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UNITED STATES DISTRICT COURT

DISTRICT OF NEVADA

MOVSES MARJANIAN, Individually and on Behalf of All Others Similarly Situated, Plaintiff, vs. ALLIED NEVADA GOLD CORP., SCOTT A. CALDWELL, ROBERT M. BUCHAN, RANDY E. BUFFINGTON, STEPHEN M. JONES, Defendants.	No. COMPLAINT FOR VIOLATIONS OF THE FEDERAL SECURITIES LAWS

Plaintiff makes the following allegations, except as to allegations specifically pertaining to Plaintiff and Plaintiff's counsel, based upon the investigation undertaken by Plaintiff's counsel, which included a review of United States Securities and Exchange Commission ("SEC") filings about Allied Nevada Gold Corp. ("Allied Nevada" or the "Company"), as well as securities analysts' reports and advisories about the Company, press releases, media reports and other public statements issued by or about the Company. Plaintiff believes that substantial additional 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 (defined below), who purchased the common stock of Allied Nevada between January 18, 2013 and August 5, 2013, inclusive (the "Class Period"), seeking to pursue remedies under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 ("Exchange Act"), and Rule 10b-5 promulgated thereunder (17 C.F.R. §240.10b-5).

2. Defendant Allied Nevada is a U.S. based gold producer focused on mining, developing, and exploring properties in the state of Nevada. Allied Nevada's operating property, the Hycroft Mine, and its advanced exploration and other exploration properties are all located in the state of Nevada.

3. Allied Nevada recovers gold and silver from oxide ores from the Hycroft Mine utilizing a surface mining technique whereby ore is extracted from an open pit in the earth's surface. After the mined ore is extracted, it is crushed, placed on impermeable leach pads and doused with a weak cyanide solution that dissolves the gold from the ore. This process is commonly referred to as "heap leaching." The Company's production of silver is a byproduct of its gold recovery process.

4. In early 2013, Allied Nevada announced record production and sales for the fourth quarter of 2012. Although the Company achieved these record results, Defendants stated that the Company missed its production guidance for the 2012 fourth quarter because "record cold temperatures" were "adversely affecting how much solution we can pump" onto the leach pads.

5. Thereafter, the Defendants made numerous representations indicating that such production impediments had been rectified, including stating that the Company "was beyond that now" and "production [was] back on track."

6. As a result of Defendants' materially false and misleading statements and omissions, Allied Nevada shares traded at artificially inflated prices during the Class Period.

7. In truth, however, Allied Nevada's Lewis leach pad, one of just three leach pads the Company operated during the Class Period, was beset with operating defects and production deficiencies. These undisclosed defects and deficiencies caused the Company's production costs to skyrocket during the Class Period and resulted in large amounts of unprocessed ore to build up on Allied Nevada's leach pads, thereby consuming a material amount of cash that the Company had intended to use for its expansion plans.

8. In August 2013, approximately seven months after the beginning of the Class Period, Defendants shocked the market when they revealed that the Company's production costs had soared, and would continue to do so, because of systemic operating defects at the Lewis leach pad. Defendants explained that the Company would have to ***double*** the amount of fresh water available at the Lewis leach pad and replace the existing irrigation tubing, piping and pumping infrastructure to remedy its defects and production deficiencies, as well as obtain various regulatory approvals to undertake these corrective actions.

9. In addition, Defendants stated that Allied Nevada would indefinitely suspend its planned expansion at the Hycroft Mine due to the Company's inability to generate sufficient cash flows from operations, which was the result of amassed ore going unprocessed on the defective Lewis leach pad.

10. In response to these revelations, the price of Allied Nevada common stock plummeted more than ***40%*** on very heavy trading volume over a two day period, or $2.17 per share, from $5.90 per share at the close of trading on August 5, 2013 to $3.73 per share on August 7, 2013.

11. Just weeks prior to these adverse revelations, however, the Company sold $150.5 million shares in a secondary public offering (the "SPO") at artificially inflated prices.

JURISDICTION AND VENUE

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

13. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §1331 and §27 of the Exchange Act.

14. Venue is proper in this District pursuant to §27 of the Exchange Act and 28 U.S.C. §1391(b). Many of the acts charged herein, including the preparation and dissemination of materially false and misleading information, occurred in substantial part in this District.

15. In connection with the acts alleged in this Complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, the mails, interstate telephone communications and the facilities of the NYSE MKT LLC ("NYSE MKT").

PARTIES

16. Plaintiff Movses Marjanian purchased Allied Nevada common stock, as set forth in the certification attached hereto and incorporated herein by reference, during the Class Period, and was damaged thereby.

17. Defendant Allied Nevada is a gold producer focused on mining, developing, and exploring properties in the state of Nevada. Allied Nevada was incorporated in the state of Delaware and is headquartered in Reno, Nevada. The Company's shares are listed on and trade under the ticker symbol "ANV" on the NYSE MKT and the Toronto Stock Exchange ("TSX").

18. Defendant Scott A. Caldwell ("Caldwell") served as Allied Nevada's President and Chief Executive Officer ("CEO") through March 26, 2013, when he was replaced in such capacities by Robert M. Buchan. Defendant Caldwell's employment with the Company was terminated effective April 2, 2013.

19. Defendant Robert M. Buchan ("Buchan") served, at all relevant times, as Allied Nevada's Executive Chairman and a Director. Defendant Buchan also served as Allied Nevada's President and CEO from March 27, 2013 through July 7, 2013, when he was replaced in such capacities by Randy E. Buffington.

20. Defendant Randy E. Buffington ("Buffington") has been the Company's President and CEO since July 7, 2013, and served as Allied Nevada's Executive Vice President ("EVP") and Chief Operating Officer ("COO") from February 4, 2013 through July 7, 2013.

21. Defendant Stephen M. Jones ("Jones") served, at all relevant times, as Allied Nevada's EVP and its Chief Financial Officer.

22. Defendants Caldwell, Buchan, Buffington and Jones are collectively referred to herein as the "Individual Defendants."

CLASS ACTION ALLEGATIONS

23. 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 those who purchased the common stock of Allied Nevada between January 18, 2013 and August 5, 2013, inclusive, and who were damaged thereby (the "Class"). Excluded from the Class are Defendants and their families, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.

24. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Allied Nevada common stock was actively traded on the NYSE MKT and the TSX. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are hundreds or thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by Allied Nevada or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

25. 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 complained of herein.

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

27. 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:

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

(b) whether statements made by Defendants to the investing public during the Class Period misrepresented material facts about the business and operations of Allied Nevada;

(c) whether the price of Allied Nevada common stock was artificially inflated during the Class Period; and

(d) to what extent the members of the Class have sustained damages and the proper measure of damages.

28. 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.

SUBSTANTIVE ALLEGATIONS

Background

29. Defendant Allied Nevada engages in the mining, development, and exploration of its Nevada properties to produce unrefined gold and silver.

30. Allied Nevada recovers gold and silver from oxide ores from its only operating property, the Hycroft Mine. The Hycroft Mine utilizes the heap leach process to extract gold and silver from ore.

31. Allied Nevada's extraction activities are conducted pursuant to so-called "flowsheets," which set forth the economic, environmental and efficiency parameters of its mining operations.

32. During the Class Period, Allied Nevada operated three impermeable leach pads, the Lewis leach pad, the Brimstone leach pad and the North leach pad.

33. The Company's principal products from this process consist of unrefined gold bars, also referred to as "doré," and metal-laden carbon, which are each sent to third party refineries before being sold. Under the terms of the Company's refining agreements, the doré bars and metal-laden carbon are refined for a fee, and the Company's share of the refined gold, and separately-recovered silver by-product, are credited to its account or delivered to its buyers for sale.

34. Prior to and during the Class Period, Allied Nevada was engaged in on-going expansion projects at the Hycroft Mine, including: 1) increasing the Company's mining rate via larger capacity haul trucks, shovels, and production drills; 2) expanding its leach pad operations via increases to the size of its leach pads and increases to its solution processing capacity; 3) adding a gyratory crusher to enhance the exposure of ore to the leach process; 4) constructing a mill to process transitional and sulfide mineralization; and 5) upgrading various infrastructure items to handle the milling demands.

35. According to Allied Nevada's Form 10-K for the year ended December 31, 2012 (the "2012 Form 10-K"), the Company initiated the expansion of its leach pad processing capabilities to accommodate the increased mining rate and higher grade oxide ore that it expected to process when the Hycroft Mine mill became operational.

36. In 2012, Allied Nevada expanded the size of the Lewis leach pad by one-third, from 9.0 million square feet to 12.0 million square feet, commenced construction of its North and South

leach pad expansions and began constructing its new 21,500 gallon per minute "Merrill-Crowe" processing facility.

37. The 2012 Form 10-K also represented that Allied Nevada expected the Hycroft Mine mill to have a design capacity which allowed for the processing of 130,000 tons of transitional and higher grade oxide per day, thereby substantially increasing the Company's processing capacity.

38. According to the 2012 Form 10-K, the Company expected its cash and cash equivalents, as well as the cash flow from its ongoing business, to fund its working capital, capital expenditures, debt service, and the liquidity requirements associated with its operations and expansion projects for at least the next 12 months.

Materially False and Misleading Statements Made During the Class Period

39. The Class Period begins on January 18, 2013. On that date, Allied Nevada issued a press release announcing its guidance for 2013 and "record production and sales" during its 2012 fourth quarter, the period ended December 31, 2012. Defendants stated that, while Allied Nevada achieved record production and sales during the quarter, slower than anticipated "leach kinetics" from material placed on the leach pads, and "extremely cold and wet weather conditions" in December 2012, caused the Company to miss its previously stated guidance. In that regard, Defendants stated, in pertinent part, as follows:

> Production at Hycroft in the fourth quarter of 2012 was approximately 46,900 ounces of gold and 238,800 ounces of silver and sales were 41,745 ounces of gold and 214,902 ounces of silver. **We achieved record production and sales in the fourth quarter, however we did not meet stated guidance primarily due to slower than anticipated leach kinetics from Bay pit material placed on the leach pads in the third and fourth quarter and extremely cold and wet weather conditions in December.** We continue to expect ultimate recovery of 51% for gold and 11% for silver for Bay pit material.[1]

[1] All emphasis is added unless otherwise noted.

40. With respect to the Company's guidance for 2013, Defendants announced that Allied Nevada expected to increase gold and silver sales in 2013 and expected its adjusted cash costs to be in the range of $565 to $585 per ounce of gold sold. In that regard, Defendants stated, in pertinent part, as follows:

> **Gold and silver sales at Hycroft are expected to increase in 2013 to approximately 225,000 to 250,000 ounces of gold and 1.5 million to 1.8 million ounces of silver**. Sales in the first half of the year are expected to be approximately 90,000 to 100,000 ounces of gold, increasing in the second half of the year.
>
> **We expect to move 94.1 million tons of material, including 46.5 million tons of ore at average grades of 0.012 opt gold and 0.25 opt silver**. With the operation of the two wire rope shovels in the latter half of the year, the mining rate for the first half is expected to average 200,000 tons per day and will increase to average 290,000 tons per day in the second half. The overall strip ratio for 2013 is expected to be 0.6:1. A number of critical projects must be completed to achieve the higher end of the stated guidance range of metal sales. The stated guidance assumes that there will be no material delays in the start-up of the North Leach Pad, new Merrill-Crowe facility or operation of additional mobile equipment. **Adjusted cash cost for 2013 is expected to be in the range of $565 to $585 per ounce** (with silver as a byproduct credit).

[Footnote omitted.]

41. That same day, following the issuance of Allied Nevada's preliminary operating results for the 2012 fourth quarter, the Company held a conference call with analysts and investors to discuss the Company's operations. Commenting on the Company's missed production guidance for the 2012 fourth quarter, Defendant Caldwell stated, in pertinent part, as follows:

> [The] [h]eap leach, I want to stress and we're going to talk about that in detail is performing, albeit, and I say performing on a long-term basis. **Our recoveries and our kinetics are there**. **On a short-term basis, we just got aggressive, we got hit by a number of factors, record cold temperatures, long extended freezing**, which isn't usual for northern Nevada, but certainly, not outside of Winnemucca anyway, but this year it is and Warren and Dave Hill are going to talk about that a little bit later in detail.

* * *

> I want to stress that I don't - we do not believe that weather was the biggest contributor. **What we believe - believe, we know is the biggest contributor is, we got overly aggressive on how quickly - we mine the tons, we place them on the pad, how quickly we could get things under leach and how quickly we see solution breakthrough on the Lewis pad**. We saw breakthrough as expected and then on the South pad, we just - or excuse me - the Brimstone pad, **we didn't see it as quickly as expected. We're now seeing it**. We just got overaggressive on how quickly we thought we would see the gold report into the water and into the plant. And if you want to get down to real basics, **we saw excellent solution grades on the Lewis pad**. We didn't see the solution breakthrough on the Brimstone pad, because we're up slightly higher as quickly as we anticipated and so we just didn't see the solution grades go up. The winter was, it was the hell of an inconvenience, but no, it was not the major factor. It was - we got too aggressive on how quickly we thought we would see this breakthrough on all of our ore.

42. Defendant Caldwell, commenting on the Company's turnaround in January, stated, in pertinent part, as follows:

> And, I mean, we live and learn. I mean it's not good, it's - we try to pride ourselves into what we want to say what we're going to do, **but it looks like we're going to have a very strong quarter or a better quarter this quarter than** last and we're mining the tons and this is all about, it's a ton exercise. **If we get the tons out on the pad, we'll get the gold out on the pad then we'll get it out**.
>
> And we just - **things are looking good in January**, we've got all the mining equipment and we intend to issue. **So we are hitting our bow**. Usually, we're going to issue a monthly press release, so we'll have another one out in February as soon as we know the key metrics tons mined, health, safety, and environment, that kind of stuff. So, early in February, we'll see, okay, this is what they did on a production basis. There obviously won't be any cost data. But at least on a production basis, we'll give you an indication of how we are doing - how we did in January.

43. On January 18, 2013, Allied Nevada issued a press release announcing that Defendant Buffington had been appointed as EVP and COO, responsible, in part, for managing "all aspects" of current operations of the Hycroft Mine, including oversight of its technical services, metallurgy, permitting, engineering and construction teams.

44. On February 22, 2013, Allied Nevada issued a press release setting forth a summary of its updated plan for, and the economics of, the Hycroft Mine. In that regard, Defendants stated, in pertinent part, as follows:

> The revised mine plan supports a 19-year operating life and exploits the current Proven & Probable Mineral Reserves of 11.9 million ounces of gold and 509.6 million ounces of silver (1.1 billion tons grading 0.011 opt gold and 0.46 opt silver). The following operating metrics are presented for the 10-year horizon that spans the **projected start of milling operations in 2015** to the last full year of mining in 2024.
>
> Highlights of the revised mine plan and economic model include:
>
> - 10-year average annual production of approximately 552,000 ounces of gold and 25.5 million ounces of silver (1.0 million ounces gold equivalent) (2015-2024)
> - Life of mine strip ratio reduced to 1.15:1 (from 1.26:1)
> - Annual mining rate reduced to 190 million tons per year ("mtpa") beginning in 2014 (from 235 mtpa) due to the successful 2012 infill drill program optimizing the mine plan
> - Average adjusted cash cost of $146 per ounce annually (with silver as a byproduct credit) (2015-2024)
> - Initial capital of $1.24 billion is unchanged:
>   - Committed to date through purchases or fixed contracts totals $634.7 million (51% of total), which is 5% below estimate. The 5% difference has been allocated to contingency.
> - After tax internal rate of return of 77.4% for the life of mine
> - Net present value of $2.7 billion (at a 6% discount)

[Footnotes omitted.]

* * *

Summary of updated mine plan and economics:

		February 2013[1] Life-of-Mine Total	February 2013[1] 10-Year Average 2015-2024
Production Information:			
Total tons of ore processed – heap leach	*(000'S)*	336,307	19,372
Tons of ore processed – mill	*(000's)*	771,771	46,659
Tons of waste mined	*(000'S)*	1,271,760	101,355
Total tons	*(000'S)*	2,379,838	167,386
Total contained gold		11,874,896	732,650
Total contained silver		509,558,752	33,830,174
Ounces sold - gold		8,538,061	551,551
Ounces sold - silver		355,842,175	25,543,859
Ounces sold - gold equivalent		14,765,611	988,591
Cash Flow Information:			
Cash inflows:			
Revenue from metal sales	*($ 000'S)*	18,170,887	1,222,960
Cash outflows:			
Operating costs	*($ 000'S)*	9,949,819	628,683
Income taxes	*($ 000'S)*	1,689,071	123,324
Inventory adjustments	*($ 000'S)*	(134,797)	(9,893)
Reclamation spending & salvage	*($ 000'S)*	(25,000)	-
Capital spending	*($ 000'S)*	1,984,610	112,467
Total Cash Outflows	*($ 000'S)*	13,463,703	854,581
Net Cash Flow	*($ 000'S)*	4,707,184	368,380
NPV @ 6%	*($ 000'S)*	2,650,479	
NPV @ 10%	*($ 000'S)*	1,885,981	
After tax Internal Rate of Return		77.4%	
Adjusted cash cost per ounce:			
Silver as byproduct credit	*($ / Oz)*	273	146
Gold equivalent	*($ / Oz)*	674	629

1. Allied Nevada will file an NI 43-101 compliant Technical Report within the regulatory timeframe. Once filed the report will be available at www.alliednevada.com (Properties > Hycroft Mine > Technical Reports) or under the Company's profile at www.sedar.com.

The current plan reflects recently released metallurgical test work, updated mining and operating costs, a reduced mining rate to 190 million tons per year and mill start-up of January 2015. Metal selling prices used in determining the economics for the project were $1,600/ounce of gold and $28/ounce of silver in 2013 consistent with our budget, $1,400 per ounce for gold and $25 per ounce for silver in 2014 and 2015, and $1,200/ounce of gold and $21/ounce of silver thereafter.

45. On February 25, 2013, Allied Nevada issued a press release (the "2012 year-end press release") announcing its financial results and "record net income" for the 2012 fiscal year, the period ending December 31, 2012. Defendant Caldwell, commenting on the results, stated, in pertinent part, as follows:

> As with any company growing as quickly as Allied Nevada, we experienced some successes as well as some disappointments this past year. **With the additions to the mining fleet and the completion of the Lewis leach pad, we were able to increase our tons placed on the leach pads by 77%. Since more than 40% of the ounces were placed on the pad in the fourth quarter, we are well positioned to achieve our 2013 guidance.** We've made a number of changes to the employee base over the past year, including doubling of the workforce at Hycroft, working alongside more than 200 contract employees, and strengthening our management team. I am

> confident that together we have the depth to build one of North America's largest gold and silver mines.

46. With regard to the Company's guidance, Defendants stated, in pertinent part, as follows:

> **On January 18th, we announced production and cash cost guidance for the 2013 year. We are forecasting more than a 60% increase in sales at Hycroft to approximately 225,000 to 250,000 ounces of gold and 1.5 million to 1.8 million ounces of silver. Sales in the first half of the year are expected to be approximately 90,000 to 100,000 ounces of gold**. We expect to move approximately 94.1 million tons of material, including 46.5 million tons of ore at average grades of 0.012 opt gold and 0.25 opt silver. With the addition of two wire rope shovels in the latter half of the year, our mining rate is expected to increase in the second half to an average of 290,000 tons per day from 200,000 tons per day. The overall strip ratio for 2013 is expected to be 0.6:1. A number of critical projects must be completed to achieve the higher end of the stated guidance range of metal sales. The stated guidance assumes that there will be no material delays in the start-up of the North Leach Pad, the new 21,500 gallon per minute Merrill-Crowe facility (both expected to be operational in the third quarter of 2013) or operation of additional mobile equipment. **Adjusted cash costs for 2013 is expected to be in the range of $565 to $585 per ounce** (with silver as a byproduct credit and utilizing a silver price of $28 per ounce).

[Footnote omitted.]

47. The 2012 year-end press release also noted that Allied Nevada was "currently installing additional carbon column capacity and [we] expect to be able to process 100% of solution flows in March 2013."

48. That same day, following the Company's 2012 year-end earnings announcement, the Company held a conference call with analysts and investors to discuss Allied Nevada's operations. During the conference call, Defendant Caldwell provided investors with a positive assessment of Allied Nevada's gold and silver production during the 2013 first quarter, noting that, while cold weather was "adversely affecting how much solution we can pump," the Company was "back on track" and was "beyond that now and production is looking pretty good." In that regard, Defendant Caldwell stated, in pertinent part, as follows:

> **Look at the first quarter, year-to-date** we've mined about 6 million tons of ore containing 60,000-plus ounces of gold and 500,000 ounces of silver. **And we produced and sold 24,000 ounces of gold and about 140,000 ounces of silver**. **Production in January was adversely impacted by very, very cold winter both in December and January but** January, that's the quarter we're talking about, one of the coldest winters in recently history there in Northern Nevada but things have warmed up, back to normal temperatures and **we're starting to get our solution flows back up**.
>
> Cold weather on a heap leach was adversely affecting how much solution we can pump there for gold we can make. **But we're beyond that now and production is looking pretty good**. We're on track to produce and sell between 45,000 and 50,000 ounces of gold.
>
> *   *   *
>
> **The weather that hampered progress in December and January**, *i.e.* quite a bit of snow and cold temperatures wouldn't allow us to do soil compaction. **That's behind us now and we're back on track. We've added the weekend work to get caught up for the days we lost**. So we're looking pretty good on the North Leach Pad. Merrill-Crowe, the same thing. **We conditioned the Merrill-Crowe and the North Leach Pad in phases, so both of those are in pretty good shape right now**.

49. With regard to the Company adding carbon columns that would allow Allied Nevada to increase its 2013 first and second quarter processing capability, Defendants Caldwell and Jones stated, in pertinent, as follows:

> <u>Defendant Caldwell</u>:
>
> One other thing that **we're working on that will help this quarter slightly but also Q2 was we're in the process of adding two new carbon columns that will allow us to process** a 100% of our flows, which is **about a 40% increase in processing capability and therefore will result in about a 40% increase in gold production on a daily basis or quarterly**. So things are on track to hit our quarter milestones of 45,000 to 50,000 ounces.
>
> <u>Defendant Jones</u>:
>
> As Scott just mentioned, **we're bringing new carbon columns in such that we can process all of our flows later in the year**. In August, we're expected to bring up the new Merrill-Crowe plant and the combination of those two we won't be limited at all by plant capacity. And thus we'll be able to begin reducing the inventory that we've built up with the solution stacking that we've been doing to date. Overall, we expect to generate in 2013 $150 million or greater of cash flow from ops.

50. On February 25, 2013, Allied Nevada filed its 2012 Form 10-K, which was signed by Defendants Caldwell, Jones, Buchan, among others. The 2012 Form 10-K contained materially false and misleading representations about Allied Nevada's risk factors, its properties, its management's discussion and analysis, its disclosure controls and false and misleading certifications thereon by Defendants Caldwell and Jones. With regard to the Company's risk factors, the 2012 Form 10-K stated, in pertinent part, as follows:

> ***The estimation of the ultimate recovery of gold and silver from the Hycroft Mine, although based on standard industry sampling and estimating methods, is subjective. Actual recoveries may vary from our estimations*.**
>
> Our Hycroft Mine utilizes the heap leach process to extract gold and silver from ore. The heap leach process extracts gold and silver by placing ore on an impermeable pad and applying a dilute cyanide solution that dissolves a portion of the contained gold and silver, which are then recovered in metallurgical processes. We use several integrated steps in the process of extracting gold and silver to estimate the metal content of ore placed on the leach pad. Although we refine our estimates as appropriate at each step in the process, the final amounts are not determined until a third-party smelter converts the doré and determines final ounces of gold and silver available for sale. We then review this end result and reconcile it to the estimates we developed and used throughout the production process. Based on this review, we adjust our estimation procedures when appropriate. Due to the complexity of the estimation process and the number of steps involved, among other things, actual recoveries can vary from estimates, and the amount of the variation could be significant and could have a material adverse impact on our financial condition and results of operations.
>
> *   *   *
>
> ***Cost estimates and timing of new projects are uncertain, which may adversely affect our expected production and profitability*.**
>
> . . . . We currently recover gold and silver from oxide ores at the Hycroft Mine. The Hycroft milling feasibility study on the expansion project primarily relates to the economic potential of recovering metals from the sulfide mineralization at the Hycroft property. Oxide heap leach mining and the processing of sulfide ore is uncertain and, therefore, the costs and timing of the commencement of sulfide operations at the Hycroft Mine could vary greatly from our estimates.

[Emphasis in the original.]

51. With regard to the Company's Hycroft Mine, the 2012 Form 10-K stated, in pertinent part, as follows:

> The Hycroft Mine currently has water rights, which are adequate to support our current operations and the planned oxide heap leach ore.
>
> * * *
>
> Our Hycroft Mine is currently an open pit, run-of-mine and crushed ore heap leach gold mine that also produces silver as a byproduct of the gold recovery process. We are in the process of implementing a two-stage expansion project; the first stage involves increasing the mining and heap leaching rate of oxide and transitional material utilizing larger capacity mining equipment and expanding the processing facilities. In 2013, construction of a crushing facility, which will initially crush leach pad ore, is expected to be completed and is expected to improve our recoveries of gold and silver. The second stage of the expansion project involves constructing a mill and flotation plant to further improve metal recoveries from oxide and transitional ores and allow for processing of sulfide ore. Upon completion of the mill and flotation plant, the crushing facility will crush ore that will be fed through the mill.
>
> * * *
>
> ***Expansion Projects***
>
> We are undergoing expansion projects to implement oxide and sulfide mineralization processing capabilities which will provide staged production increases through 2015. Upon completion of the expansion, the Hycroft Mine is projected to produce, on average, 552,000 ounces of gold and 25.5 million ounces of silver per year from 2015 to 2024. Ongoing expansion projects at Hycroft include 1) increasing the mining rate through larger capacity haul trucks, shovels, and production drills, 2) expanding leach pad operations through increased pad size, additional solution processing capacity, and the addition of a gyratory crusher to enhance the exposure of ore to the leach process, 3) constructing a mill to process transitional and sulfide mineralization, and 4) upgrading infrastructure items to handle the milling demands, including power transmission and distribution and the construction of a railroad spur and an employee housing project.
>
> Permitting actions for the expansion projects remains ahead of schedule. In August 2012, we received a positive record of decision from the BLM which approved expanding mining areas at Brimstone, Cut-5, Bay, and Central, the operation of the north and south leach pads, and infrastructure upgrades, including expanding the existing Merrill-Crowe plant and construction of additional Merrill-Crowe plants. In addition, the air quality permit to install the crushing components, as well as operate them when complete, was received. In December 2012, we received the mill

construction approval from the NDEP ahead of the expected early 2013 approval date.

The capital cost estimate for the expansion project is expected to be $1.24 billion. As of December 31, 2012, we had spent or committed $612.1 million, which was in-line with the feasibility estimate and represents approximately 49% of the total capital estimate. Included in the $612.1 million spent or committed at December 31, 2012, are purchase obligations totaling $341.6 million, a portion of which are expected to be financed through capital leases. We estimate that 2013 capital expenditures at the Hycroft Mine for the expansion projects will total approximately $371.7 million.

52. With regard to the Company's Controls and Procedures, the 2012 Form 10-K stated, in pertinent part, as follows:

Evaluation of Disclosure Controls and Procedures

The principal executive officer and principal financial officer, with the supervision and participation of management, have evaluated the effectiveness of Allied Nevada's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of December 31, 2012. Based on the evaluation, the principal executive officer and principal financial officer concluded that the disclosure controls and procedures in place are effective to ensure that information required to be disclosed by Allied Nevada, including consolidated subsidiaries, in reports that Allied Nevada files or submits under the Exchange Act, is recorded, processed, summarized and reported in accordance with applicable time periods specified by the Securities and Exchange Commission rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive and financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure.

53. Moreover, with regard to the Company's system of financial reporting, Defendants Caldwell and Jones submitted the following false and misleading certifications:

1. I have reviewed this annual report on Form 10-K of Allied Nevada Gold Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

54. The above representations about the Company's disclosure controls and the certifications thereon were repeated in all material respects during the Class Period.

55. On March 21, 2013, Allied Nevada issued a press release announcing its 2013 first quarter operational progress. The press release included positive statements about the Company's leaching pad production, the newly installed 2,500 gallon per minute carbon columns, and the funding of its Hycroft Mine expansion activities. Defendants stated, in pertinent part, as follows:

> **Through the first two months of the first quarter of 2013 we placed 6.6 million tons of ore on the leach pads at average grades of 0.010 ounces per ton gold and 0.091 ounces per ton silver**, containing approximately 68,100 ounces of gold and approximately 600,300 ounces of silver, as per expectation. For the first two months of the quarter, approximately 27,000 ounces of gold and approximately 156,000 ounces of silver have been, or are available to be, sold.
>
> **The first new set of 2,500 gallon per minute carbon columns were installed and have recently commenced operating with the second set beginning to arrive on site. With the operation of the first carbon train, our solution processing capacity has increased approximately 30% to over 9,000 gallons per minute and we are now processing all of our current returning pregnant solution**. We expect to bring the second 2,500 gallon per minute carbon train on-line early in the second quarter, which, along with additional ore under leach and solution being pumped up to the pads, will increase our solution processing capacity to approximately 11,500 gallons per minute. With the additional solution processing capacity and current operating metrics, we believe we are on track to meet six month production guidance of 90,000 to 100,000 ounces of gold.
>
> **Expansion activities at Hycroft continue at a quick pace**. The reclaim chambers for the crushing system were completed in February and the exterior of the primary crusher housing is near completion. Construction of the north leach pad is on track with plastic liner beginning to be placed at the end of February. All components of the first 73 cubic-yard wire rope shovel arrived on site in the last month and are currently being assembled. Major components of the second wire-rope shovel are beginning to arrive on-site. We expect to issue bid packages for the mill construction in the second quarter and to begin mobilization for prime construction in mid-July 2013. Bids to install the mill sub-foundation are currently being evaluated and neat line excavation for the foundations has commenced. We are on track to meet commissioning deadlines for the north leach pad (late second quarter), Merrill-Crowe plant (third quarter) and gyratory crusher (mid-third quarter). The additional capacity of the new Merrill-Crowe plant is expected to bring total solution processing capacity to 33,000 gallons per minute.

> The capital cost estimate for the expansion project remains at $1.24 billion. To date, we have purchased or have fixed contracts in place for approximately $680.9 million, or 55% of the total capital budget and these purchases have come in below the original estimate. As a result, the difference has been allocated to contingency which has increased to $97 million, from $65 million, representing 17% of the remaining capital to be committed of $562.1 million. **Management believes that the expansion can be funded with current cash balances, an undrawn revolving line of credit for $120 million, capital lease financing, and operating cash flow**.

56. On March 27, 2013, Allied Nevada issued a press release announcing that, effective immediately, Defendant Caldwell's responsibilities as President and CEO of the Company had been assumed by Defendant Buchan.

57. On April 8, 2013, Allied Nevada issued a press release reporting its preliminary operational results for the 2013 first quarter, the period ended March 31, 2013. Defendants reiterated the Company's sales and production guidance for the six months ending June 30, 2013 and highlighted that, during the 2013 first quarter, the Company experienced increases in leach pad flow rates and that it expected to increase the flow rate further in the next month. In that regard, Defendants stated, in pertinent part, as follows:

> **Flow rates to the leach pads have increased through the first quarter of 2013 from 9,800 gallons per minute to 13,000 gallons per minute, and we currently expect to increase that flow rate further in the next month** as planned ore deliveries increase and in preparation for the start-up of the North Leach Pad. Currently 10,600 gallons per minute of pregnant solution at average grades of 0.01 ounces per ton of gold are being processed through the plants. This increase is due to the commissioning of the new carbon columns. **We believe we are on track to meet previously disclosed six month production guidance of 90,000 to 100,000 ounces of gold**.

58. Following the issuance of Allied Nevada's preliminary operating results for its 2013 first quarter, on April 9, 2013, the Company held a conference call with analysts and investors to discuss the Company's operations. Defendants Buchan and Buffington assured investors, noting that "I've seen nothing that concerns me" and that there were "no surprises to come" or "smoking guns"

with the Hycroft Mine. In that regard, Defendants Buchan and Buffington stated, in pertinent part, as follows:

> <u>Defendant Buchan</u>:
>
> Good morning and good afternoon. I would have preferred to have done this before now. However, **I wanted to ensure that I had the confidence in my remarks, and that there were no surprises to come**. I'm pleased to see that I have that confidence, and **I've seen nothing that concerns me**.
>
> The decision to remove Scott as President and CEO was because the board lost confidence in his leadership. **There is nothing wrong with the ore body. There is nothing wrong with the business plan.** There was everything wrong with the implementation of that plan. Of the three, this is the easiest to fix.
>
> <u>Defendant Buffington</u>:
>
> The [Hycroft] project is a good project. **There is no smoking guns. It's a simple flow sheet**. It's a simple project. When you compare it to a lot of the real technical projects that are out there that are being difficult and have capital and operating issues, first impressions on the mine have been positive.

59. With regard to the Company's prior execution inefficiencies and increased leach pad solution flow rates, Defendant Buffington stated, in pertinent part, as follows:

> A lot of work to do on the site, but it's simple work that needs to be done. As most of you know, with a heap leach, there is really only two things that you do, and that's have a good plan and execute the plan. There was nothing wrong with the plan. Poor execution of the plan was the culprit for most of our operating results. **And we have already rectified most of those: higher solution rate to the pad, better efficiencies through our operating components**, and probably more important is putting a solid team with a solid track record in place at the mine site.
>
> * * *
>
> Q1 was actually good, coming into February. **We were able to get a lot of those efficiency issues rectified. And as the press release stated, we've actually been able to increase our biggest problem which was our solution to ore ratio where we came from in the 9,000 gallons per minute to the pad to 13,000 plus gallons per minute to the pad**. Next decision or next milestones for us is the startup of the North Pad, which gives us more operating space, and the commissioning of the Merrill-Crowe which are on track.

60. In response to a question regarding whether the Company would "defer[] the[Hycroft Mine] mill by six months or a year" to "alleviat[e] some of the financial crunch," Defendants Jones and Buchan dismissed the idea and stated, in pertinent part, as follows:

> <u>Sam Crittenden, Analyst, RBC Capital Markets</u>:
>
> And then just a question on the mill. **Is there anywhere in your internal planning or discussions come up on potential for deferring the mill by six months or a year**, just to sort of – because I mean if **– I would think that would be one way of alleviating some of the financial crunch if you are unable to find sort of easy external financing** cushions as you'd discussed?
>
> <u>Defendant Jones</u>:
>
> I mean there are some options along those lines, including maybe bring one SAG mill up and then follow it with another one. So I mean those are definitely alternatives. **Certainly, at this stage though, our focus is still to bring the full mill up 1 January 2015**.
>
> <u>Defendant Buchan</u>:
>
> I think the important thing to understand – sorry, I know you rephrased that. We've got full confidence that Randy is going to deliver on the budget for the next couple of years. And with that in place, **I'm highly confident that we can meet the targets that we've set. And I see no reason at this point to vary from that target. It's a legitimate one. We're well into it. As you've seen, we're 59% or 58% financially complete and I have a lot of confidence in the people that we have doing that project and see no reason to slow it down at this point.**

61. In response to a question regarding the Company's level of conviction on the flow sheet for the transitional and sulfide ore process sheet, Defendant Buffington stated, in pertinent part, as follows:

> Michael, the flow sheet has been set. **It's a fairly simple flow sheet**. It allows the transition to take opportunities of upgrading it or leaching it on site depending upon grade metal content. The sulfide is fairly simple. It allows us to upgrade the con or the leach to con or to take it into an autoclave. So **it's a simple flow sheet, the flow sheet is set. We're comfortable that we can get the recoveries that we want out of the ore. And right now, there is nothing that would indicate a change to the flow sheet**.

62. Finally, in response to an analyst's question concerning any issues that may cause delays with leach recoveries, Defendant Buffington stated, in pertinent part, as follows:

> <u>Defendant Buffington</u>:
>
> Daniel, this is Randy. We actually have a third-party Kappes, Cassiday that's one of the leading industry experts in heap leach that actually does a monthly peer review on the leach pads. They've all - **every reports come back that we will get the acceptable recoveries**. There is no recovery changes. And the metallurgy seems to be consistent, the cyanide soluble ability of **the ore that's going out there is consistent with plan**. It's just executing the plan. It's really is that simple. Yeah, solution to ton ratio and they have indicated that in their reports.
>
> I'll give you an example of, I think it was December or January, we placed 4 million tons of ore. This ore has a high moisture or a low moisture content, takes a lot of water in the neighborhood of 10% to 11% to bring it to saturation allow it to come. Of that 9,000 gallons that was being pumped on to that pad only 2,500 of it just to get the ore wet that month. So we only had 5,000 coming out of the bottom. So we weren't hitting the target. That's the solution to ore ratio slows things down. **We fixed that problem**. We are modeling it. We are designing it. **And we are engineering it on a daily basis to make sure that we're hitting those targets**. It really is that simple and Kappes, Cassiday reports have indicated as such as well.

63. On April 30, 2013, Allied Nevada issued a press release announcing its financial results for the 2013 first quarter (the "2013 first quarter press release"). Defendants stated that, while "uncommonly inclement weather" and higher than expected lime and cyanide consumption increased mining costs, revenue increased 25% year over year and gold and silver production increased 17% and 13%, respectively, as compared to the first quarter of 2012. With regard to the Hycroft Mine, Defendants stated, in pertinent part, as follows:

> ***Hycroft Operations Update***
>
> **Revenue increased 25% in the first quarter of 2013** to $49.2 million compared with $39.2 million in the first quarter of 2012 as a result of the increased ounces sold, partially offset by lower average realized selling prices for gold and silver.
>
> * * *
>
> **Production from Hycroft in the first quarter of 2013 was an increase of 17% for gold and 13% for silver as compared to the first quarter of 2012**. Sales in the first quarter of 2013 surpassed that of the same period in 2012 by 34% for gold and

> 36% for silver. When compared to the first quarter of 2012, our 2013 adjusted cash costs were negatively impacted by increased mining and processing costs and lower realized silver prices. **Due to uncommonly inclement weather experienced in January and increased mining costs due to Hitachi shovel maintenance, the ounces were placed on the leach pads at higher than expected costs and negatively impacted our production costs and adjusted cash costs per ounce. We also consumed higher than expected lime and cyanide as we worked to improve leach pad solution properties, which also increased our production costs and adjusted cash costs**.

[Emphasis in the original; footnote omitted.]

64. In addition, the 2013 first quarter press release reiterated the 2013 guidance Allied Nevada issued on January 18, 2013. With regard to the Company's guidance, Defendants stated, in pertinent part, as follows:

> ***Operations Outlook***
>
> **In 2013, we expect to sell approximately 225,000 to 250,000 ounces of gold and 1.5 million to 1.8 million ounces of silver. Sales in the first half of the year are expected to be approximately 90,000 to 100,000 ounces of gold, increasing in the second half of the year**. We expect to move 94.1 million tons of material, including 46.5 million tons of ore at average grades of 0.012 oz/ton gold and 0.25 oz/ton silver. With the operation of the two wire rope shovels, one of which is expected to be commissioned during the second quarter and the other in the latter half of the year, the mining rate for the first half is expected to average 200,000 tons per day and is expected to increase to average 290,000 tons per day in the second half. The overall strip ratio for 2013 is expected to be 0.6:1.
>
> A number of critical projects must be completed to achieve the higher end of the stated guidance range of metal sales. The stated guidance assumes that there will be no material delays in the start-up of the North leach pad, new Merrill-Crowe facility or operation of additional mobile equipment. Adjusted cash costs for 2013 are expected to be in the range of $665 to $685 per ounce (with silver as a byproduct credit), which is an increase from our previously expected range.

[Emphasis in the original; footnote omitted.]

65. With regard to the Company's Hycroft Mill Expansion, Defendants stated, in pertinent part, as follows:

> The Company's plans to complete and operate a 130,000 ton per day ("tpd") mill by early 2015 are under review. **Currently we believe there is value in phasing**

> **construction of the mill starting with a 75,000 tpd plant in 2015 and increasing to 130,000 tpd once the initial phase is operating according to plan**. We expect that, once engineering is optimized, we will be able to show lower initial capital costs, initially processing only higher grade oxide and transition ore through the mill, leaching that ore on site and only producing sulfide concentrate as per demand.We are currently evaluating a number of options for onsite beneficiation of that concentrate. We expect the reserves will be unaffected and remain as stated in the Company's most recently filed Form 10-K.

66. On April 30, 2013, Allied Nevada issued a press release announcing that the Company had entered into an agreement with a syndicate of underwriters, which agreed to purchase, on a bought deal equity financing[2] basis, 14 million shares of common stock of the Company at a price of $10.75 per share, for aggregate gross proceeds of $150.5 million (with an option to purchase up to an additional 2.1 million shares at a price of $10.75 per share to cover over-allotments). Defendants also stated that the Company "intends to use the net proceeds of the offering to fund capital expenditures at its Hycroft Mine and for general corporate purposes."

67. On April 30, 2013, Allied Nevada also filed its Form 10-Q for the quarter ended March 31, 2013 (the "2013 Q1 Form 10-Q"), which was signed by Defendants Buchan and Jones. The 2013 Q1 Form 10-Q contained materially false and misleading representations about Allied Nevada's risk factors, its management's discussion and analysis, its disclosure controls and false and misleading certifications thereon by Defendants Buchan and Jones.

68. Following the issuance of Allied Nevada's operating results for the 2013 first quarter, on May 1, 2013, the Company held a conference call with analysts and investors to discuss the Company's operations. While noting that stockpiles of ore on leach pads increased during the quarter because of inclement weather in addition to insufficient solution being placed on the ore, and the need for additional lime because the ore contained low pH, Defendant Jones represented that

[2] A bought deal equity financing refers to a securities offering where an investment bank commits to buy the entire offering from the client company, which it then sells to investors.

Allied Nevada had done "a lot of work" and increased the solution flow rate by close to 50% during the quarter, from "about 9,000 tons per day of solution going up onto the pads to in excess of 13,000." In that regard, Defendant Jones stated, in pertinent part, as follows:

> The big increase in the **stockpiles in ore on leach pad** is the ore on leach pad of $37 million. We now have 158,000 ounces total of ore on leach pads. That **increased by 15,000 ounces during the quarter**. Reason for that increase is - I'm going to basically say **threefold**. **One**, as we've talked previously, **we had some weather issues early in the quarter**. **We also did not have enough solution on the ore**. Our solution to ore ratio was lower than need be in the quarter. **And as we've discussed previously, we've done a lot of work there to increase from about 9,000 tons per day of solution going up onto the pads to in excess of 13,000**. And we're also - **we also were in need of excess lime during the quarter**. We put some lime on the pads, but we still had a low pH and did not see the gold coming off as quickly. Hence, it's recorded here on the leach pads.

69. While Allied Nevada expected to experience higher lime and cyanide costs in the near term, Defendant Jones noted that, with the ability to process 11,000 gallons of solution a minute, "we're not process capacity limited," and that, as the amount of lime on the ore increased, he expected "normal leach kinetics and [to] see more gold and silver come off the pads." In that regard, Defendant Jones stated, in pertinent part, as follows:

> We added a lot of lime and cyanide during the quarter. We need to - as I mentioned, we need to increase our solution to ore ratio and we also need to raise the pH on the pads. So, **we expect to continue to have higher lime and cyanide costs here in the near future as we're doing both of those things. Roughly, we would expect our production cost to be about what they were in this quarter, again, which was $2.36 a ton**.
>
> * * *
>
> **We do have the ability now to process 11,000 gallons a minute and so we're not process capacity limited**.
>
> We're also doing some slight site sloped leaching to draw some of the gold out of the pads. And **as we bring up the pH, we expect to get back to what I'm going to call normal leach kinetics and see more gold and silver come off the pads**.

70. In response to a question regarding the Company's ability to meet its first half and full-year production and sales numbers, Defendant Buchan stated, in pertinent part, as follows:

> Zachary D. Zolnierz, Analyst, GMP Securities:
>
> All right. And then this will be my last one and then I'll jump back in the line. Just curious on - **it was good to see you guys reiterate the first half and full-year production and sales numbers**. I'm just wondering from, **maybe anything you're seeing operationally, what you think is the biggest risk at this point to missing those numbers**, if anything.
>
> Defendant Buchan:
>
> Well, Zach, **I think the plan is in place and we're confident with the plan**. We've got a new operations team and a new focus. We recognize what the problems are. The leach kinetics have been slow, the leach kinetics have been slow, the solution balance has been lower than what we expect with the ore flow. The good part of that is the North pad is on schedule as far as construction. **We're stacking ore on that. We started stacking ore on it. The crushers are on schedule. Those are the real two big components of our production profile on in the ramp-up, which gives us more stacking space. It gives us a higher recovery at 2 million tons a month**.
>
> And the **new Merrill-Crowe coming online, puts us in a position where we can go from 11,000 gallons to 20,000 gallons a minute**, which allows us to quit focusing on just one phase of the leach curve on the primary curve, and have enough solution to drive that inventory down on the secondary and tertiary portions of the curve. **So I think everything is in place**. You always have risks with the model bust and everything that come along there. But **I think in where we are right now, we got high confidence in the model**. We got a new team, we got the equipment, and we got the construction that's on schedule to deliver this, **moving ore from 200 - plus feet in the air down to on-liner, which we started doing last week, really helps in de-risking the production profile**, going forward.

71. In response to the Company's common stock dilution from the SPO and its announcement of a phased approach to the mill expansion at the Hycroft Mine (beginning with the processing of 75,000 tons of ore per day in 2015 increasing to 130,000 tons of ore per day once the initial phase is operating to plan), the price of Allied Nevada common stock declined by nearly 17% over a two day period, or $1.91 per share, from $11.83 per share at the close of trading on April 29,

2013 to $9.92 per share on May 1, 2013. However, Allied Nevada common stock price remained artificially inflated as investors were unaware of the adverse facts noted in ¶90 below.

72. On May 2, 2013, Allied Nevada filed with the SEC an automatic shelf registration statement on Form S-3 (the "Form S-3"), which included a form of prospectus (the "Prospectus"), signed by Defendants Buchan and Jones.

73. On May 9, 2013, the Company filed with the SEC an amendment to the Prospectus and a prospectus supplement ("Prospectus Supplement") offering to sell 14 million Allied Nevada shares to the public in the SPO. The SPO was sold pursuant to the Form S-3, the Prospectus, as amended, and the Prospectus Supplement (jointly referred to herein as the "Registration Statement").

74. On or about May 9, 2013, the Registration Statement filed with the SEC became effective pursuant to Rule 462(e) of the Securities Act of 1933. The Registration Statement incorporated by reference, among others, the 2012 Form 10-K and Allied Nevada's 2013 Q1 Form 10-Q.

75. The Registration Statement falsely and misleadingly failed to disclose material information required to be disclosed pursuant to the regulations governing its preparation and, as a result, was materially misleading. Specifically, the Registration Statement falsely and misleadingly failed to disclose the risks associated with the then existing material operating defects and production deficiencies associated with the Lewis leach pad, including risks related to the Company's production of gold and silver, its current production costs and operating cash flows and the risks that the remediation of such operating defects and deficiencies may have on the Company's future gold and silver production, production costs and operating income and cash flows. In addition, the Registration Statement falsely and misleadingly failed to disclose the risk that the

Company's operations were not generating the cash flow necessary to proceed with the construction of the Hycroft Mine mill.

76. As noted above, the Registration Statement incorporated by reference the 2012 Form 10-K. Item 2 of Form 10-K required that the Registration Statement furnish the information called for under Item 102 of Regulation S-K [17 C.F.R. §229.102], including, among other things, "detailed information" about its gold and silver producing activities and the disclosures required in the SEC's *Industry Guide No. 7*, including a description of the present condition of the Company's property, the current state of the Company's exploration and/or development of the property, and details as to the physical condition of the Company's plant and equipment.

77. In violation of these disclosure requirements, the 2012 Form 10-K, which was incorporated by reference in the Registration Statement, failed to disclosed that the Lewis leach pad was beset with undisclosed operational defects, including, but not limited to: (1) a solution pumping and piping infrastructure that was incapable of leaching the amount of ore placed on the pad; (2) an insufficient supply of fresh water necessary to leach the amount of ore placed on the pad; and (3) that the Company would have to obtain various regulatory approvals to remedy such operational defects.

78. Further, Item 7 of the 2012 Form 10-K and Item 2 of the 2013 Q1 Form 10-Q incorporated by reference in the Registration Statement required the Company to furnish the information called for under Item 303 of Regulation S-K [17 C.F.R. §229.303].

79. Item 303(a) of Regulation S-K requires issuers to describe any known trends or uncertainties that have had or that the registrant reasonably expects will have a material favorable or unfavorable impact on the registrant's liquidity, revenues or income from continuing operations. In addition, Instruction 3 of Item 303(a) of Regulation S-K requires that "the discussion and analysis

shall focus specifically on material events and uncertainties known to management that would cause reported financial information not to be necessarily indicative of future operating results."

80. In addition, Instruction 11(a) of Form S-3 required Allied Nevada to disclose "any and all material changes in the registrant's affairs which have occurred since the end of the latest fiscal year for which certified financial statements were included in the latest annual report to shareholders and which have not been described in a report on Form 10-Q or Form 8-K filed under the Securities Exchange Act of 1934."

81. Here, the Registration Statement falsely and misleadingly failed to disclose several material changes to its continuing operations which were required to be disclosed pursuant to Instruction 11(a), including the adverse effects on Allied Nevada's operating income and cash flows ensuing from the material operating defects and production deficiencies associated with the Lewis leach pad, and the resulting effects on the Hycroft Mine mill construction.

82. For example, the Registration Statement falsely and misleadingly failed to disclose that, in an effort to counter the material adverse effects the Lewis leach pad was having on the Company's operating income and cash flows, Allied Nevada began to eliminate ***40%*** of its corporate office personnel at the onset of the quarter ended June 30, 2013.

83. Lastly, Item 3 of Form S-3 required the Registration Statement to furnish the information called for under Item 503 of Regulation S-K [17 C.F.R. §229.503], including, among other things, a "discussion of the most significant factors that make the offering risky or speculative."

84. As a result of the foregoing, the Registration Statement contained untrue statements of material fact, omitted to state other facts necessary to make the statements made therein not

misleading, was not prepared in accordance with the rules and regulations governing its preparation and was in violation of the Exchange Act.

85. On May 17, 2013, Allied Nevada issued a press release announcing the closing of its sale of 14 million shares in the SPO at a price of $10.75 per share.

86. On May 21, 2013, Allied Nevada filed with the SEC a Form 8-K announcing that Gary W. Banbury, its EVP and Chief Administrative Officer, resigned on May 20, 2013.

87. On June 4, 2013, Allied Nevada filed with the SEC a Form 8-K announcing that, on May 29, 2013, Allied Nevada and Defendant Caldwell entered into a Separation and Settlement Agreement in connection with Defendant Caldwell's termination from the Company.

88. On July 8, 2013, Allied Nevada issued a press release announcing that, effective immediately, Defendant Buffington had been appointed as the Company's President and CEO.

89. On July 22, 2013, Allied Nevada issued a press release announcing the preliminary results for its 2013 second quarter, the period ended June 30, 2013. Defendants stated that production was less than expected "primarily as a result of metals not being released from the Lewis leach pad as expected." Defendants explained that a "significant portion of the ore placed on the Lewis leach pad in late 2012 and early 2013, when the mining rate was increasing significantly, had not been properly leached due to insufficient solution application." In that regard, Defendants stated, in pertinent part, as follows:

> [The Company] reports preliminary production of 39,195 ounces of gold and 132,841 ounces of silver in the second quarter of 2013. **Sales in the second quarter totaled 41,512 ounces of gold and 146,303 ounces of silver**. For the first half of 2013, Hycroft produced 77,214 ounces of gold and 320,841 ounces of silver and sold 68,768 ounces of gold and 321,069 ounces of silver. **Production and sales in the first half of 2013 did not meet guidance primarily as a result of metals not being released from the Lewis leach pad as expected. We have determined that a significant portion of the ore placed on the Lewis leach pad in late 2012 and early 2013, when the mining rate was increasing significantly, had not been properly leached due to insufficient solution application. We have begun a**

> **program to remediate the Lewis leach pad, and have completed the first step by identifying dry areas through drilling and geophysics.** Drilling and metallurgical data obtained is being used to design a program that will introduce process solutions directly into these dry areas. We expect to receive permits in August to allow us to increase solution flow to the pads. It is anticipated that we will begin to see incremental production increases from the Lewis leach pad in the fourth quarter.

90. Defendants' statements referenced above in ¶¶39-42, 44-53, 57-65, 68-70, and 89 were each materially false and misleading when made because they misrepresented and failed to disclose the following adverse facts, which were known to Defendants, or recklessly disregarded by them:

(a) that the Lewis leach pad was beset with undisclosed operating defects and production deficiencies, including, but not limited to, an insufficient supply of fresh water to leach ore and an inadequate solution pumping and piping infrastructure;

(b) that in order to remediate the operating defects and production deficiencies at the Lewis leach pad, the Company would need to double the amount of fresh water available at the facility, replace the existing irrigation tubing, piping and pumping infrastructure and seek various regulatory approvals;

(c) that the recurring operating defects and production deficiencies at the Lewis leach pad were having a materially adverse effect on the Company's production costs and operating cash flows;

(d) that the Company's operations were not generating the cash flow necessary to proceed with the construction of the Hycroft Mine mill;

(e) that the costs to remediate the operating defects and production deficiencies at the Lewis leach pad were reasonably likely to have a material adverse effect on the Company's future production, production costs and cash flows;

(f) that, while Allied Nevada's newly installed carbon columns increased its solution processing capacity, silver recovery from that process was approximately one-third of the Company's historical recovery rate;

(g) that the Company's disclosure controls, and the certifications regarding those disclosure controls, were materially false and misleading; and

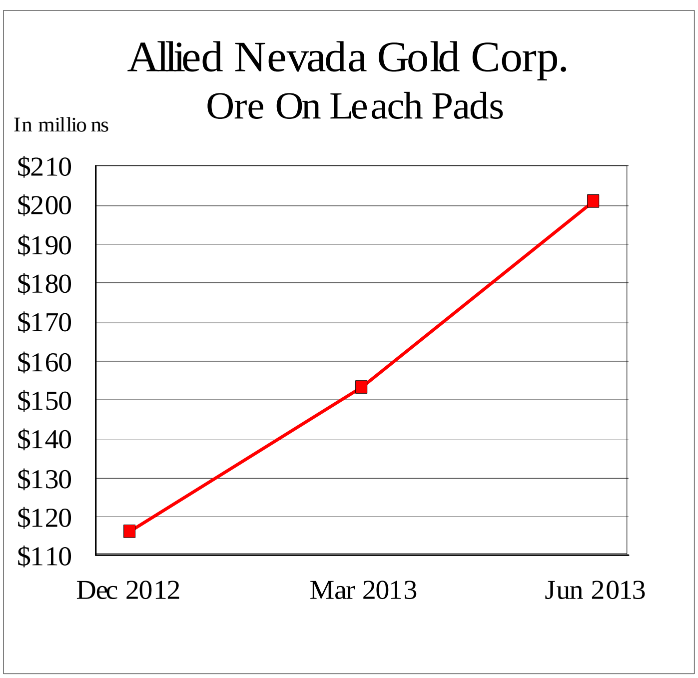
(h) that, based on the foregoing, Defendants lacked a reasonable basis for their positive statements about Allied Nevada's leach pad solutions processing capacity, the Hycroft Mine mill expansion, and the Company's expected gold and silver production and its expected operating income and cash flows.

91. On August 6, 2013, the Company issued a press release announcing its financial results for the 2013 second quarter, the period ended June 30, 2013 and the indefinite deferral of the Hycroft mill construction. Moreover, Defendants disclosed that: (i) the Company's operations consumed $18.7 million in cash, and (ii) Allied Nevada's had higher than anticipated $775 adjusted cash costs per ounce of gold sold in the second quarter of 2013 (an increase of more than 27% from the 2013 first quarter), which was primarily attributable to costs associated with the remediation of the Lewis leach pad, reduced silver sales, increased maintenance costs for older loading equipment, and inefficient utilization of the mobile fleet. As a result of these factors, Allied Nevada announced that it expected its adjusted cash costs per ounce of gold sold for the 2013 fiscal year to increase to a range between $800 to $825 per ounce of gold sold.

92. During the conference call that followed the earnings release, Defendant Buffington shocked investors when he contradicted the representations he made on April 9, 2013 and May 1, 2013. Defendant Buffington now explained that a "large amount" of ore placed on the Lewis leach pad did not get leached because "first and foremost the mine simply did not have enough fresh water

to leach the ore." Defendant Buffington also noted that "the drift tubing that was being used to apply the solution was not the appropriate size" and "process infrastructure was inadequate to pump flows that were in the plan." Defendant Buffington stated that, as a result, "we have to change out all of the irrigation tubing, the piping and the pump and get the appropriate standards and people in place to assure that we have the leach pad running and applying the solution as planned," and, that by "the end of Q3, we expect to double our available fresh water and to receive permits to increase the flows to the pad."

93. Defendant Buffington also stated "we did not achieve our first half guidance primarily due to poor leach pad performance on the Lewis pad." As illustrated in the following chart, these on-going production related issues resulted in more than a 30% quarter over quarter increase in unprocessed ore on Allied Nevada's leach pads from December 31, 2012 to June 30, 2013:



94. Allied Nevada's Form 10-Q for the quarter ended June 30, 2013 represented that the Company's operating cash flows during the Class Period were "largely impacted" by the increase in

ore on leach pads, which resulted from the operating defects and production deficiencies at the Lewis leach pad.

95. As Defendant Buffington noted on the August 6, 2013 conference call with securities analysts and investors, the inability of the Company's operations to generate adequate cash flow was the primary reason for deferring the construction of the Hycroft Mine mill.

96. In response to these revelations, the price of Allied Nevada common stock plummeted more than ***40%*** over a two day period on very heavy trading volume, or $2.17 per share, from $5.90 per share at the close of trading on August 5, 2013 to $3.73 per share on August 7, 2013.

97. The market for Allied Nevada common stock was open, well-developed and efficient at all relevant times. As a result of the materially false and misleading statements and omissions alleged herein, Allied Nevada common stock traded at artificially inflated prices during the Class Period. Plaintiff and other members of the Class purchased or otherwise acquired Allied Nevada common stock relying upon the integrity of the market price of Allied Nevada common stock and market information relating to Allied Nevada, and have been damaged thereby.

98. During the Class Period, Defendants materially misled the investing public, thereby inflating the price of Allied Nevada common stock, by publicly issuing false and misleading statements and omitting to disclose material facts necessary to make Defendants' statements, as set forth herein, not false and misleading. Said statements and omissions were materially false and misleading in that they failed to disclose material adverse information and misrepresented the truth about the Company, its business and operations, as alleged herein.

99. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused, or were a substantial contributing cause of, the damages sustained by Plaintiff and other members of the Class. As described herein, during the

Class Period, Defendants made or caused to be made a series of materially false or misleading statements about Allied Nevada's operations, cash flows and future financial prospects. These material misstatements and omissions had the cause and effect of creating in the market an unrealistically positive assessment of Allied Nevada common stock and its business, thus causing the Company's shares to be overvalued and artificially inflated at all relevant times. Defendants' materially false and misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's shares at artificially inflated prices, thus causing the damages complained of herein.

ADDITIONAL SCIENTER ALLEGATIONS

100. As alleged herein, Defendants acted with scienter in that Defendants knew, or recklessly disregarded, that the public documents and statements they issued and disseminated to the investing public in the name of the Company, or in their own name during the Class Period, were materially false and misleading. Defendants knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements and documents as primary violations of the federal securities laws. Defendants, by virtue of their receipt of information reflecting the true facts regarding Allied Nevada, their control over, and/or receipt and/or modification of Allied Nevada's allegedly materially misleading misstatements, were active and culpable participants in the fraudulent scheme alleged herein.

101. Defendants knew and/or recklessly disregarded the false and misleading nature of the information which they caused to be disseminated to the investing public. The fraudulent scheme described herein could not have been perpetrated during the Class Period without the knowledge and complicity of, or at least the reckless disregard by, personnel at the highest levels of the Company, including Defendants.

102. The Defendants, because of their positions with Allied Nevada, controlled the contents of Allied Nevada's public statements during the Class Period. Defendants were each provided with or had access to the information alleged herein to be false and/or misleading prior to or shortly after their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of their positions and access to material non-public information, the Defendants knew or recklessly disregarded that the adverse facts specified herein had not been disclosed to and were being concealed from the public and that the positive representations that were being made were false and misleading. As a result, each of the Defendants is responsible for the accuracy of Allied Nevada's corporate statements and are, therefore, responsible and liable for the representations contained therein.

103. Plaintiff alleges that the knowledge of the material operating defects and production deficiencies associated with the Lewis leach pad, and their resulting adverse effects on Allied Nevada's cash flows, and the deferral of the Hycroft Mine mill construction, can be imputed to Defendants who, as executive Company officers, knew or recklessly ignored facts related to the core operations of Allied Nevada.

104. Moreover, Defendants scienter is also evidenced by their representations to investors during the Class Period.

105. For example, on February 25, 2013, when Defendant Caldwell provided investors with his assessment of Allied Nevada's 2013 first quarter gold and silver production, he noting that, while cold weather was "adversely affecting how much solution we can pump," the Company was "back on track" and "we're beyond that now and production is looking pretty good."

106. In addition, on April 9, 2013, Defendant Buffington represented that the Company engaged third-party heap leach experts to perform monthly "peer review on the leach pads" and that the Company was actively engineering the solution to ore ratio on a "daily basis."

107. Further on May 1, 2013, Defendant Jones represented that Allied Nevada had done "a lot of work" and increased the solution flow rate by close to 50% during the 2013 first quarter, and that, given the Company's ability to process 11,000 gallon of solution a minute, "we're not process capacity limited."

108. Defendants either knew, or were recklessly unaware of the material operating defects and production deficiencies at the Lewis leach pad and their resulting adverse effects on Allied Nevada's cash flows, and the deferral of the Hycroft Mine mill construction, when they falsely spoke about the remedies made to the Company's leaching processes during the Class Period.

109. Defendants also knowingly engaged or consciously ignored the fraud alleged herein to maximize the amount of money that the Company could raise in the SPO so as to provide Allied Nevada with much needed capital when, as alleged herein, the Company's operations and expansion plans were consuming large amounts of cash.

110. Defendants knowledge about the Lewis leach pad defects and deficiencies is further demonstrated by the fact that: (1) the Company had only three operating leach pads during the Class Period; (2) the Company was actively engaged in the expansion of the Lewis leach pad during 2012, increasing its size by one-third, from 9.0 million square feet to 12.0 million square feet; and (3) during the Class Period, Allied Nevada was activity engaged in increasing its leach pad solution processing capacity. Given these facts, it is not plausible that Defendants were unaware of the operating defects and production deficiencies at the Lewis leach pad.

111. Defendants were further motivated to engage in this course of conduct in order to allow certain Company insiders to collectively sell shares of their personally-held Allied Nevada common stock for gross proceeds of approximately $939,000 during the Class Period, as illustrated in the chart below:

Filer Name	Title	Date	Shares	Price	Proceeds
Banbury Gary W	Officer	02-Apr-2013	2,167	$14.90	$32,288
Banbury Gary W	Officer	03-Apr-2013	319	$14.32	$4,568
			2,486		$36,856
Caldwell Scott Andrew	Director	02-Apr-2013	2,241	$14.90	$33,391
Caldwell Scott Andrew	Director	02-Apr-2013	6,812	$14.54	$99,046
Caldwell Scott Andrew	Director	03-Apr-2013	2,178	$14.32	$31,189
			11,231		$163,626
Flint (David C)	Officer	02-Apr-2013	329	$14.90	$4,902
Flint (David C)	Officer	02-Apr-2013	926	$14.54	$13,464
Flint (David C)	Officer	03-Apr-2013	331	$14.32	$4,740
			1,586		$23,106
Mingay (Cameron A)	Director	15-Mar-2013	40,000	$17.88	$715,200
			55,303		$938,789

LOSS CAUSATION

112. During the Class Period, as detailed herein, Defendants engaged in a scheme to deceive the market and a course of conduct that artificially inflated the price of Allied Nevada common stock and operated as a fraud or deceit on Class Period purchasers of Allied Nevada common stock by failing to disclose and misrepresenting the adverse facts detailed herein. As Defendants' prior misrepresentations and fraudulent conduct were disclosed and became apparent to the market, the price of Allied Nevada common stock declined significantly as the prior artificial inflation came out of the Company's stock price.

113. As a result of their purchases of Allied Nevada common stock during the Class Period, Plaintiff and the other Class members suffered economic loss, *i.e.*, damages, under the federal securities laws. Defendants' false and misleading statements had the intended effect and

caused Allied Nevada common stock to trade at artificially inflated levels throughout the Class Period, trading as high as $26.40 per share on January 18, 2013.

114. By concealing from investors the adverse facts detailed herein, Defendants presented a misleading picture of Allied Nevada's business and future financial prospects. When the truth about the Company was revealed to the market, the price of Allied Nevada common stock fell significantly. Such decline removed the inflation from the price of Allied Nevada common stock, causing real economic loss to investors who had purchased Allied Nevada common stock during the Class Period.

115. The declines in the price of Allied Nevada common stock after the corrective disclosures came to light were a direct result of the nature and extent of Defendants' fraudulent misrepresentations being revealed to investors and the market. The timing and magnitude of the price declines in Allied Nevada common stock negate any inference that the loss suffered by Plaintiff and the other Class members was caused by changed market conditions, macroeconomic or industry factors or Company-specific facts unrelated to Defendants' fraudulent conduct.

116. The economic loss, *i.e.*, damages, suffered by Plaintiff and the other Class members was a direct result of Defendants' fraudulent scheme to artificially inflate the price of Allied Nevada common stock and the subsequent significant declines in the value of Allied Nevada common stock when Defendants' prior misrepresentations and other fraudulent conduct were revealed.

APPLICABILITY OF PRESUMPTION OF RELIANCE: FRAUD ON THE MARKET DOCTRINE

117. At all relevant times, the market for Allied Nevada common stock was an efficient market for the following reasons, among others:

(a) Allied Nevada common stock met the requirements for listing, and were listed and actively traded on the TSX and NYSE MKT, two highly efficient stock markets;

(b) as a regulated issuer, Allied Nevada filed periodic public reports with the SEC, the TSX and NYSE MKT;

(c) Allied Nevada regularly communicated with public investors via established market communication mechanisms, including regular disseminations of press releases on the national circuits of major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services; and

(d) Allied Nevada was followed by several stock analysts employed by major brokerage firms who wrote reports that were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace.

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

NO SAFE HARBOR

119. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. Many of the specific statements pleaded herein were not identified as "forward-looking statements" when made. To the extent there were any forward-looking statements, there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. Alternatively, to the extent that the

statutory safe harbor does apply to any forward-looking statements pleaded herein, the Count I Defendants (defined below) are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the particular speaker knew that the particular forward-looking statement was false, and/or the forward-looking statement was authorized and/or approved by an executive officer of Allied Nevada who knew that those statements were false when made.

COUNT I

Violation of Section 10(b) of the Exchange Act and Rule 10b-5 Promulgated Thereunder Against All Defendants

120. Plaintiffs repeat and reallege each and every allegation contained above as if fully set forth herein.

121. During the Class Period, Defendants Allied Nevada, Caldwell, Buchan, Buffington and Jones (the "Count I Defendants") 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.

122. The Count I Defendants violated Section 10(b) of the Exchange Act and Rule 10b-5 in that they:

(a) employed devices, schemes, and artifices to defraud;

(b) 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; and/or

(c) 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 Allied Nevada common stock during the Class Period.

123. As alleged herein, the Count I Defendants acted with scienter in that they knew that the public documents and statements issued or disseminated in the name of the Company 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 federal securities laws. As set forth elsewhere herein in detail, the Count I Defendants, by virtue of their receipt of information reflecting the true facts regarding Allied Nevada, their control over, and/or receipt and/or modification of Allied Nevada's allegedly materially misleading misstatements and/or their associations with the Company, which made them privy to confidential proprietary information concerning Allied Nevada, participated in the fraudulent scheme alleged herein.

124. Plaintiff and the Class have suffered damages in that, in reliance on the integrity of the market, they paid artificially inflated prices for Allied Nevada common stock. Plaintiff and the Class would not have purchased Allied Nevada common stock at the prices they paid, or at all, if they had been aware that the market prices had been artificially and falsely inflated by Defendants' misleading statements.

125. As a direct and proximate result of these Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their purchases of Allied Nevada common stock during the Class Period.

COUNT II

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

126. Plaintiffs repeat and reallege each and every allegation contained above as if fully set forth herein.

127. Defendants Caldwell, Buchan, Buffington and Jones (the "Count II Defendants") acted as controlling persons of Allied Nevada within the meaning of Section 20(a) of the Exchange Act. By reason of their positions as officers and/or directors of Allied Nevada, the Count II Defendants had the power and authority to cause Allied Nevada to engage in the wrongful conduct complained of herein. Allied Nevada controlled each of the Count II Defendants and all of its employees. By reason of such conduct, the Count II Defendants are liable pursuant to Section 20(a) of the Exchange Act.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, on behalf of itself and the Class, prays for judgment as follows:

A. Appointing the Plaintiff as Lead Plaintiff and his counsel as Lead Counsel;

B. Declaring this action to be a class action properly maintained pursuant to Rule 23(a) and (b)(3) of the Federal Rules of Civil Procedure;

C. Awarding Plaintiff and other members of the Class damages together with interest thereon;

D. Awarding Plaintiff and other members of the Class their costs and expenses of this litigation, including reasonable attorneys' fees, accountants' fees and experts' fees and other costs and disbursements; and

E. Awarding Plaintiff and other members of the Class such other and further relief as may be just and proper under the circumstances.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

DATED: April 3, 2014

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