mining and metals company. During the Class Period, the Company's securities traded on the NYSE under the symbol "VALE."

8. Defendant Murilo Pinto de Oliveira Ferreira ("Ferreira") has been the Company's Chief Executive Officer at all relevant times.

9. Defendant Luciano Siani Pires ("Siani") has been the Company's Chief Financial Officer at all relevant times.

10. Defendants Ferreira and Siani are collectively referred to hereinafter as the "Individual Defendants."

11. Each of the Individual Defendants:

- (a) directly participated in the management of the Company;
- (b) was directly involved in the day-to-day operations of the Company at the highest levels;
- (c) was privy to confidential proprietary information concerning the Company and its business and operations;
- (d) was directly or indirectly involved in drafting, producing, reviewing and/or disseminating the false and misleading statements and information alleged herein;
- (e) was directly or indirectly involved in the oversight or implementation of the Company's internal controls;

(f) was aware of or recklessly disregarded the fact that the false and misleading statements were being issued concerning the Company; and/or

(g) approved or ratified these statements in violation of the federal securities laws.

12. Vale is liable for the acts of the Individual Defendants and its employees under the doctrine of *respondeat superior* and common law principles of agency because all of the wrongful acts complained of herein were carried out within the scope of their employment.

13. The scienter of the Individual Defendants and other employees and agents of the Company is similarly imputed to Vale under *respondeat superior* and agency principles.

14. Defendant Vale and the Individual Defendants are collectively referred to hereinafter as the “Defendants.”

SUBSTANTIVE ALLEGATIONS

Background

15. Samarco Mineração S.A. (“Samarco”) is a mining company with mining facilities in the Brazilian states of Minas Gerais and Espírito Santo.

16. Samarco is a joint venture owned between Vale and BHP Billiton plc of Australia (“BHP”) where Vale and BHP each have a 50% equity stake. Samarco has three dams -- the Fundao Dam, the Santarem Dam, and the Germano Dam. These three dams are used to hold back waste or byproduct left over from mining, also referred to as “tailings.”

17. On November 5, 2015, an accident occurred at Samarco when the Fundao Dam burst.

18. As a result of the dam burst, the Rio Doce, a major river in the area, was contaminated with mud and toxic waste. Several people were killed by the accident, more people missing, and hundreds were displaced.

Defendant's False and Misleading Statements

19. After the market closed on March 20, 2015, the Company filed its annual report on Form 20-F for the year ended December 31, 2014 (the "2014 20-F") with the SEC. The 2014 20-F was signed by Defendants Ferreira and Siani. The 2014 20-F contained signed certifications pursuant to the Sarbanes-Oxley Act of 2002 ("SOX") by Defendants Ferreira and Siani attesting to the accuracy and adequacy of internal controls over financial reporting.

20. In the 2014 20-F, the Company discussed its iron ore operations stating in relevant part:

1.1.1 Iron ore operations

We conduct our iron ore business in Brazil primarily at the parent-company level, through our wholly-owned subsidiary Mineração Corumbaense Reunida S.A. ("MCR") and through our subsidiary MBR. Our mines, all of which are open pit, and their related operations are mainly concentrated in three systems: the Southeastern, Southern and Northern Systems, each with its own transportation capabilities. We also conduct mining operations in the Midwestern System and through Samarco, a joint venture with an affiliate of BHP Billiton plc in which we have a 50% equity stake. We conduct each of our iron ore operations in Brazil under concessions from the federal government granted for an indefinite period. For more information about these concessions, see *Regulatory matters—Mining rights and regulation of mining activities*.

<u>Company/ Mining System</u>	<u>Location</u>	<u>Description/History</u>	<u>Mineralization</u>	<u>Operations</u>	<u>Power Source</u>	<u>Access / Transportation</u>
Vale <i>Northern Carajás System</i> state of Para		Open-pit mines and ore-processing plants. Divided into Serra Norte, Serra Sul, Serra Leste (northern, southern and eastern ranges). Since 1985, we have been conducting mining activities in the northern range, which is divided into three main mining areas (N1W, N1E and N5) and two major beneficiation plants. In first quarter of 2014, we	High grade hematite ore (divided type iron grade of more than 60% on average)	Open-pit mining operations. Beneficiation process consists simply of sizing operations, including screening, hydrocycloning, crushing and filtration. Output from the beneficiation	Supplied through the national electricity grid. Acquired from regional utility companies or supplied by	EFV railroad transports the iron ore to the Ponta da Madeira maritime terminal in the state of Maranhão. Serra Leste iron ore is transported by trucks from the mine site to

Company/ Mining System	Location	Description/History	Mineralization	Operations	Power Source	Access / Transportation
<i>Southeastern Iron System</i>	Iron state of Minas Gerais	Three sites: Itabira (two mines, with three major beneficiation plants), Minas Centrais (three mines, with three major beneficiation plants and one secondary plant) and Mariana (three mines, with four major beneficiation plants).	Ore reserves with high ratios of itabirite ore relative to hematite ore type. Itabirite ore type has iron grade of 35-60% and requires concentration to achieve shipping grade.	Open-pit mining operations. We generally process the run-of-mine by means of standard crushing, classification and concentration steps, producing sinter feed, lump ore and pellet feed in the beneficiation plants located at the mining sites.	Supplied through the national electricity grid. Acquired from regional utility companies or supplied by Aliança Geração or directly by Vale.	EFV railroad, EFVM railroad connects these mines to the Tubarão port.
<i>Southern System</i>	Iron state of Minas Gerais	Three major sites: Minas Itabirite (four mines, three major beneficiation plants and three secondary beneficiation plants); Vargem Grande (three mines and two major beneficiation plants); and Paroipeba (four mines and four beneficiation plants).	Ore reserves with high ratios of itabirite ore type relative to hematite ore type. Itabirite ore has iron grade of 35-60% and requires concentration to achieve shipping grade.	Open-pit mining operations. We generally process the run-of-mine by means of standard crushing, classification and concentration steps, producing sinter feed, lump ore and pellet feed in the beneficiation plants located at the mining sites.	Supplied through the national electricity grid. Acquired from regional utility companies or supplied by Aliança Geração or directly by Vale.	MRS, an affiliate railway company, transports our iron ore products from the mines to our Giraíba Island and Itaipua maritime terminals in the state of Rio de Janeiro.
<i>Middle System</i>	State of Mato Grosso do Sul	Comprised of the Corumbá mines (two mines and two plants). Open-pit mining operations.	Corumbá ore reserves are comprised of hematite ore type, which generates lump ore predominantly.	Open-pit mining operations. The beneficiation process for the run of mine consists of standard crushing and classification steps, producing lump and fines.	Supplied through the national electricity grid. Acquired from regional utility companies.	Part of the sales are transported through barges traveling along the Paraguay river to the ports in Argentina, moving to Europe and Asia markets from there. Another part of the sales is transported by the customers, which pick up the products in the Corumbá ports.
Samarco	Iron state of Minas Gerais	Integrated system comprised of two mines, three beneficiation plants, three pipelines, four pellet plants and a port.	Itabirite ore type.	Open-pit mining operations. The three beneficiation plants	Supplied through the national electricity grid. Acquired	Samarco mines supply Samarco pellet plants using three pipelines extending

located at the site, process the run-of-mine by means of standard crushing, milling and concentration steps, producing pellet feed and sinter feed.	from regional utility companies or produced directly by Samarco.	approximately 100 kilometers. These pipelines transport the iron ore from the beneficiation plants to the pelletizing plants, and from the pelletizing plants to the port in the state of Espírito Santo.
---	--	---

21. In the 2014 20-F, the Company discussed the mitigation of environmental, health and safety incidents, the 2014 20-F stated in relevant part:

Our business is subject to environmental, health and safety incidents.

Our operations involve the use, handling, storage, discharge and disposal of hazardous substances into the environment and the use of natural resources, and the mining industry is generally subject to significant risks and hazards, including fire, explosion, toxic gas leaks, spilling of polluting substances or other hazardous materials, rockfall incidents in mining operations and incidents involving mobile equipment or machinery. This could occur by accident or by breach of operating and maintenance standards, and could result in a significant environmental impact, damage to or destruction of mineral properties or production facilities, personal injury or death, environmental damage, delays in production, monetary losses and possible legal liability. ***We have health, safety and environmental standards and risk management programs and procedures in place to mitigate such risks.*** Notwithstanding our standards, policies and controls, our operations remain subject to incidents or accidents that could adversely affect our business or reputation.

(Emphasis added).

22. On November 16, 2015, the Company held a conference call to discuss the accident at Samarco and the burst of the Fundao Dam. During the conference call, Defendant Siani asserted that the waste from the Fundao Dam breakage was not toxic, stating in relevant part:

Just one additional information, there has been speculation on the press about the toxicity of the tailings, and ***I have to say that all the reports from the quality of the material that was deposited in the former Fundão dam made in between 2013 and 2014 classified the tailings as class 2B. Which means that they are not dangerous and they do not react with any other substances. So they have***

chemical inertia. And these announcements were provided by external, independent also, researchers. Thank you.

(Emphasis added).

23. The statements referenced in ¶¶ 19 – 22 above were materially false and/or misleading because they misrepresented and failed to disclose the following adverse facts pertaining to the Company’s business, operational and financial results, which were known to Defendants or recklessly disregarded by them. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (1) the accident at Samarco of the bursting of the Fundao Dam resulted in the spillage of toxic waste; (2) Vale had a contract with Samarco that allowed Vale to deposit iron ore waste from its treatment plants from Vale’s Alegria mine into the Fundao Dam; (3) Vale’s programs and procedures to mitigate environmental, health and safety incidents were inadequate; and (4) as a result, Defendants’ statements about the Company’s business and prospects were materially false and misleading and/or lacked a reasonable basis at all relevant times.

The Truth Emerges

24. On November 10, 2015, the *Wall Street Journal* published an article entitled “Prosecutor Cites Negligence in Brazil Dam Failure, as Aftereffects Grow.” The article states that there was evidence that Vale was dumping debris from its own nearby iron-ore mines into Samarco’s waste reservoirs, stating in relevant part:

State prosecutor Carlos Eduardo Ferreira Pinto and town officials in Mariana say *there was evidence that Vale may have been dumping detritus from its own nearby iron-ore mines into Samarco’s waste reservoir, further pressuring the dam system*. In a filing on Monday, Vale said it will cut iron-ore production from its Fábrica Nova and Timbopeba mines in Mariana by three million tons in 2015 and nine million tons next year, citing the “impact” of the accident.

Vale, the world’s largest producer of iron ore and nickel, didn’t respond to requests to comment on whether it had been using Samarco’s dams.

Mr. Pinto also pointed to possible negligence that he said could be to blame for the disaster. His office commissioned a 2013 report that found the positioning of the mining waste could undermine the structure's stability. He said that led him to abstain from voting on whether to grant Samarco an environmental license to operate.

"The report had already highlighted the fragility of these structures and the necessity of an increased rigor in monitoring them," Mr. Pinto said. "No operation of this size just breaks without warning."

Samarco was ramping up production at the mine when the dams broke. Workers had been seeking to increase the capacity of the larger of the failed dams, known as Fundão, company officials have confirmed.

(Emphasis added).

25. On this news, Vale securities fell \$0.07 per share or almost 2% from its previous closing price on November 10, 2015 to close at \$4.04 per share on November 11, 2015, damaging investors.

26. After the market closed on November 24, 2015, the *Wall Street Journal* published an article entitled "Brazil Prosecutors Narrow Probe of Vale, BHP Billiton's Samarco Dam." The article discusses the arrangement between Vale and Samarco for Vale to use Samarco's dam system, stating in relevant part:

RIO DE JANEIRO—A task force of Brazilian prosecutors investigating a massive dam failure earlier this month are focusing their inquiry on a series of recently uncovered issues that may have contributed to the disaster.

The team is scheduled to meet Wednesday with representatives of the mining companies that own the dam—Brazil's Vale SA, Australia's BHP Billiton Ltd.—and their 50-50 joint-venture Samarco Mineração SA federal prosecutor José Adércio Leite Sampaio said in an interview Tuesday.

The dam that collapsed, named Fundão, had undergone a rapid scaling-up in recent years. Between 2012 and 2015, the volume of so-called tailings—debris from iron-ore plants mixed with mud and water—grew from 5 million cubic meters to 55 million cubic meters, Mr. Sampaio said.

"To what point did that compromise the structure?" he said.

In addition, several of the roughly 50 cylindrical instruments bored into the dam's earthen surface indicated "emergency" levels of pressure and stress prior to its collapse, Mr. Sampaio said. Investigators have asked the companies to map out the location of the devices, known as piezometers, to determine whether they accurately predicted weak spots in the dam.

A Samarco spokeswoman declined to comment.

Another question prosecutors plan to raise, Mr. Sampaio said, is whether a contract that allowed Vale to dump waste from its nearby Alegria iron-ore mine into the Samarco dam was properly licensed and monitored.

The Wall Street Journal first reported on Nov. 10 that Vale may have been using Samarco's dam system at the time of the disaster, but the company didn't confirm the information until this week.

The existence of the contract could raise questions about Vale's potential liability for the Nov. 5 accident. Both Vale and BHP Billiton have insisted that Samarco—as an independently run, limited liability company—was solely responsible for the tailings dams.

But some legal experts question whether that argument would hold up in court, especially if Samarco can't cover the costs of cleanup, fines and damages on its own. Brazilian prosecutors have said they will go after Vale and BHP Billiton to foot the bill if Samarco falls short.

"With the confirmation that Vale was depositing, this responsibility becomes even stronger," Mr. Sampaio said.

In an emailed statement Tuesday, Vale said its contract with Samarco dates to 2008 but that it accounted for "less than 5%" of the tailings deposited in Fundão each year.

"The relationship was governed by a contract between the two companies, which defined Samarco as responsible for the management, control and operation of these deposits," Vale said.

Authorities, investors and the companies themselves are still struggling to calculate the extent of the devastation caused by the dam failure. An avalanche of mud buried entire communities, destroying ancient colonial churches, killing as many as 12 people and leaving another 11 missing. The breach also polluted hundreds of miles of the Rio Doce, a major river.

None of the three companies has provided an explanation for why the dam system collapsed, and some analysts expect it could be months before they do so.

In a report published this week, Credit Suisse analyst Ivano Westin said he doesn't expect Vale to receive any dividends from Samarco for at least two years. The bank previously expected Samarco to pay Vale \$460 million in 2016 and \$417 million in 2017, accounting for as much as 7% of the mining giant's cash flow.

"The repair of the tailing dam could take 1-2 years," Mr. Westin said. "However, it remains unclear how long, or even if, Samarco's operations will be running again as before."

(Emphasis added).

27. On November 25, 2015, the United Nations ("UN") issued a notice about Samarco and Fundao Dam accident entitled, "Brazilian mine disaster: 'This is not the right time for defensive posturing' – UN rights experts." The notice states in relevant part:

GENEVA (25 November 2015) – Two United Nations independent experts on environment and toxic waste today called on the Government of Brazil and relevant businesses to take immediate action to protect the environment and health of communities at risk of exposure to toxic chemicals in the wake of the catastrophic collapse of a tailing dam on 5 November 2015.

"This is not the time for defensive posturing," said the UN Special Rapporteur on human rights and the environment, John Knox, and the Special Rapporteur human rights and hazardous substances and wastes, Baskut Tuncak. "It is not acceptable that it has taken three weeks for information about the toxic risks of the mining disaster to surface."

"The steps taken by the Brazilian government, Vale and BHP Billiton to prevent harm were clearly insufficient. The Government and companies should be doing everything within their power to prevent further harm, including exposure to heavy metals and other toxic chemicals," they stressed.

New evidence shows the collapse of a tailing dam belonging to a joint venture of Vale and BHP Billiton (Samarco Mining S.A.), which released 50 million tons of iron ore waste, contained high levels of toxic heavy metals and other toxic chemicals in the river Doce. Hospitals in Mariana and Belo Horizonte, the capital city of Minas Gerais State have received several patients.

"The scale of the environmental damage is the equivalent of 20,000 Olympic swimming pools of toxic mud waste contaminating the soil, rivers and water system of an area covering over 850 kilometers," Mr. Knox warned.

The expert noted that the Doce River, one of Brazil's great water sheds, "is now considered by scientists to be dead and the toxic sludge is slowly working its way downstream towards the Abrolhos National Marine Park where it threatens protected forest and habitat. Sadly the mud has already entered the sea at Regencia beach a sanctuary for endangered turtles and a rich source of nutrients that the local fishing community relies upon."

"The Brazilian authorities should assess whether Brazil's laws for mining are consistent with international human rights standards, including the right to information," said Mr. Tuncak, who recently presented a special report* on the right to information in the context of hazardous substances to the UN Human Rights Council.

"Under international human rights standards, the State has an obligation to generate, assess, update and disseminate information about the impact to the environment and hazardous substances and waste, and businesses have a responsibility to respect human rights, including conducting human rights due diligence," the expert stressed.

The Special Rapporteurs stated that "this disaster serves as yet another tragic example of the failure of businesses to adequately conduct human rights due diligence to prevent human rights abuses."

"There may never be an effective remedy for victims whose loved ones and livelihoods may now lie beneath the remains of tidal wave of toxic tailing waste, nor for the environment which has suffered irreparable harm," they said. "Prevention of harm must be at the center of the approach of business whose activities involve hazardous substances and wastes."

(Emphasis added).

28. On this news, Vale securities fell \$0.16 per share or over 4% from its previous closing price on November 24, 2015 to close at \$3.73 per share on November 25, 2015, damaging investors.

29. On November 27, 2015, the Company issued a joint press release with BHP entitled "Joint Statement on Plans to Create Rio Doce Fund." The press release states in relevant part:

Vale and BHP Billiton announced today plans to work together, with Samarco, to establish a voluntary, non-profit fund to support the rescue and recuperation of the

Rio Doce river system, affected by an accident at Samarco's Fundão dam, in the state of Minas Gerais on 5 November 2015.

The Fund would initially be sponsored by Vale and BHP Billiton. The aim is to seek additional financial support from other private, public and non-government organisations. The initial value is still being defined. The objective, however, is that these resources would support the rescue and recuperation effort of the river system for the longer term.

It is proposed that the Fund would have a committee to guide investment and oversee budget approval. The number of participants has yet to be defined, but it would likely include representatives from the private and public entities. A dedicated team would be responsible for its management, according to the targets established. The Fund would also undergo regular independent audits. The sponsors are finalising the governance, scope, financial and stakeholder arrangements associated with the Fund to ensure it can be put into effect as soon as practicable.

The actions to recuperate the Rio Doce river system include the recomposition of riparian forest, water quality and aquatic fauna, as well as helping to rescue the biodiversity of the Rio Doce river basin.

Today just four per cent of the original coverage of the Atlantic Forest remains in the river basin. Approximately 80 per cent of the area is made up of degraded pastureland. The deforested earth hinders the infiltration of rainwater, which sustains groundwater levels. The flow of the Rio Doce in the dry months, which historically was 300m³ per second, fell in the region of Colatina (Espírito Santo state) in 2015 to 80m³ per second.

Announcing the Fund plans, the CEO of Vale, Murilo Ferreira, and the CEO of BHP Billiton, Andrew Mackenzie, made the following joint statements of support: "Vale and BHP Billiton are committed to supporting the rehabilitation of those areas of the Rio Doce system impacted by the recent tragedy.

"The immediate focus for Samarco has been securing the safety of the operations and supporting the humanitarian and environmental response. Plans must also be made for the recovery and rehabilitation of the affected environment.

"The Fund would focus on supporting the remediation of the river as part of the commitment of Vale, BHP Billiton and Samarco to the aquatic environment following the release of the tailings into the Doce basin.

"We see this Fund as part of a positive contribution to the people of Brazil, who owe much to this river system."

30. On November 27, 2015, at a news conference, Vale for the first time admitted that there was toxic waste in the Rio Doce. Vale's executive director of human relations, health and safety, sustainability and energy, Vania Somavilla ("Somavilla"), stated that the mudslide from the dam breach may have upset toxic elements that were settled into the bed of the Rio Doce and along its banks. Somavilla cited a report by the Minas Gerais state Instituted of Water Management ("IGAM") which tested water samples taken from the Rio Doce between November 7, 2015 and November 12, 2015 and found that the levels of arsenic, lead, aluminum, chromium, nickel, and cadium were many times higher than the legal maximums along the river. At the news conference, Somavilla stated in relevant part:

In fact there was lead, arsenic--not mercury--detected in some points along the river... When the dam breaks and that stuff washes out the banks of the river, it could have picked up some kind of material that was already present, from the most diverse of origins, but they're all materials present in nature.

31. On this news, the Company's securities fell \$0.16 per share or over 4% from its previous closing price on November 25, 2015, to close at \$3.57 per share on November 27, 2015, further damaging investors.

32. On November 30, 2015, the Brazilian government filed a lawsuit against Vale, BHP, and Samarco for \$5.2 billion for damages and to clean up the environmental disaster at Samarco as a result of the Fundao Dam burst.

33. On news of the Brazilian government's lawsuit, the Company's securities fell \$0.20 per share or over 5% from its previous closing price on November 27, 2015, to close at \$3.37 per share on November 30, 2015.

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

PLAINTIFF'S CLASS ACTION ALLEGATIONS

35. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class consisting of all persons other than defendants who acquired Vale securities during the Class Period and who were damaged thereby (the "Class"). Excluded from the Class are Defendants, the officers and directors of Vale, members of the Individual Defendants' and Director Defendants' immediate families and their legal representatives, heirs, successors or assigns and any entity in which Officer or Director Defendants have or had a controlling interest.

36. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Vale securities were actively traded on NYSE. While the exact number of Class members is unknown to Plaintiff at this time and can be ascertained only through appropriate discovery, Plaintiff believes that there are hundreds, if not thousands of members in the proposed Class.

37. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by defendants' wrongful conduct in violation of federal law that is complained of herein.

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

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

- whether the Exchange Act were violated by defendants' acts as alleged herein;

- whether statements made by defendants to the investing public during the Class Period misrepresented material facts about the financial condition and business Vale;
- whether defendants' public statements to the investing public during the Class Period omitted material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading;
- whether the defendants caused Vale to issue false and misleading SEC filings during the Class Period;
- whether defendants acted knowingly or recklessly in issuing false and SEC filing
- whether the prices of Vale's securities during the Class Period were artificially inflated because of the defendants' conduct complained of herein; and
- whether the members of the Class have sustained damages and, if so, what is the proper measure of damages.

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

41. Plaintiff will rely, in part, upon the presumption of reliance established by the fraud-on-the-market doctrine in that:

- Vale securities met the requirements for listing, and were listed and actively traded on the NYSE, a highly efficient and automated market;
- As a public issuer, Vale filed periodic public reports with the SEC and the NYSE;

- Vale regularly communicated with public investors via established market communication mechanisms, including through the regular dissemination of press releases via major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services; and
- Vale was followed by a number of securities analysts employed by major brokerage firms who wrote reports that were widely distributed and publicly available.

42. Based on the foregoing, the market for Vale securities promptly digested current information regarding Vale from all publicly available sources and reflected such information in the prices of the shares, and Plaintiff and the members of the Class are entitled to a presumption of reliance upon the integrity of the market.

43. Alternatively, Plaintiff and the members of the Class are entitled to the presumption of reliance established by the Supreme Court in *Affiliated Ute Citizens of the State of Utah v. United States*, 406 U.S. 128 (1972), as Defendants omitted material information in their Class Period statements in violation of a duty to disclose such information as detailed above.

COUNT I

For Violations of Section 10(b) And Rule 10b-5 Promulgated Thereunder (Against All Defendants)

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

45. This Count is asserted against Vale and the Individual Defendants and is based upon Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder by the SEC.

46. During the Class Period, Vale and the Individual Defendants, individually and in concert, directly or indirectly, disseminated or approved the false statements specified above,

which they knew or deliberately disregarded were misleading in that they contained misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

47. Vale and the Individual Defendants violated §10(b) of the 1934 Act and Rule 10b-5 in that they:

- employed devices, schemes and artifices to defraud;
- made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- engaged in acts, practices and a course of business that operated as a fraud or deceit upon plaintiff and others similarly situated in connection with their purchases of Vale securities during the Class Period.

48. Vale and the Individual Defendants acted with scienter in that they knew that the public documents and statements issued or disseminated in the name of Vale were materially false and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated, or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the securities laws. These defendants by virtue of their receipt of information reflecting the true facts of Vale, their control over, and/or receipt and/or modification of Vale's allegedly materially misleading statements, and/or their associations with the Company which made them privy to confidential proprietary information concerning Vale, participated in the fraudulent scheme alleged herein.

49. Individual Defendants, who are the senior officers and/or directors of the Company, had actual knowledge of the material omissions and/or the falsity of the material statements set forth above, and intended to deceive Plaintiff and the other members of the Class, or, in the alternative, acted with reckless disregard for the truth when they failed to ascertain and

disclose the true facts in the statements made by them or other Vale personnel to members of the investing public, including Plaintiff and the Class.

50. As a result of the foregoing, the market price of Vale securities was artificially inflated during the Class Period. In ignorance of the falsity of Vale's and the Individual Defendants' statements, Plaintiff and the other members of the Class relied on the statements described above and/or the integrity of the market price of Vale securities during the Class Period in purchasing Vale securities at prices that were artificially inflated as a result of Vale's and the Individual Defendants' false and misleading statements.

51. Had Plaintiff and the other members of the Class been aware that the market price of Vale securities had been artificially and falsely inflated by Vale's and the Individual Defendants' misleading statements and by the material adverse information which Vale's and the Individual Defendants did not disclose, they would not have purchased Vale securities at the artificially inflated prices that they did, or at all.

52. As a result of the wrongful conduct alleged herein, Plaintiff and other members of the Class have suffered damages in an amount to be established at trial.

53. By reason of the foregoing, Vale and the Individual Defendants have violated Section 10(b) of the 1934 Act and Rule 10b-5 promulgated thereunder and are liable to the plaintiff and the other members of the Class for substantial damages which they suffered in connection with their purchase of Vale securities during the Class Period.

COUNT II

Violations of Section 20(a) of the Exchange Act (Against the Individual Defendants)

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

55. During the Class Period, the Individual Defendants participated in the operation and management of Vale, and conducted and participated, directly and indirectly, in the conduct of Vale's business affairs. Because of their senior positions, they knew the adverse non-public information about Vale's misstatement of revenue and profit and false financial statements.

56. As officers and/or directors of a publicly owned company, the Individual Defendants had a duty to disseminate accurate and truthful information with respect to Vale's financial condition and results of operations, and to correct promptly any public statements issued by Vale which had become materially false or misleading.

57. Because of their positions of control and authority as senior officers, the Individual Defendants were able to, and did, control the contents of the various reports, press releases and public filings which Vale disseminated in the marketplace during the Class Period concerning Vale's results of operations. Throughout the Class Period, the Individual Defendants exercised their power and authority to cause Vale to engage in the wrongful acts complained of herein. The Individual Defendants therefore, were "controlling persons" of Vale within the meaning of Section 20(a) of the Exchange Act. In this capacity, they participated in the unlawful conduct alleged which artificially inflated the market price of Vale securities.

58. By reason of the above conduct, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act for the violations committed by Vale.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff demands judgment against defendants as follows:

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

- B. Requiring defendants to pay damages sustained by Plaintiff and the Class by reason of the acts and transactions alleged herein;
- C. Awarding Plaintiff and the other members of the Class prejudgment and post-judgment interest, as well as their reasonable attorneys' fees, expert fees and other costs; and
- D. Awarding such other and further relief as this Court may deem just and proper.

DEMAND FOR TRIAL BY JURY

Plaintiff hereby demands a trial by jury.

Dated: December 7, 2015

Respectfully submitted,

THE ROSEN LAW FIRM, P.A.

/s/ Phillip Kim
Phillip Kim, Esq. (PK 9384)
Laurence M. Rosen, Esq. (LR 5733)
275 Madison Avenue, 34th Floor
New York, NY 10016
Phone: (212) 686-1060
Fax: (212) 202-3827
Email: pkim@rosenlegal.com
Email: lrosen@rosenlegal.com

Counsel for Plaintiff