

**UNITED STATES DISTRICT COURT  
DISTRICT OF COLORADO**

SHARON BRENTON, Individually and on  
Behalf of All Others Similarly Situated,

Plaintiff,

v.

V.F. CORPORATION, BRACKEN P.  
DARRELL, MATTHEW H. PUCKETT,  
and PAUL AARON VOGEL

Defendants.

Case No. 1:25-cv-02878

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

**CLASS ACTION**

Demand for Jury Trial

Plaintiff Sharon Brenton (“Plaintiff”), individually and on behalf of all other persons similarly situated, by her undersigned attorneys, alleges in this Complaint for violations of the federal securities laws (the “Complaint”) the following based upon knowledge with respect to her own acts, and upon facts obtained through an investigation conducted by her counsel, which included, *inter alia*: (a) review and analysis of relevant filings made by V.F. Corporation (“VFC” or the “Company”) with the United States Securities and Exchange Commission (the “SEC”); (b) review and analysis of VFC’s public documents, conference calls, press releases, and stock chart; (c) review and analysis of securities analysts’ reports and advisories concerning the Company; and (d) information readily obtainable on the internet.

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

### **NATURE OF THE ACTION**

1. This is a federal securities class action on behalf of all investors who purchased or otherwise acquired VFC securities between October 30, 2023, to May 20, 2025, inclusive (the “Class Period”), seeking to recover damages caused by Defendants’ violations of the federal securities laws (the “Class”).

2. Defendants provided investors with material information concerning VFC’s extensive turnaround plan, Reinvent, particularly as it related to the Company’s efforts to return the Vans brand to positive growth. Defendants’ statements included, among other things, confidence in the Company’s plans to rebuild the Vans brand including reportedly positive results from a significant inventory reset in early 2024, the appointment of a new Vans president, and a myriad of new product launches and go-to-market strategies, by highlighting sequential revenue growth in the Vans brand.

3. Defendants provided these overwhelmingly positive statements to investors while, at the same time, disseminating materially false and misleading statements and/or concealing material adverse facts concerning the true state of VFC’s turnaround plans; notably, that additional significant reset actions would be necessary to return the Vans brand to growth, resulting in significant setbacks to Vans’ revenue growth trajectory which were neither contemplated nor cautioned by Defendants comments on Reinvent or the Vans turnaround progress, specifically. Such statements absent these material facts caused Plaintiff and other shareholders to purchase VFC’s securities at artificially inflated prices.

4. The full truth finally emerged on May 21, 2025, when VFC reported its fourth quarter and full-year fiscal 2025 results, highlighting a significant decline in Vans’ growth trajectory, which faltered from an 8% loss the quarter before to a 20% loss in the fourth quarter,

and noting such decline would continue through the next quarter. The Company attributed its results and below-expectation guidance largely as “a direct effect of deliberately reduced revenue to eliminate unprofitable or unproductive businesses” and “an additional set of deliberate actions” already in-place but previously unannounced. VFC further noted that, disregarding these deliberate actions, Vans would still have shown a “high single digit[]” revenue decline, suggesting growth slowed in comparison to the prior years’ sequential improvements irrespective of management’s new “deliberate actions.”

5. Investors and analysts reacted immediately to VFC’s revelation. The price of VFC’s common stock declined dramatically. From a closing market price of \$14.43 per share on May 20, 2025, VFC’s stock price fell to \$12.15 per share on May 21, 2025, a decline of about 15.8% in the span of just a single day.

### **JURISDICTION AND VENUE**

6. Plaintiff brings this action, on behalf of herself and other similarly situated investors, to recover losses sustained in connection with Defendants’ fraud.

7. 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).

8. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§1331 and 1337, and Section 27 of the Exchange Act, 15 U.S.C. §78aa.

9. Venue is proper in this District pursuant to §27 of the Exchange Act and 28 U.S.C. §1391(b), as Defendant VFC is headquartered in this District and a significant portion of its business, actions, and the subsequent damages to Plaintiff and the Class, took place within this District.

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

### **THE PARTIES**

11. Plaintiff purchased VFC common stock at artificially inflated prices during the Class Period and was damaged upon the revelation of the Defendants' fraud. Plaintiff's certification evidencing her transaction(s) in VFC is attached hereto.

12. V.F. Corporation is a Colorado corporation with its principal executive offices located at 1551 Wewatta Street, Denver, CO 80202. During the Class Period, the Company's common stock traded on the New York Stock Exchange (the "NYSE") under the symbol "VFC."

13. Defendant Bracken P. Darrell ("Darrell") was, at all relevant times, President, Chief Executive Officer, and Director of VFC.

14. Matthew H. Puckett ("Puckett") was, at all relevant times prior to his departure on July 8, 2024, the Chief Financial Officer of VFC.

15. Paul Aaron Vogel ("Vogel") was, at all relevant times following his appointment, effective July 8, 2024, the Executive Vice President and Chief Financial Officer of VFC.

16. Defendants Darrell, Puckett, and Vogel are sometimes referred to herein as the "Individual Defendants." VFC together with the Individual Defendants are referred to herein as the "Defendants."

17. The Individual Defendants, because of their positions with the Company, possessed the power and authority to control the contents of VFC's reports to the SEC, press releases, and presentations to securities analysts, money and portfolio managers, and institutional investors, *i.e.*,

the market. Each Individual Defendant was provided with copies of the Company's reports and press releases alleged herein to be 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 available to them, each of these Individual Defendants knew that the adverse facts specified herein had not been disclosed to, and were being concealed from, the public, and that the positive representations which were being made were then materially false and/or misleading. The Individual Defendants are liable for the false statements pleaded herein, as those statements were each "group-published" information, the result of the collective actions of the Individual Defendants.

18. VFC is liable for the acts of the Individual Defendants, and its employees under the doctrine of respondeat superior and common law principles of agency as all the wrongful acts complained of herein were carried out within the scope of their employment with authorization.

19. The scienter of the Individual Defendants, and other employees and agents of the Company are similarly imputed to VFC under respondeat superior and agency principles.

## **SUBSTANTIVE ALLEGATIONS**

### ***Company Background***

20. VFC is an apparel, footwear, and accessory company that sells outdoor, active, and workwear products in the Americas, Europe, and Asia-Pacific. The company distributes its products both through its wholesale channel and its direct-to-consumer operations, including VFC-owned stores and e-commerce sites.

21. VFC's largest brands are Vans, The North Face, Timberland, and Dickies.

***The Defendants Materially Misled Investors Concerning  
VFC's Plans for the Vans Brand Turnaround***

October 30, 2023

22. On October 30, 2023, Defendants issued a press release reporting their second quarter fiscal 2024 results and, pertinently, announcing “Reinvent, a Comprehensive Transformation Program.” In pertinent part, the release indicated that program had “four key priorities: Improve North America results, Deliver the Vans turnaround, Reduce costs, Strengthen the balance sheet.”

23. Defendant Darell pertinently added that Reinvent “will improve [VFC’s] brand-building and execution while addressing with urgency our ***top priority of improving North America, accelerating the Vans turnaround***, significantly reducing our fixed cost and leverage” (emphasis added).

24. During the same-day earnings call, Defendant Darell discussed the Company’s plans to turn around the Vans brand, stating, in pertinent part:

Long term, we'll turn VF into a company that relentlessly focuses on delighting consumers throughout the world through superior product design and engaging consumer experiences, backed by a well-oiled execution machine, a simple, effective structure supporting highly energized employees. These are the 4 key areas we're prioritizing aggressively. I will go into some of the specific actions we're taking to address them next. ***The 4 key areas are: fix the U.S., deliver the Vans turnaround, lower our cost base and strengthen our balance sheet.***

Now let me highlight some of the immediate actions that will begin to deliver those. First, we're establishing a global commercial organization, inclusive of an Americas region

...

Second, a second step we're taking is to sharpen brand presence focused on sustainable long-term growth and brand health. A direct consequence and intent of the operating model change, which is particularly critical at this stage for all the brands, but especially Vans, is that the new structure enables brand presence to

focus on what matters most, getting closer to the customer and creating consistent pipeline -- a consistent pipeline of amazing products and creating excitement around our brands.

...

***Three, we'll be making a change in brand presence at Vans. Trends today for Vans aren't getting any better, and in fact, could even be viewed as getting worse.*** We will not see a turnaround this year. The good news is that the brand continues to be loved by so many consumers. There are many good steps that we've made, but we now have to make some changes and move faster

...

Fourth, we will optimize cost structure to improve operating efficiency and profitability and, I predict, also effectiveness

...

***To conclude, this is a turnaround. I've been here before, so I know what it takes.*** We have a strong foundation, world-class brands and great people, and we're taking aggressive action as we started to announce today. This will lead the way to a new future for VF in which the company will be leaner, faster and stronger. ***While it will take time for the initiatives we're implementing to take full effect, we do expect to make progress beginning quickly, and we will build on that in the quarters to come.***

(Emphasis added).

25. Defendant Puckett went on to highlight Vans' poor performance in the quarter and discuss Reinvent in more detail, stating, in pertinent part:

***Vans had another disappointing quarter with revenue down 23%.*** Slow sell-through rates continued to put pressure on wholesale across all regions, while traffic remained challenged and weighed on DTC. As Bracken mentioned earlier, the brand remains loved by consumers, but we must and will do more to generate demand. Newness and innovation continued to outperform in silhouettes like the Knu Skool, Lowland, UltraRange and MTE, which all saw strong growth during the quarter, though the volumes in these styles continue to have limited impact in offsetting the declines in classic products.

...

Through Reinvent, we are addressing fundamental structural challenges that have impacted our performance as well as tackling our cost structure head-on as we

expect to generate \$300 million in fixed cost reductions. We'll streamline operations in line with the changes to the operating model that Bracken discussed to generate efficiencies and create a faster and leaner organization company-wide.

...

Our decision to retract revenue and profit guidance today centers mainly on 4 key changes to our assumptions. ***First, the timing of the Vans turnaround is taking longer than we thought. And specifically, we are now no longer expecting any discernible improvement in half 2 results relative to half 1. Through today's announced actions, we are addressing with urgency the work needed to stabilize the business.*** Bracken and I plan to share our expectations with the market on the timing of the turnaround when we see a tangible impact from the initiatives underway.

Second, the North America business, primarily U.S. wholesale, is now anticipated to be modestly weaker versus our prior expectations as we look to the back half of the year. And although much less impactful, we now see a choppy macro environment in Europe.

Last, there will be cross currents from Reinvent as we remove costs, change the organization structure and reengineer the Americas for growth. This will create noise in the P&L in the short term.

...

In summary, we're taking the necessary actions to reset the business and strengthen the balance sheet. Our transformation plan Reinvent directly addresses our biggest performance issues, Vans and the U.S., and importantly, commits to lowering our cost structure by \$300 million. We will make progress toward our #1 financial priority of lowering our debt and leverage from these actions, along with the reduction in the dividend, as we set the stage for a return to growth and increased ROIC. We look forward to updating you in coming quarters on our ongoing progress.

(Emphasis added).

26. During the question-and-answer segment that followed, Defendants elaborated further on the Vans turnaround during the following exchanges:

<Q: Lorraine Corrine Maikis Hutchinson – Bank of America Securities – Managing Director in Equity Research> Bracken, I'm interested in hearing the initial steps that you're taking to first stabilize and then grow the Vans business.



<A: Bracken P. Darrell> Well, first of all, there's a turnaround plan in place, which I think you've been exposed to before, and those steps continue. So my game plan is really to step in until we bring in a new Brand President and really accelerate and then make some select changes. I don't plan to undo a whole bunch of things. I think the steps we put in place are the right ones. I'd just like to see it happen faster.

There are a few things we are changing. ***This change in North America is a change in our approach to the Vans business and the biggest problem we've had, because the biggest part of the business for Vans is in the U.S., is to address that very directly and quickly.*** And beyond that, I'll come back to you and tell you when I think I've got something to say. But right now, I'd say just stay tuned.

...

<Q: John David Kernan – TD Cowen – MD & Research Analyst> Bracken, just to go back into the Vans turnaround, obviously, there's going to be some new leadership that you bring in. But how do we think about the top line and the margin opportunity? Are there points of distribution that need to be shut down? I know there's around 730 stores. There's quite a few wholesale partners globally, particularly in the U.S. How should we think about managing the top line and also the margin?

<A: Bracken P. Darrell> I think there's always cleaning up to do. Especially when a business is in -- had a decline period, you always have to go through and clean up the excess distribution, let's say. We are shutting down stores. So we've shut down -- I don't know the exact number, Matt maybe have it off the top of his head, but we have absolutely shut down stores, and that's a weed and feed process all the time. We're actually opening some stores, but we're also shutting down more.

And I think from a wholesale distribution standpoint, I don't think there's anything specific I would point to. But we're going to continue to evaluate the distribution. It's obviously such a critical part of this business. ***But I don't think those are really the answer. I think the real answer is we need great innovation and great execution.***

<A: Matthew H. Puckett> John, I would just add real quickly here. Yes, there is opportunity, and we will drive higher profitability in this business as we stabilize the business and begin to grow it again. Doing a lot of work on the cost structure. You can imagine within that \$300 million, ***Vans is impacted there, given it's a really big business, and there are places in that business where the cost structure is a little bit out of whack given what we've seen in the declines, store closures, capacity in certain parts of the business, et cetera.***

***So we're going to improve the profitability of that business. As we stabilize it, gross margins will stabilize.*** There's still a really high gross margin structure business. ***And as we begin to grow off of a rightsized cost structure, we're going***

*to have the ability to drive a lot of profitability relatively quickly back into that business because we certainly lost a lot.*

(Emphasis added).

February 6, 2024

27. On February 6, 2024, Defendants published their third quarter fiscal 2024 earnings report. During the same-day earnings call, Defendant Darrell announced Defendant Puckett's departure and discussed plans and progress for the Vans brand turnaround under Reinvent, stating, in pertinent part:

*Matt Puckett, who's sitting right next to me, will be stepping down as our CFO later this year. He and I have agreed that it's time to make a change as part of the overall transformation efforts we're introducing across the company.* Matt will stay on until we appoint his successor to help ensure a smooth transition.

...

And Vans' decline look like it did last quarter by the numbers, but underneath, there's a lot changing. I've been spending more than half my time with our team reviewing strategies, new products and marketing plans. Product and marketing are obviously every brand's foundation. Brand turnarounds have certain features. Three of them are a clear brand purpose, a product plan that will eventually result in growth and marketing that weaves them together.

...

*We have a map back to growth for Vans.* I'm not ready yet to commit to when the brand will return to growth, but it will.

In the meantime, let me talk about a few dynamics we're starting to see emerge. First, we continue to see a strong performance from newer things in the Vans product portfolio, which are becoming a larger share of our business. The Knu Skool, for example, is still small, but it's growing well, especially among young girls in the U.S.

*I'm not pointing that style to suggest it's a turnaround shoe. There won't be a single one, as you will see. We will have a cascade of new products over the next several years. But I am encouraged by how this style is resonating with the very cohort we've lost over recent years.*

We're resetting the marketplace in Q3 and Q4, changing our marketing and beginning to launch relevant new products in the coming seasons. *I'm energized by*

*the progress of Vans, including with the search for a new brand President, there's more to come.*

...

Now let me update you briefly on Reinvent, which prioritizes aggressively 4 key areas we introduced last quarter, which are: first, fix the U.S.; second, deliver the Vans turnaround; three, lower our cost base; and four, strengthen our balance sheet. As part of the recently established global commercial structure led by Martino, the Americas regional platform is taking shape.

...

I discussed the Vans turnaround already. I'll just reiterate a few things. *Along with the work we are doing on brand purpose, product innovation and marketing, we're resetting the marketplace to accelerate our progress now. This marketplace cleanup will integrate with products and marketing spun from the same story lines, and that is a new approach relative to the past few years. I'm excited about what's ahead.*

(Emphasis added).

28. Defendant Puckett reiterated the positive sentiment and confidence in Reinvent and the

Vans turnaround, specifically, stating in pertinent part:

While I'll be stepping down in the coming months, in the interim, I remain committed to helping pursue the transformation agenda, leading the finance organization and supporting the transition ... *we are advancing our transformation program, Reinvent, with a sense of urgency and resolve to execute against and identify new and additional opportunities to reshape and improve VF.*

...

*Vans Q3 revenue was down 29% and down across all 3 regions, broadly in line with Half 1 when accounting for the intentional reset actions we took in the quarter to clean up the marketplace and reposition our wholesale channel.* These negatively impacted global revenue by about 5 points in Q3 and may have a further impact in Q4 as we complete the work.

...

Now moving on to Reinvent, where I want to expand on Bracken's update. First, we made progress in executing our cost savings program as we work towards our gross target of \$300 million. The actions we've taken on Reinvent around

streamlining the organization and optimizing our cost structure have begun to bear fruit.

In fiscal Q3, we booked approximately \$50 million in charges, of which about \$20 million were noncash. These charges are included in our reported results, but excluded from adjusted operating earnings and earnings per share that I just reviewed. ***The turnaround work remains in progress at Vans.***

...

In summary, we're encouraged by the progress we're making on Reinvent. ***We have a lot more to accomplish, the impact of which will be increasingly visible in the coming quarters.***

(Emphasis added).

29. During the question-and-answer period, Defendants again fielded questions regarding their Vans turnaround plans:

<Q: Robert Scott Drbul – Guggenheim Securities, LLC – Senior Managing Director>  
First on Vans, is there anything more you can share with us on your 18-month plan just around, I don't know, marketing? Are you planning to bring the Warped Tour back, pricing within the brand, anything along those lines would be helpful.

<A: Bracken P. Darrell> I'm not ready to be too specific on that yet, probably because I know that I've got a new brand president coming in, so we'll have latitude to make some changes.

But what I would say is we've got a great -- I mean I think a strong kind of very punctuated plan that combine -- that integrates the marketing insights and then the marketing programs with the new products that are launching. ***And I've been through both sides of that equation, the 2 of them together, 2 or 3 times now, and I'm still not done, but I feel good about it, very good about it.***

(Emphasis added).

May 22, 2024

30. On May 22, 2024, Defendants conducted an earnings call corresponding to their fourth quarter and full-year fiscal 2024 results. During the call, Defendant Darrell elaborated on Reinvent, in particular its perceived impact on the Vans brand moving forward, stating, in pertinent part:

***Reinvent, which we introduced back in Q2, is fundamentally how we get back to strong growth.*** Some perceive this as a simple restructuring plan or tactical steps. It wasn't, and it isn't. ***Reinvent is a blueprint for transforming a company from declining to growing. It has 3 key phases running in parallel: reset, ignite and accelerate.***

***Reset is focused on a reset of the U.S. business, Vans, the cost base and the balance sheet.*** Ignite is about elevating how we show up in front of the customer. Here, our focus is on product design, innovation and merchandising, on commercial excellence and brand building. Our reset and ignite phases are occurring in parallel and, together, will set the stage for the third phase, which will be accelerating growth.

...

***Let me move to Vans. While overall financial results have not yet improved, we are deep in execution, and we are starting to see very early green shoots. I said you'd start to see the brand turn first in one channel or region, and it would spread to others. It started to happen, with DTC Europe positive in the quarter.*** The inventory reset actions are helping create a cleaner market in which to introduce new product. Our weeks of supply have come down with our partners in all 3 regions.

We're simplifying our product lineup and introducing a sustained level of investment in design and innovation. UltraRange Neo is performing well in the U.S. The Knu Skool, which launched when I first got here, is gaining strength behind enhanced marketing, has now become our second largest style globally. And the AVE 2.0, our newest and best skate shoe, has performed very well in the early months of its launch. You can expect more news here soon, too. This is part of our icon management strategy, which will also reduce reliance on core outcomes.

While the quarter remains in decline, we're seeing strong performance in our new products, and we have a cascaded product launches coming. We're also working to make our marketing efforts more effective. We're simplifying our storytelling. Our marketing has shifted to fewer, deeper campaigns. For example, we used to have 274 stories in one season. When you have 274 stories in 6 months, you're probably not telling any of them well. We've simplified it to a handful of powerful key stories, concentrating our investment. We're also rebalancing our marketing mix to drive higher ROI.

***These changes are starting to show positive results. Now we're cutting through.*** Search is a good leading indicator. ***We're seeing Google Search trends move in the right direction for the first time in years. The last 3 months have improved compared to the previous 12.*** We don't only need to have simplification. We also need brand elevation to build brand equity and drive gross margin. ***We're leveraging our new OTW line as the pinnacle expression of the brand to drive***

***energy and excitement. We're in the middle of a global series of events to bring together community, culture and fashion that will continue to unfold. That's how we get in the middle of cultural trends.***

After the tease in June '23 of Men's Paris Fashion Week, we officially launched OTW at Art Frieze in Los Angeles in February of this year, with an amazing installation to drive brand elevation. And just last week, we had an exciting event on the Shanghai Bund that generated huge interest in-person and on social media, staying tuned for more. We have a strong and data-driven approach now to improve our in-store execution. You'll see more as we will live across the year.

I'm a big believer in testing, learning and scaling, and stores were a wonderful place to do it. We're testing a lot of things across regions and areas of visual merchandising, four-wall formats and SKU productivity that will scale across the globe over time. ***At Vans, we've moved from theory to action.***

(Emphasis added).

31. Defendant Puckett pertinently highlighted Vans decline in the quarter as a necessary result of the ongoing inventory reset, stating:

***Vans revenue declined 27% in the quarter, in line with our expectations and reflecting the impact of the previously contemplated inventory reset actions,*** net of 4-point negative impact on the top line, similar to Q3. While both DTC and wholesale were down on a global basis, it's worth noting that DTC in Europe grew in the quarter, reflecting the brand's relatively stronger position in those markets and the benefits it has been deriving from the regional platform.

(Emphasis added).

32. A question-and-answer segment followed during which the Defendants elaborated on the planned Vans turnaround during the following pertinent exchanges:

<Q: Brooke Siler Roach – Goldman Sachs Group, Inc. – Research Analyst> I wanted to follow up on the inventory and marketplace cleanup actions that you've taken, including SKU count reductions in both DTC and wholesale. Will that initiative be complete at the end of the first quarter? And as a result, how are you thinking about the puts and takes to gross margin between promotion, pricing and mix relative to other items that might be driving your gross margin for the year?

<A: Bracken P. Darrell> Thank you, Brooke. And great to hear from you. I'm going to make a high-level comment, but going to hand it off to Matt. Yes, generally speaking, those actions are going to be complete by the end of the first quarter, but not the -- we may or may not be fully complete on selling through the rest of that

inventory that we brought back, which is what Matt referenced in his opening remarks. Matt, do you want to finish that?

<A: Matthew H. Puckett> Yes, for sure. So I'll just be -- I'll be pretty definitive. ***We're largely done, Brooke, with the actual reset actions, meaning getting the marketplace, the full-price marketplace clean, right? So getting inventory out of the system, obviously, selling through and clearing through excesses through the season as well. So that's in a pretty good place.*** We will have a residual impact at a minimum through the first quarter fairly meaningfully, as we sell through some of that inventory that we pulled out of the full-price channels, right? We're going to sell through that in clearance channels, largely in our own outlets, right? And so that's kind of the story there.

But looking beyond that and you think about kind of that -- the puts and takes of margin into fiscal '25 and kind of through the year, there are several things to consider. I mean mix benefits will continue. They'll be less than they were in fiscal '24 would be the expectation as wholesale in the Americas generally improves a bit across time. Product costs are not going to be an issue. If anything, they could be slightly down on a full year basis in fiscal '25.

Foreign currency, which has been a meaningful headwind, will be less so. It will still be a bit of a headwind, but not to the degree that it has been. And then, of course, you've got the impact of the actions themselves. We're going to be cleaner from an inventory standpoint. Marketplace appears to be cleaner. Hard to know exactly what the marketplace will do and what consumers will do across the year. But certainly, we're coming into the year cleaner. So those are the key things, I think, to pay attention to.

<A: Bracken P. Darrell> Yes. If I could just add one last comment. I think the way to think about it is this chapter -- as Matt said, this chapter on reset. ***Resetting the marketplace for Vans is largely done, yes? We just got the residual effects of selling through what we brought back through our own outlets.***

...

<Q: Matthew Robert Boss – JP Morgan Chase & Co. – MD & Senior Analyst> Bracken, I wanted to pick up maybe where you just left off. So on Vans, what actions do remain as part of the reset phase? Or where do you see us today versus the potential bottom at Vans? How do you feel about inventory on hand? And just what's the time line to scale some of the new product innovation that you cited in your remarks?

<A: Bracken P. Darrell> No, I'm really excited about the new product innovation that's happening. We -- going back into, what, my opening remarks, we launched the Knu Skool very early in my tenure at the company. And through really strong



marketing and a great product, it's now the #2 style. So I think it shows that we can launch a new style and turn it into a strong franchise almost out of the gate.

We just recently launched AVE 2.0, which is the best skate shoes that's ever been made, I believe, certainly our best skate shoe ever, and it's done very, very well out of the gate. It's a niche product that's really focused on skaters. But stay tuned because we're going to have news on that for everybody soon.

So I feel good about the steps we're taking, but there's so much more ahead of us and so much more we can do. You asked, do I feel like we're at the bottom? ***I feel like we're either at the bottom or super close. I really do believe we're going to -- I can see the turn ahead through the tunnel. I'm not going to sit here and predict a quarter for you, but I can see it coming.***

I love the fact that we're -- we -- DTC was positive in Europe this quarter. That's a great sign. Google Search trends, much better now than they were in the last 3 months versus last 12 months. Again, things can wobble when you're looking at external data, but that feels good. So I think there's some real green shoots here.

(Emphasis added).

August 6, 2024

33. On August 6, 2024, Defendants published their first quarter fiscal 2025 results. During the corresponding earnings call, Defendant Darrell discussed the progress of the Vans turnaround, stating, in pertinent part:

Now for Reinvent. While we're not yet back to growth, the steps we're taking now will get us there. Remember, this phase is about reducing costs, lowering our debt, resetting the U.S. business and getting Vans back on track.

...

Moving to Vans. We said the first quarter of this year would be similar to the fourth quarter last year, excluding the impact from inventory reset actions. And we actually did a little better than that with some modest improvement. Down 21% in Q1 versus 27% in Q4, reflecting an improved trend in its two biggest regions. Importantly, while the headline numbers remain weak, several indicators are showing we're heading the right direction. EMEA is, once again, the region which is showing clear early encouraging signs with wholesale up in the quarter for the first time in 6 quarters with particularly positive momentum in key accounts.

As a result of the inventory reset actions, our markets are clean, and we have space to introduce our new products, which are performing well across regions. The Knu



Skool continued to gain momentum and is performing well across regions and is now the #2 franchise globally. Other more recently introduced products are also gaining traction, including our advanced skate shoe, AVE 2.0 and UltraRange Neo, and we've launched several new styles in July.

...

As a result, Q1 loss per share was negative \$0.33 as expected. Looking ahead to Q2, let me provide some guardrails for that quarter. These are all excluding Supreme, both from this year and last year. The overall Q2 revenue trend is expected to show modest improvement versus Q1, in line with our comments in May. Don't get me wrong, we're not back in growth yet, but the decline rate should continue to moderate. And to give you some additional color on our 2 biggest brands, at Vans, we will see modest sequential improvement as we did this quarter.

...

It's worth noting that growth in our DTC business was in line with last quarter if you exclude Vans. Note, in Vans, we're closing unprofitable stores and nonstrategic ones, dampening our growth even further.

...

Moving down to P&L. Gross margin was down 80 basis points for the prior year, in line with the guardrails we gave you in May. To quickly remind you, this is primarily driven by the continued impact of our clear-out activities from the Vans product we took back in our reset

...

***Finally, to conclude, we continue to make progress. The quarter improved sequentially relative to Q4 across almost all our brands. We're advancing on Reinvent.*** Cost savings are on track, and we're committed to more cost reduction. We're addressing the balance sheet leverage ratio with the first sale of spring. The new platform in the Americas is moving strongly in the right direction. And at Vans, we're seeing progress we expected. ***My level of confidence has never been higher.*** We have an incredible leadership team and dedicated talent at VF. Together, we will make the continued progress on our path to deliver strong, sustainable growth and value creation at VF.

(Emphasis added).

34. During the question-and-answer segment that followed, Defendant Darrell elaborated on management's confidence in the Vans turnaround plan during the following pertinent exchange:

<Q: Matthew Robert Boss – JPMorgan Chase & Co. – MD & Senior Analyst> So Bracken, as we think about your first year at the helm, larger picture, maybe where do you stand on the priorities that you laid out initially? Maybe first, on the management team, any key roles that you're looking to fill from here? Second, I know you cited today sequential improvement, but any visibility to a return to top line growth as you see it today? And then maybe just last, how do you feel about organic free cash flow and debt paydown priorities?

<A: Bracken P. Darrell> So I won't repeat the famous 4 that are probably not famous to you, but they feel like -- I feel like I told you so many times those 4 priorities that I think I said in my first full call. So I won't go through those, but you referenced kind of a summary of those. From a management team, I feel great. I mean I think we've really got an all-star team, and it's all I could have asked for. And everybody is on the floor, everybody is on the team now. We're about half of them are new in the last months, half of them are not. And it's really a terrific team. Now it's my job to make sure that we together work well as a team. So we're really going to be working on that.

In terms of the turn -- the Vans turn and the turn in general on the business, when do I forecast it happening? I'm not going to give you a number today, ***but I will tell you in October***, we'll be ready to talk about that. ***So I feel very good about the progress we're making. It feels very similar to where I was when I was in my last company, and I feel like I can see it, and I feel good about it.*** In terms of the debt paydown, we'll certainly talk about that in October when you can expect that leverage to come down.

(Emphasis added).

October 28, 2024

35. On October 28, 2024, Defendants conducted an earnings call associated with the publication of the Company's second quarter fiscal 2025 results. During the call, CEO Darrell spoke briefly on the Vans turnaround, stating, in pertinent part:

Q2 was another quarter of really good progress. We delivered on our expectations, consistent with the guardrails we provided last quarter. ***And VF's transformation continues, and within that, we're making strong strides in advancing our priorities. While Q2 revenue was still down as we expected, we had our third straight quarter of sequential improvement in the decline rate, with moderating declines at Vans in the Americas and really almost everywhere else, too.*** We expanded gross margins, and we did a little better on SG&A relative to our own expectations. Paul will talk you through the financial results later in the call.

Moving on to Reinvent. As we pass the 1-year anniversary of when we introduced you to the program, my confidence and excitement about the transformation taking place at VF only continues to grow. I'll save a lot of the detail and future plans for later this week at the investor event, but today, I'll give you a high-level update on the further progress we made in Q2 on our 4 stated priorities.

...

And the last one, delivering the Vans turnaround. ***The brand's overall performance in Q2 was down 11%, a significant improvement relative to last quarter when we were down 21%. This down 11% was as expected. There are further signs that we're making progress, which we'll continue to build under Sun's leadership.***

(Emphasis added).

36. Defendant Vogel reiterated the positive messaging and discussed the quarter's financial results in more detail before providing guidance for the third quarter and remainder of the fiscal year, stating, in pertinent part:

Moving on to Q2. As Bracken mentioned, ***we continue to advance VF's transformation and continue to move forward as we made progress in reducing costs, strengthening the balance sheet, fixing the Americas and turning around Vans.*** Recapping the quarter, Q2 was largely in line with expectations with sequential improvement in revenue and a positive inflection in gross margin.

Total Q2 revenue was down 6% year-over-year, which marks an improvement from down 10% in Q1. ***By brand, Vans was down 11% versus last year, improving from Q1 of down 21%. We are seeing the benefits from the inventory cleanup actions taken over the past few quarters, particularly on profitability as we rightsize the brand's cost structure.***

...

Before I move into the details of our expectations for Q3, I want to share some thoughts on how we will be issuing guidance. Moving forward, we will provide revenue and profit guidance 1 quarter out, starting with Q3.

Overall, we expect Q3 to show further sequential improvement across the business. For revenue, we expect Q3 to be in the range of \$2.7 billion to \$2.75 billion, translating to a decline of down 1% to down 3% on a reported basis. We are modeling FX to have approximately a negative 100 basis point impact on our reported growth rates. This trend reflects a continued stabilization of revenue trends, driven by wholesale improvements compared to last year when, as a reminder, we took inventory actions, which impacted both Q3 and Q4 of fiscal '24.

Moving down the P&L. We expect Q3 operating income to be in the range of \$170 million to \$200 million, with gross margin up year-over-year benefiting from lower product costs and fewer reserves, and SG&A is expected to be up modestly year-over-year, mainly a result of the reintroduction of incentive compensation as we have discussed in prior quarters. Additionally, we expect more variability in the tax rate by quarter. For Q3, we're expecting the tax rate to be in the low 20s versus Q2 in the mid-teens.

*And while we're not providing Q4 guidance at this time, I want to give a little bit of color on expectations for the quarter. For starters, we expect Q4 to show another quarter of sequential improvement in year-on-year revenue trends. We expect gross margin to be up and SG&A to grow at a similar rate to Q3.*

For the full year, we expect free cash flow of around \$425 million with core fundamentals in line with prior guidance. When looking at the \$600 million guidance we gave earlier in the year, our updated forecast reflects the \$140 million impact from the sale of Supreme and a slightly higher benefit from the sale of noncore physical assets. Additionally, given the success so far of our Reinvent event initiatives, we have decided to fund an additional \$50 million into cost savings, which should drive additional savings in fiscal '26.

(Emphasis added).

January 29, 2025

37. On January 29, 2025, Defendants conducted an earnings call associated with the publication of the Company's third quarter fiscal 2025 results. During the call, CEO Darrell addressed the quarter's results and spoke briefly on the Vans turnaround, stating, in pertinent part:

Q3 was stronger than we expected. We grew revenue 2% while we significantly improved profitability. The key point to make here is that the actions we've taken during -- we've taken so far are delivering results.

Now let me call some important features of the quarter. Virtually every brand was stronger this quarter than last quarter. The North Face and Timberland both grew. *Vans delivered another quarter of sequential improvement in trend.* Regionally, the Americas delivered another strong quarter of improvement, going positive for the first time in over 2 years.

...

Now let me give you an update on Reinvent. As I indicated in our Q2 earnings, Investor Day Part 1 and the start of this call today, we're making strong progress on our transformation program

...

Finally, deliver the Vans turnaround. *The brand's overall performance in Q3 was down 8%, a further improvement compared to last quarter, down 11%. I feel very good about the steps we're taking, but sustained turnarounds take time.* Underneath the numbers, I want to call out a few things, primarily in our key focus areas of product and marketing. New products continue to outperform our big established franchises. New Skool (sic) [ Old Skool ] remained the #1 growth driver and the #2 franchise globally and is in line with our strategy to win, with youth and women.

We won't rely on just 1 style to build our business in the future, and we have momentum in our newest styles, both Hylane and Upland. In many ways, the Vans brand continues to have an enormous potential. It was recently named the #3 most authentic brand from the Authenticity 500 Index as the ranking of the world's most authentic brands. This -- the message here is that we have a lot of growth potential as we keep improving our execution.

Brand elevation is also a fertile ground for Vans as evidenced by exceptionally strong sellout for our OTW holiday collaborations including the Satoshi partnership, HommeGirls collaboration and Beatrice Domond. And those 2 last ones are targeted at women. The new Americas regional platform is also starting to deliver. For the holiday period, our U.S. non-value channel footwear generated strong positive sellout year-over-year for the first time since February of 2022, led by our largest accounts.

*We are making progress and are more confident than ever of the brand's growth potential.* We have a lot of pistons to fire on at Vans: Product, marketing, distribution, brand elevation and more, and we're putting each one in place. I couldn't be more excited about the initial work done by Sun at Vans, and you'll hear more about it directly from her in just a few weeks.

(Emphasis added).

38. Similarly, Defendant Vogel pertinently noted Vans performance in the quarter and provided guidance for the fourth quarter as follows:

Vans was down 8%, improving from down 11% in Q2. The actions taken last year to clean up our inventory are continuing to deliver benefits, especially on profitability as we rightsize the brand's cost structure.

...

Now moving on to guidance for Q4. For revenue, we expect Q4 to be down 4% to 6% on a reported dollar basis. We are modeling FX to have approximately a negative 200 basis point impact on our reported growth rates. So on a constant dollar basis, which is the true underlying trend in the business, we are forecasting down 2% to 4%. And if you put Q3 and Q4 together and look at the second half as a whole of last year, revenue would be flat to down 1% on a constant dollar basis. This represents a progression in trend versus Q1 and Q2 and is right in line with our expectations.

Moving down the P&L, we expect Q4 operating income to be in the range of breakeven to a loss of \$30 million, with gross margin continuing to benefit from lower product costs and fewer promotions and fewer reserves. SG&A dollars are expected to be up slightly versus last year due to increased investment in marketing and product in Q4. For the full year, we are raising our free cash flow guidance to \$440 million with both better underlying fundamentals and higher asset sales contributing to the improvement.

39. During the question-and-answer segment that followed the Defendants' prepared remarks, Defendants continued to positively report on Vans turnaround and the progress of Reinvent:

<Q: Michael Charles Binetti – Evercore – Senior Managing Director of Equities> . . . I guess, more importantly, longer term, with Vans being such a big swing factor in stabilizing the revenue and margin trajectory here. Talk about what we're going to see as we build to key moments like Sun and her team's first line. It seems like back-to-school is probably when that starts to come together. And as you focus on shifting from the good defense you've taken here in the cleanup effort to offense. What have you shown to your retail partners already? What kind of feedback is good or bad are you getting as we start to pivot Vans back to what you've been talking about for a while, your long-term growth?

...

<A: Bracken P. Darrell> I just want to add one thing on Vans in particular, when you think about -- and this isn't really Q3 or Q4. But I'll start with maybe a prelude to the answer to your question. We've got a lot of moving parts underneath Vans in the marketplace. We've got -- we've closed, I think, 9% of our total doors globally in our DTC channel. We've closed about -- sorry, we've closed 14% of our own stores. I think we closed about 9% of the stores of wholesale in the U.S. alone. We've also added stores. So that's a net number.

So there's a lot of moving parts underneath that to really reset our business from a commercial perspective to be in a great place as new products flow through there. Now you asked when will we start to see what Sun's working on. She'll give you a little glimpse, and we're going to give you a little glimpse of a few things we're working on now at the Investor Day. I've told her, and I'm telling you, I'm going to keep the expectations low for Vans as long as possible, because I want to give her plenty of room to operate. She is a real operator. She is deep in the middle of stuff. You'll probably see a few things she's touched are back-to-school, even more at holiday and as you go into next year even more and more, but it's going to take time.

As you know, the product development cycles for this business are longer than they should be. We're not going to fix that right away, but we're also working on that in the background. ***So stay tuned, but I feel super good about where we're going with Vans.***

...

<Q: Adrienne Eugenia Yih-Tennant – Barclays Bank PLC – MD, Senior eCommerce & Brand Retailing Analyst> Congratulations. Great quarter. Nice to see it. So Bracken, my question is going to focus on Vans. That was the only brand that missed sales relative to consensus expectations. You're giving it time, what customer feedback are you getting from the core Vans customer? You're broadening it out to more board and action sports. So just how are you targeting kind of a broader audience? And then when is the right time to put some demand creation investment behind that?

...

<A: Bracken P. Darrell> Okay. I'm going to dodge your question, not because I don't have an answer, but I'll give you a little bit of one, but because I really want to let Sun to answer that. The feedback -- both the feedback from customers as we continue to think about who we're really targeting and also demand creation investment. What I will say is we're not starving Vans demand creation. We are experimenting with what kind of demand creation, where we're spending our money, especially during the holiday period, and we're learning. So I think you'll see us continue to change what we're doing there, although you can't really probably easily see what we did last quarter, we did the quarter before that.

But suffice to say, we're in deep learning mode and action mode. So you'll see us keep adjusting what we're doing on Vans from marketing perspective. And the target audience piece, I will absolutely refer and let Sun talk in March, but I feel very, very good about the decisions she's made. And as you said, we are going broader into action sports and beyond.

...



<Q: Robert Scott Drbul – Guggenheim Securities, LLC – Senior Managing Director>  
Bracken, on Vans, when you look at sort of the regional breakdowns, Vans down  
31% in APAC. Can you just comment a bit on that result and sort of what drove  
that and how you're seeing the business there?

<A: Bracken P. Darrell> Yes. I would say Vans came -- Vans got hit a little bit later,  
maybe fundamentally and then pretty hard. If you look at our Vans business in  
APAC, I think at its peak, it was \$600 million, something like that. So think about  
how much potential there is there. So we're not chasing anything short term in Vans  
right now. And I hope that's obvious to you. It is to me. I just block everything that  
I hear that sounds like we're trying to do something really short term, because the  
potential is so big here, I don't know what our run rate would be right now in that  
Q3, but I'll bet it's \$250 or something.

So we're down that much in APAC and China, in particular. So -- and part of that  
is really -- and I mentioned this the last couple of calls, I think, really resetting our  
store footprint there. It's a lot of it is partner stores, so they're not our stores. So  
there's a lot of work going on there and a lot of work on the team, et cetera. So I  
would say just like the rest of the world. But you're right, Vans and APAC is a little  
bit of a special case that I'm excited about the whole business.

I think APAC is a really interesting case where -- how long it will take us to get  
back to \$600 million, we'll see. But I do think you know China and once you get  
things right, the growth comes fast. So we don't have things right there yet,  
obviously, but we will.

(Emphasis added).

40. The above statements in Paragraphs 22 to 39 were false and/or materially  
misleading. Defendants created the false impression that they possessed reliable information  
pertaining to the Company's projected revenue outlook and anticipated growth while also  
minimizing risk from seasonality and macroeconomic fluctuations. In truth, VFC's optimistic  
reports of growth, cost cutting measures, and overall claims of positive trajectory of the Vans brand  
fell short of reality; despite a significant inventory reset to begin the turnaround process under  
Reinvent, VFC was apparently unable to find a path to Vans growth that did not require additional  
significant restructuring to create a potentially sustainable growth model.



***The Truth Emerges during VFC's Fourth Quarter Fiscal 2025 Earnings Report***

*May 21, 2025*

41. On May 21, 2025, Defendants released their fourth quarter and full-year fiscal 2025 results below investor and analyst expectations. In pertinent part, Defendant Darrell discussed the results as follows:

At a high level, if you exclude Vans, we're up 4%. So of course, let's talk about Vans. As I've said before, there's nothing that's not working at Vans that we can't fix with what's working in the rest of the business. We told you last quarter that turnarounds are often nonlinear. To be clear, turnarounds can look nonlinear from a numerical standpoint, and this quarter is an illustration of that. However, we are methodically advancing all our initiatives. The actions we're taking to drive improved performance and progress in our turnaround are moving forward in a clear linear manner. In fact, at Vans, we're making progress every week to turn around the business.

***You don't see the results just yet numerically, but you will. And when you do, there'll be high quality. Vans was down 20% in the quarter after being down 8% in the prior quarter. This quarter's step back doesn't tell the whole story. If you adjust for deliberate strategic actions to manage the marketplace and set ourselves up to achieve profitable growth, the revenue decline was down high single digits versus last year and is consistent with last quarter's trend. Put another way, 60% of the decline this quarter is a direct effect of deliberately reduced revenue to eliminate unprofitable or unproductive business.*** Of the total Q4 decline in Vans sales, almost 25% of it was driven by reduced storefronts and reduced channel inventory in China. As we've said in prior calls, the turnaround in APAC has been slower. We're taking the actions needed to set that marketplace up for long-term growth.

***Another 35% of the total decline was driven by additional -- an additional set of deliberate actions, which were also in place last quarter but had a lower impact. These include the closure of value doors, mainly in the U.S. that were margin eroding, the reduction of distressed sales that were unprofitable and the closure of our own stores, also mainly in the U.S. that were unprofitable.*** And the results of these actions and others are that Vans gross margin is up significantly year-over-year. Now let me dissect the revenue a bit further. In non-value wholesale, sellout was slightly up. And in our key accounts, Vans sell-out was up double digits. The balance of 40% of the decline was all driven by DTC, which is primarily due to soft traffic. What are we doing to address traffic? We're evolving our marketing rapidly to drive brand heat, and we'll get that back.

42. Defendant Vogel pertinently provided a breakdown of the Vans segment performance in the quarter and discussed future guidance as follows:

*Vans revenue in the quarter was down 20%, driven by our intentional actions that Bracken mentioned earlier and continued softness in DTC.* And rounding out the top 3, Timberland posted strong results at up 13%. By region, the APAC region grew 2%, while the Americas and EMEA regions were down 5% and 2%, respectively, as we intentionally reduced promotional activity. The Americas is performing in line with expectations and excluding Vans, grew approximately in line with Q3 trends.

...

Let me turn to Q1, which, as a reminder, is our smallest quarter for the year and also one where Vans has an outsized impact on the consolidated growth relative to other quarters. For revenue, we expect Q1 to be down 3% to 5% on a constant dollar basis.

We stated in late January that we expected the first half of the year to be similar in growth rate to the second half of the last fiscal year. We expect Vans in Q1 to be similar to the Q4 trend due to the additional actions we've executed on stores and wholesale value channels. As a result of these actions, the revenue trend in the first half of fiscal '26 is expected to be slightly below the second half of fiscal '25. Moving down the P&L. We expect Q1 operating loss to be in the range of \$110 million to a loss of \$125 million. Gross margin will continue to benefit from fewer discounts and promotions and FX, while SG&A dollars are expected to be flat to down slightly versus last year.

(Emphasis added).

43. A question-and-answer segment followed during which the defendants briefly elaborated on Vans' decline and the strategic reset actions in response to the following pertinent inquiries:

<Q: Brook Siler Roach – Goldman Sachs Group, Inc. – Research Analyst> I was hoping that you could talk a little bit more about the one-time strategic reset actions that you are taking at Vans that weighed on fourth quarter results and are expected to weigh again on first quarter results. Can you just give us a sense of when you might be fully through some of those actions that have already been taken and whether or not you are contemplating any additional strategic reset actions to return the brand to health?

<A: Bracken P. Darrell> Yes. Thanks for the question. *We expected that.* By the way, I'm on the -- I think, my seventh day of post-COVID. So if Paul sounds like he's sitting far from me in the corner, he had a leg huddled over there, and I'm in one corner. So if I cough in the middle, you'll know why. Yes, so we kind of -- I kind of highlighted in my script. I mean, *the bottom line is there are 4 things in there. One is actions in China that are really deliberately set at trying to reduce the overall level of channel availability in China, get it to the right size and the right places.* And that really hit -- peaked in Q4, and that will -- that impact will continue into Q1, Q2 and then fade in Q3 and be gone in Q4.

And then you've got the others that we talked about before, which are we reduced the number of doors of our own doors. We started that in last year, and it really is - - flows through. I think it's the highest quarter this quarter, and that will begin to fade as we go into Q1 and then Q2 and then more in Q3 and gone in Q4. And then you've got value door closures, which we talked about before, peaks in Q4, starts to come down in Q1, 2, 3, 4, and it's gone in Q4. And then the last one is distressed sales, where we're bringing those down. So I think you can kind of say the impact of these will continue kind of proportionately right through Q1 and Q2 and then in Q3, they come down and then come all the way down in Q4.

...

<Q: Adrienne Eugenia Yih-Tennant -- Barclays Bank PLC -- MD, Senior eCommerce & Brand Retailing Analyst> So my question is not to keep on the Vans, but it sounds like there's 4 things that are kind of like non-comp sales headwinds, 2 of them, the value doors and the reducing of the inventory seem like they are largely done. But the other 2 kind of at various levels diminishing kind of follow us into all 4 quarters. Is that -- is the comp progress that you're seeing in the non-value doors enough to offset that? Or are you sort of fantastically guiding us to think that Vans will be down throughout the year, all 4 quarters?

And then I guess a follow-on to that is non-value channel demand is one thing, end consumer demand, right? And I think you're talking about the sellout is actually getting better. But in your own DTC, what are you seeing in terms of that end consumer talking to you about kind of brand equity, mind share, et cetera?

Sorry. I'll do the last one -- go ahead.

<A: Bracken P. Darrell> Okay. So first of all, on your -- *I think your first question, yes, the answer to the question at a high level is the impacts of those 4 things will keep appearing in the base in Q2 -- Q1, Q2 and then a lot less in Q3 and then they're gone in Q4. And that's pretty much true for all of them on some level.* So they're about the same. They all have -- there are events that keep showing -- they basically -- *we're not doing more of them. They just -- once you do these, look, for example, when you close a door, you lose 4 quarters of the door. So if you close value channels, you use 4 quarters of the value channel. So -- so that's --*

*those are going to keep trailing through there. They'll be about proportionately the same through those first 2 couple of quarters and less in Q3 and then gone in Q4.*

*In terms of end consumer demand, we're still not getting enough traffic into our stores and our websites.* And I referred to that in my script, and this is fundamental brand heat. And we're doing a lot of experimenting to see what we need to do to trigger that. And I don't want to let the cat out of the bag on anything that's ahead of us. So we are certainly learning a ton. And the good news is that when we have traffic -- when there is traffic, when you have a curated assortment, as you do in our non-value wholesale, we're actually flat to up. And if you looked in our key accounts, we're really making sure we have the best assortment, the best execution that we can have, we're up double digits.

*So the key now for us is to take the medicine that we've talked about and then get the traffic up.* And so that's a function of 2 things. You got to have things people want to come by and they got to know about them. And so Sun is working feverishly on developing those new products and Super Low Pro is a great example of what's ahead of us. And then the second one is we just got to keep working on that marketing. So we've got a stronger and stronger marketing program. *We've made a lot of changes in there. They're not -- you aren't seeing all of them flow through yet, so it's coming. But we'll get there. We've done it in Timberland. We know how to do this. We just got to execute.*

(Emphasis added).

44. The aforementioned press releases and statements made by the Individual Defendants are in direct contrast to statements they made during the October 30, 2023, February 6, 2024, May 22, 2024, August 6, 2024, October 28, 2024, and January 29, 2025, earnings calls. On those calls, Defendants continually praised the progress of Reinvent and, in particular, the Vans turnaround, touting positive results from their inventory reset and pointing sequential growth improvements as evidence of such progress, while repeatedly issuing statements of confidence with respect to their future plans for the brand.

45. Investors and analysts reacted immediately to VFC's revelation. The price of VFC's common stock declined dramatically. From a closing market price of \$14.43 per share on

May 20, 2025, VFC's stock price fell to \$12.15 per share on May 21, 2025, a decline of about 15.8% in the span of just a single day.

46. A number of well-known analysts who had been following VFC lowered their price targets in response to VFC's disclosures. For example, Wells Fargo highlighted that "[i]n a season where most cos are speaking to upbeat trajectories, VFC's 4Q print is a negative outlier." Elaborating, the analyst noted the "key take was another Vans miss—a sizeable miss at -20% (more than 2x the Street's estimate of -9%), with 'strategic actions' driving the miss. We expect these actions to weigh on 1Q/2Q, with any talk of a Vans turnaround fully off the table for now."

47. Similarly, Baird, while considerably reducing their price target, was also "disappointed by the timing of steeper re-set actions for Vans, putting further pressure on driving 2H26E inflection in our view." The analyst highlighted that "near-term credibility is further challenged by incremental [Vans] brand re-set actions which were not pursued with the re-set 1+ year ago or signaled at the March investor day."

48. Additionally, Citi, mirroring Baird, highlighted that these "strategic actions include resetting the business in China, reducing sales to off-price, reducing promotions, and a reduction in store count." Taken together, this quarter's reset represented a "~1,200 bps drag on Vans sales in 4Q (and will be a similar drag in 1Q/2Q26)," while the prior "different ... inventory reset that occurred in 3Q/4Q24 ... hurt Vans sales (by 400-500bps)."

49. The fact that these analysts, and others, discussed VFC's decline in Vans performance and below-expectation performance that allegedly were caused by previously unannounced deliberate actions from management suggests the public placed significant weight on VFC's prior estimates and statements of growth and positivity for the trajectory of the Vans

brand. The frequent, in-depth discussion of the Vans decline and surprise at the timing of the reset actions confirms that Defendants' statements during the Class Period were material.

***Loss Causation and Economic Loss***

50. During the Class Period, as detailed herein, Defendants made materially false and misleading statements and engaged in a scheme to deceive the market and a course of conduct that artificially inflated the price of VFC's common stock and operated as a fraud or deceit on Class Period purchasers of VFC's common stock by materially misleading the investing public. Later, Defendants' prior misrepresentations and fraudulent conduct became apparent to the market, the price of VFC's common stock materially declined, as the prior artificial inflation came out of the price over time. As a result of their purchases of VFC's common stock during the Class Period, Plaintiff and other members of the Class suffered economic loss, *i.e.*, damages under federal securities laws.

51. VFC's stock price fell in response to the corrective event on May 21, 2025, as alleged *supra*. On May 21, 2025, Defendants disclosed information that was directly related to their prior misrepresentations and material omissions concerning VFC's statements of confidence and forecasting processes related to the Vans brand turnaround as part of Reinvent.

52. In particular, on May 21, 2025, VFC announced significant growth deceleration for the Vans brand, despite an inventory reset for the brand the prior fiscal year and no previous indication from management that signaled they were taking additional actions which could result in a significant deceleration at this stage of the turnaround plan. VFC further signaled the sales decline would continue in the subsequent quarters.

***Presumption of Reliance; Fraud-On-The-Market***

53. At all relevant times, the market for VFC's common stock was an efficient market for the following reasons, among others:

(a) VFC's common stock met the requirements for listing and was listed and actively traded on the NYSE during the Class Period, a highly efficient and automated market;

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

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

(d) Unexpected material news about VFC was reflected in and incorporated into the Company's stock price during the Class Period.

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

55. Alternatively, reliance need not be proven in this action because the action involves omissions and deficient disclosures. Positive proof of reliance is not a prerequisite to recovery pursuant to ruling of the United States Supreme Court in *Affiliated Ute Citizens of Utah v. United*

*States*, 406 U.S. 128 (1972). All that is necessary is that the facts withheld be material in the sense that a reasonable investor might have considered the omitted information important in deciding whether to buy or sell the subject security.

***No Safe Harbor; Inapplicability of Bespeaks Caution Doctrine***

56. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the material misrepresentations and omissions alleged in this Complaint. As alleged above, Defendants' liability stems from the fact that they provided investors with growth expectations and positive dialogue surrounding the Vans turnaround while at the same time failing to maintain adequate forecasting processes. Defendants provided the public with expectations that failed to account for this decline in sales and/or adequately disclose the actions necessary to effect their turnaround plan or the fact that the Company at the time could not adequately forecast the impact of their actions.

57. To the extent certain of the statements alleged to be misleading or inaccurate may be characterized as forward looking, they were not identified as "forward-looking statements" when made and 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.

58. Defendants are also liable for any false or misleading "forward-looking statements" pleaded because, at the time each "forward-looking statement" was made, the speaker knew the "forward-looking statement" was false or misleading and the "forward-looking statement" was authorized and/or approved by an executive officer of VFC who knew that the "forward-looking statement" was false. Alternatively, none of the historic or present-tense statements made by Defendants were assumptions underlying or relating to any plan, projection, or statement of future



economic performance, as they were not stated to be such assumptions underlying or relating to any projection or statement of future economic performance when made, nor were any of the projections or forecasts made by the defendants expressly related to or stated to be dependent on those historic or present-tense statements when made.

### **CLASS ACTION ALLEGATIONS**

59. 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 or otherwise acquired VFC's common stock during the Class Period (the "Class"); and were damaged upon the revelation of the alleged corrective disclosure. Excluded from the Class are defendants herein, 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.

60. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, VFC's common stock were actively traded on the NYSE. While the exact number of Class members is unknown to Plaintiff at this time and can be ascertained only through appropriate discovery, Plaintiff believes that there are hundreds or thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by VFC 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. As of April 26, 2025, there were 389.7 million shares of the Company's common stock outstanding. Upon information and belief, these shares are held by thousands, if not millions, of individuals located throughout the country and possibly the world. Joinder would be highly impracticable.

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

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

63. 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, operations and management of VFC;

(c) whether the Individual Defendants caused VFC to issue false and misleading financial statements during the Class Period;

(d) whether Defendants acted knowingly or recklessly in issuing false and misleading financial statements;

(e) whether the prices of VFC's common stock during the Class Period were artificially inflated because of the Defendants' conduct complained of herein; and

(f) whether the members of the Class have sustained damages and, if so, what is the proper measure of damages.

64. 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.

## **COUNT I**

### ***Against All Defendants for Violations of***

#### **Section 10(b) and Rule 10b-5 Promulgated Thereunder**

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

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

67. During the Class Period, Defendants engaged in a plan, scheme, conspiracy and course of conduct, pursuant to which they knowingly or recklessly engaged in acts, transactions, practices and courses of business which operated as a fraud and deceit upon Plaintiff and the other members of the Class; made various untrue statements of material facts and 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 employed devices, schemes and artifices to defraud in connection with the purchase and sale of securities. Such scheme was intended to, and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; (ii) artificially inflate and maintain the market price of VFC common stock; and (iii) cause Plaintiff and other members of the Class to purchase or otherwise acquire VFC's securities at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, Defendants, and each of them, took the actions set forth herein.

68. Pursuant to the above plan, scheme, conspiracy and course of conduct, each of the defendants participated directly or indirectly in the preparation and/or issuance of the quarterly and annual reports, SEC filings, press releases and other statements and documents described above, including statements made to securities analysts and the media that were designed to influence the market for VFC's securities. Such reports, filings, releases and statements were materially false and misleading in that they failed to disclose material adverse information and misrepresented the truth about the Company.

69. By virtue of their positions at the Company, Defendants had actual knowledge of the materially false and misleading statements and material omissions alleged herein and intended thereby to deceive Plaintiff and the other members of the Class, or, in the alternative, Defendants acted with reckless disregard for the truth in that they failed or refused to ascertain and disclose such facts as would reveal the materially false and misleading nature of the statements made, although such facts were readily available to Defendants. Said acts and omissions of defendants were committed willfully or with reckless disregard for the truth. In addition, each defendant knew or recklessly disregarded that material facts were being misrepresented or omitted as described above.

70. Information showing that Defendants acted knowingly or with reckless disregard for the truth is peculiarly within defendants' knowledge and control. As the senior managers and/or directors of the Company, the Individual Defendants had knowledge of the details of VFC's internal affairs.

71. The Individual Defendants are liable both directly and indirectly for the wrongs complained of herein. Because of their positions of control and authority, the Individual Defendants were able to and did, directly or indirectly, control the content of the statements of the

Company. As officers and/or directors of a publicly-held company, the Individual Defendants had a duty to disseminate timely, accurate, and truthful information with respect to VFC's businesses, operations, future financial condition and future prospects. As a result of the dissemination of the aforementioned false and misleading reports, releases and public statements, the market price of VFC's common stock was artificially inflated throughout the Class Period. In ignorance of the adverse facts concerning the Company which were concealed by Defendants, Plaintiff and the other members of the Class purchased or otherwise acquired VFC's common stock at artificially inflated prices and relied upon the price of the common stock, the integrity of the market for the common stock and/or upon statements disseminated by Defendants, and were damaged thereby.

72. During the Class Period, VFC's common stock was traded on an active and efficient market. Plaintiff and the other members of the Class, relying on the materially false and misleading statements described herein, which the defendants made, issued or caused to be disseminated, or relying upon the integrity of the market, purchased or otherwise acquired shares of VFC's common stock at prices artificially inflated by defendants' wrongful conduct. Had Plaintiff and the other members of the Class known the truth, they would not have purchased or otherwise acquired said common stock, or would not have purchased or otherwise acquired them at the inflated prices that were paid. At the time of the purchases and/or acquisitions by Plaintiff and the Class, the true value of VFC's common stock was substantially lower than the prices paid by Plaintiff and the other members of the Class. The market price of VFC's common stock declined sharply upon public disclosure of the facts alleged herein to the injury of Plaintiff and Class members.

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

74. As a direct and proximate result of defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases, acquisitions and sales of the Company's common stock during the Class Period, upon the disclosure that the Company had been disseminating misrepresented financial statements to the investing public.

## **COUNT II**

### ***Against the Individual Defendants***

#### **for Violations of Section 20(a) of the Exchange Act**

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

76. During the Class Period, the Individual Defendants participated in the operation and management of the Company, and conducted and participated, directly and indirectly, in the conduct of the Company's business affairs. Because of their senior positions, they knew the adverse non-public information about VFC's misstatements.

77. As officers and/or directors of a publicly owned company, the Individual Defendants had a duty to disseminate accurate and truthful information, and to correct promptly any public statements issued by VFC which had become materially false or misleading.

78. Because of their positions of control and authority as senior officers, the Individual Defendants were able to, and did, control the contents of the various reports, press releases and public filings which VFC disseminated in the marketplace during the Class Period concerning the misrepresentations. Throughout the Class Period, the Individual Defendants exercised their power and authority to cause VFC to engage in the wrongful acts complained of herein. The Individual Defendants therefore, were "controlling persons" of the Company within the meaning of Section

20(a) of the Exchange Act. In this capacity, they participated in the unlawful conduct alleged which artificially inflated the market price of VFC's common stock.

79. Each of the Individual Defendants, therefore, acted as a controlling person of the Company. By reason of their senior management positions and/or being directors of the Company, each of the Individual Defendants had the power to direct the actions of, and exercised the same to cause VFC to engage in the unlawful acts and conduct complained of herein. Each of the Individual Defendants exercised control over the general operations of the Company and possessed the power to control the specific activities which comprise the primary violations about which Plaintiff and the other members of the Class complain.

80. By reason of the above conduct, the Individual Defendants and/or VFC are liable pursuant to Section 20(a) of the Exchange Act for the violations committed by the Company.

#### **PRAYER FOR RELIEF**

**WHEREFORE**, Plaintiff demand judgment against defendants as follows:

- A. Determining that the instant action may be maintained as a class action under Rule 23 of the Federal Rules of Civil Procedure, and certifying Plaintiff as the Class representatives;
- B. Requiring Defendants to pay damages sustained by Plaintiff and the Class by reason of the acts and transactions alleged herein;
- C. Awarding Plaintiff and the other members of the Class pre-judgment and post-judgment interest, as well as their reasonable attorneys' fees, expert fees and other costs; and
- D. Awarding such other and further relief as this Court may deem just and proper.

#### **DEMAND FOR TRIAL BY JURY**

Plaintiff hereby demands a trial by jury.

Dated: September 12, 2025

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