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8 Counsel for Plaintiff

9 UNITED STATES DISTRICT COURT  
10 CENTRAL DISTRICT OF CALIFORNIA

11 NICKOLAS VAN WINGERDEN,  
12 INDIVIDUALLY AND ON BEHALF  
13 OF ALL OTHERS SIMILARLY  
14 SITUATED,

15 Plaintiff,

16 v.

17 CADIZ INC., SCOTT S. SLATER,  
18 TIMOTHY J. SHAHEEN, AND KEITH  
19 BRACKPOOL,

20 Defendants.

Case No:

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

**JURY TRIAL DEMANDED**

21  
22 Plaintiff Nickolas Van Wingerden, individually and on behalf of all other  
23 persons similarly situated, by his undersigned attorneys, alleges in this Complaint the  
24 following upon knowledge with respect to his own acts, and upon facts obtained  
25 through an investigation conducted by his counsel, which included, inter alia: (a)  
26 review and analysis of relevant filings made by Cadiz Inc. ("Cadiz" or the  
27 "Company") with the United States Securities and Exchange Commission (the  
28 "SEC"); (b) review and analysis of Defendants' public documents and press releases;

1 (c) review and analysis of securities analysts' reports and advisories concerning the  
2 Company; and (d) information readily obtainable on the Internet.

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

### 7 **NATURE OF THE ACTION**

8 1. This is a federal securities class action on behalf of all persons and  
9 entities, other than Defendants, who purchased the common stock of Cadiz during the  
10 period of March 10, 2014 through April 21, 2015, inclusive (the "Class Period"),  
11 seeking to recover compensable damages caused by Defendants' violations of federal  
12 securities laws (the "Class").

13 2. Cadiz is a land and water resource development company headquartered  
14 in California. Cadiz owns more than 70 square miles of property located in three  
15 sites. The properties are in the eastern portion of the Mojave Desert of San  
16 Bernardino County and near the Colorado River Aqueduct.

17 3. Cadiz's primary, and basically only project, is the Cadiz Valley Water  
18 Conservation, Recovery and Storage Project (the "Project"). The Project is designed  
19 to capture and conserve billions of gallons of groundwater flowing beneath the  
20 Mojave Desert. The intent of the project is to reduce the loss of groundwater from the  
21 evaporation from the dry lakes and to create a reliable water supply for Southern  
22 California.

### 23 **JURISDICTION AND VENUE**

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

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



1 (a) directly participated in the management of the Company;

2 (b) was directly involved in the day-to-day operations of the  
3 Company at the highest levels;

4 (c) was privy to confidential proprietary information concerning the  
5 Company and its business and operations;

6 (d) was involved in drafting, producing, reviewing and/or  
7 disseminating the false and misleading statements and information alleged  
8 herein;

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

11 (f) approved or ratified these statements in violation of the federal  
12 securities laws.

13 15. As officers, directors, and controlling persons of a publicly-held  
14 company whose common stock is and was registered with the SEC pursuant to the  
15 Exchange Act, and was traded on NASDAQ and governed by the provisions of the  
16 federal securities laws, the Individual Defendants each had a duty to disseminate  
17 accurate and truthful information promptly with respect to the Company's business  
18 prospects and operations, and to correct any previously-issued statements that had  
19 become materially misleading or untrue to allow the market price of the Company's  
20 publicly-traded stock to reflect truthful and accurate information.

21 16. Cadiz is liable for the acts of the Individual Defendants and its  
22 employees under the doctrine of respondeat superior and common law principles of  
23 agency as all of the wrongful acts complained of herein were carried out within the  
24 scope of their employment with authorization.

25 17. The scienter of the Individual Defendants and other employees and  
26 agents of the Company is similarly imputed to Cadiz under respondeat superior and  
27 agency principles.

28

## SUBSTANTIVE ALLEGATIONS

### Background

18. The U.S. Department of the Interior's Bureau of Land Management (the "BLM") oversees and administers the use of public lands, including the grant of a right-of-way.

19. The U.S. Congress passed the General Railroad Right of Way Act in 1875 (the "1875 Act"), which grants railroad companies a 100 foot right-of-way on public land on either side of a railroad line, subject to certain terms and conditions. Although Congress enacted the Federal Land Policy and Management Act ("FLPMA") in 1976, railroads that were granted a previous federal right-of-way were recognized to have their existing rights.

20. The Arizona & California Railroad ("ARZC") began its operations between 1903 and 1907 and received a right-of-way from the federal government.

21. In September 2008, Cadiz and ARZC entered into a lease for Cadiz to use ARZC's right-of-way.

22. On November 4, 2011, the Solicitor's Office of the U.S. Department of the Interior issued an opinion (the "M-37025 Opinion") clarifying the government's interpretation of the 1875 Act and determining that the agency allowed too much discretion with its previously issued opinion, the "M-36964 Opinion" from 1989. The M-37025 Opinion withdrew the guidance issued from the 1989 M-36964 Opinion as it relates to the railroad's rights within the 1875 Act right-of way. The review was prompted in part by Cadiz's Project as stated in the M-37025 Opinion:

Our review of Opinion M-36964 responds to ... (2) concerns raised in connection with a proposal by Cadiz, Inc., to construct the Cadiz Water Conservation & Storage Project ('Cadiz Project), which includes the construction of a 42-mile water conveyance pipeline in the Mojave Desert within the Arizona & California Railroad Company's CARZC) 1875 Act ROW.

1  
2 23. In the M-37025 Opinion, the Solicitor's Office determined that a  
3 railroad's authority to authorize other activities within an 1875 Act right-of-way is  
4 limited to those activities that derive from or further a "railroad purpose." The BLM  
5 was given the authority to determine if a use of an existing right-of-way fell within a  
6 railroad purpose and whether federal review would be required to make that  
7 determination. The BLM was given the ability to do so on a case-by-case basis and  
8 fact specific inquiry. If the use of a right-of-way was not a "railroad purpose" then the  
9 use would require federal approval.

10 24. In December 2011, Cadiz and ARZC amended their 2008 lease to  
11 include a new need for water along the railroad for fire suppression as a "railroad  
12 purpose." However, the BLM did not believe that fire suppression was an actual  
13 need, because there had not been any trestle fires in the specific stretch. Additionally,  
14 the Federal Railroad Administration was unaware of any railroads with hydrants  
15 along the tracks. Furthermore, the San Bernardino Fire Department, the county in  
16 which the land is located, stated that the current access roads are sufficient for rapid  
17 response should a fire occur.

18 25. On December 2, 2011, the BLM issued interim guidance in response to  
19 the M-37025 Opinion. This interim guidance was called Instruction Memorandum  
20 No. 2012-038.

21 26. On December 23, 2011, the U.S. Congress passed the 2012 Consolidated  
22 Appropriations Act (the "Appropriations Act"). Division E, Title I, Section 118 of the  
23 Appropriations Act lists the "Prohibition on Use of Funds" in relation to the BLM.  
24 The Appropriations Act states in relevant part:

- 25 (a) Any proposed new use of the Arizona & California  
26 Railroad Company's Right of Way for conveyance of  
27 water shall not proceed unless the Secretary of the  
28

1 Interior certifies that the proposed new use is within the  
2 scope of the Right of Way.

3 (b) No funds appropriated or otherwise made available to the  
4 Department of the Interior may be used, in relation to any  
5 proposal to store water underground for the purpose of  
6 export, for approval of any right-of-way or similar  
7 authorization on the Mojave National Preserve or lands  
8 managed by the Needles Field Office of the Bureau of  
9 Land Management, or for carrying out any activities  
10 associated with such right-of-way or similar approval.

11  
12 27. On August 11, 2014, the BLM issued Instruction Memorandum No.  
13 2014-122 in response to the M-37025 Opinion. Instruction Memorandum No. 2014-  
14 122 did not change the BLM's analysis of the determination of a "railroad purpose"  
15 with respect to Cadiz's Project.

16 **Defendants' Materially False and Misleading Statements During the Class**  
17 **Period**

18 28. The Class Period begins on March 10, 2014, when the Company filed a  
19 materially false and misleading Form 10-K for the year ended December 31, 2013  
20 (the "2013 10-K") with the SEC. The 2013 10-K states in relevant part:

21 According to existing federal law and direction from the DOI in  
22 Memorandum Opinion M-23075, a railroad has the authority to grant  
23 third party uses within its rights-of-way without BLM approval if  
24 those uses will serve a railroad purpose. The Project and pipeline will  
25 further numerous railroad purposes, including fire suppression and  
26 access to water for railroad business operations, and the ARZC has  
27 provided information regarding these purposes to the BLM. As a  
28 result, ***we do not believe federal right-of-way approval is required to  
implement the Project;*** however, this may be subject to challenge.

1 (Emphasis added).

2 29. The 2013 10-K was signed by the Individual Defendants. Attached to the  
3 2013 10-K were the Sarbanes-Oxley Act of 2002 (“SOX”) certifications signed by  
4 Defendants Slater and Shaheen falsely attesting to the accuracy of the 2013 10-K.

5 30. On August 13, 2014, the Company issued a news update on its website  
6 and publically disseminated on the Internet entitled, “*News: Cadiz Inc. Statement*  
7 *Regarding U.S. Department of the Interior Instruction Memorandum Pertaining to*  
8 *Third Party Uses of Railroad Rights-of-Way.*” The news update stated in relevant  
9 part:

10 ***Cadiz Project Furthers a Railroad Purpose as Required by new IM***  
11 Los Angeles — Today, the Bureau of Land Management (BLM)  
12 issued a long awaited Instruction Memorandum (IM) to its Field  
13 Offices regarding the “Evaluation and Approval of Activities within  
14 Railroad Rights-of-Way Granted under the General Railroad Right-of-  
15 Way Act of March 3, 1875.” Pursuant to the IM, BLM will evaluate  
16 whether any activity proposed for an 1875 Act railroad right-of-way  
17 that crosses federal lands “furthers a railroad purpose.” If BLM  
18 determines that it does, then the railroad or third parties authorized by  
19 it may proceed with the activity on those lands without further federal  
20 consent or involvement. If BLM determines that the proposed activity  
21 does not “further a railroad purpose,” then the project proponent will  
22 have to obtain a permit from BLM to proceed.

23 In 2008, Cadiz entered into a 99-year lease agreement with the  
24 Arizona & California Railroad Company (ARZC) to use portions of  
25 its 1875 Act right-of-way for the Cadiz Valley Water Conservation,  
26 Recovery and Storage Project (Project), which will transport water by  
27 a buried pipeline from Cadiz to the Colorado River Aqueduct. The  
28 lease expressly requires that the Project further several railroad  
purposes and, under our lease agreement, the ARZC reserved water  
supplies from the planned pipeline for its operational needs as well as  
access to Project facilities, such as roads and power appurtenances, for  
the benefit of its railroad operation.

Among the many benefits, including access to roads and power  
facilities, the Project will also make water available to ARZC along its



1 rail line for fire suppression purposes at a time when federal concern  
 2 over damage to railroads from fires as the result of spills of petroleum  
 3 products and other accidents is at an all-time high. In addition, the  
 4 Project will enable the operation of a steam-powered tourism-based  
 train that will operate between Parker, Arizona and Cadiz, California.

5 ***Since 2012, the ARZC and Cadiz have provided the BLM detailed***  
 6 ***information about the numerous railroad purposes that will be***  
 7 ***furthered by the Project and we believe our proposed use of the***  
 8 ***ARZC right-of-way fit squarely within the four corners of the new***  
 9 ***framework.*** We are therefore hopeful that we will receive a speedy  
 10 determination from the BLM under its new IM that the Project may  
 proceed on ARZC's right-of-way without further federal consent or  
 involvement.

11 (Emphasis added).

12  
 13 31. On March 9, 2015, the Company filed a materially false and misleading  
 14 Form 10-K for the year ended December 31, 2014 (the "2014 10-K") with the SEC.  
 15 The 2014 10-K states in relevant part:

16  
 17 Our lease agreement with the ARZC also expressly requires that the  
 18 Project further several railroad purposes ...

19 In August 2014, the U.S. Bureau of Land Management issued  
 20 guidance (Instruction Memorandum No. 2014-122) to its field offices  
 21 requiring the evaluation of all existing and proposed uses of 1875 Act  
 22 railroad rights-of-way to determine whether or not they further a  
 23 railroad purpose. If the BLM determines that a third-party use does  
 24 further a railroad purpose, then the railroad or third parties authorized  
 25 by it may proceed with the activity without further federal consent or  
 26 involvement. If BLM determines that the proposed activity does not  
 27 further a railroad purpose, then the railroad or third parties authorized  
 28 by it will have to obtain a permit from BLM in order to proceed. We  
 are currently in communication with the BLM regarding its  
 assessment of the Project's proposed use of the ARZC right-of-way  
 and the numerous railroad purposes served, as directed by the new  
 guidance.

1  
2 32. The 2014 10-K was signed by the Individual Defendants. Attached to the  
3 2014 10-K were the SOX certifications signed by Defendants Slater and Shaheen  
4 falsely attesting to the accuracy of the 2014 10-K.

5 33. The 2013 10-K, the 2014 10-K, and the news update were materially  
6 false and misleading and failed to disclose that: (1) the BLM determined that the  
7 Project did not meet a “railroad purpose” and therefore was outside of ARZC’s right-  
8 of-way and (2) BLM’s determination and the Appropriations Act rendered the project  
9 unviable.

### 10 **THE TRUTH EMERGES**

11 34. On April 21, 2015, *SeekingAlpha.com* published a report entitled  
12 “*Cadiz: Strong Sell On Project Failure, Insider Enrichment, And Bankruptcy, Price*  
13 *Target \$0.*” The *SeekingAlpha.com* report revealed, among other things:

- 14 • The Company acknowledged in a letter dated July 12, 2013 that the BLM  
15 previously determined that the Project does not serve a “railroad purpose”  
16 and continued to maintained its determination even after the Company  
17 provided additional information; and
- 18 • BLM’s determination that the Project does not meet a “railroad purpose” in  
19 conjunction with the Appropriations Act renders the Project unviable.

20 35. On this news, the Company’s stock fell \$1.05 per share or almost 11%  
21 for the next two days to close at \$8.65 per share on April 22, 2015, damaging  
22 investors.

### 23 **PLAINTIFF’S CLASS ACTION ALLEGATIONS**

24 36. Plaintiff brings this action as a class action pursuant to Federal Rule of  
25 Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who  
26 purchased or otherwise acquired Cadiz securities traded on NASDAQ during the  
27 Class Period (the “Class”); and were damaged upon the revelation of the alleged  
28 corrective disclosure. Excluded from the Class are Defendants herein, the officers and

1 directors of the Company, at all relevant times, members of their immediate families  
2 and their legal representatives, heirs, successors or assigns and any entity in which  
3 Defendants have or had a controlling interest.

4 37. The members of the Class are so numerous that joinder of all members is  
5 impracticable. Throughout the Class Period, Cadiz securities were actively traded on  
6 NASDAQ. While the exact number of Class members is unknown to Plaintiff at this  
7 time and can be ascertained only through appropriate discovery, Plaintiff believes that  
8 there are hundreds or thousands of members in the proposed Class. Record owners  
9 and other members of the Class may be identified from records maintained by Cadiz  
10 or its transfer agent and may be notified of the pendency of this action by mail, using  
11 the form of notice similar to that customarily used in securities class actions.

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

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

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

- 22 • whether the federal securities laws were violated by Defendants' acts as  
23 alleged herein;
- 24 • whether statements made by Defendants to the investing public during the  
25 Class Period misrepresented material facts about the business and  
26 operations of Cadiz;
- 27 • whether the Individual Defendants caused Cadiz to issue false and  
28 misleading financial statements during the Class Period;

- whether Defendants acted knowingly or recklessly in issuing false and misleading financial statements;
- whether the prices of Cadiz securities during the Class Period were artificially inflated because of the Defendants' conduct complained of herein; and,
- whether the members of the Class have sustained damages and, if so, what is the proper measure of damages.

41. 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.

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

- Defendants made public misrepresentations or failed to disclose material facts during the Class Period;
- the omissions and misrepresentations were material;
- Cadiz securities are traded in efficient markets;
- the Company's shares were liquid and traded with moderate to heavy volume during the Class Period;
- the Company traded on NASDAQ, and was covered by multiple analysts;
- the misrepresentations and omissions alleged would tend to induce a reasonable investor to misjudge the value of the Company's securities; and

- Plaintiff and members of the Class purchased and/or sold Cadiz securities between the time the Defendants failed to disclose or misrepresented material facts and the time the true facts were disclosed, without knowledge of the omitted or misrepresented facts.

43. Based upon the foregoing, Plaintiff and the members of the Class are entitled to a presumption of reliance upon the integrity of the market.

44. Alternatively, Plaintiffs and the members of the Class are entitled to the presumption of reliance established by the Supreme Court in *Affiliated Ute Citizens of the State of Utah v. United States*, 406 U.S. 128, 92 S. Ct. 2430 (1972), as Defendants omitted material information in their Class Period statements in violation of a duty to disclose such information, as detailed above.

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

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

**FIRST CLAIM**  
**Violation of Section 10(b) of The Exchange Act**  
**and Rule 10b-5 Promulgated Thereunder Against All Defendants**

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

48. During the Class Period, Defendants carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (1) deceive the investing public, including Plaintiff and other Class members, as alleged herein; and (2) cause Plaintiff and other members of the Class to purchase Cadiz

1 securities at artificially inflated prices. In furtherance of this unlawful scheme, plan  
2 and course of conduct, each of the Defendants took the actions set forth herein.

3 49. Defendants: (a) employed devices, schemes, and artifices to defraud; (b)  
4 made untrue statements of material fact and/or omitted to state material facts  
5 necessary to make the statements not misleading; and (c) engaged in acts, practices,  
6 and a course of business that operated as a fraud and deceit upon the purchasers of the  
7 Company's securities in an effort to maintain artificially high market prices for Cadiz  
8 securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5  
9 promulgated thereunder. All Defendants are sued either as primary participants in the  
10 wrongful and illegal conduct charged herein or as controlling persons as alleged  
11 below.

12 50. Defendants, individually and in concert, directly and indirectly, by the  
13 use, means or instrumentalities of interstate commerce and/or of the mails, engaged  
14 and participated in a continuous course of conduct to conceal adverse material  
15 information about the business, operations and future prospects of Cadiz as specified  
16 herein.

17 51. These Defendants employed devices, schemes, and artifices to defraud  
18 while in possession of material adverse non-public information, and engaged in acts,  
19 practices, and a course of conduct as alleged herein in an effort to assure investors of  
20 Cadiz's value and performance and continued substantial growth, which included the  
21 making of, or participation in the making of, untrue statements of material facts and  
22 omitting to state material facts necessary in order to make the statements made about  
23 Cadiz and its business operations and future prospects in the light of the  
24 circumstances under which they were made, not misleading, as set forth more  
25 particularly herein, and engaged in transactions, practices and a course of business  
26 that operated as a fraud and deceit upon the purchasers of Cadiz securities during the  
27 Class Period.

28

1        52. Each of the Individual Defendants' primary liability, and controlling  
2 person liability, arises from the following facts: (1) the Individual Defendants were  
3 high-level executives, directors, and/or agents at the Company during the Class  
4 Period and members of the Company's management team or had control thereof; (2)  
5 each of these Defendants, by virtue of his responsibilities and activities as a senior  
6 officer and/or director of the Company, was privy to and participated in the creation,  
7 development and reporting of the Company's business prospects and operations; (3)  
8 each of these Defendants enjoyed significant personal contact and familiarity with the  
9 other Defendants and was advised of and had access to other members of the  
10 Company's management team, internal reports and other data and information about  
11 the Company's operations and business projects at all relevant times; and (4) each of  
12 these Defendants was aware of the Company's dissemination of information to the  
13 investing public which they knew or recklessly disregarded was materially false and  
14 misleading.

15        53. Defendants had actual knowledge of the misrepresentations and  
16 omissions of material facts set forth herein, or acted with reckless disregard for the  
17 truth in that they failed to ascertain and to disclose such facts, even though such facts  
18 were available to them. Such Defendants' material misrepresentations and/or  
19 omissions were done knowingly or recklessly and for the purpose and effect of  
20 concealing Cadiz's future business prospects from the investing public and  
21 supporting the artificially inflated price of its securities. As demonstrated by  
22 Defendants' overstatements and misstatements of the Company's business prospects  
23 and operations throughout the Class Period, Defendants, if they did not have actual  
24 knowledge of the misrepresentations and omissions alleged, were reckless in failing  
25 to obtain such knowledge by deliberately refraining from taking those steps necessary  
26 to discover whether those statements were false or misleading.

27        54. As a result of the dissemination of the materially false and misleading  
28 information and failure to disclose material facts, as set forth above, the market price

1 of Cadiz securities was artificially inflated during the Class Period. In ignorance of  
2 the fact that market prices of Cadiz's publicly-traded securities were artificially  
3 inflated, and relying directly or indirectly on the false and misleading statements  
4 made by Defendants, or upon the integrity of the market in which the common stock  
5 trades, and/or on the absence of material adverse information that was known to or  
6 recklessly disregarded by Defendants but not disclosed in public statements by  
7 Defendants during the Class Period, Plaintiff and the other members of the Class  
8 acquired Cadiz securities during the Class Period at artificially high prices and were  
9 or will be damaged thereby.

10 55. At the time of said misrepresentations and omissions, Plaintiff and other  
11 members of the Class were ignorant of their falsity, and believed them to be true. Had  
12 Plaintiff and the other members of the Class and the marketplace known the truth  
13 regarding Cadiz's Project, which was not disclosed by Defendants, Plaintiff and other  
14 members of the Class would not have purchased or otherwise acquired their Cadiz  
15 securities, or, if they had acquired such securities during the Class Period, they would  
16 not have done so at the artificially inflated prices that they paid.

17 56. By virtue of the foregoing, Defendants have violated Section 10(b) of  
18 the Exchange Act, and Rule 10b-5 promulgated thereunder.

19 57. As a direct and proximate result of Defendants' wrongful conduct,  
20 Plaintiff and the other members of the Class suffered damages in connection with  
21 their respective purchases and sales of the Company's securities during the Class  
22 Period.

23 58. This action was filed within two years of discovery of the fraud and  
24 within five years of each plaintiff's purchases of securities giving rise to the cause of  
25 action.



**SECOND CLAIM**  
**Violation of Section 20(a) of**  
**The Exchange Act Against the Individual Defendants**

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

60. The Individual Defendants acted as controlling persons of Cadiz within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions, agency, ownership and contractual rights, and participation in and/or awareness of the Company's operations and/or intimate knowledge of the false financial statements filed by the Company with the SEC and disseminated to the investing public, the Individual Defendants had the power to influence and control, and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements that Plaintiff contends are false and misleading. The Individual Defendants were provided with or had unlimited access to copies of the Company's reports, press releases, public filings and other statements alleged by Plaintiff to have been misleading prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the statements or to cause the statements to be corrected.

61. In particular, each of these Defendants had direct and supervisory involvement in the day-to-day operations of the Company and, therefore, is presumed to have had the power to control or influence the particular transactions giving rise to the securities violations as alleged herein, and exercised the same.

62. As set forth above, Cadiz and the Individual Defendants each violated Section 10(b), and Rule 10b-5 promulgated thereunder, by their acts and omissions as alleged in this Complaint.

63. By virtue of their positions as controlling persons, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and other members of the

1 Class suffered damages in connection with their purchases of the Company's  
2 securities during the Class Period.

3 64. This action was filed within two years of discovery of the fraud and  
4 within five years of each Plaintiff's purchases of securities giving rise to the cause of  
5 action.

6 **WHEREFORE**, Plaintiff prays for relief and judgment, as follows:

7 a. Determining that this action is a proper class action, designating Plaintiff  
8 as Lead Plaintiff and certifying Plaintiff as a class representative under Rule 23 of the  
9 Federal Rules of Civil Procedure and Plaintiff's counsel as Lead Counsel;

10 b. Awarding compensatory damages in favor of Plaintiff and the other  
11 Class members against all Defendants, jointly and severally, for all damages  
12 sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial,  
13 including interest thereon;

14 c. Awarding Plaintiff and the Class their reasonable costs and expenses  
15 incurred in this action, including counsel fees and expert fees; and

16 d. Such other and further relief as the Court may deem just and proper.

17 **JURY TRIAL DEMANDED**

18 Plaintiff hereby demands a trial by jury.

19 Dated: April 24, 2015

Respectfully submitted,

21 **THE ROSEN LAW FIRM, P.A.**

22 /s/ Laurence Rosen

23 Laurence M. Rosen, Esq. (SBN 219683)

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28 Counsel for Plaintiff

## Certification and Authorization of Named Plaintiff Pursuant to Federal Securities Laws

The individual or institution listed below (the "Plaintiff") authorizes and, upon execution of the accompanying retainer agreement by The Rosen Law Firm P.A., retains The Rosen Law Firm P.A. to file an action under the federal securities laws to recover damages and to seek other relief against Cadiz Inc.. The Rosen Law Firm P.A. will prosecute the action on a contingent fee basis and will advance all costs and expenses. The Cadiz Inc.. Retention Agreement provided to the Plaintiff is incorporated by reference, upon execution by The Rosen Law Firm P.A.

First name: Nickolas  
 Middle initial:  
 Last name: Van Wingerden  
 Address: [REDACTED]  
 City: [REDACTED]  
 State: [REDACTED]  
 Zip: [REDACTED]  
 Country: [REDACTED]  
 Facsimile:  
 Phone: [REDACTED]  
 Email: [REDACTED]

Plaintiff certifies that:

1. Plaintiff has reviewed the complaint and authorized its filing.
2. Plaintiff did not acquire the security that is the subject of this action at the direction of plaintiff's counsel or in order to participate in this private action or any other litigation under the federal securities laws.
3. Plaintiff is willing to serve as a representative party on behalf of a class, including providing testimony at deposition and trial, if necessary.
4. Plaintiff represents and warrants that he/she/it is fully authorized to enter into and execute this certification.
5. Plaintiff will not accept any payment for serving as a representative party on behalf of the class beyond the Plaintiff's pro rata share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the class as ordered or approved by the court.
6. Plaintiff has made no transaction(s) during the Class Period in the debt or equity securities that are the subject of this action except those set forth below:

Acquisitions:

Type of Security	Buy Date	# of Shares	Price per Share
Common Stock	04/06/15	132	10.7456
Common Stock 04/06/15	100	10.5999	
Common Stock 11/25/14	268	11.5373	

Sales:

Type of Security	Sale Date	# of Shares	Price per Share
Common Stock 04/22/15	500	8.5298	

Certification for Nickolas Van Wingerden (cont.)

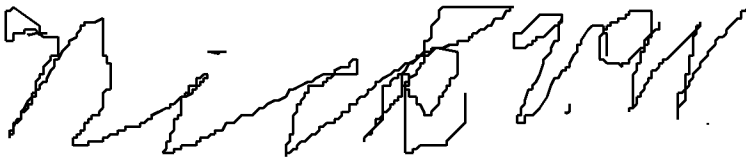
7. I have not served as a representative party on behalf of a class under the federal security laws during the last three years, except if detailed below. [ ]

I declare under penalty of perjury, under the laws of the United States, that the information entered is accurate: YES

By clicking on the button below, I intend to sign and execute this agreement and retain the Rosen Law Firm, P.A. to proceed on Plaintiff's behalf, on a contingent fee basis. YES

Signed pursuant to California Civil Code Section 1633.1, et seq. - and the Uniform Electronic Transactions Act as adopted by the various states and territories of the United States.

Date of signing: 04/22/2015

A handwritten signature in black ink, appearing to read "Nickolas Van Wingerden". The signature is stylized with a large, prominent "N" and "V".