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ENDORSED FILED
SAN MATEO COUNTY

DEC 09 2015

Clerk of the Superior Court
By: TYLER MAXWELL
DEPUTY CLERK

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 COUNTY OF SAN MATEO

10 ANTON S. BADRI, Individually and on)
11 Behalf of All Others Similarly Situated,)
12)
Plaintiff,)

Case No.

CLASS ACTION CIV 536536

13 vs.

) COMPLAINT FOR VIOLATIONS OF §§ 11,
) 12(a)(2) AND 15 OF THE SECURITIES
) ACT OF 1933

14 TERRAFORM GLOBAL, INC.,)
15 SUNEDISON, INC., AHMAD CHATILA,)
16 CARLOS DOMENECH ZORNOZA,)
17 JEREMY AVENIER, MARTIN TRUONG,)
BRIAN WUEBBELS, JP MORGAN)
18 SECURITIES LLC, BARCLAYS CAPITAL)
INC., CITIGROUP GLOBAL MARKETS)
19 INC., MORGAN STANLEY & CO. LLC,)
GOLDMAN, SACHS & CO., MERRILL)
20 LYNCH, PIERCE, FENNER & SMITH)
INCORPORATED, DEUTSCHE BANK)
21 SECURITIES INC., BTG PACTUAL US)
CAPITAL LLC, ITAU BBA USA)
22 SECURITIES, INC., SMBC NIKKO)
SECURITIES AMERICA, INC., SG)
23 AMERICAS SECURITIES, LLC, KOTAK)
MAHINDRA, INC. and DOES 1 through)
24 25, inclusive,)
25)
Defendants.)

BY FAX

DEMAND FOR JURY TRIAL

1 Plaintiff has alleged the following based upon the investigation of plaintiff's counsel,
2 which included a review of U.S. Securities and Exchange Commission ("SEC") filings by
3 TerraForm Global, Inc. ("TerraForm Global" or the "Company"), as well as regulatory filings
4 and reports, securities analysts' reports and advisories about the Company, press releases and
5 other public statements issued by the Company, and media reports about the Company, and
6 believes that substantial additional evidentiary support will exist for the allegations set forth
7 herein after a reasonable opportunity for discovery.

8 **NATURE OF THE ACTION**

9 1. This is a securities class action on behalf of all persons who purchased the
10 Company's Class A common stock in or traceable to the Company's July 31, 2015 initial
11 public offering (the "IPO"), seeking to pursue remedies under the Securities Act of 1933
12 ("1933 Act") against TerraForm Global, certain of the Company's officers and directors,
13 SunEdison, Inc. ("SunEdison") and the investment banks that underwrote the IPO.

14 2. TerraForm Global is a diversified owner of clean power generation assets
15 focused on emerging markets. The Company operates energy projects that it receives from
16 SunEdison, a global renewable energy company, and unaffiliated third parties with the goal
17 of generating high-quality, long-term contracted cash flows, a portion of which can be paid
18 out in the form of dividends to the Company's shareholders. Dividend-oriented
19 companies like TerraForm Global that operate assets with the goal of generating
20 predictable cash flows are commonly referred to as "yieldcos."

21 3. TerraForm Global's business is inextricably intertwined with that of
22 SunEdison, the Company's parent and the sponsor of its IPO. SunEdison provides
23 management and administrative services to the Company and its subsidiaries pursuant to a
24 management services agreement, and the Company relies on SunEdison to provide high
25 quality energy projects for its revenues. SunEdison develops and then sells to the
26 Company renewable energy projects or helps the Company acquire such projects from
27 third parties. In addition, SunEdison has agreed to pay the scheduled interest on \$810
28 million of TerraForm Global's outstanding notes and \$78 million from outstanding project

1 financing credit facilities, and retained 98.1% voting control of the Company following the
2 IPO.

3 4. On July 31, 2015, TerraForm Global filed an amended registration statement
4 for the IPO, which was declared effective that same day (the “Registration Statement”).

5 5. On August 4, 2015, TerraForm Global filed with the SEC on Form 424(b)4,
6 the prospectus for the IPO (the “Prospectus,” and, together with the Registration
7 Statement, the “Offering Materials”).

8 6. The Offering Materials were negligently prepared, and, as a result, contained
9 false and misleading statements of material fact and failed to disclose information required
10 to be disclosed therein. For example, the Offering Materials stated that TerraForm Global
11 was a “high growth” company with a business objective “to increase [its] dividend to
12 stockholders by continuing to acquire, from SunEdison and unaffiliated third parties, clean
13 power generation assets that produce high-quality, long-term contracted cash flows.” In
14 addition, the Offering Materials stated that the Company expected to “rapidly expand [its]
15 initial portfolio” due to its “significant acquisition call rights” with SunEdison, and that this
16 portfolio “will provide a stable, predictable cash flow profile.” The Offering Materials
17 stated that the Company’s initial quarterly dividend would be \$0.275 per share of Class A
18 common stock, or \$1.10 per share on an annualized basis, and projected a 20% compound
19 annualized growth rate (“CAGR”) for dividend distributions for the three years following
20 the IPO, a target purportedly “based on, and supported by, [SunEdison’s] \$1.4 billion
21 aggregate Projected FTM CAFD commitment to [TerraForm Global] under the Support
22 Agreement and [SunEdison’s] track record of successful project acquisitions.” As an
23 example of SunEdison’s “M&A Expertise,” the Offering Materials stated that SunEdison
24 “will acquire” Latin America Power Holding, B.V.’s (“Latin America Power”) asset
25 management platform.

26 7. These and other statements in the Offering Materials were materially false
27 and misleading when made and/or failed to disclose that (i) SunEdison had suffered a
28 quarterly loss of \$0.93 per share for the quarter ended June 30, 2015, a loss significantly

1 greater than analysts' consensus estimate, which would call into question TerraForm
2 Global's business plan and growth strategy; (ii) SunEdison's poor performance would
3 negatively impact TerraForm Global and SunEdison would be unable to support
4 TerraForm Global in the manner described in the Offering Materials; (iii) SunEdison
5 would stop contributing significant operating assets to TerraForm Global for all of 2016,
6 substantially hindering the Company's ability to grow its asset portfolio; (iv) SunEdison
7 would not acquire Latin America Power because it could not or would not fulfill its
8 obligations to make a \$400 million upfront payment under the acquisition contract; and
9 (v) TerraForm Global would not be able to increase its dividend distributions by 20%
10 CAGR on a \$1.10 initial annualized run rate for the three years following the IPO, and such
11 dividend distributions and purported growth rate had no reasonable basis.

12 8. In the IPO, the Company sold 45 million shares of Class A common stock at
13 an offering price of \$15 per share, thereby generating gross proceeds of \$675 million.

14 9. On August 6, 2015, SunEdison announced its fiscal results for the quarter
15 ended June 30, 2015, revealing that it had suffered a \$0.93 per share loss for the quarter
16 compared to analysts' consensus estimate of a \$0.55 per share loss.

17 10. On October 6, 2015, *The Wall Street Journal* reported that SunEdison had
18 failed to complete a \$700 million acquisition of Latin America Power, after it breached its
19 obligation to make a \$400 million upfront cash payment after the article was published, an
20 analyst estimated that Latin America Power accounted for 5% of TerraForm Global's entire
21 material portfolio on a megawatt basis.

22 11. On October 7, 2015, SunEdison announced that it would significantly alter its
23 business strategy in order to turn around its ailing business prospects. On a conference
24 call to discuss this new strategy, SunEdison announced that it would stop selling
25 operational assets to TerraForm Global for the foreseeable future, which would limit the
26 Company's ability to grow its earnings and dividend distributions and meet its business
27 targets.

28 12. On October 27, 2015, TerraForm Global's Class A common shares closed at

1 \$7.38 per share, or more than 50% below the IPO price.

2 13. The claims alleged herein arise under §§ 11, 12(a)(2) and 15 of the 1933 Act,
3 15 U.S.C. §§ 77k, 77l (a)(2) and 77o. Jurisdiction is conferred by § 22 of the 1933 Act and
4 venue is proper pursuant to § 22 of the 1933 Act. Section 22 of the 1933 Act explicitly
5 states that “[e]xcept as provided in section 16(c), no case arising under this subchapter and
6 brought in any State court of competent jurisdiction shall be removed to any court in the
7 United States.” Section 16(c) refers to “covered class actions,” which are defined as
8 lawsuits brought as class actions or brought on behalf of more than 50 persons asserting
9 claims under state or common law. This is an action asserting federal law claims. Thus, it
10 does not fall within the definition of a “covered class action” under § 16(b)-(c) and
11 therefore is not removable to federal court under the Securities Litigation Uniform
12 Standards Act of 1998.

13 14. The violations of law complained of herein occurred in this County, including
14 the dissemination of materially false and misleading statements into this County, the
15 purchase of the Company’s Class A common stock by members of the class who reside in
16 this County and the sale of the Company’s Class A common stock by certain of the
17 Underwriter Defendants (as defined below) in this County. In addition, certain of the
18 defendants live, are headquartered and/or maintain offices or operations in this County.

19 **PARTIES**

20 15. Plaintiff Anton S. Badri acquired TerraForm Global Class A common shares
21 pursuant to the Offering Materials and has been damaged thereby.

22 16. Defendant TerraForm Global is a renewable energy asset operating company
23 focused on emerging markets. It is the issuer for the Class A common shares offered in the
24 IPO.

25 17. Defendant SunEdison is a global renewable energy company. It was the
26 sponsor for the IPO and is the parent of defendant TerraForm Global. Defendant
27 SunEdison’s solar cell research and development team is headquartered in this County.

28 18. Defendant Ahmad Chatila (“Chatila”) was, at all relevant times, the Chairman

1 of the Board of Directors of TerraForm Global and signed or authorized the signing of the
2 Company's Registration Statement. Defendant Chatila was also, at all relevant times, the
3 President, Chief Executive Officer ("CEO") and a director of defendant SunEdison.

4 Defendant Chatila is a resident of California.

5 19. Defendant Carlos Domenech Zornoza ("Zornoza") was, at all relevant times,
6 the CEO and a director of TerraForm Global and signed or authorized the signing of the
7 Company's Registration Statement. Defendant Zornoza was also, at all relevant times, the
8 CEO of TerraForm Power, Inc., another subsidiary and yieldco of defendant SunEdison,
9 and had previously served as an executive officer of defendant SunEdison.

10 20. Defendant Jeremy Avenier ("Avenier") was, until leaving the Company to
11 return to defendant SunEdison on October 9, 2015, the Chief Financial Officer ("CFO") of
12 TerraForm Global and signed or authorized the signing of the Company's Registration
13 Statement. Defendant Avenier is a resident of this County.

14 21. Defendant Martin Truong ("Truong") was, at all relevant times, a director of
15 TerraForm Global and signed or authorized the signing of the Company's Registration
16 Statement. Defendant Truong was also, at all relevant times, the Senior Vice President,
17 General Counsel and Secretary of defendant SunEdison.

18 22. Defendant Brian Wuebbels ("Wuebbels") was, at all relevant times, a director
19 of TerraForm Global and signed or authorized the signing of the Company's Registration
20 Statement. Defendant Wuebbels was also, at all relevant times, Executive Vice President,
21 Chief Administration Officer, and CFO of defendant SunEdison.

22 23. The defendants referenced above in ¶¶ 18-22 are referred to herein as the
23 "Individual Defendants."

24 24. Defendant JP Morgan Securities LLC ("JP Morgan") is an investment
25 banking and financial services corporation that maintains offices and operations in this
26 County. Defendant JP Morgan served as an underwriter to the IPO, for which it received
27 fees and commissions, and agreed to purchase 13.5 million shares of Class A common stock
28 to sell in the IPO.

1 25. Defendant Barclays Capital Inc. (“Barclays”) is an investment banking and
2 financial services corporation that maintains offices and operations in this County.
3 Defendant Barclays served as an underwriter to the IPO, for which it received fees and
4 commissions, and agreed to purchase 9 million shares of Class A common stock to sell in
5 the IPO.

6 26. Defendant Citigroup Global Markets Inc. (“Citigroup”) is an investment
7 banking and financial services corporation that maintains offices and operations in this
8 County. Defendant Citigroup served as an underwriter to the IPO, for which it received
9 fees and commissions, and agreed to purchase 6.75 million shares of Class A common
10 stock to sell in the IPO.

11 27. Defendant Morgan Stanley & Co. LLC (“Morgan Stanley”) is an investment
12 banking and financial services corporation that maintains offices and operations in this
13 County. Defendant Morgan Stanley served as an underwriter to the IPO, for which it
14 received fees and commissions, and agreed to purchase 5.625 million shares of Class A
15 common stock to sell in the IPO.

16 28. Defendant Goldman, Sachs & Co. (“Goldman”) is an investment banking and
17 financial services corporation that maintains offices and operations in San Francisco.
18 Defendant Goldman served as an underwriter to the IPO, for which it received fees and
19 commissions, and agreed to purchase 2.34 million shares of Class A common stock to sell
20 in the IPO.

21 29. Defendant Merrill Lynch, Pierce, Fenner & Smith Incorporated (“Merrill
22 Lynch”) is an investment banking and financial services corporation that maintains offices
23 and operations in this County. Defendant Merrill Lynch served as an underwriter to the
24 IPO, for which it received fees and commissions, and agreed to purchase 2.34 million
25 shares of Class A common stock to sell in the IPO.

26 30. Defendant Deutsche Bank Securities Inc. (“Deutsche Bank”) is an investment
27 banking and financial services corporation that maintains offices and operations in this
28 County. Defendant Deutsche Bank served as an underwriter to the IPO, for which it

1 received fees and commissions, and agreed to purchase 2.34 million shares of Class A
2 common stock to sell in the IPO.

3 31. Defendant BTG Pactual US Capital LLC (“BTG”) is an investment banking
4 and financial services corporation. Defendant BTG served as an underwriter to the IPO,
5 for which it received fees and commissions, and agreed to purchase 663,750 shares of Class
6 A common stock to sell in the IPO.

7 32. Defendant Itau BBA USA Securities, Inc. (“Itau”) is an investment banking
8 and financial services corporation. Defendant Itau served as an underwriter to the IPO, for
9 which it received fees and commissions, and agreed to purchase 663,750 shares of Class A
10 common stock to sell in the IPO.

11 33. Defendant SMBC Nikko Securities America, Inc. (“SMBC”) is an investment
12 banking and financial services corporation that maintains offices and operations in San
13 Francisco. Defendant SMBC served as an underwriter to the IPO, for which it received fees
14 and commissions, and agreed to purchase 663,750 shares of Class A common stock to sell
15 in the IPO.

16 34. Defendant SG Americas Securities, LLC (“SG”) is an investment banking and
17 financial services corporation. Defendant SG served as an underwriter to the IPO, for
18 which it received fees and commissions, and agreed to purchase 663,750 shares of Class A
19 common stock to sell in the IPO.

20 35. Defendant Kotak Mahindra, Inc. (“Kotak”) is an investment banking and
21 financial services corporation. Defendant Kotak served as an underwriter to the IPO, for
22 which it received fees and commissions, and agreed to purchase 450,000 shares of Class A
23 common stock to sell in the IPO.

24 36. The defendants named in ¶¶ 24-35 are referred to herein as the “Underwriter
25 Defendants.” The Underwriter Defendants drafted and disseminated the Offering
26 Materials used in the IPO. The Underwriter Defendants’ failure to conduct an adequate
27 due diligence investigation was a substantial factor leading to the harm complained of
28 herein.

1 37. The true names and capacities of defendants sued herein under California
2 Code of Civil Procedure § 474 as Does 1 through 25, inclusive, are presently not known to
3 plaintiff, who therefore sues these defendants by such fictitious names Plaintiff will seek to
4 amend this Complaint and include these Doe defendants' true names and capacities when
5 they are ascertained. Each of the fictitiously named defendants is responsible in some
6 manner for the conduct alleged herein and for the damages suffered by the Class.

7 **SUBSTANTIVE ALLEGATIONS**

8 **Background**

9 38. TerraForm Global is a diversified renewable energy company that owns long-
10 term contracted wind, solar and hydro-electric power plants with a focus on emerging
11 markets. Its business objective is to increase the dividends it pays to shareholders by
12 generating stable, consistent cash flows from the acquisition and operation of high quality
13 renewable energy assets. The Company acquires these assets from SunEdison and
14 unaffiliated third parties. As a yieldco, its stock has been marketed to investors as a "high
15 growth," low risk stock that will produce predictable earnings and dividend growth.

16 39. TerraForm Global is a subsidiary of SunEdison, a global renewable energy
17 company and the IPO's sponsor. TerraForm Global's business is highly dependent on, and
18 interrelated with, the business and prospects of SunEdison. SunEdison provides
19 management and administrative services to the Company and its subsidiaries pursuant to a
20 management services agreement entered into immediately prior to the IPO. Notably, the
21 Company relies on SunEdison for the provision of its operating assets, which SunEdison
22 develops and then sells to the Company or helps the Company acquire from third parties.
23 Of the 72 project sites included in TerraForm Global's initial portfolio at the time of the
24 IPO, 29 sites were contributed directly by SunEdison, with a combined net generating
25 capacity of 306 megawatts ("MW") (out of 1,400 total MW for the entire initial portfolio).
26 In addition, SunEdison has agreed to provide additional energy projects to TerraForm
27 Global that will generate at least \$1.4 billion in additional projected cash available for
28 distribution, or "CAFD," over the five-year period following the IPO (compared to

1 TerraForm Global's consolidated net income of \$2 million for the three-month period
2 ended March 31, 2015). SunEdison has also agreed to pay the scheduled interest on \$810
3 million of TerraForm Global's outstanding notes and the interest and principal payments
4 on the credit facilities the Company used to acquire the Orosi project in Costa Rica, which
5 had an outstanding balance of \$78 million as of March 31, 2015. SunEdison also retained
6 98.1% voting control of the Company following the IPO.

7 **FALSE AND MISLEADING STATEMENTS**
8 **IN THE IPO OFFERING MATERIALS**

9 40. On May 7, 2015, TerraForm Global filed with the SEC on Form S-1 its
10 Registration Statement for the IPO.

11 41. On July 29, 2015, TerraForm Global and the Underwriter Defendants sent
12 letters to the SEC requesting that the effective date of the Registration Statement be
13 accelerated to July 30, 2015.

14 42. On July 31, 2015, TerraForm Global filed with the SEC on Form S-1 the final
15 amendment to the Registration Statement, which was declared effective that same day.

16 43. On August 4, 2015, TerraForm Global filed with the SEC on Form 424(b)4
17 the IPO Prospectus.

18 44. The Offering Materials were negligently prepared and, as a result, contained
19 false and misleading statements of material fact and failed to disclose information required
20 to be disclosed therein under the rules and regulations regarding their preparation.

21 45. For example, the Offering Materials described TerraForm Global as a "high
22 growth," low-risk dividend paying stock that would ensure stable and consistent cash flows
23 and predictable dividend growth. The Offering Materials stated in pertinent part:

24 ***We are a high-growth, globally diversified renewable energy***
25 ***company that owns long-term contracted wind, solar and hydro-***
26 ***electric power plants.*** Our business objective is to increase our dividend to
27 stockholders by continuing to acquire, from SunEdison and unaffiliated third
28 parties, clean power generation assets that produce high-quality, long-term

1 contracted cash flows, primarily by serving utility and commercial customers
2 with strong credit profiles.¹

3 * * *

4 ***We have a well-diversified project portfolio, across both***
5 ***geographies and renewable energy technologies, which we believe***
6 ***enables us to generate consistent quarterly cash flows.*** For example,
7 projects in our initial portfolio located in any single country are not expected to
8 represent more than 30% of our projected cash available for distribution for the
9 year ending December 31, 2016.

10 * * *

11 Our primary business strategy is to increase the cash dividends we pay to
12 the holders of our Class A common stock over time. Our plan for executing this
13 strategy includes the following:

14 ***Focus on long-term contracted clean power generation assets.*** All
15 projects included in our material portfolio, together with any call right project
16 that we acquire, will have a PPA with a creditworthy counterparty or be subject
17 to a similar offtake arrangement such as a feed-in tariff program. ***We intend***
18 ***to focus on owning and operating long-term contracted clean***
19 ***power generation assets with proven technologies, low operating***
20 ***risks and stable cash flows consistent with our initial portfolio.***

21 * * *

22 ***Attractive, high-growth asset class.*** We intend to initially focus on the
23 solar and wind energy segments because we believe they are currently the
24 fastest growing segments of the clean power generation industry globally and
25 offer attractive opportunities to own assets and deploy long-term capital ***due to***
26 ***the predictability of their cash flows,*** and the hydro-electric energy
27 segment because we believe its significant market size presents numerous
28 investment opportunities. Also, we believe the solar, wind and hydro-electric
energy segments are attractive because ***there is no associated fuel cost***
risk, their associated technologies have become highly reliable and,
based on the experience of our Sponsor, require low operational
and maintenance expenditures and a low level of interaction from
managers as compared to conventional energy assets. Solar, wind and
hydro-electric projects also have an expected life which can exceed 30 years. In
addition, the projects in our initial portfolio generally operate under long-term
PPAs with terms of up to 30 years.

46. Similarly, the Offering Materials listed asset “[d]iversity,” “[p]ortfolio growth
opportunities,” and “[s]table high-quality cash flows” among TerraForm Global’s “key

¹ Emphasis added throughout where bold and italicized.

1 competitive strengths.”

2 47. The Offering Materials also stated that the Company would “rapidly expand”
3 its initial project portfolio by acquiring project assets from SunEdison and unaffiliated
4 third parties. In particular, the Offering Materials highlighted the Company’s agreement
5 that would allow it to acquire renewable energy projects from SunEdison projected to
6 generate at a minimum \$1.4 billion in CAFD in the first full year of operation during the
7 five-year period following the IPO. The Offering Materials also stated that TerraForm
8 Global had the right to acquire additional energy assets from SunEdison in certain target
9 markets and that it expected SunEdison to provide additional projects above and beyond
10 the minimum required by the support agreement. The Offering Materials stated in
11 pertinent part:

12 *Portfolio growth*

13 *Call and ROFO rights*

14 ***We believe we will be able to rapidly expand our initial***
15 ***portfolio as a result of the significant project acquisition call rights***
16 ***and rights of first offer, or “ROFO rights,”*** that we have with our Sponsor
17 and the project acquisition call rights and ROFO rights we have and expect to
18 acquire from third-party developers of clean power generation assets. Upon
19 completion of this offering, we will have call rights with respect to identified
20 projects that have an aggregate capacity of 5,856 1 MW.

19 We will enter into a support agreement with our Sponsor immediately
20 prior to the completion of this offering, pursuant to which our Sponsor will
21 agree to offer us additional qualifying projects through the fifth anniversary of
22 the completion of this offering that are projected to generate an aggregate of at
23 least \$1.4 billion of cash available for distribution during their respective first
24 twelve months of commercial operations. ***We expect that our Sponsor will***
25 ***continue to provide us with the opportunity to acquire additional***
26 ***qualifying projects after it has satisfied its minimum commitment***
27 ***under the support agreement in order to maximize the value of its***
28 ***equity ownership and incentive distribution rights. The support***
agreement with our Sponsor will also grant us ROFO rights with
respect to additional clean energy projects that our Sponsor elects
to sell or otherwise transfer and that are located in our initial
target markets or other emerging markets that we mutually agree
upon.

1 We executed call right agreements with seven third-party developers,
2 pursuant to which we have the right to purchase, at our election, a total of 43
3 solar, wind and hydro- electric projects in China with an aggregate capacity of
4 1,559.7 MW for a specified period.

4 *Third-party acquisitions*

5 We also intend to rapidly expand our project portfolio by acquiring
6 renewable energy projects from third parties. As discussed below, our Sponsor
7 and its operating subsidiary, TerraForm Power, have a strong record of third-
8 party project and corporate acquisitions. We expect that our initial portfolio will
9 include 1.1 GW of projects acquired from third parties in nine acquisitions. We
10 expect to continue to have significant opportunities to acquire projects from
11 third-party developers, **enabling us to expand our project portfolio
12 through acquisitions for the foreseeable future.**

13 *Grow our business through acquisitions of long-term contracted
14 operating assets.* We intend to acquire additional long-term contracted clean
15 power generation assets from our Sponsor and unaffiliated third parties to
16 increase our CAFD. We believe our acquisition strategies, based on an extensive
17 knowledge of the market, third-party relationships, operating expertise and
18 access to capital, **will enhance our ability to grow and generate CAFD
19 and provide us with a competitive advantage in acquiring new
20 assets.**

21 * * *

22 **We intend to rapidly expand and diversify our initial portfolio**
23 by acquiring utility-scale solar and commercial and industrial distributed solar,
24 wind and hydro-electric power generation assets located in our initial target
25 markets, which we expect will also have long-term PPAs with creditworthy
26 counterparties.

27 48. In addition, the Offering Materials touted the business acumen, project
28 development and acquisition experience, and strong operating history of SunEdison as the
sponsor of the IPO and the primary corporate backer of TerraForm Global, and stated that
the Company's relationship with SunEdison provided a "key competitive strength." The
Offering Materials highlighted the fact that under a management services agreement,
SunEdison "has committed to provide us with a team of experienced professionals to serve
as our executive officers and other key officers." The Offering Materials stated in pertinent
part:

///
///

1 ***We believe we are well positioned to capitalize on favorable market***
2 ***trends in the renewable power generation segment due to our***
3 ***relationship with our Sponsor***, which has an established presence in each
4 of our initial target markets, a strong asset development pipeline and acquisition
track record significant project financing experience and asset management and
operational expertise.

5 *Yieldco experience*

6 ***Our Sponsor has significant experience in acquiring,***
7 ***financing and operating clean power generation assets through a***
8 ***publicly listed dividend-oriented company. We will be the second***
9 ***yieldco vehicle to launch with our Sponsor's support.*** Our Sponsor's
10 subsidiary, TerraForm Power, which owns and operates clean power assets
11 located in the United States and other select jurisdictions, completed its initial
12 public offering in July 2014. With our Sponsor's support, TerraForm Power has
raised approximately \$3.9 billion in acquisition and permanent financing to
pursue acquisitions of renewable energy projects totaling 1,703 0 MW as of May
1, 2015. We intend to capitalize on our Sponsor's experience in successfully
launching and supporting TerraForm Power.

13 *M&A expertise*

14 During the year ended December 31, 2014, our Sponsor completed 32
15 corporate and project acquisitions worldwide, which included operating projects
16 with an aggregate capacity of 1.5 GW. On January 29, 2015, our Sponsor
17 completed the purchase of First Wind's development platform, pipeline and
18 projects in development, including over 1.6 GW of wind and solar generation
19 assets under development, and increased its assets under management by 1.5
20 GW. ***We expect to continue to leverage our Sponsor's significant***
21 ***development expertise, project pipeline and third-party acquisition***
22 ***track record.*** For example, we have completed or expect to complete in
23 connection with the closing of this offering or during the remainder of 2015,
24 nine separate acquisitions representing 1.1 GW in the aggregate of projects
25 located across multiple geographies that utilize a variety of renewable energy
26 technologies.

27 49. In particular, the Offering Materials highlighted SunEdison's pending
28 acquisition of Latin America Power, stating, "Our Sponsor (i) ***will acquire*** Latin America
Power Holding, B.V.'s, or 'LAP's,' asset management platform, its operation and
maintenance personnel expertise in Peru and certain rights with respect to a pipeline of
Peruvian hydro-electric development assets. ..." The Offering Materials showed Latin
America Power projects contributing 72.5 MW to TerraForm Global's initial portfolio, or
about 5% of the initial portfolio on a megawatt basis.

1 50. The Offering Materials also stated that the Company intended to payout
2 approximately 85% of its aggregate projected annual CAFD in shareholder dividends, and
3 that its initial quarterly dividend would be set at \$0.275 per share of Class A common
4 stock, or \$1.10 per share on an annualized basis. The Offering Materials further stated
5 that the Company had targeted a 20% CAGR growth rate in dividend distributions over the
6 three-year period following the IPO. The Offering Materials also stated that the dividend
7 distribution and target growth rate “**is based on, and supported by**, our Sponsor’s
8 \$1.4 billion aggregate Projected FTM CAFD commitment to us under the Support
9 Agreement and our Sponsor’s track record of successful project acquisitions from
10 unaffiliated third parties, which will provide us the opportunity to grow our CAFD
11 following this offering.”

12 51. The statements in ¶¶ 45-50 were materially false and misleading when made,
13 because they failed to disclose that:

14 (a) SunEdison had suffered a quarterly loss of \$0.93 per share for the
15 quarter ended in June 30, 2015, a loss significantly greater than analysts’ consensus
16 estimate, which would call into question TerraForm Global’s business plan and growth
17 strategy,

18 (b) SunEdison’s poor performance would negatively impact TerraForm
19 Global and SunEdison would be unable to support TerraForm Global in the manner
20 described in the Offering Materials,

21 (c) SunEdison would stop contributing significant operating assets to
22 TerraForm Global for all of 2016, substantially hindering the Company’s ability to grow its
23 asset portfolio,

24 (d) SunEdison would not acquire Latin America Power because it could
25 not or would not fulfill its obligations to make a \$400 million upfront payment under the
26 acquisition contract, and

27 (e) TerraForm Global would not be able to increase its dividend
28 distributions by 20% CAGR on a \$1.10 initial annualized run rate for the three years

1 following the IPO, and such dividend distributions and purported growth rate had no
2 reasonable basis.

3 52. In addition, Item 303 of SEC Regulation S-K, 17 C.F.R. § 229.303(a)(3)(ii)
4 (“Item 303”), requires the Offering Materials to “[d]escribe any known trends or
5 uncertainties that have had or that the registrant reasonably expects will have a material
6 favorable or unfavorable impact on the sales or revenues or income from continuing
7 operations.” The regulation also requires the Offering Materials to disclose events that the
8 registrant knew would “cause a material change in the relationship between costs and
9 revenues.” *Id.* SunEdison’s disappointing operating results for the quarter ended June 30,
10 2015, the risk that it would completely and unilaterally stop selling developed energy assets
11 to TerraForm Global for all of 2016, and its inability or unwillingness to fulfill its
12 contractual obligations necessary to complete the acquisition of Latin America Power were
13 required to be disclosed pursuant to Item 303, because these facts posed events and
14 uncertainties that would (and did) have an unfavorable impact on TerraForm Global’s
15 revenues and income from operations.

16 53. The Company sold 45 million shares of Class A common stock at an offering
17 price of \$15 per share in the IPO, thereby generating gross proceeds of \$675 million.

18 **Events Following the IPO**

19 54. On August 6, 2015 – only two days after the Prospectus was filed with the
20 SEC – SunEdison issued a press release announcing its financial results for the quarter
21 ended June 30, 2015. In the press release, SunEdison disclosed that it had suffered a \$0.93
22 per share loss for the quarter, which was far greater than analysts’ consensus estimate of a
23 \$0.55 per share loss.

24 55. On August 11, 2015, the investor news site SeekingAlpha.com published an
25 article discussing these results. The article described the earnings miss as “whopping,”
26 “much greater than expected,” and a “focal point for investors” who were worried that
27 SunEdison had over-extended itself and would not be able to successfully follow through
28 on its “incredibly ambitious” business strategy.

1 56. On October 6, 2015, The Wall Street Journal reported that SunEdison had
2 failed to complete a \$700 million acquisition of Latin America Power, after it breached its
3 obligation to make a \$400 million upfront cash payment, citing sources familiar with the
4 situation. After the article was published, an analyst estimated that Latin America Power
5 accounted for 5% of TerraForm Global’s entire initial portfolio on a megawatt basis.

6 57. On October 7, 2015, SunEdison announced that it would significantly alter its
7 business strategy in order to turn around its ailing business prospects. On a conference
8 call to discuss this new strategy, defendant Chatila stated, “we’re going to shift our
9 portfolio approach from one that drops almost all projects into YieldCos to one that is
10 flexible with more balanced distribution to warehouses and third-party sales.” Defendant
11 Wuebbels further stated that the prior business plan of dropping significant SunEdison
12 assets into TerraForm Global “does not make sense,” and that “the basic assumption for
13 2016 is that no projects will be dropped into TerraForm Global.”

14 58. On October 8, 2015, TerraForm Global filed a notice of recent events with the
15 SEC on Form 8-K. The Form 8-K confirmed that SunEdison had terminated its purchase
16 agreement with Latin America Power and that TerraForm Global would lose the CAFD that
17 had been projected to have been generated by the projects covered in the purchase
18 agreement.

19 59. In research reports following the IPO, multiple analysts noted that
20 TerraForm Global would not be able to achieve the target dividend growth provided for in
21 the Offering Materials.

22 60. On October 27, 2015, TerraForm Global’s Class A common shares closed at
23 \$7.38 per share, or more than 50% below the IPO price.

24 **CLASS ALLEGATIONS**

25 61. Plaintiff brings this action as a class action pursuant to § 382 of the California
26 Code of Civil Procedure on behalf of a class consisting of all persons or entities who
27 acquired the Class A common stock of TerraForm Global pursuant and/or traceable to the
28 false and misleading Offering Materials issued in connection with the IPO (the “Class”).

1 Excluded from the Class are defendants and their families, the officers, directors and
2 affiliates of the defendants, at all relevant times, members of their immediate families and
3 their legal representatives, heirs, successors or assigns and any entity in which defendants
4 have or had a controlling interest.

5 62. The members of the Class are so numerous that joinder of all members is
6 impracticable. The Class A common shares were actively traded on the NASDAQ, a
7 developed and global electronic market. While the exact number of Class members is
8 unknown to Plaintiff at this time and can only be ascertained through appropriate
9 discovery, Plaintiff believes that there are hundreds of members in the proposed Class.
10 Record owners and other members of the Class may be identified from records maintained
11 by TerraForm Global or its transfer agent and may be notified of the pendency of this
12 action by mail, using the form of notice similar to that customarily used in securities class
13 actions.

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

17 64. Plaintiff will fairly and adequately protect the interests of the members of the
18 Class and has retained counsel competent and experienced in class and securities
19 litigation, including litigation in San Mateo Superior Court.

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

23 (a) whether the 1933 Act was violated by defendants' acts as alleged
24 herein,

25 (b) whether statements made by defendants to the investing public in
26 connection with the IPO and in the Offering Materials misrepresented material facts about
27 the business, operations and prospects of TerraForm Global, and

28 (c) to what extent the members of the Class have sustained damages and

1 the proper measure of damages.

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

8 **FIRST CAUSE OF ACTION**

9 **For Violation of § 11 of the 1933 Act Against All Defendants**

10 67. Plaintiff Incorporates ¶¶ 1-66 by reference.

11 68. This Cause of Action is brought pursuant to § 11 of the 1933 Act, 15 U.S.C.
12 §77k, on behalf of the Class, against all defendants.

13 69. This Cause of Action does not sound in fraud. Plaintiff does not allege that
14 defendants had scienter or fraudulent intent, which are not elements of a § 11 claim.

15 70. The Registration Statement was inaccurate and misleading, contained untrue
16 statements of material facts, omitted to state other facts necessary in order to make the
17 statements made not misleading, and omitted to state material facts required to be stated
18 therein.

19 71. TerraForm Global is the registrant for the IPO. The defendants named
20 herein were responsible for the contents and dissemination of the Registration Statement.

21 72. As issuer of the Class A common stock, TerraForm Global is strictly liable to
22 Plaintiff and the Class for any misstatements and omissions.

23 73. None of the defendants named herein made a reasonable investigation or
24 possessed reasonable grounds for the belief that the statements contained in the
25 Registration Statement were true and without omissions of any material facts and were not
26 misleading.

27 74. By reason of the conduct herein alleged, each defendant violated, and/or
28 controlled a person who violated, § 11 of the 1933 Act.

1 75. Plaintiff acquired Class A common stock pursuant and/or traceable to the
2 Registration Statement.

3 76. Plaintiff and the Class have sustained damages. The value of the Class A
4 common stock purchased pursuant to the Registration Statement has declined
5 substantially subsequent to defendants' violations.

6 **SECOND CAUSE OF ACTION**

7 **For Violation of § 12(a)(2) of the 1933 Act Against All Defendants**

8 77. Plaintiff incorporates ¶¶ 1-76 by reference.

9 78. This Cause of Action is brought pursuant to § 12(a)(2) of the 1933 Act, 15
10 U.S.C. § 771(a)(2), on behalf of the Class, against all defendants.

11 79. This Cause of Action does not sound in fraud. Plaintiff does not allege that
12 defendants had scienter or fraudulent intent, which are not elements of a § 12(a)(2) claim.

13 80. By means of the defective Prospectus, defendants promoted and sold the
14 Class A common stock to Plaintiff and other members of the Class.

15 81. The Prospectus contained untrue statements of material fact, and concealed
16 and failed to disclose material facts, as detailed above. Defendants owed Plaintiff and other
17 members of the Class who purchased the Class A common stock the duty to make a
18 reasonable and diligent investigation of the statements contained in the Prospectus to
19 ensure that such statements were true and that there was no omission to state a material
20 fact required to be stated in order to make the statements contained therein not
21 misleading. Defendants, in the exercise of reasonable care, should have known of the
22 misstatements and omissions as set forth above.

23 82. Plaintiff did not know, nor in the exercise of reasonable diligence could have
24 known, of the untruths and omissions contained in the Prospectus at the time Plaintiff
25 acquired the Class A common stock.

26 83. By reason of the conduct alleged herein, defendants violated § 12(a)(2) of the
27 1933 Act. As a direct and proximate result of such violations, Plaintiff and the other
28 members of the Class who purchased the Class A common stock sustained damages in

1 connection with their purchases. Accordingly, Plaintiff and the other members of the Class
2 who hold the Class A common stock issued pursuant to the Prospectus have the right to
3 rescind and recover the consideration paid for their shares, and hereby tender their Class A
4 common stock to the defendants sued herein. To the extent Class members have sold their
5 Class A common stock, they seek damages to the extent permitted by law.

6 **THIRD CAUSE OF ACTION**

7 **For Violation of § 15 of the 1933 Act Against SunEdison,
8 TerraForm Global and the Individual Defendants**

9 84. Plaintiff incorporates ¶¶ 1-83 by reference.

10 85. This Cause of Action is brought pursuant to §15 of the 1933 Act against
11 SunEdison, TerraForm Global and the Individual Defendants.

12 86. SunEdison and the Individual Defendants each were control persons of
13 TerraForm Global by virtue of their voting power over the Company and/or senior
14 positions with the Company. SunEdison had voting control over the Company at all
15 relevant times. The Individual Defendants each had a series of direct and/or indirect
16 business and/or personal relationships with other directors and/or officers and/or major
17 shareholders of TerraForm Global. TerraForm Global controlled the Individual
18 Defendants and all of its employees.

19 87. Defendants each were culpable participants in the violations of §§ 11 and
20 12(a)(2) of the 1933 Act alleged in the Causes of Action above, based on their having signed
21 or authorized the signing of the Registration Statement and having otherwise participated
22 in the process which allowed the IPO to be successfully completed.

23 **PRAYER FOR RELIEF**

24 WHEREFORE, Plaintiff prays for relief and judgment, as follows:

- 25 A. Declaring this action to be a proper class action and certifying Plaintiff as a
26 Class representative under § 382 of the California Code of Civil Procedure;
27 B. Awarding Plaintiff and the members of the Class damages and interest;
28 C. Awarding rescission or a rescissory measure of damages;

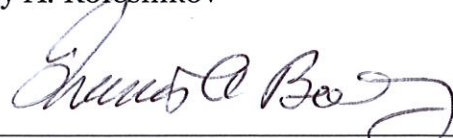
- 1 D. Awarding Plaintiff's reasonable costs, including attorneys' fees; and
- 2 E. Awarding such equitable/injunctive or other relief as the Court may deem
- 3 just and proper.

4 **JURY DEMAND**

5 Plaintiff hereby demands a trial by jury.

6 DATED: December 9, 2015

BOTTINI & BOTTINI, INC.
Francis A. Bottini, Jr.
Albert Y. Chang
Yury A. Kolesnikov

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