UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF GEORGIA, ATLANTA DIVISION

Ryan Marselis, individually and on behalf of all others similarly situated v. Fox Factory Holding Corp., et al.

Marselis · No. 1:24-CV-00747-TWT · Decided February 10, 2026

SUMMARY

The United States District Court for the Northern District of Georgia granted Defendants' motion to dismiss a securities-fraud action brought by Ryan Marselis against Fox Factory Holding Corp. and others. The court held that the Second Amended Complaint failed to satisfy the heightened pleading requirements of Federal Rule of Civil Procedure 9(b) and the Private Securities Litigation Reform Act because it did not adequately identify why specific statements were false or misleading. The court dismissed the Section 10(b), Rule 10b-5, and Section 20(a) claims with prejudice and directed the Clerk to close the case.

CASE DETAILS

COURT	United States District Court for the Northern District of Georgia, Atlanta Division
WRITING FOR THE COURT	Thomas W. Thrash, Jr.
JURISDICTION	United States District Court for the Northern District of Georgia, Atlanta Division
DECIDED	February 10, 2026
DOCKET	1:24-CV-00747-TWT
DISPOSITION	dismissed
PROCEDURAL POSTURE	Defendants moved under Federal Rule of Civil Procedure 12(b)(6) to dismiss the Second Amended Complaint asserting securities-fraud claims under Section 10(b), SEC Rule 10b-5, and Section 20(a) of the Securities Exchange Act.
STANDARD OF REVIEW	De novo review of the sufficiency of the complaint under Federal Rule of Civil Procedure 12(b)(6), accepting well-pleaded facts as true and construing them in the plaintiff's favor; securities-fraud allegations must also satisfy Federal Rule of Civil Procedure 9(b) and the heightened pleading requirements of the PSLRA.

PRECEDENTIAL VALUE	unpublished federal district court opinion; precedential status not identified

TOPICS

securities fraud · motions to dismiss · pleadings · civil procedure · commercial litigation

PRACTICE AREAS

securities law · corporate law · civil procedure

QUESTIONS PRESENTED

1. Whether the Second Amended Complaint adequately pleaded materially false or misleading statements and scienter under Section 10(b) and Rule 10b-5.
2. Whether the Section 20(a) control-person claim could survive absent a sufficiently pleaded primary Section 10(b) violation.
3. Whether dismissal should be with prejudice after the plaintiff was previously granted leave to amend and filed a second complaint that did not cure the identified pleading defects.

HOLDINGS

1. The Second Amended Complaint failed to satisfy Rule 9(b) and the PSLRA because it did not adequately identify why each specific alleged statement was false or misleading, leaving the court and defendants to speculate about which reasons applied to which statements.
2. The Section 20(a) claim failed because the plaintiff did not adequately plead the necessary primary violation under Section 10(b) and Rule 10b-5.
3. Dismissal with prejudice was appropriate because the plaintiff had already received an opportunity to amend and returned with largely cosmetic changes that did not cure the previously identified defects.

KEY QUOTATIONS

> *"the Named Plaintiff [ ] does not even attempt to explain why specific statements are misleading."* (at 9)

> *"flies straight into the face of Rule 9(b) and the PSLRA."* (at 12)

> *"the Court and the Defendants are still left to speculate (1) which specific statements are materially false or misleading, (2) which reasons match with which statements, (3) which statements are materially false or misleading by omission, and (4) to what degree are such statements materially false or misleading."* (at 11)

> *"The Second Amended Complaint is dismissed with prejudice for the reasons stated in this Order."* (at 15)

FACTUAL BACKGROUND

Fox Factory manufactures performance products and suspension components for bicycles and powered vehicles. The plaintiff purchased Fox Factory common stock during the alleged class period and claimed that defendants misled investors about demand for Fox Factory products while reporting strong sales and making optimistic projections. After Fox Factory reported repeated sales declines and attributed the latest decline to slower buying patterns, its stock price fell 37.34 percent.

PROCEDURAL HISTORY

The plaintiff previously filed an amended complaint that the court dismissed without prejudice for failure to plead the securities claims with particularity, while granting leave to amend. The plaintiff filed a Second Amended Complaint, and defendants again moved for dismissal. The court concluded that the pleading defects persisted, dismissed the Second Amended Complaint with prejudice, directed entry of judgment for defendants, and ordered the case closed.

DISPOSITION

dismissed

CASES CITED

- 941 F.3d 1116, 1122 (11th Cir. 2019)
- 556 U.S. 662, 678 (2009)
- 550 U.S. 544, 556 (2007)
- 711 F.2d 989, 994-95 (11th Cir. 1983)
- 40 F.3d 247, 251 (7th Cir. 1994)
- 753 F.2d 974, 975 (11th Cir. 1985)
- 551 U.S. 89, 93 (2007)
- 934 F.3d 1307, 1317-18 (11th Cir. 2019)
- 843 F.3d 1257, 1276 (11th Cir. 2016)
- 2011 WL 2650717, at *7 (W.D. Mich. July 6, 2011)
- 806 F. Supp. 2d 1267, 1293-94 (N.D. Ga. 2011)
- 160 F. Supp. 2d 1059, 1073-75 (N.D. Cal. 2001)
- 521 F. Supp. 3d 469, 478-79 (S.D.N.Y. 2021)
- 143 F.4th 1301, 1306 (11th Cir. 2025)
- 569 F. App'x 669, 686 (11th Cir. 2014)
- 7 F.4th 989, 999-1000 (11th Cir. 2021)
- 673 F. App'x 925, 929-30 (11th Cir. 2016)