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JIGISHA DESAI, and LAUREL J.
13 KRZEMINSKI
14

15 **UNITED STATES DISTRICT COURT**
16 **NORTHERN DISTRICT OF CALIFORNIA**

17 THE POLICE RETIREMENT SYSTEM OF
18 ST. LOUIS,

19 Plaintiff,

20 vs.

21 GRANITE CONSTRUCTION
INCORPORATED, et al.,

22 Defendants.
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28

Case No. 3:19-cv-04744-WHA

CLASS ACTION

**DEFENDANTS' ANSWER TO
PLAINTIFF'S AMENDED CLASS
ACTION COMPLAINT**

Judge: Hon. William H. Alsup

1 Defendants Granite Construction Incorporated (“Granite”), James H. Roberts, Jigisha
2 Desai, and Laurel J. Krzeminski (collectively with Granite, “Defendants”), by and through their
3 attorneys, answer the allegations of the Amended Complaint of Lead Plaintiff The Police
4 Retirement System of St. Louis (“Plaintiff”) and state as follows:

5 **ANSWER**

6 Unless otherwise indicated, the answers and defenses contained in Defendants’ Answer to
7 Plaintiff’s Amended Class Action Complaint (“Answer”) are on behalf of all Defendants. To the
8 extent that any allegation in the Amended Complaint is directed specifically at one or more of the
9 individual Defendants, those other individual Defendants to whom the allegation is not directed
10 (unless otherwise stated in this Answer) lack knowledge or information sufficient to admit or deny
11 the allegation. The Amended Complaint contains numerous charts and tables, which Defendants
12 deny are allegations but for purposes of answering the Amended Complaint will treat them as
13 such. Defendants deny any averments or allegations in the “Glossary of Key Terms” on Pages iv
14 and v of the Amended Complaint or in the headings or subheadings of the Amended Complaint.

15 Answering the unnumbered preamble paragraphs of the Amended Complaint, Defendants
16 admit that The Police Retirement System of St. Louis is the court-appointed lead plaintiff in this
17 case. Defendants admit that Plaintiff purports to bring claims pursuant to federal securities laws
18 on behalf of a putative class of all those who purchased or otherwise acquired Granite common
19 stock between April 30, 2018, and October 24, 2019. Defendants deny that Plaintiff’s claims have
20 any merit and deny that the putative class should be certified pursuant to Rule 23 of the Federal
21 Rules of Civil Procedure. Defendants admit that Mr. Roberts is Granite’s CEO, Ms. Desai is
22 Granite’s current CFO, and Ms. Krzeminski was formerly Granite’s CFO. Defendants admit that
23 Plaintiff purports to make certain of its allegations on information and belief based on
24 investigations conducted by its counsel, but Defendants are without sufficient knowledge or
25 information to admit or deny the allegations regarding the investigation conducted by Plaintiff’s
26 counsel and on that ground deny those allegations. Defendants otherwise deny the allegations in
27 the unnumbered preamble paragraphs of the Amended Complaint.

28 Defendants answer the Amended Complaint’s separately numbered paragraphs as follows:

1 1. Defendants admit the allegations in Paragraph 1 of the Amended Complaint.
2 2. Defendants deny the allegations in Paragraph 2 of the Amended Complaint.
3 3. Defendants admit that Granite is a member of four separate joint ventures (“JVs”)
4 with other construction companies that have contracted to rebuild a portion of Interstate 4 in
5 Florida (the “I-4 Ultimate Project”), replace New York’s Tappan Zee Bridge (the “Tappan Zee
6 Project”), replace over 500 bridges for the Pennsylvania Department of Transportation (the
7 “Pennsylvania Project”), and rebuild a portion of Interstate 35 in Texas (together, “the Projects”).
8 Defendants state that the allegation that certain of Granite’s projects are “at issue” is a legal
9 conclusion to which no response is required. Defendants admit that, as of the end of the third
10 quarter of 2019, the aggregate value of the contracts for the four Projects was over \$7.5 billion.
11 Defendants otherwise deny the allegations in Paragraph 3 of the Amended Complaint.

12 4. Defendants deny the allegations in Paragraph 4 of the Amended Complaint.
13 5. Defendants admit that Granite used the “percentage of completion” method to
14 recognize revenue from the Projects, specifically, the “cost-to-cost” method. Defendants deny the
15 allegations in the last sentence of Paragraph 5. To the extent that Plaintiff alleges in Paragraph 5
16 that GAAP imposes certain legal requirements on Defendants, Defendants state that such
17 allegations state legal conclusions that Defendants are not required to admit or deny. To the extent
18 a response is deemed required, Defendants deny that the allegations of Paragraph 5 set forth a
19 complete and accurate statement of Defendants’ legal duties. To the extent that Plaintiff purports
20 in Paragraph 5 to characterize or summarize GAAP, Defendants admit that GAAP provides
21 guidance with respect to how to account for, among other things, costs and revenues, but deny that
22 Plaintiff’s allegations fairly, accurately, and completely characterize the applicable guidance.
23 Defendants otherwise deny the allegations in Paragraph 5 of the Amended Complaint.

24 6. To the extent Paragraph 6 attempts to characterize Granite’s or any individual
25 Defendant’s statements to investors in Granite’s filings with the SEC or in earnings call
26 transcripts, Defendants state that those SEC filings and earnings call transcripts speak for
27 themselves. Defendants deny the allegations in Paragraph 6 to the extent they misquote,
28 mischaracterize, or are inconsistent with Granite’s or any individual Defendant’s statements made

1 before the Class Period to investors in public SEC filings, earnings call transcripts, or elsewhere.
2 Defendants otherwise deny the allegations in Paragraph 6 of the Amended Complaint.

3 7. Defendants are without sufficient knowledge or information to admit or deny the
4 allegation that the Projects “remained a key area of focus for Wall Street analysts and investors
5 who continuously sought information from Granite” and on that basis deny that allegation.
6 Granite’s quarterly earnings call transcripts speak for themselves, and Defendants deny that Mr.
7 Roberts’ or the other individual Defendants’ statements during Granite’s quarterly earnings calls
8 support Plaintiff’s claims. Defendants also deny the allegations concerning statements by
9 analysts, Mr. Roberts, or any other individual Defendant during earnings calls to the extent that
10 the allegations misquote, mischaracterize, or are inconsistent with the statements reflected in the
11 earnings call transcripts. Granite’s Forms 10-Q and 10-K filed with the SEC, including its
12 Forms 10-Q and 10-K filed during the Class Period, speak for themselves. Defendants deny that
13 the statements in Granite’s Forms 10-Q or 10-K filed with the SEC support Plaintiff’s claims, and
14 deny the allegations concerning statements in Granite’s Forms 10-Q and 10-K to the extent they
15 misquote, mischaracterize, or are inconsistent with Granite’s SEC filings. Defendants otherwise
16 deny the allegations in Paragraph 7 of the Amended Complaint.

17 8. Defendants deny the allegations in Paragraph 8 of the Amended Complaint.

18 9. Defendants admit that Granite announced a proposed stock-for-stock acquisition of
19 Layne Christensen Company (“Layne”) in February 2018. Defendants admit that Layne was a
20 water management, construction, and drilling company. Defendants further admit that Granite
21 acquired Layne in a merger in which it paid \$321.0 million in Granite stock, paid \$28.8 million in
22 cash to settle outstanding options, and assumed \$191.5 million in Layne convertible notes.
23 Defendants otherwise deny the allegations in Paragraph 9 of the Amended Complaint.

24 10. Defendants are without sufficient knowledge or information to admit or deny the
25 allegations regarding the identities of the alleged former employees (“FEs”) who allegedly spoke
26 to Plaintiff’s counsel and what these FEs said to Plaintiff’s counsel and on that basis deny those
27 allegations. Defendants otherwise deny the allegations in Paragraph 10 of the Amended
28 Complaint. To the extent that Paragraph 10 seeks to incorporate by reference the allegations

1 contained in Paragraph 211 of the Amended Complaint, Defendants incorporate by reference their
2 response to that paragraph.

3 11. Defendants admit that Granite entered into JVs with other companies for each of
4 the four Projects. Defendants further admit that on each Project, Granite and other construction
5 companies on the Project formed a limited liability company or joint venture that is a separate
6 legal entity. Defendants further admit that this separate legal entity maintains its own financial
7 information. On each Project, Granite applied its accounting policies and procedures to account
8 for revenues, costs, and profits that Granite recognized from the particular Project. Defendants are
9 without sufficient knowledge or information to admit or deny allegations as to how other
10 construction companies involved in each Project accounted for revenues, costs, and profits, and on
11 that basis deny all allegations concerning how any other company participating in any Project
12 accounted for revenues, costs, or profits. Defendants otherwise deny the allegations in
13 Paragraph 11 of the Amended Complaint.

14 12. Defendants state that financial information concerning Granite's JVs (a group that
15 includes all Granite JVs, not merely the Projects) is set forth in Granite's filings with the SEC.
16 Defendants deny that Granite's SEC filings support Plaintiff's claims, state that Granite's SEC
17 filings speak for themselves, and deny the allegations of Paragraph 12 to the extent that the
18 allegations concerning the financial performance of Granite and its JVs misstate, mischaracterize,
19 or are inconsistent with Granite's SEC filings. Defendants deny the allegation that "the size and
20 timing of the deviations between the JVs and Granite are unexplainable other than by fraud."
21 Defendants otherwise deny the allegations in Paragraph 12 of the Amended Complaint.

22 13. Defendants deny that the chart accompanying Paragraph 13 of the Amended
23 Complaint is an allegation but for purposes of answering Paragraph 13 will treat it as such.
24 Defendants state that financial information concerning Granite's JVs (a group that includes all
25 Granite JVs, not just the Projects) is publicly available in Granite's SEC filings. Defendants state
26 that Granite's SEC filings speak for themselves, deny that they support Plaintiff's claims, and
27 deny the allegations of Paragraph 13 and the accompanying chart to the extent that the allegations
28 misstate, mischaracterize, or are inconsistent with Granite's financial statements and public SEC

1 filings. Because Defendants do not know how the metrics in the chart accompanying
2 Paragraph 13 were calculated, Defendants are without sufficient knowledge or information to
3 admit or deny the allegations relating to the metrics and on that basis deny those allegations.
4 Defendants otherwise deny the allegations in Paragraph 13 of the Amended Complaint and the
5 allegations (if any) in the accompanying chart.

6 14. Defendants admit that Granite does not typically disclose in its filings with the SEC
7 financial results on a project-by-project basis, although it discloses certain financial results at a
8 segment level and discloses aggregate financial information concerning its JVs (a group that
9 includes all Granite JVs, not just the Projects). Defendants otherwise deny the allegations in
10 Paragraph 14 of the Amended Complaint.

11 15. Defendants deny the allegations in the first and third sentences of Paragraph 15 of
12 the Amended Complaint. Defendants admit that, as disclosed in Granite's filings with the SEC,
13 Granite took charges in the second and third quarters of 2019 related to the performance of certain
14 joint ventures. Defendants state that Granite's SEC filings speak for themselves, deny that those
15 filings support Plaintiff's claims, and deny Plaintiff's allegations to the extent they misstate,
16 mischaracterize, or are inconsistent with Granite's SEC filings. Defendants deny that any charges
17 were "improperly delayed in violation of GAAP." With respect to the allegations in the final
18 sentence of Paragraph 15, which purports to summarize statements in a written memorandum,
19 Defendants state that any such memorandum speaks for itself, and deny the allegations regarding
20 the memorandum to the extent that they misstate, misquote, or are inconsistent with the
21 memorandum. Defendants otherwise deny the allegations in Paragraph 15 of the Amended
22 Complaint.

23 16. Defendants admit that Skanska was one of the partners in the I-4 Ultimate Project.
24 Defendants admit that, in a statement dated October 18, 2018, Skanska announced that it would be
25 taking a 900 million Swedish Krona (SEK) write-down relating to the construction of two public-
26 private partnership projects in the United States. Defendants state that Skanska's statement speaks
27 for itself, deny that it supports Plaintiff's claims, and deny Plaintiff's allegations to the extent they
28 misstate, mischaracterize, or are inconsistent with Skanska's statement. Defendants are without

1 sufficient knowledge or information to admit or deny the allegation that “a substantial portion . . .
2 if not all” of the Skanska write-down “arose from cost overruns in the Florida Project” and on that
3 basis deny that allegation. Defendants admit that Granite filed its Form 10-Q for the third quarter
4 of 2018 with the SEC on October 29, 2018. Defendants further admit that in this Form 10-Q,
5 Granite reported that it recognized \$3.1 million in net losses for all its unconsolidated JVs—a
6 group that included numerous construction projects in addition to the Projects—during the three
7 months ended September 30, 2018, and that those unconsolidated JVs recognized \$47.6 million in
8 net losses during that period. Defendants state that the Form 10-Q speaks for itself, deny that it
9 supports Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they misstate,
10 mischaracterize, or are inconsistent with the Form 10-Q. Defendants otherwise deny the
11 allegations in Paragraph 16 of the Amended Complaint.

12 17. Defendants admit that, as disclosed in a press release attached to a Form 8-K filed
13 with the SEC on August 2, 2019, Granite stated that it would be taking after-tax charges of \$106.7
14 million. Defendants further admit that, in Granite’s Form 10-Q for the third quarter of 2019 filed
15 with the SEC on October 25, 2019, Granite reported a decrease in gross profit of \$80.7 million
16 (before taxes) due to revisions in estimates in project profitability. Defendants state that the
17 Form 10-Q and the Form 8-K (and any attachments thereto) speak for themselves, deny that they
18 support Plaintiff’s claims, and deny Plaintiff’s allegations relating to the charges to the extent they
19 misstate, mischaracterize, or are inconsistent with the forms. To the extent Paragraph 17 purports
20 to draw information from any other of Granite’s SEC filings, Defendants state that these filings
21 speak for themselves, deny that they support Plaintiff’s claims, and deny Plaintiff’s allegations
22 regarding Granite’s financial results to the extent they misstate, mischaracterize, or are
23 inconsistent with the filings. Defendants otherwise deny the allegations in Paragraph 17 of the
24 Amended Complaint.

25 18. Defendants are without sufficient knowledge or information to admit or deny the
26 allegations regarding what alleged former employees of Granite allegedly told Plaintiff’s counsel
27 during its investigation and on that basis deny the allegations in the second and third sentence of
28 Paragraph 18. Defendants admit that “work in progress” reports existed and were shared with

1 certain Granite employees, including the individual Defendants. Mr. Roberts admits that, during
2 the many years that the I-4 Ultimate and Tappan Zee Projects have been under construction, he
3 has visited those Project sites and has met with certain of the project management in place at the I-
4 4 Ultimate and Tappan Zee Projects. Defendants otherwise deny the allegations in Paragraph 18
5 of the Amended Complaint.

6 19. Defendants admit that Granite is headquartered in Watsonville, California.
7 Defendants are without sufficient knowledge or information to admit or deny the allegations
8 regarding the identity of FE 2 and what FE 2 allegedly told Plaintiff's counsel during its
9 investigation and on that basis deny those allegations. Defendants otherwise deny the allegations
10 in Paragraph 19 of the Amended Complaint. To the extent that Paragraph 19 seeks to incorporate
11 by reference the allegations contained in Paragraph 203 of the Amended Complaint, Defendants
12 incorporate by reference their response to that paragraph.

13 20. Defendants are without sufficient knowledge or information to admit or deny the
14 allegations regarding the identity of FE 3 and what FE 3 allegedly told Plaintiff's counsel during
15 its investigation and on that basis deny those allegations. Defendants otherwise deny the
16 allegations in Paragraph 20 of the Amended Complaint. To the extent that Paragraph 20 seeks to
17 incorporate by reference the allegations contained in Paragraph 206 of the Amended Complaint,
18 Defendants incorporate by reference their response to that paragraph.

19 21. Defendants are without sufficient knowledge or information to admit or deny the
20 allegations regarding the identity of FE 4 and what FE 4 allegedly told Plaintiff's counsel during
21 its investigation and on that basis deny those allegations. Defendants otherwise deny the other
22 allegations in Paragraph 21 of the Amended Complaint. To the extent that Paragraph 21 seeks to
23 incorporate by reference the allegations contained in Paragraph 208 of the Amended Complaint,
24 Defendants incorporate by reference their response to that paragraph.

25 22. To the extent that Paragraph 22 purports to draw information from Granite's SEC
26 filings, Defendants state that Granite's SEC filings speak for themselves, deny that the filings
27 support Plaintiff's claims, and deny Plaintiff's allegations to the extent they misstate,
28

1 mischaracterize, or are inconsistent with the filings. Defendants otherwise deny the allegations in
2 Paragraph 22 of the Amended Complaint.

3 23. To the extent that Paragraph 23 purports to draw information from Granite's SEC
4 filings, Defendants state that Granite's SEC filings speak for themselves, deny that the filings
5 support Plaintiff's claims, and deny Plaintiff's allegations to the extent they misstate,
6 mischaracterize, or are inconsistent with the filings. Defendants otherwise deny the allegations in
7 Paragraph 23 of the Amended Complaint.

8 24. Defendants admit that Granite filed a Form 8-K with the SEC on July 29, 2019, that
9 attached a press release disclosing that its financial results for the second quarter of 2019 were
10 expected to include after-tax charges of between \$104 million and \$108 million. Defendants
11 further admit that Granite filed a Form 8-K with the SEC on August 2, 2019, that attached a press
12 release disclosing that it had taken after-tax charges of \$106.7 million. Defendants further admit
13 that, in Granite's Form 10-Q for the second quarter of 2019 filed with the SEC on August 6, 2019,
14 Granite reported a decrease in gross profit of \$161.1 million (before taxes) due to revisions in
15 estimates in project profitability. Defendants state that these Forms 8-K (and all exhibits thereto)
16 and the Form 10-Q for the second quarter of 2019, all of which were filed with the SEC, speak for
17 themselves, deny that they support Plaintiff's claims, and deny Plaintiff's allegations to the extent
18 they misstate, mischaracterize, or are inconsistent with those SEC filings. Defendants otherwise
19 deny the allegations in Paragraph 24 of the Amended Complaint.

20 25. Defendants are without sufficient knowledge or information to admit or deny the
21 allegations regarding the identity of FE 5 and what FE 5 allegedly told Plaintiff's counsel during
22 its investigation and on that basis deny those allegations. Defendants state that Granite's Forms 8-
23 K filed with the SEC on July 29, 2019 and August 2, 2019 (and all exhibits thereto) and its
24 Form 10-Q for the second quarter of 2019 speak for themselves, deny that they support Plaintiff's
25 claims, and deny Plaintiff's allegations to the extent that they misstate, mischaracterize, or are
26 inconsistent with those SEC filings. Defendants otherwise deny the allegations in Paragraph 25 of
27 the Amended Complaint. To the extent that Paragraph 25 seeks to incorporate by reference the
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1 allegations contained in Paragraph 210 of the Amended Complaint, Defendants incorporate by
2 reference their response to that paragraph.

3 26. Defendants admit that Granite held an earnings call on August 2, 2019. To the
4 extent Paragraph 26 attempts to characterize Granite's or any individual Defendant's statements to
5 investors as reflected in the transcript for the August 2, 2019 earnings call, Defendants state that
6 the earnings call transcript speaks for itself, deny that the statements on the earnings call transcript
7 support Plaintiff's claims, and deny the allegations in Paragraph 26 to the extent they misquote,
8 mischaracterize, or are inconsistent with any statement to investors as reflected in the earnings call
9 transcript. Defendants otherwise deny the allegations in Paragraph 26 of the Amended Complaint.

10 27. Defendants admit that Granite's Form 10-Q for the third quarter of 2019, filed with
11 the SEC on October 25, 2019, reported a decrease in gross profit of \$80.7 million (before taxes)
12 due to revisions in estimates in project profitability. Defendants state that Granite's Form 10-Q
13 for the third quarter of 2019 speaks for itself, deny that it supports Plaintiff's claims, and deny
14 Plaintiff's allegations regarding Granite's financial results to the extent they misstate,
15 mischaracterize, or are inconsistent with the Form 10-Q. Defendants otherwise deny the
16 allegations in Paragraph 27 of the Amended Complaint.

17 28. Defendants admit that the per-share closing price of Granite's common stock is
18 published daily, which prices speak for themselves. Defendants admit that at the close of trading
19 on July 29, 2019, Granite's stock price was \$44.47. Defendants deny that Granite's stock price
20 was \$26.25 on October 24, 2019, which is inconsistent with the listed share price of \$36.90 at the
21 close of trading on October 24, 2019. Defendants otherwise deny the allegations in Paragraph 28
22 of the Amended Complaint.

23 29. Defendants admit that Plaintiff purports to assert claims under the referenced
24 sections of the Securities Exchange Act of 1934 ("Exchange Act") and rules and regulations
25 promulgated thereunder. Defendants deny that Plaintiff's claims have merit. Defendants state that
26 the remaining allegations in Paragraph 29 of the Amended Complaint state legal conclusions to
27 which no response is required. To the extent a response to Plaintiff's allegations concerning
28

1 subject-matter jurisdiction is deemed required, Defendants admit that this Court has subject-matter
2 jurisdiction over this case.

3 30. Defendants state that Paragraph 30 of the Amended Complaint states legal
4 conclusions to which no response is required. To the extent a response is deemed required,
5 Defendants deny the allegations in Paragraph 30 of the Amended Complaint.

6 31. Defendants state that the allegations in the first and second sentences of
7 Paragraph 31 of the Amended Complaint state legal conclusions to which no response is required.
8 To the extent a response is deemed required, Defendants admit that venue is proper in this District.
9 Defendants admit that, throughout the Class Period, Granite has maintained its corporate
10 headquarters and principal executive offices in this District. Defendants otherwise deny the
11 allegations in Paragraph 31 of the Amended Complaint.

12 32. Defendants admit that The Police Retirement System of St. Louis was appointed
13 lead plaintiff by this Court. Defendants deny that they violated federal securities law. Defendants
14 are without sufficient knowledge or information to admit or deny the remaining allegations in
15 Paragraph 32 of the Amended Complaint and on that ground deny those allegations.

16 33. Defendants admit the allegations in Paragraph 33 of the Amended Complaint.

17 34. Defendants admit that Mr. Roberts has been Granite's President and Chief
18 Executive Officer since September 2010 and a member of Granite's Board of Directors since
19 2011. Defendants admit that Mr. Roberts signed Granite's Form 10-K and signed certifications
20 pursuant to the Sarbanes-Oxley Act of 2002 ("SOX certifications") for each of the Forms 10-Q
21 and 10-K filed during the Class Period. Defendants state that those documents speak for
22 themselves and deny Plaintiff's allegations to the extent that they misstate, mischaracterize, or are
23 inconsistent with those documents. Defendants further state that the allegation that Mr. Roberts
24 was "responsible" for statements in SEC filings and "had the power and authority to, and in fact
25 did, approve and control the contents of the Company's SEC filings" states a legal conclusion to
26 which no response is required. Defendants otherwise deny the allegations in Paragraph 34 of the
27 Amended Complaint.

28

1 35. Defendants admit that Ms. Krzeminski served as Granite’s Executive Vice
2 President and Chief Financial Officer from June 2010 through July 8, 2018. Defendants admit
3 that Ms. Krzeminski signed Granite’s Form 10-Q for the first quarter of 2018 and signed a SOX
4 certification for that Form 10-Q. Defendants state that the Form 10-Q and the SOX certification
5 speak for themselves and deny Plaintiff’s allegations to the extent that they misstate,
6 mischaracterize, or are inconsistent with the Form 10-Q and the SOX certification. Defendants
7 further state that the allegations that Ms. Krzeminski “is responsible” for statements in certain of
8 Granite’s SEC filings and that “[d]uring her tenure at Granite, Krzeminski possessed the power
9 and authority to, and in fact did, approve and control the contents of the Company’s Form 10-Q
10 filed with the SEC for the first quarter of 2018” state legal conclusions to which no response is
11 required. Defendants further state that Plaintiff’s Section 20(a) claims regarding statements made
12 after July 8, 2018, have been dismissed as against Ms. Krzeminski. Defendants otherwise deny
13 the allegations in Paragraph 35 of the Amended Complaint.

14 36. Defendants admit that Ms. Desai has been Granite’s Senior Vice President and
15 Chief Financial Officer since July 9, 2018. Defendants admit that Ms. Desai signed Granite’s
16 2018 Form 10-K and its Forms 10-Q for the second and third quarters of 2018 and for the first and
17 second quarters of 2019, and that she signed SOX certifications for these Forms 10-K and 10-Q.
18 Defendants state that these documents speak for themselves and deny Plaintiff’s allegations to the
19 extent that they misstate, mischaracterize, or are inconsistent with these documents. Defendants
20 further state that the allegations that Ms. Desai “is responsible” for statements in certain of
21 Granite’s SEC filings and that “[d]uring her tenure at Granite, Desai possessed the power and
22 authority to, and in fact did, approve and control the contents of the Company’s SEC filings” state
23 legal conclusions to which no response is required. Defendants further state that Plaintiff’s
24 Section 20(a) claims regarding statements made before July 8, 2018, have been dismissed as
25 against Ms. Desai. Defendants otherwise deny the allegations in Paragraph 36 of the Amended
26 Complaint.

27 37. Because the allegations in Paragraph 37 relate to aspects of the investigation
28 conducted by Plaintiff’s counsel, Defendants are without sufficient knowledge or information to

1 admit or deny the allegations in Paragraph 37 of the Amended Complaint and on that ground deny
2 those allegations.

3 38. Defendants admit that the per-share closing price of Granite's common stock is
4 published daily, which prices speak for themselves. Defendants deny Plaintiff's allegations
5 regarding Granite's stock price to the extent the allegations misquote, mischaracterize, or are
6 inconsistent with the published daily per-share closing price of Granite's common stock.
7 Defendants otherwise deny the allegations in Paragraph 38 of the Amended Complaint.

8 39. Defendants state that Granite's 2013 Annual Report speaks for itself, deny that it
9 supports Plaintiff's claims, and deny Plaintiff's allegations regarding the report to the extent they
10 misquote, mischaracterize, or are inconsistent with it. Defendants otherwise deny the allegations
11 in Paragraph 39 of the Amended Complaint.

12 40. Defendants admit that Granite was a minority partner in the JVs associated with
13 each of the four Projects. Defendants otherwise deny the allegations in Paragraph 40 of the
14 Amended Complaint.

15 41. Defendants deny the allegations in Paragraph 41 of the Amended Complaint.

16 42. To the extent Paragraph 42 purports to draw information from Granite's SEC
17 filings, Defendants state that Granite's SEC filings speak for themselves, deny that they support
18 Plaintiff's claims, and deny Plaintiff's allegations regarding Granite's financial reporting to the
19 extent they misstate, mischaracterize, or are inconsistent with Granite's SEC filings. Defendants
20 otherwise deny the allegations in Paragraph 42 of the Amended Complaint.

21 43. Defendants admit that Granite announced in an April 24, 2014 press release that a
22 team that included Granite had been chosen to complete the I-4 Ultimate Project. Defendants state
23 that this press release speaks for itself, deny that it supports Plaintiff's claims, and deny the
24 allegations regarding the press release to the extent they misquote, mischaracterize, or are
25 inconsistent with it. Defendants admit that an unincorporated JV called SGL Constructors—
26 comprised of Granite, Skanska USA Civil Southeast Inc., and The Lane Construction
27 Company—was chosen as the lead contractor for the Project. Defendants admit that Granite has a
28 30% stake in SGL Constructors. Defendants admit that the I-4 Ultimate Project involved work on

1 21 miles of I-4 in and around Orlando, including the reconstruction of the existing general-purpose
2 lanes, addition of 4 tolled express lanes, reconstruction of 15 interchanges, and work on 140
3 bridges. Defendants admit that the I-4 Ultimate Project had an original contract value of
4 approximately \$2.3 billion, but state that the contract value of the Project has changed over time.
5 Defendants otherwise deny the allegations in Paragraph 43 of the Amended Complaint.

6 44. Defendants admit that SGL Constructors is responsible for construction of the I-4
7 Ultimate Project, and that I-4 Mobility Partners (“I-4 Mobility”) is the concessionaire for the
8 project. Defendants admit that I-4 Mobility has two equity members: Skanska Infrastructure
9 Development Inc. and John Laing Investments Ltd. Defendants further admit that I-4 Mobility is
10 ultimately responsible for designing, financing, maintaining, and operating the I-4 Ultimate
11 Project. Defendants otherwise deny the allegations in Paragraph 44 of the Amended Complaint.

12 45. Defendants admit that Granite announced in a December 17, 2012 press release that
13 the New York State Thruway Board had voted to award to a JV that included Granite the design-
14 build contract to replace the Tappan Zee Bridge. Defendants state that this press release speaks
15 for itself, deny that it supports Plaintiff’s claims, and deny the allegations regarding the press
16 release to the extent they misquote, mischaracterize, or are inconsistent with it. Defendants admit
17 that the JV was called Tappan Zee Constructors (“TZC”) and that TZC was a limited liability
18 company whose members included Granite, Fluor, American Bridge Company, and Traylor Bros,
19 Inc. Defendants otherwise deny the allegations in Paragraph 45 of the Amended Complaint.

20 46. Defendants admit that the Tappan Zee Project involved replacing the Tappan Zee
21 Bridge, which formerly connected Rockland and Westchester Counties, with a new 3.1-mile-long
22 bridge. Defendants further admit that the new bridge has opened. Defendants admit that Granite
23 has a 23.3% stake in the Project. Defendants otherwise deny the allegations in Paragraph 46 of the
24 Amended Complaint.

25 47. Defendants admit that in an October 27, 2014 press release, Granite announced that
26 a JV that included Granite had been chosen by the Pennsylvania Department of Transportation to
27 complete the Rapid Bridge Replacement Project. Defendants state that this press release speaks
28 for itself, deny that it supports Plaintiff’s claims, and deny the allegations regarding the press

1 release to the extent they misquote, mischaracterize, or are inconsistent with it. Defendants admit
2 that the JV for the Project was a limited liability company called Plenary Walsh Keystone Partners
3 and that its members were The Plenary Group, The Walsh Group, Granite, and HDR Engineering.
4 Defendants further admit that a JV composed of the Walsh Construction Company and Granite
5 was chosen to serve as the design-build contractor for the Project. Defendants admit that the aim
6 of the Project was to replace 558 structurally deficient bridges across Pennsylvania. Defendants
7 admit that Granite has a 40% share in the Project. Defendants otherwise deny the allegations in
8 Paragraph 47 of the Amended Complaint.

9 48. Defendants admit that in a December 13, 2012 press release, Granite announced
10 that the Texas Department of Transportation had selected a JV that included Granite to rebuild
11 28.2 miles of highway in Texas. Defendants state that this press release speaks for itself, deny that
12 it supports Plaintiff's claims, and deny the allegations regarding the press release to the extent they
13 misquote, mischaracterize, or are inconsistent with it. Defendants admit that the JV selected to
14 complete the Project was called AGL Constructors and that its members were Archer Western
15 Contractors, Granite, and Lane Construction Company. Defendants further admit that Granite has
16 a 35% share in the Project. Defendants otherwise deny the allegations in Paragraph 48 of the
17 Amended Complaint.

18 49. Defendants admit that Granite held an earnings call on August 2, 2019. To the
19 extent Paragraph 49 attempts to characterize Granite's or any individual Defendant's statements to
20 investors in the transcript for that earnings call, Defendants state that the earnings call transcript
21 speaks for itself, and deny that the earnings call transcript or Mr. Roberts' statements therein
22 support Plaintiff's claims. Defendants deny the allegations in Paragraph 49 to the extent they
23 misquote, mischaracterize, or are inconsistent with any statements reflected in the earnings call
24 transcript. Defendants otherwise deny the allegations in Paragraph 49 of the Amended Complaint.

25 50. Defendants state that the Tappan Zee agreement referenced in Paragraph 50 of the
26 Amended Complaint is reflected in written instruments that speak for themselves, deny that the
27 agreement supports Plaintiff's claims, and deny Plaintiff's allegations regarding the agreement to
28 the extent that they misquote, mischaracterize, or are inconsistent with the agreement. To the

1 extent Plaintiff purports to quote from the agreement, Plaintiff omits terms of the agreement,
2 including terms that allow TZC to receive additional compensation under a number of
3 circumstances. Defendants otherwise deny the allegations in Paragraph 50 of the Amended
4 Complaint.

5 51. Defendants state that the three Project agreements referenced in Paragraph 51 of the
6 Amended Complaint are documented in written instruments that speak for themselves and deny
7 that those agreements support Plaintiff's claims. Defendants deny Plaintiff's allegations regarding
8 the agreements to the extent they misquote, mischaracterize, or are inconsistent with the
9 agreements. To the extent Plaintiff purports to quote from or summarize portions of these
10 agreements, Plaintiff omits terms of each agreement, including terms that allow each Project JV to
11 receive additional compensation under a number circumstances. Defendants otherwise deny the
12 allegations in Paragraph 51 of the Amended Complaint.

13 52. Defendants deny the allegations in Paragraph 52 of the Amended Complaint.

14 53. Defendants admit that Granite used the "percentage of completion" method to
15 recognize revenue from the Projects, specifically, the "cost-to-cost" method. Defendants deny that
16 the illustration of a formula in Paragraph 53 is an allegation but for purposes of responding to
17 Paragraph 53 will treat it as such. To the extent that Plaintiff alleges in Paragraph 53 (or the
18 accompanying illustration) that GAAP imposes certain legal requirements on Defendants,
19 Defendants state that such allegations state legal conclusions that Defendants are not required to
20 admit or deny. To the extent a response is deemed required, Defendants deny that the allegations
21 of Paragraph 53 and the accompanying illustration set forth a complete and accurate statement of
22 Defendants' legal duties. To the extent that Plaintiff purports in Paragraph 53 and the
23 accompanying illustration to characterize or summarize GAAP, including but not limited to the
24 standards for revenue recognition under Accounting Standards Codification ("ASC") 606,
25 Defendants admit that GAAP provides guidance with respect to how to account for, among other
26 things, costs and revenues, but deny that Plaintiff's allegations fairly, accurately, and completely
27 characterize the applicable guidance. Defendants otherwise deny the allegations in Paragraph 53
28 of the Amended Complaint and the allegations (if any) in the accompanying illustration.

1 54. Defendants deny the allegations in Paragraph 54 of the Amended Complaint. To
2 the extent that Paragraph 54 seeks to incorporate by reference the allegations contained in
3 Section IV.D of the Amended Complaint, Defendants incorporate by reference their responses to
4 the paragraphs in that section.

5 55. Defendants admit that the Projects were joint ventures. To the extent that Plaintiff
6 alleges in Paragraph 55 that GAAP imposes certain legal requirements on Defendants, Defendants
7 state that such allegations state legal conclusions that Defendants are not required to admit or
8 deny. To the extent a response is deemed required, Defendants deny that the allegations of
9 Paragraph 55 set forth a complete and accurate statement of Defendants' legal duties. To the
10 extent that Plaintiff purports in Paragraph 55 to characterize or summarize GAAP, Defendants
11 admit that GAAP provides guidance with respect to how to account for, among other things, costs
12 and revenues, but deny that Plaintiff's allegations fairly, accurately, and completely characterize
13 the applicable guidance. Defendants otherwise deny the allegations in Paragraph 55 of the
14 Amended Complaint.

15 56. Defendants admit that for each of the four Projects, one partner was designated as
16 the sponsor and that the sponsor was responsible for providing administrative and accounting
17 support for the Project, including preparation of financial information for the Project JV.
18 Defendants further admit that Granite is not the sponsor for any of the four Projects. Defendants
19 otherwise deny the allegations in Paragraph 56 of the Amended Complaint.

20 57. Defendants state that the allegation in the first sentence of Paragraph 57 of the
21 Amended Complaint states a legal conclusion to which no answer is required. Defendants admit
22 that Granite reported aggregate financial results from its JV projects, including but not limited to
23 the Projects, in its SEC filings. Defendants admit that, in its Form 10-Q for the third quarter of
24 2019 filed with the SEC on October 25, 2019, Granite stated that it was engaged in nine active
25 unconsolidated JV projects (a group that includes numerous other construction projects in addition
26 to the Projects) whose total combined contract value was \$11.5 billion, of which Granite's share
27 was \$3.3 billion. To the extent the allegations in the third sentence of Paragraph 57 purport to
28 draw information from Granite's disclosure of financial results in its SEC filings, Defendants state

1 that Granite’s SEC filings speak for themselves, deny that the filings support Plaintiff’s claims,
2 and deny Plaintiff’s allegations to the extent they misstate, mischaracterize, or are inconsistent
3 with the filings. Defendants otherwise deny the allegations in Paragraph 57 of the Amended
4 Complaint.

5 58. Defendants deny the allegations in Paragraph 58 of the Amended Complaint.

6 59. Defendants admit that on March 16, 2018, Politico published an article that stated
7 that TZC was preparing to bring a claim against the New York State Thruway Authority
8 (“NYSTA”) and purported to quote an NYSTA spokesperson. Defendants state that this article
9 speaks for itself, deny that the article supports Plaintiff’s claims, and deny Plaintiff’s allegations
10 concerning the article to the extent the allegations misquote, mischaracterize, or are inconsistent
11 with it. Defendants otherwise deny the allegations in Paragraph 59 of the Amended Complaint.

12 60. Defendants admit that over the course of the Tappan Zee Project, TZC has
13 requested extensions from the NYSTA in written instruments. Defendants state that the TZC’s
14 proposed extension requests and the NYTSA’s responses to those requests speak for themselves,
15 deny that the extension requests and the NYSTA’s responses support Plaintiff’s claims, and deny
16 Plaintiff’s allegations to the extent they misstate, mischaracterize, or are inconsistent with the
17 extension requests or the NYSTA’s responses thereto. Defendants otherwise deny the allegations
18 of Paragraph 60 of the Amended Complaint.

19 61. Defendants admit that in a February 14, 2018 press release, Granite announced its
20 proposed acquisition of Layne. Defendants state that the press release speaks for itself, deny that
21 it supports Plaintiff’s claims, and deny any allegations that misstate, mischaracterize, or are
22 inconsistent with the press release. Defendants further admit that Granite acquired Layne in a
23 merger (the “Granite-Layne Merger”) in which it paid \$321.0 million in Granite stock, paid \$28.8
24 million in cash to settle outstanding options, and assumed \$191.5 million in Layne convertible
25 notes. Defendants otherwise deny the allegations in Paragraph 61 of the Amended Complaint.

26 62. With respect to the allegations in the last sentence of Paragraph 62 of the Amended
27 Complaint, Defendants state that information regarding Granite’s financial performance is
28 publicly available in Granite’s financial results as reported in its SEC filings. Defendants state

1 that Granite's SEC filings speak for themselves, deny that they support Plaintiff's claims, and
2 deny the allegations of the last sentence of Paragraph 62 to the extent that those allegations
3 misstate, mischaracterize, or are inconsistent with Granite's SEC filings. Defendants otherwise
4 deny the allegations in Paragraph 62 of the Amended Complaint.

5 63. Defendants admit that prior to the Granite-Layne Merger, Layne was a public
6 company and that Layne's shareholders approved its acquisition by Granite through a shareholder
7 vote. Defendants otherwise deny the allegations in Paragraph 63 of the Amended Complaint.

8 64. Defendants admit that Granite announced its earnings for the first quarter of 2018
9 in a press release issued on April 30, 2018, that was filed with the SEC. Defendants admit that the
10 press release stated that revenue from Granite's Large Project Construction segment had increased
11 20.0% compared with the previous year; that the segment's gross profit was \$20.4 million
12 compared with \$2.6 million the previous year; and that the segment's gross profit margin was
13 8.2% compared to 1.2% in 2017. Defendants state that the April 30, 2018 press release and
14 Granite's Form 10-Q for the first quarter of 2018 speak for themselves, deny that they support
15 Plaintiff's claims, and deny the allegations of the last sentence of Paragraph 64 to the extent that
16 those allegations misstate, mischaracterize, or are inconsistent with the press release or the
17 Form 10-Q. Defendants otherwise deny the allegations in Paragraph 64 of the Amended
18 Complaint.

19 65. To the extent that Paragraph 65 purports to quote from or summarize Granite's
20 April 30, 2018 press release or the transcript of Granite's earnings call for the first quarter of 2018,
21 Defendants state that the press release and transcript speak for themselves, deny that they support
22 Plaintiff's claims, and deny the allegations to the extent they misquote, mischaracterize, or are
23 inconsistent with the press release or transcript. Defendants otherwise deny the allegations in
24 Paragraph 65 of the Amended Complaint.

25 66. To the extent that Paragraph 66 purports to quote from or summarize Granite's
26 April 30, 2018 press release or statements made by Ms. Krzeminski in the transcript of Granite's
27 earnings call for the first quarter of 2018, Defendants state that the press release and transcript
28 speak for themselves, deny that they support Plaintiff's claims, and deny the allegations to the

1 extent they misquote, mischaracterize, or are inconsistent with the press release or transcript.
2 Defendants are without sufficient knowledge or information to admit or deny the allegation that
3 Granite’s “consistent cost control” was a “critical fact for investors” and on that basis deny that
4 allegation. Defendants otherwise deny the allegations in Paragraph 66 of the Amended
5 Complaint.

6 67. Defendants admit that in Granite’s Form 10-Q for the first quarter of 2018, Granite
7 reported that it had net income from all of its unconsolidated JVs—a group that includes many
8 JVs not among the Projects—of \$2.6 million for the three months ended March 31, 2018, and
9 reported that its unconsolidated JVs themselves incurred a net loss of \$141 million during the
10 same period. Defendants state that these financial figures reflected the performance of the ten
11 unconsolidated JVs in which Granite was involved at the time, not just the four Project JVs.
12 Defendants state that Granite’s Form 10-Q for the first quarter of 2018 speaks for itself, deny that
13 it supports Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they misquote,
14 mischaracterize, or are inconsistent with the Form 10-Q. Defendants otherwise deny the
15 allegations in Paragraph 67 of the Amended Complaint.

16 68. Defendants are without sufficient knowledge to admit or deny the allegation in the
17 first sentence of Paragraph 68 and on that basis deny that allegation. Defendants admit that
18 Canaccord Genuity issued a report on Granite on April 30, 2018; that Cowen issued a report on
19 Granite on April 30, 2018; and that Macquarie Research issued a report on Granite on April 30,
20 2018. Defendants state that those analyst reports speak for themselves, deny that the reports
21 support Plaintiff’s claims, and deny Plaintiff’s allegations concerning the reports to the extent that
22 the allegations misquote, mischaracterize, or are inconsistent with the reports. Defendants
23 otherwise deny the allegations in Paragraph 68 of the Amended Complaint.

24 69. Defendants deny the allegations in Paragraph 69 of the Amended Complaint.

25 70. Defendants are without sufficient knowledge or information to admit or deny the
26 allegations regarding the identity of FE 5 and what FE 5 allegedly told Plaintiff’s counsel during
27 its investigation and on that basis deny the allegations in Paragraph 70. To the extent any further
28

1 response is deemed required, Defendants deny the allegations in Paragraph 70 of the Amended
2 Complaint.

3 71. Defendants admit that on June 11, 2018, I-4 Mobility, the concessionaire for the I-4
4 Ultimate Project, sent a letter to the Florida Department of Transportation seeking additional
5 compensation and an extension. Defendants state that this letter and its enclosures speak for
6 themselves, deny that the letter and its enclosures support Plaintiff's claims, and deny Plaintiff's
7 allegations concerning the letter and its enclosures to the extent the allegations misquote,
8 mischaracterize, or are inconsistent with them. Defendants are without sufficient knowledge or
9 information to admit or deny the allegations regarding what FE 5 allegedly told Plaintiff's counsel
10 during its investigation and on that basis deny those allegations. To the extent any further
11 response is required, Defendants otherwise deny the allegations in Paragraph 71 of the Amended
12 Complaint.

13 72. Defendants admit that on June 11, 2018, I-4 Mobility sent a letter to the Florida
14 Department of Transportation regarding a potential claim that related, in part, to two drilled-shaft
15 failures. Defendants state that this letter and its enclosures speak for themselves, deny that this
16 letter and its enclosures support Plaintiff's claims, and deny Plaintiff's allegations concerning the
17 letter and its enclosures to the extent the allegations misquote, mischaracterize, or are inconsistent
18 with them. Defendants otherwise deny the allegations in Paragraph 72 of the Amended
19 Complaint.

20 73. Defendants are without sufficient knowledge or information to admit or deny the
21 allegations regarding the identity of FE 6 and what FE 6 and other former employees allegedly
22 told Plaintiff's counsel during its investigation and on that basis deny the allegations in
23 Paragraph 73. To the extent further response is deemed required, Defendants deny the allegations
24 in Paragraph 73 of the Amended Complaint.

25 74. Defendants are without sufficient knowledge or information to admit or deny the
26 allegations regarding what FE 5 and FE 6 allegedly told Plaintiff's counsel during its investigation
27 and on that basis deny the allegations in Paragraph 74. To the extent further response is deemed
28 required, Defendants deny the allegations in Paragraph 74 of the Amended Complaint.

1 75. Defendants are without sufficient knowledge or information to admit or deny the
2 allegations regarding what FE 5 allegedly told Plaintiff's counsel during its investigation and on
3 that basis deny the allegations in Paragraph 75. To the extent further response is deemed required,
4 Defendants deny the allegations in Paragraph 75 of the Amended Complaint.

5 76. Defendants admit that Brad Graham was at certain times Granite's Corporate
6 Controller and Vice President of Operational Finance. Defendants are without sufficient
7 knowledge or information to admit or deny the allegations regarding the identity of FE 3 and what
8 FE 3 allegedly told Plaintiff's counsel during its investigation and on that basis deny the remaining
9 allegations in Paragraph 76. To the extent further response is deemed required, Defendants deny
10 the remaining allegations in Paragraph 76 of the Amended Complaint.

11 77. Defendants admit that Moody's published an article on June 28, 2018, about the I-4
12 Ultimate Project. Defendants state that this article speaks for itself, deny that the article supports
13 Plaintiff's claims, and deny Plaintiff's allegations concerning the article to the extent the
14 allegations misquote, mischaracterize, or are inconsistent with it. Defendants otherwise deny the
15 allegations in Paragraph 77 of the Amended Complaint.

16 78. Defendants admit that on June 11, 2018, I-4 Mobility sent a letter to the Florida
17 Department of Transportation regarding a potential claim. Defendants state that this letter speaks
18 for itself, deny that the letter supports Plaintiff's claims, and deny Plaintiff's allegations
19 concerning the letter to the extent the allegations misquote, mischaracterize, or are inconsistent
20 with it. Defendants otherwise deny the allegations in Paragraph 78 of the Amended Complaint.

21 79. Defendants deny that the table accompanying Paragraph 79 is an allegation but for
22 purposes of answering Paragraph 79 will treat it as such. Defendants admit that on June 11, 2018,
23 I-4 Mobility sent a letter to the Florida Department of Transportation regarding a potential claim.
24 Defendants state that this letter speaks for itself, deny that the letter supports Plaintiff's claims,
25 and deny Plaintiff's allegations concerning the letter to the extent the allegations misquote,
26 mischaracterize, or are inconsistent with it. Defendants otherwise deny the allegations in
27 Paragraph 79 of the Amended Complaint and the allegations (if any) in the accompanying table.

28

1 80. Defendants admit that on June 11, 2018, I-4 Mobility sent a letter to the Florida
2 Department of Transportation regarding a potential claim. Defendants state that this letter speaks
3 for itself, deny that the letter supports Plaintiff's claims, and deny Plaintiff's allegations
4 concerning the letter to the extent the allegations misquote, mischaracterize, or are inconsistent
5 with it. Defendants otherwise deny the allegations in Paragraph 80 of the Amended Complaint.

6 81. Defendants admit that I-4 Mobility's June 11, 2018 letter to the Florida Department
7 of Transportation enclosed as an attachment a June 8, 2018 letter from SGL Constructors.
8 Defendants deny that the I-4 Mobility letter or the SGL Constructors letter support Plaintiff's
9 claims, state that these letters (including the distribution list for the letters) speak for themselves,
10 and deny Plaintiff's allegations concerning the letters to the extent the allegations misquote,
11 mischaracterize, or are inconsistent with them. Defendants otherwise deny the allegations in
12 Paragraph 81 of the Amended Complaint.

13 82. Defendants admit that I-4 Mobility's June 11, 2018 letter to the Florida Department
14 of Transportation enclosed as an attachment a June 8, 2018 letter from SGL Constructors.
15 Defendants further admit that the SGL Constructors letter had exhibits. Defendants deny that the
16 I-4 Mobility letter, the SGL Constructors letter, or the exhibits support Plaintiff's claims, state that
17 the letters and the exhibits speak for themselves, and deny Plaintiff's allegations concerning the
18 letters and the exhibits to the extent the allegations misquote, mischaracterize, or are inconsistent
19 with them. Defendants otherwise deny the allegations in Paragraph 82 of the Amended
20 Complaint.

21 83. Defendants deny the allegations in the first and second sentences of Paragraph 83
22 of the Amended Complaint. With respect to the third sentence of Paragraph 83, Defendants admit
23 that I-4 Mobility's June 11, 2018 letter to the Florida Department of Transportation enclosed as an
24 attachment a June 8, 2018 letter from SGL Constructors. Defendants further admit that the SGL
25 Constructors letter had exhibits. Defendants deny that these letters or their exhibits support
26 Plaintiff's claims, state that the letters and exhibits speak for themselves, and deny Plaintiff's
27 allegations concerning the letters and the exhibits to the extent the allegations misquote,
28

1 mischaracterize, or are inconsistent with them. Defendants otherwise deny the allegations in
2 Paragraph 83 of the Amended Complaint.

3 84. Defendants deny that the table accompanying Paragraph 84 is an allegation but for
4 purposes of answering Paragraph 84 will treat it as such. With respect to the first and second
5 sentences of Paragraph 84, Defendants admit that on June 11, 2018, I-4 Mobility sent a letter to
6 the Florida Department of Transportation regarding a potential claim and that I-4 Mobility's letter
7 enclosed as an attachment a June 8, 2018 letter from SGL Constructors. Defendants state that
8 these letters speak for themselves, deny that the letters support Plaintiff's claims, and deny
9 Plaintiff's allegations concerning the letters to the extent the allegations misquote,
10 mischaracterize, or are inconsistent with them. Defendants otherwise deny the allegations in
11 Paragraph 84 of the Amended Complaint and the allegations (if any) in the accompanying table.

12 85. Defendants admit that Skanska is the majority partner on the I-4 Ultimate Project.
13 Defendants admit that, in a statement dated October 18, 2018, Skanska announced that it would be
14 taking a 900 million SEK write-down relating to the construction of two public-private partnership
15 projects in the United States. Defendants state that Skanska's statement speaks for itself, deny that
16 it supports Plaintiff's claims, and deny Plaintiff's allegations to the extent they misstate,
17 mischaracterize, or are inconsistent with Skanska's statement. Defendants are without sufficient
18 knowledge or information to admit or deny the remaining allegations in Paragraph 85 of the
19 Amended Complaint and on that basis deny those allegations.

20 86. Defendants are without sufficient knowledge or information to admit or deny the
21 allegations regarding what FE 5 allegedly told Plaintiff's counsel during its investigation and on
22 that basis deny the allegations in Paragraph 86. To the extent further response is deemed required,
23 Defendants deny the allegations in Paragraph 86 of the Amended Complaint.

24 87. Defendants are without sufficient knowledge or information to admit or deny the
25 allegations regarding the identity of FE 1 and what FE 1 allegedly told Plaintiff's counsel during
26 its investigation and on that basis deny those allegations. Defendants admit that Gabrielle Boozer
27 was at certain times a regional controller at Granite and that Bill Heathcott was at certain times
28 Granite's Vice President for Large Project Groups, Central Region. Defendants admit that at

1 certain times Ms. Boozer and Mr. Heathcott reported directly or indirectly to Dale Swanberg, who
2 was at times a Senior Vice President at Granite. Defendants admit that Mr. Swanberg reported to
3 Mr. Roberts. Defendants otherwise deny the allegations in Paragraph 87 of the Amended
4 Complaint.

5 88. Defendants are without sufficient knowledge or information to admit or deny the
6 allegations regarding what FE 1 allegedly told Plaintiff's counsel during its investigation and on
7 that basis deny the allegations in Paragraph 88. To the extent further response is deemed required,
8 Defendants deny the allegations in Paragraph 88 of the Amended Complaint.

9 89. Defendants are without sufficient knowledge or information to admit or deny the
10 allegations regarding what FE 1 allegedly told Plaintiff's counsel during its investigation and on
11 that basis deny the allegations in Paragraph 89. To the extent further response is deemed required,
12 Defendants deny the allegations in Paragraph 89 of the Amended Complaint.

13 90. Defendants are without sufficient knowledge or information to admit or deny the
14 allegations regarding the identity of FE 1 and what FE 1 allegedly told Plaintiff's counsel during
15 its investigation and on that basis deny the allegations in Paragraph 90. To the extent further
16 response is deemed required, Defendants deny the allegations in Paragraph 90 of the Amended
17 Complaint.

18 91. Defendants admit that TZC sent a Freedom of Information Law request ("FOIL
19 request") to the NYSTA on April 12, 2018. Defendants state that the FOIL request speaks for
20 itself, deny that the FOIL request supports Plaintiff's claims, and deny Plaintiff's allegations to the
21 extent that they misquote, mischaracterize, or are inconsistent with the FOIL request. Defendants
22 otherwise deny the allegations in Paragraph 91 of the Amended Complaint.

23 92. Defendants admit that TZC sent a FOIL request to the NYSTA on April 12, 2018.
24 Defendants state that the FOIL request speaks for itself, deny that the FOIL request supports
25 Plaintiff's claims, and deny Plaintiff's allegations to the extent that they misquote,
26 mischaracterize, or are inconsistent with the FOIL request. Defendants otherwise deny the
27 allegations in Paragraph 92 of the Amended Complaint.

28

1 93. Defendants are without sufficient knowledge or information to admit or deny the
2 allegations regarding what FE 3 allegedly told Plaintiff’s counsel during its investigation and on
3 that basis deny the allegations in Paragraph 93. To the extent further response is deemed required,
4 Defendants deny the allegations in Paragraph 93 of the Amended Complaint.

5 94. Defendants deny the allegations in the first and second sentences of Paragraph 94
6 of the Amended Complaint. With respect to the allegations in the third, fourth, and fifth sentences
7 of Paragraph 94, which purport to summarize the statements in a written memorandum,
8 Defendants state that any such memorandum speaks for itself, and deny the allegations regarding
9 the memorandum to the extent that they misquote, mischaracterize, or are inconsistent with the
10 memorandum. Defendants otherwise deny the allegations in Paragraph 94 of the Amended
11 Complaint.

12 95. Defendants state that Paragraph 95 purports to summarize the statements in a
13 written memorandum. Defendants further state that any such memorandum speaks for itself, and
14 deny the allegations regarding the memorandum to the extent that they misquote, mischaracterize,
15 or are inconsistent with the memorandum. Defendants otherwise deny the allegations in
16 Paragraph 95 of the Amended Complaint.

17 96. Defendants are without sufficient knowledge or information to admit or deny the
18 allegations regarding the identity of FE 2 and what FE 2 allegedly told Plaintiff’s counsel during
19 its investigation and on that basis deny those allegations. Defendants otherwise deny the
20 allegations in Paragraph 96 of the Amended Complaint. To the extent Paragraph 96 seeks to
21 incorporate by reference the allegations contained in Paragraph 203 of the Amended Complaint,
22 Defendants incorporate by reference their response to that paragraph.

23 97. Defendants state that the image that accompanies Paragraph 97 is not an allegation
24 but for purposes of answering Paragraph 97 will treat it as such. Defendants state that the third
25 sentence of Paragraph 97 and the image accompanying the paragraph purport to reflect a “Weekly
26 Update” dated September 5, 2016 contained in a written instrument that speaks for itself, and
27 Defendants deny the allegations regarding the written instrument to the extent that they misquote,
28

1 mischaracterize, or are inconsistent with the writing. Defendants otherwise deny the allegations in
2 Paragraph 97 of the Amended Complaint and the allegations (if any) in the accompanying image.

3 98. Defendants admit that HDR was the lead architect for the Pennsylvania Project. To
4 the extent Paragraph 98 purports to describe a Notice of Payment Withholding submitted in
5 connection with the Pennsylvania Project, Defendants state that the notice (including its
6 distribution list) speaks for itself, deny that the notice supports Plaintiff's claims, and deny
7 Plaintiff's allegations regarding the notice to the extent that they misquote, mischaracterize, or are
8 inconsistent with it. Defendants state that Paragraph 98 purports to quote a "Weekly Update"
9 dated September 5, 2016 contained in a written instrument that speaks for itself, and Defendants
10 deny the allegations regarding the written instrument to the extent that they misquote,
11 mischaracterize, or are inconsistent with the writing. Defendants otherwise deny the allegations in
12 Paragraph 98 of the Amended Complaint.

13 99. Defendants deny the allegations in Paragraph 99 but state that Plenary Walsh
14 Keystone Partners reached a settlement on a claim with the Pennsylvania Department of
15 Transportation in 2017. Defendants state that the settlement is reflected in a written instrument
16 that speaks for itself, deny that the settlement supports Plaintiff's claims, and deny Plaintiff's
17 allegations regarding the terms of the settlement to the extent that they misstate, mischaracterize,
18 or are inconsistent with the writing. Defendants otherwise deny the allegations in Paragraph 99 of
19 the Amended Complaint.

20 100. Defendants are without sufficient knowledge or information to admit or deny the
21 allegations regarding the identity of FE 1 and what FE 1 allegedly told Plaintiff's counsel during
22 its investigation and on that basis deny the allegations in Paragraph 100. To the extent further
23 response is deemed required, Defendants deny the allegations in Paragraph 100 of the Amended
24 Complaint.

25 101. Defendants are without sufficient knowledge or information to admit or deny the
26 allegations regarding the identity of FE 7 and what FE 1 and FE 7 allegedly told Plaintiff's
27 counsel during its investigation and on that basis deny the allegations in Paragraph 101. To the
28

1 extent further response is deemed required, Defendants deny the allegations in Paragraph 101 of
2 the Amended Complaint.

3 102. Defendants admit that on October 26, 2018, Granite announced its earnings for the
4 third quarter of 2018. Defendants are without sufficient knowledge or information to admit or
5 deny the allegations regarding the identity of FE 4 and what FE 4 allegedly told Plaintiff's counsel
6 during its investigation and on that basis deny those allegations. Defendants admit that Granite
7 filed its Form 10-Q for the third quarter of 2018 with the SEC on October 29, 2018. Defendants
8 further admit that this Form 10-Q stated that Granite's nine unconsolidated JVs—a group that
9 includes many JVs not among the Projects—recognized \$47.6 million and \$162.0 million in net
10 losses during the three and nine months ended September 30, 2018, respectively, and that
11 Granite's shares of these JVs' net losses for the same time periods were net losses of \$3.1 million
12 and \$16.5 million, respectively. Defendants state that Granite's Form 10-Q for the third quarter of
13 2018 speaks for itself, deny that it supports Plaintiff's claims, and deny Plaintiff's allegations
14 relating to the financial information in the Form 10-Q to the extent they misquote, mischaracterize,
15 or are inconsistent with the Form 10-Q. Defendants otherwise deny the allegations in
16 Paragraph 102 of the Amended Complaint. To the extent Paragraph 102 seeks to incorporate by
17 reference the allegations contained in Paragraph 208 of the Amended Complaint, Defendants
18 incorporate by reference their response to that paragraph.

19 103. Defendants admit that TZC filed a claim with the NYSTA in March 2018.
20 Defendants otherwise deny the allegations in Paragraph 103 of the Amended Complaint.

21 104. Defendants admit that the per-share closing price of Granite's common stock is
22 published daily, which prices speak for themselves. Defendants admit that Granite's stock price
23 was \$40.56 per share at the close of trading on October 25, 2018, and \$45.22 per share at the close
24 of trading on October 26, 2018. Defendants further admit that trading volume of Granite stock on
25 October 26, 2018, was approximately 1.1 million shares. Defendants otherwise deny the
26 allegations in Paragraph 104 of the Amended Complaint.

27 105. To the extent that Plaintiff is alleging in Paragraph 105 that GAAP imposes certain
28 legal requirements on Defendants, Defendants state that such allegations state legal conclusions

1 that Defendants are not required to admit or deny. To the extent a response is deemed required,
2 Defendants deny that the allegations of Paragraph 105 set forth a complete and accurate statement
3 of Defendants' legal duties. To the extent that Plaintiff purports in Paragraph 105 to characterize
4 or summarize GAAP, Defendants admit that GAAP provides guidance with respect to how to
5 account for, among other things, costs and revenues, but deny that Plaintiff's allegations fairly,
6 accurately, and completely characterize the applicable guidance. To the extent that Paragraph 105
7 purports to quote or draw information from Granite's SEC filings, including its Form 10-Q for the
8 third quarter of 2017, Defendants state that Granite's SEC filings speak for themselves, deny that
9 the filings support Plaintiff's claims, and deny the allegations to the extent they misstate,
10 mischaracterize, or are inconsistent with the filings. Defendants otherwise deny the allegations in
11 Paragraph 105 of the Amended Complaint.

12 106. To the extent that Paragraph 106 purports to quote Granite's 2017 Form 10-K filed
13 with the SEC on February 16, 2018, Defendants state that the Form 10-K speaks for itself, deny
14 that it supports Plaintiff's claims, and deny Plaintiff's allegations to the extent that they misquote,
15 mischaracterize, or are inconsistent with it.

16 107. To the extent that Paragraph 107 purports to quote Granite's Forms 10-Q filed with
17 the SEC for the first, second, and third quarters of 2018, Defendants state that those SEC filings
18 speak for themselves, deny that they support Plaintiff's claims, and deny the allegations relating to
19 the filings to the extent that they misquote, mischaracterize, or are inconsistent with the filings.
20 Defendants otherwise deny the allegations in Paragraph 107 of the Amended Complaint.

21 108. Defendants deny the allegations in Paragraph 108 of the Amended Complaint.

22 109. To the extent that Paragraph 109 purports to draw information from Granite's SEC
23 filings, Defendants state that Granite's SEC filings speak for themselves, deny that they support
24 Plaintiff's claims, and deny the allegations relating to Granite's financial disclosures to the extent
25 that they misquote, mischaracterize, or are inconsistent with Granite's SEC filings. To the extent
26 Paragraph 109 purports to allege a legal requirement under GAAP or otherwise to disclose a
27 "'reasonably possible aggregate range' of additional costs," Defendants state that such allegations
28 state legal conclusions that Defendants are not required to admit or deny. To the extent a response

1 is deemed required, Defendants deny that the allegations of Paragraph 109 set forth a complete
2 and accurate statement of Defendants' legal duties. To the extent that Plaintiff purports to
3 characterize or summarize GAAP, Defendants deny that Plaintiff's allegations fairly, accurately,
4 and completely characterize the applicable guidance under GAAP. Defendants otherwise deny the
5 allegations in Paragraph 109 of the Amended Complaint.

6 110. Defendants state that the chart accompanying Paragraph 110 is not an allegation
7 but for purposes of answering Paragraph 110 will treat it as such. To the extent that
8 Paragraph 110 and the accompanying chart purport to draw information from Granite's SEC
9 filings, Defendants state that these filings speak for themselves, deny that they support Plaintiff's
10 claims, and deny the allegations to the extent that they misstate, mischaracterize, or are
11 inconsistent with the filings. Defendants otherwise deny the allegations in Paragraph 110 of the
12 Amended Complaint and the allegations (if any) in the accompanying chart.

13 111. Defendants admit that Granite's headquarters is in Watsonville, California.
14 Defendants are without sufficient knowledge or information to admit or deny the allegations
15 regarding the identity of FE 4 and what FE 4 allegedly told Plaintiff's counsel during its
16 investigation and on that basis deny those allegations. To the extent that Plaintiff alleges in
17 Paragraph 111 that GAAP imposes certain legal requirements on Defendants, Defendants state
18 that such allegations state legal conclusions that Defendants are not required to admit or deny. To
19 the extent a response is deemed required, Defendants deny that the allegations of Paragraph 111
20 set forth a complete and accurate statement of Defendants' legal duties. To the extent that
21 Plaintiff purports to characterize or summarize GAAP, Defendants admit that GAAP provides
22 guidance with respect to how to account for, among other things, costs and revenues, but deny that
23 Plaintiff's allegations fairly, accurately, and completely characterize the applicable guidance.
24 Defendants otherwise deny the allegations in Paragraph 111 of the Amended Complaint.

25 112. Defendants are without sufficient knowledge or information to admit or deny the
26 allegations regarding what FE 4 allegedly told Plaintiff's counsel during its investigation and on
27 that basis deny the allegations in Paragraph 112. To the extent further response is deemed
28 required, Defendants deny the allegations in Paragraph 112 of the Amended Complaint.

1 113. Defendants are without sufficient knowledge or information to admit or deny the
2 allegations regarding the identity of FE 4 and what FE 4 allegedly told Plaintiff’s counsel during
3 its investigation and on that basis deny the allegations in Paragraph 113. To the extent further
4 response is required, Defendants deny the allegations in Paragraph 113 of the Amended
5 Complaint.

6 114. Defendants admit that Granite disclosed that it had taken after-tax charges of
7 \$106.7 million (before-tax, \$143.7 million) in a press release attached to a Form 8-K filed with the
8 SEC on August 2, 2019. Defendants further admit that, in a Form 10-Q for the second quarter of
9 2019 filed with the SEC on August 6, 2019, Granite reported a decrease in gross profit of \$161.1
10 million (before taxes) due to revisions in estimates in project profitability. Defendants state that
11 Granite’s SEC filings and any attachments thereto speak for themselves, deny that they support
12 Plaintiff’s claims, and deny the allegations relating to Granite’s financial results to the extent that
13 the allegations misstate, mischaracterize, or are inconsistent with the filings. Defendants
14 otherwise deny the allegations in Paragraph 114 of the Amended Complaint.

15 115. Defendants admit that, in a Form 10-Q for the third quarter of 2019 filed with the
16 SEC on October 25, 2019, Granite reported a decrease in gross profit of \$80.7 million (before
17 taxes) due to revisions in estimates in project profitability. To the extent that Paragraph 115
18 purports to draw information from Granite’s SEC filings, Defendants state that these filings speak
19 for themselves, deny that they support Plaintiff’s claims, and deny the allegations to the extent that
20 they misstate, mischaracterize, or are inconsistent with Granite’s SEC filings. Defendants
21 otherwise deny the allegations in Paragraph 115 of the Amended Complaint.

22 116. Defendants admit that Granite participated in the four Projects through separate JVs
23 and that Granite reported financial information for the four JVs—as well as numerous other JVs in
24 which it was a member—on an unconsolidated basis. Defendants are without sufficient
25 knowledge or information to admit or deny the allegations regarding how design-build joint
26 ventures “[t]ypically” prepare their financial statements and on that basis deny those allegations.
27 To the extent that Paragraph 116 purports to quote from a written agreement for the Pennsylvania
28 Project, Defendants state that the agreement speaks for itself, deny that it supports Plaintiff’s

1 claims, and deny Plaintiff's allegations regarding the agreement to the extent they misquote,
2 mischaracterize, or are inconsistent with it. Defendants admit that Granite (and the other partners)
3 received financial information from the Project JVs and that Granite was a minority partner in
4 each of the four Project JVs. Defendants otherwise deny the allegations in Paragraph 116 of the
5 Amended Complaint.

6 117. Defendants state that each of the Projects was a JV with different members, and to
7 the extent Paragraph 117 alleges that the different Project JVs had a single uniform approach to
8 reporting project financial results, Defendants deny that allegation. Defendant admit that each
9 Project JV provided financial information to Granite and the other members of the JV. Defendants
10 otherwise deny the allegations in Paragraph 117 of the Amended Complaint.

11 118. Defendants admit that Granite's headquarters is in Watsonville, California.
12 Defendants are without sufficient knowledge or information to admit or deny the allegations
13 regarding the identity of FE 8 and what FE 2 and FE 8 allegedly told Plaintiff's counsel during its
14 investigation and on that basis deny the remaining allegations in Paragraph 118. To the extent
15 further response is deemed required, Defendants deny the remaining allegations in Paragraph 118
16 of the Amended Complaint.

17 119. To the extent that Paragraph 119 purports to quote Granite's 2018 Form 10-K filed
18 with the SEC on February 22, 2019, Defendants state that the Form 10-K speaks for itself, deny
19 that it supports Plaintiff's claims, and deny Plaintiff's allegations regarding the Form 10-K to the
20 extent that they misquote, mischaracterize, or are inconsistent with the Form 10-K. Defendants
21 admit that the Projects were joint ventures. To the extent that Plaintiff is alleging in
22 Paragraph 119 that GAAP imposes certain legal requirements on Defendants or others, Defendants
23 state that such allegations state legal conclusions that Defendants are not required to admit or
24 deny. To the extent a response is deemed required, Defendants deny that the allegations of
25 Paragraph 119 set forth a complete and accurate statement of Defendants' legal duties. To the
26 extent that Plaintiff purports to characterize or summarize GAAP, Defendants admit that GAAP
27 provides guidance with respect to how to account for, among other things, costs and revenues, but
28 deny that Plaintiff's allegations fairly, accurately, and completely characterize the applicable

1 guidance. Defendants otherwise deny the allegations in Paragraph 119 of the Amended
2 Complaint.

3 120. Defendants admit that in certain quarters, Granite's share of the net profit or net
4 loss of its unconsolidated JVs differed from the JVs' net income in certain respects. To the extent
5 that Paragraph 120 purports to draw conclusions from Granite's disclosure of its financial results
6 in SEC filings, Defendants state that Granite's SEC filings speak for themselves, deny that they
7 support Plaintiff's allegations, and deny Plaintiff's allegations to the extent that they misquote,
8 mischaracterize, or are inconsistent with the information found in Granite's SEC filings.
9 Defendants otherwise deny the allegations in Paragraph 120 of the Amended Complaint.

10 121. Defendants admit that, in its Form 10-Q for the first quarter of 2018 filed with the
11 SEC on May 1, 2018, Granite reported that its ten unconsolidated JVs—a group that includes
12 many JVs not among the Projects—had revenue of \$239.4 million for the three months ended
13 March 31, 2018, and that Granite's share of this revenue was \$118.4 million. Defendants further
14 admit that, in the same Form 10-Q, Granite reported that its ten unconsolidated JVs' cost of
15 revenue was \$380.9 million for the three months ended March 31, 2018, and that Granite's share
16 of the cost of revenue was \$114.4 million. Defendants further admit that, in the same Form 10-Q,
17 Granite reported that its ten unconsolidated JVs had a \$141.0 million net loss for the three months
18 ended March 31, 2018, and that Granite's share of this net loss was net income of \$2.6 million.
19 Defendants state that Granite's SEC filings, including its Form 10-Q for the first quarter of 2018,
20 speak for themselves, deny that they support Plaintiff's allegations, and deny Plaintiff's
21 allegations to the extent that they misquote, mischaracterize, or are inconsistent with the filings.
22 Defendants otherwise deny the allegations in Paragraph 121 of the Amended Complaint.

23 122. Defendants admit that, in its 2018 Form 10-K filed with the SEC on February 22,
24 2019, Granite reported that its nine unconsolidated JVs—a group that includes many JVs not
25 among the Projects—had a net loss of \$240.3 million and that Granite's share of the net loss was a
26 net loss of \$22.6 million, each for the year ended December 31, 2018. To the extent that
27 Paragraph 122 of the Amended Complaint purports to draw information from Granite's disclosure
28 of its financial results in SEC filings, Defendants state that these filings speak for themselves,

1 deny that they support Plaintiff's claims, and deny Plaintiff's allegations to the extent that they
2 misquote, mischaracterize, or are inconsistent with the filings. Defendants otherwise deny the
3 allegations in Paragraph 122 of the Amended Complaint.

4 123. Defendants state that the table that accompanies Paragraph 123 is not an allegation
5 but for purposes of answering Paragraph 123 will treat it as such. To the extent that
6 Paragraph 123 of the Amended Complaint and the accompanying table purport to draw
7 information from Granite's disclosure of its financial results in SEC filings, Defendants state that
8 these filings speak for themselves, deny that they support Plaintiff's claims, and deny the
9 allegations of Paragraph 123 and the accompanying table to the extent that they misstate,
10 mischaracterize, or are inconsistent with the filings. Because Defendants do not know how the
11 metrics in the table accompanying Paragraph 123 were calculated, Defendants are without
12 sufficient knowledge or information to admit or deny the allegations relating to the metrics and on
13 that basis deny those allegations. Defendants otherwise deny the allegations in Paragraph 123 of
14 the Amended Complaint and the allegations (if any) in the accompanying table.

15 124. Defendants state that the chart that accompanies Paragraph 124 is not an allegation
16 but for purposes of answering Paragraph 124 will treat it as such. To the extent that
17 Paragraph 124 of the Amended Complaint and the accompanying chart purport to draw
18 information from Granite's disclosure of its financial results in SEC filings, Defendants state that
19 these filings speak for themselves, deny that they support Plaintiff's claims, and deny Plaintiff's
20 allegations to the extent that they misstate, mischaracterize, or are inconsistent with the filings.
21 Because Defendants do not know how the metrics in the chart accompanying Paragraph 124 were
22 calculated, Defendants are without sufficient knowledge or information to admit or deny the
23 allegations relating to the metrics and on that basis deny those allegations. Defendants otherwise
24 deny the allegations in Paragraph 124 of the Amended Complaint and the allegations (if any) in
25 the accompanying chart.

26 125. Defendants state that the chart referenced in Paragraph 125 is not an allegation but
27 for purposes of answering Paragraph 125 will treat it as such. To the extent that Paragraph 125 of
28 the Amended Complaint and the chart it references purport to draw information from Granite's

1 disclosure of its financial results in SEC filings, Defendants state that these filings speak for
2 themselves, deny that they support Plaintiff's claims, and deny Plaintiff's allegations to the extent
3 that they misstate, mischaracterize, or are inconsistent with the filings. Because Defendants do not
4 know how the metrics in the chart referenced in Paragraph 125 were calculated, Defendants are
5 without sufficient knowledge or information to admit or deny the allegations relating to the
6 metrics and on that basis deny those allegations. Defendants otherwise deny the allegations in
7 Paragraph 125 of the Amended Complaint and the allegations (if any) in the chart it references.

8 126. Defendants state that the chart that accompanies Paragraph 126 is not an allegation
9 but for purposes of answering Paragraph 126 will treat it as such. To the extent that
10 Paragraph 126 of the Amended Complaint and the accompanying chart purport to draw
11 information from Granite's disclosure of its financial results in SEC filings, Defendants state that
12 these filings speak for themselves, deny that they support Plaintiff's claims, and deny Plaintiff's
13 allegations to the extent that the allegations misstate, mischaracterize, or are inconsistent with the
14 filings. Because Defendants do not know how the metrics in the chart accompanying
15 Paragraph 126 were calculated, Defendants are without sufficient knowledge or information to
16 admit or deny the allegations relating to the metrics and on that basis deny those allegations.
17 Defendants otherwise deny the allegations in Paragraph 126 of the Amended Complaint and the
18 allegations (if any) in the accompanying chart.

19 127. Defendants deny the allegations in Paragraph 127 of the Amended Complaint.

20 128. Defendants admit that CFRA Research released a report on July 10, 2019.
21 Defendants state that the report speaks for itself, deny that it supports Plaintiff's claims, and deny
22 the allegations relating to the report to the extent that they misquote, mischaracterize, or are
23 inconsistent with the report. Defendants otherwise deny the allegations in Paragraph 128 of the
24 Amended Complaint.

25 129. To the extent that Paragraph 129 purports to quote statements made by Mr. Roberts
26 in a transcript of Granite's earnings call for the second quarter of 2019, Defendants state that the
27 transcript speaks for itself, deny that statements in the transcript support Plaintiff's claims, and
28 deny Plaintiff's allegations to the extent they misquote, mischaracterize, or are inconsistent with

1 the statements reflected in the transcript. Defendants otherwise deny the allegations in
2 Paragraph 129 of the Amended Complaint.

3 130. Defendants admit that Granite reported its preliminary results for the second
4 quarter of 2019 in a press release attached to a Form 8-K filed with the SEC on July 29, 2019.
5 Defendants admit that in this press release, Granite disclosed that its financial results for the
6 second quarter of 2019 were expected to include after-tax charges of between \$104 million and
7 \$108 million. Defendants further admit that Granite reported its final results for the second
8 quarter—which included after-tax charges of \$106.7 million (before-tax, \$143.7 million)—in a
9 press release attached to a Form 8-K filed with the SEC on August 2, 2019. Defendants state that
10 both Forms 8-K and their accompanying press releases speak for themselves, deny that they
11 support Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they misstate,
12 mischaracterize, or are inconsistent with those documents. Defendants otherwise deny the
13 allegations in Paragraph 130 of the Amended Complaint.

14 131. Defendants admit that Granite did not disclose in its filings with the SEC financial
15 results on a project-by-project basis, although it discloses certain financial results at a segment
16 level and discloses aggregate financial information concerning its JVs. Because the remaining
17 allegations in Paragraph 131 summarize statements allegedly made by former employees to
18 Plaintiff’s counsel during its investigation, Defendants are without sufficient knowledge or
19 information to admit or deny the remaining allegations in Paragraph 131 and on that basis deny
20 those allegations. To the extent further response is deemed required, Defendants deny the
21 remaining allegations in Paragraph 131 of the Amended Complaint.

22 132. Defendants admit that Granite disclosed its final results for the second quarter of
23 2019 in a press release attached to a Form 8-K filed with the SEC on August 2, 2019, and on an
24 earnings call the same day. To the extent that Paragraph 132 purports to draw information from
25 Granite’s SEC filings or from transcripts of Granite’s earnings calls, including from the August 2,
26 2019 Form 8-K or the August 2, 2019 earnings call transcript, Defendants state that the SEC
27 filings (including any attachments thereto) and the earnings call transcripts speak for themselves,
28 deny that they support Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they

1 misstate, mischaracterize, or are inconsistent with those documents. Defendants otherwise deny
2 the allegations in Paragraph 132 of the Amended Complaint.

3 133. To the extent that Paragraph 133 purports to quote statements made by Mr. Roberts
4 and Ms. Desai during Granite’s earnings call reporting results for the second quarter of 2019,
5 Defendants state that the transcript of the earnings call speaks for itself, deny that it supports
6 Plaintiff’s claims, and deny Plaintiff’s allegations to the extent that they misquote,
7 mischaracterize, or are inconsistent with the statements reflected in the transcript. Defendants
8 otherwise deny the allegations in Paragraph 133 of the Amended Complaint.

9 134. Defendants are without sufficient knowledge or information to admit or deny the
10 allegations regarding what FE 5 allegedly told Plaintiff’s counsel during its investigation and on
11 that basis deny those allegations. Defendants otherwise deny the allegations in Paragraph 134 of
12 the Amended Complaint.

13 135. Defendants are without sufficient knowledge to admit or deny the allegations
14 regarding what FE 4 allegedly told Plaintiff’s counsel during its investigation and on that basis
15 deny those allegations. To the extent Paragraph 135 purports to allege a legal requirement to
16 disclose certain “risks” of the Projects and other JVs, or that GAAP otherwise imposes any legal
17 requirement on Defendants, Defendants state that such allegations state legal conclusions that
18 Defendants are not required to admit or deny. To the extent a response is deemed required,
19 Defendants deny that the allegations of Paragraph 135 set forth a complete and accurate statement
20 of Defendants’ legal duties. To the extent Paragraph 135 purports to characterize or summarize
21 GAAP, Defendants deny that Plaintiff’s allegations fairly, accurately, and completely characterize
22 the applicable guidance under GAAP. Defendants otherwise deny the allegations in
23 Paragraph 135 of the Amended Complaint.

24 136. Defendants are without sufficient knowledge or information to admit or deny the
25 allegation in the first sentence of Paragraph 136 and on that basis deny that allegation. To the
26 extent that Paragraph 136 purports to quote statements made during Granite’s earnings call for the
27 second quarter of 2019, Defendants state that the transcript of the earnings call speaks for itself,
28 deny that it supports Plaintiff’s claims, and deny Plaintiff’s allegations to the extent that they

1 misquote, mischaracterize, or are inconsistent with statements made in the transcript. Defendants
2 otherwise deny the allegations in Paragraph 136 of the Amended Complain.

3 137. To the extent that Paragraph 137 purports to quote statements made during
4 Granite's earnings call for the second quarter of 2019, Defendants state that the transcript of the
5 earnings call speaks for itself, deny that it supports Plaintiff's claims, and deny Plaintiff's
6 allegations to the extent that they misquote, mischaracterize, or are inconsistent with statements
7 made in the transcript. Defendants otherwise deny the allegations in Paragraph 137 of the
8 Amended Complaint.

9 138. Defendants are without sufficient knowledge or information to admit or deny the
10 allegation that an analyst from Cowen was "[j]arred by the magnitude of the charge" and on that
11 basis deny that allegation. To the extent that Paragraph 138 purports to quote statements made
12 during Granite's earnings call for the second quarter of 2019, Defendants state that the transcript
13 of the earnings call speaks for itself, deny that it supports Plaintiff's claims, and deny Plaintiff's
14 allegations to the extent that they misquote, mischaracterize, or are inconsistent with statements
15 made in the transcript. Defendants otherwise deny the allegations in Paragraph 138 of the
16 Amended Complaint.

17 139. To the extent that Paragraph 139 purports to quote statements made by Mr. Roberts
18 during Granite's earnings call for the second quarter of 2019, Defendants state that the transcript
19 of the earnings call speaks for itself, deny that it supports Plaintiff's claims, and deny Plaintiff's
20 allegations to the extent that they misquote, mischaracterize, or are inconsistent with the
21 statements reflected in the transcript. Defendants otherwise deny the allegations in Paragraph 139
22 of the Amended Complaint.

23 140. Defendants deny the allegations in the first sentence of Paragraph 140. Defendants
24 admit that Granite announced its results for the third quarter of 2019 in a press release attached to
25 a Form 8-K filed with the SEC on October 25, 2019, and that Granite filed its Form 10-Q for the
26 third quarter of 2019 on the same day. Defendants admit that, in the press release, Granite
27 disclosed Heavy Civil Group losses of \$69.3 million for the third quarter of 2019. Defendants
28 admit that, in the Form 10-Q for the third quarter of 2019, Granite reported a decrease in gross

1 profit of \$80.7 million (before taxes) due to revisions in estimates in project profitability.
2 Defendants state that Granite’s SEC filings (and any attachments thereto) speak for themselves,
3 deny that they support Plaintiff’s claims, and deny Plaintiff’s allegations to the extent that they
4 misstate, misquote, or are inconsistent with the filings. Defendants otherwise deny the allegations
5 in Paragraph 140 of the Amended Complaint.

6 141. Defendants admit that Granite announced that James D. Richards would be
7 replacing Dale A. Swanberg as the Senior Vice President of its Heavy Civil Group in a press
8 release issued on October 25, 2019. Defendants state that this press release speaks for itself, deny
9 that it supports Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they misstate,
10 mischaracterize, or are inconsistent with the press release. Defendants otherwise deny the
11 allegations in Paragraph 141 of the Amended Complaint.

12 142. Defendants are without sufficient knowledge to admit or deny the allegation that
13 “[a]nalysts were surprised and not pleased” and on that basis deny said allegation. Defendants
14 admit that Cowen issued a report on October 25, 2019, regarding Granite. Defendants state that
15 the report speaks for itself, deny that the report supports Plaintiff’s claims, and deny Plaintiff’s
16 allegations concerning the report to the extent that the allegations misquote, mischaracterize, or
17 are inconsistent with it. Defendants otherwise deny the allegations in Paragraph 142 of the
18 Amended Complaint.

19 143. Defendants deny the allegations in the first sentence of Paragraph 143. Defendants
20 are without sufficient knowledge or information to admit or deny the allegations regarding what
21 FE 4, FE 5, and FE 6 allegedly told Plaintiff’s counsel during the course of its investigation and on
22 that basis deny those allegations. Defendants otherwise deny the allegations in Paragraph 143 of
23 the Amended Complaint.

24 144. Defendants are without sufficient knowledge or information to admit or deny the
25 allegations regarding what FE 5 allegedly told Plaintiff’s counsel during the course of its
26 investigation and on that basis deny those allegations. Defendants otherwise deny the allegations
27 in Paragraph 144 of the Amended Complaint.

28

1 145. Defendants are without sufficient knowledge or information to admit or deny the
2 allegations regarding what FE 5 allegedly told Plaintiff’s counsel during its investigation and on
3 that basis deny the allegations in Paragraph 145. To the extent further response is deemed
4 required, Defendants deny the allegations in Paragraph 145 of the Amended Complaint.

5 146. Defendants are without sufficient knowledge or information to admit or deny the
6 allegations regarding what FE 2 allegedly told Plaintiff’s counsel during its investigation and on
7 that basis deny the allegations in Paragraph 146. To the extent further response is deemed
8 required, Defendants deny the allegations in Paragraph 146 of the Amended Complaint.

9 147. Defendants admit that Jessicah (Picard) Hartley is Mr. Roberts’ executive assistant.
10 Defendants are without sufficient knowledge or information to admit or deny the allegations
11 regarding what FE 2 allegedly told Plaintiff’s counsel during its investigation and on that basis
12 deny the remaining allegations in Paragraph 147. To the extent further response is deemed
13 required, Defendants deny the remaining allegations in Paragraph 147 of the Amended Complaint.

14 148. Because the allegations in Paragraph 148 summarize statements allegedly made by
15 former employees to Plaintiff’s counsel during its investigation, Defendants are without sufficient
16 knowledge or information to admit or deny the allegations in Paragraph 148 regarding what those
17 former employees told Plaintiff’s counsel, and on that basis deny the allegations in Paragraph 148.
18 To the extent further response is deemed required, Defendants deny the allegations in
19 Paragraph 148 of the Amended Complaint.

20 149. Defendants admit that “work in progress” reports were created periodically in
21 Excel, reflected information from the JD Edwards Accounting System, contained information on
22 Granite projects, and were shared with certain Granite employees, including the individual
23 Defendants. Defendants are without sufficient knowledge or information to admit or deny the
24 allegations regarding what FE 3 allegedly told Plaintiff’s counsel during its investigation and on
25 that basis deny the remaining allegations in Paragraph 149. To the extent further response is
26 deemed required, Defendants deny the remaining allegations in Paragraph 149 of the Amended
27 Complaint.

28

1 150. To the extent that Paragraph 150 purports to quote statements made by Mr. Roberts
2 during Granite's August 2, 2019 or other earnings calls, Defendants state that the transcripts of
3 those earnings calls speak for themselves, deny that they support Plaintiff's claims, and deny
4 Plaintiff's allegations to the extent that they misquote, mischaracterize, or are inconsistent with the
5 statements reflected in the transcripts. Defendants otherwise deny the allegations in
6 Paragraph 150 of the Amended Complaint.

7 151. Defendants are without sufficient knowledge or information to admit or deny the
8 allegations regarding what FE 6 allegedly told Plaintiff's counsel during its investigation and on
9 that basis deny the allegations in Paragraph 151. To the extent further response is deemed
10 required, Defendants deny the allegations in Paragraph 151 of the Amended Complaint.

11 152. Defendants are without sufficient knowledge or information to admit or deny the
12 allegations regarding what FE 8 allegedly told Plaintiff's counsel during its investigation and on
13 that basis deny the allegations in Paragraph 152. To the extent further response is deemed
14 required, Defendants deny the allegations in Paragraph 152 of the Amended Complaint.

15 153. Defendants are without sufficient knowledge or information to admit or deny the
16 allegations regarding what FE 1 allegedly told Plaintiff's counsel during its investigation and on
17 that basis deny the allegations in Paragraph 153. To the extent further response is deemed
18 required, Defendants deny the allegations in Paragraph 153 of the Amended Complaint.

19 154. Defendants admit that on November 19, 2019, TZC filed a petition in the New
20 York State Supreme Court, County of Albany, seeking documents from the NYSTA. Defendants
21 state that TZC's petition and the exhibits thereto speak for themselves, deny that they support
22 Plaintiff's claims, and deny Plaintiff's allegations regarding the petition to the extent that they
23 misquote, mischaracterize, or are inconsistent with those documents. Defendants admit that
24 Engineering News-Record published an article on November 20, 2019, that addressed TZC's
25 petition and purported to quote an NYSTA spokesperson. Defendants state that this article speaks
26 for itself, deny that it supports Plaintiff's claims, and deny Plaintiff's allegations concerning the
27 article to the extent the allegations misquote, mischaracterize, or are inconsistent with it.
28 Defendants otherwise deny the allegations in Paragraph 154 of the Amended Complaint.

1 155. Defendants admit that on November 20, 2019, Engineering News-Record published
2 an article that discussed the I-4 Ultimate Project and purported to quote an “industry management
3 consultant.” Defendants state that this article speaks for itself, deny that it supports Plaintiff’s
4 claims, and deny Plaintiff’s allegations concerning the article to the extent the allegations
5 misquote, mischaracterize, or are inconsistent with it. Defendants state that since the filing of the
6 Amended Complaint, Florida has agreed to pay an additional \$125 million on the I-4 Ultimate
7 Project. Defendants otherwise deny the allegations in Paragraph 155 of the Amended Complaint.

8 156. Defendants state that Paragraph 156, insofar as it asserts that GAAP imposes
9 certain legal requirements on Defendants and alleges that Granite acted “fraudulently,” states a
10 legal conclusion to which no response is required. To the extent a response to these allegations is
11 deemed required, Defendants deny them. Defendants otherwise deny the allegations in
12 Paragraph 156 of the Amended Complaint.

13 157. Defendants state that the table that accompanies Paragraph 157 is not an allegation
14 but for purposes of answering Paragraph 157 will treat it as such. Defendants deny the allegations
15 in Paragraph 157 of the Amended Complaint and the allegations (if any) in the accompanying
16 table.

17 158. Defendants admit that Fluor is the majority partner in the Tappan Zee Project.
18 Defendants are without sufficient knowledge to admit or deny the allegations regarding what FE 7
19 allegedly told Plaintiff’s counsel during its investigation and on that basis deny those allegations.
20 Defendants admit that Skanska is the majority partner in the I-4 Ultimate Project. Defendants
21 admit that, in a statement dated October 18, 2018, Skanska announced that it would be taking a
22 900 million SEK write-down relating to the construction of two public-private partnership projects
23 in the United States. Defendants state that Skanska’s statement speaks for itself, deny that it
24 supports Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they misstate,
25 mischaracterize, or are inconsistent with Skanska’s statement. Defendants otherwise deny the
26 allegations in Paragraph 158 of the Amended Complaint.

27 159. To the extent that Plaintiff is alleging in the first sentence of Paragraph 159 that
28 GAAP imposes certain legal requirements on Defendants, Defendants state that such allegations

1 state legal conclusions that Defendants are not required to admit or deny. To the extent a response
2 is deemed required, Defendants deny that the allegations of the first sentence of Paragraph 159 set
3 forth a complete and accurate statement of Defendants' legal duties. To the extent that Plaintiff
4 purports to characterize or summarize GAAP, including but not limited to the standards for
5 revenue recognition under ASC 606, Defendants admit that GAAP provides guidance with respect
6 to how to account for, among other things, costs and revenues, but deny that Plaintiff's allegations
7 fairly, accurately, and completely characterize the applicable guidance. To the extent that the
8 second and third sentences of Paragraph 159 purport to quote from Granite's Form 10-Q for the
9 first quarter of 2018 filed with the SEC on May 1, 2018, Defendants state that the Form 10-Q
10 speaks for itself, deny that it supports Plaintiff's claims, and deny Plaintiff's allegations to the
11 extent they misquote, mischaracterize, or are inconsistent with the Form 10-Q. Defendants
12 otherwise deny the allegations in Paragraph 159 of the Amended Complaint.

13 160. Defendants state that the illustration that accompanies Paragraph 160 is not an
14 allegation but for purposes of answering Paragraph 160 will treat it as such. To the extent that
15 Plaintiff is alleging in Paragraph 160 and the accompanying illustration that GAAP imposes
16 certain legal requirements on Defendants, Defendants state that such allegations state legal
17 conclusions that Defendants are not required to admit or deny. To the extent a response is deemed
18 required, Defendants deny that the allegations of Paragraph 160 and the accompanying illustration
19 set forth a complete and accurate statement of Defendants' legal duties. To the extent that
20 Paragraph 160 and the accompanying illustration purport to characterize or summarize GAAP,
21 including but not limited to the standards for revenue recognition under ASC 606, Defendants
22 admit that GAAP provides guidance with respect to how to account for, among other things, costs
23 and revenues, but deny that Plaintiff's allegations fairly, accurately, and completely characterize
24 the applicable guidance. Defendants otherwise deny the allegations in Paragraph 160 of the
25 Amended Complaint and the allegations (if any) in the accompanying illustration.

26 161. To the extent that Plaintiff is alleging in the first sentence of Paragraph 161 that
27 GAAP imposes certain legal requirements on Defendants, Defendants state that such allegations
28 state legal conclusions that Defendants are not required to admit or deny. To the extent a response

1 is deemed required, Defendants deny that the allegations of the first sentence of Paragraph 161 set
2 forth a complete and accurate statement of Defendants' legal duties. To the extent that Plaintiff
3 purports in the first sentence of Paragraph 160 of the Amended Complaint to characterize or
4 summarize GAAP, Defendants admit that GAAP provides guidance with respect to how to
5 account for, among other things, costs and revenues, but deny that Plaintiff's allegations fairly,
6 accurately, and completely characterize the applicable guidance. Defendants deny the allegations
7 in the second sentence of Paragraph 161 of the Amended Complaint.

8 162. To the extent that Paragraph 162 purports to quote or summarize ASC 606,
9 Defendants state that the document speaks for itself, and Defendants deny the allegations
10 Paragraph 162 of the Amended Complaint to the extent that they are inconsistent with ASC 606.
11 To the extent that Plaintiff is alleging in Paragraph 162 that GAAP imposes certain legal
12 requirements on Defendants, Defendants state that such allegations state legal conclusions that
13 Defendants are not required to admit or deny. To the extent a response is deemed required,
14 Defendants deny that the allegations of Paragraph 162 of the Amended Complaint set forth a
15 complete and accurate statement of Defendants' legal duties.

16 163. To the extent that Paragraph 163 purports to quote or summarize ASC 606,
17 Defendants state that the document speaks for itself, and Defendants deny the allegations
18 Paragraph 163 of the Amended Complaint to the extent that they are inconsistent with ASC 606.
19 To the extent that Plaintiff is alleging in Paragraph 163 that GAAP imposes certain legal
20 requirements on Defendants, Defendants state that such allegations state legal conclusions that
21 Defendants are not required to admit or deny. To the extent a response is deemed required,
22 Defendants deny that the allegations of Paragraph 163 set forth a complete and accurate statement
23 of Defendants' legal duties. To the extent that Paragraph 163 purports to quote statements made
24 by Mr. Roberts during Granite's August 2, 2019 earnings call, Defendants state that the transcript
25 of the earnings call speaks for itself, deny that it supports Plaintiff's claims, and deny Plaintiff's
26 allegations to the extent they misstate, misquote, or are inconsistent with statements made in the
27 transcript. Defendants otherwise deny the allegations in Paragraph 163 of the Amended
28 Complaint.

1 164. To the extent that Paragraph 164 purports to quote from or summarize the
2 American Institute of CPAs' Audit and Accounting Guide for Construction Contractors
3 ("Construction AAG"), Defendants state that the document speaks for itself. To the extent that
4 Plaintiff alleges in Paragraph 164 that GAAP or the Construction AAG imposes certain legal
5 requirements on Defendants, Defendants state that such allegations state legal conclusions that
6 Defendants are not required to admit or deny. To the extent a response is deemed required,
7 Defendants deny that the allegations of Paragraph 164 set forth a complete and accurate statement
8 of Defendants' legal duties. To the extent that Plaintiff purports in Paragraph 164 to characterize
9 or summarize GAAP, Defendants deny that Plaintiff's allegations fairly, accurately, and
10 completely characterize the applicable guidance under GAAP. Defendants otherwise deny the
11 allegations in Paragraph 164 of the Amended Complaint.

12 165. To the extent that Paragraph 165 and Subparagraphs (a)–(c) thereto purport to
13 characterize or quote ASC 606, Defendants state that the document speaks for itself. To the extent
14 that Paragraph 165 and Subparagraphs(a)–(c) thereto allege that GAAP imposes certain legal
15 requirements on Defendants, Defendants state that such allegations state legal conclusions that
16 Defendants are not required to admit or deny. To the extent a response is deemed required,
17 Defendants deny that the allegations of Paragraph 165 and Subparagraphs (a)–(c) thereto set forth
18 a complete and accurate statement of Defendants' legal duties. Defendants further deny that
19 Plaintiff's allegations regarding ASC 606 fairly, accurately, and completely characterize the
20 applicable guidance under GAAP. Defendants otherwise deny the allegations in Paragraph 165
21 and Subparagraphs (a)-(c) thereto of the Amended Complaint.

22 166. To the extent that Paragraph 166 purports to quote Granite's Form 10-Q for the
23 first quarter of 2018, filed with the SEC on May 1, 2018, Defendants state that the Form 10-Q
24 speaks for itself, deny that it supports Plaintiff's claims, and deny Plaintiff's allegations to the
25 extent they misquote, mischaracterize, or are inconsistent with the Form 10-Q. Defendants
26 otherwise deny the allegations in Paragraph 166 of the Amended Complaint.

27 167. Defendants deny the allegations in Paragraph 167 of the Amended Complaint.
28

1 168. Defendants state that the allegation that “there was no contractual basis to allocate
2 the risk of subsurface geotechnical issues to the FDOT” states a legal conclusion to which no
3 response is required, but to the extent a response is deemed required, Defendants deny that
4 allegation. Defendants state that the agreement referenced in Paragraph 168 of the Amended
5 Complaint is reflected in a written instrument that speaks for itself. Defendants deny Plaintiff’s
6 allegations regarding the agreement to the extent that they misquote, mischaracterize, or are
7 inconsistent with it. To the extent Plaintiff purports to quote from the agreement, Plaintiff omits
8 terms of the agreement, including terms that allow I-4 Mobility to receive additional compensation
9 under a number of circumstances. Defendants state that since the filing of the Amended
10 Complaint, Florida has agreed to pay an additional \$125 million on the I-4 Ultimate Project.
11 Defendants otherwise deny the allegations in Paragraph 168 of the Amended Complaint.

12 169. Defendants deny the allegations in Paragraph 169 of the Amended Complaint.

13 170. Defendants state that the agreement referenced in Paragraph 170 of the Amended
14 Complaint is reflected in a written instrument that speaks for itself. Defendants deny Plaintiff’s
15 allegations regarding the agreement to the extent that they misquote, mischaracterize, or are
16 inconsistent with it. To the extent Plaintiff purports to quote from the agreement, Plaintiff omits
17 terms of the agreement, including terms that allow TZC to receive additional compensation under
18 a number of circumstances. Defendants otherwise deny the allegations in Paragraph 170 of the
19 Amended Complaint.

20 171. Defendants state that the agreement referenced in Paragraph 171 of the Amended
21 Complaint is reflected in a written instrument that speaks for itself. Defendants deny Plaintiff’s
22 allegations regarding the agreement to the extent that they misquote, mischaracterize, or are
23 inconsistent with it. To the extent Plaintiff purports to quote from the agreement, Plaintiff omits
24 terms of the agreement, including terms that allow TZC to receive additional compensation under
25 a number of circumstances. Defendants otherwise deny the allegations in Paragraph 171 of the
26 Amended Complaint.

27 172. Defendants state that the allegation that “the very costs that TZC is now disputing
28 are ‘non-compensable’ on their face” states a legal conclusion to which no response is required,

1 but to the extent a response is deemed required, Defendants deny that allegation. To the extent
2 Paragraph 172 purports to quote TZC's FOIL request sent to the NYSTA on April 12, 2018,
3 Defendants state that the FOIL request speaks for itself, deny that it supports Plaintiff's claims,
4 and deny Plaintiff's allegations regarding the FOIL request to the extent they misquote,
5 mischaracterize, or are inconsistent with it. Defendants state that the agreement between TZC and
6 the NYSTA that is referenced in Paragraph 172 of the Amended Complaint is reflected in a
7 written instrument that speaks for itself. Defendants deny Plaintiff's allegations regarding the
8 agreement to the extent that they misquote, mischaracterize, or are inconsistent with it. To the
9 extent Plaintiff purports to quote from the agreement, Plaintiff omits terms of the agreement,
10 including terms that allow TZC to receive additional compensation under a number of
11 circumstances. Defendants state that the allegation that "TZC has not met the restrictive
12 contractual requirements to obtain extra compensation for any accelerated work" states a legal
13 conclusion to which no response is required, but to the extent a response is deemed required,
14 Defendants deny that allegation. Defendants otherwise deny the allegations in Paragraph 172 of
15 the Amended Complaint.

16 173. Defendants are without sufficient knowledge or information to admit or deny the
17 allegations regarding what FE 7 allegedly told Plaintiff's counsel during its investigation and on
18 that basis deny those allegations. Defendants otherwise deny the allegations in Paragraph 173 of
19 the Amended Complaint.

20 174. Defendants deny the allegations in the first sentence of Paragraph 174. To the
21 extent that Plaintiff is alleging in the second sentence of Paragraph 174 of the Amended
22 Complaint that ASC 606 imposes certain legal requirements on Defendants, Defendants state that
23 such allegations state legal conclusions that Defendants are not required to admit or deny. To the
24 extent a response is deemed required, Defendants deny that the allegations of Paragraph 174 set
25 forth a complete and accurate statement of Defendants' legal duties. To the extent that
26 Paragraph 174 purports to characterize or summarize GAAP, including ASC 606, Defendants
27 admit that GAAP provides guidance with respect to how to account for, among other things, costs
28 and revenues, but deny that Plaintiff's allegations fairly, accurately, and completely characterize

1 the applicable guidance. Defendants otherwise deny the allegations in Paragraph 174 of the
2 Amended Complaint.

3 175. To the extent that Paragraph 175 purports to characterize or quote ASC 606,
4 Defendants state that the document speaks for itself. To the extent that Plaintiff is alleging in
5 Paragraph 175 of the Amended Complaint that GAAP imposes certain legal requirements on
6 Defendants, Defendants state that such allegations state legal conclusions that Defendants are not
7 required to admit or deny. To the extent a response is deemed required, Defendants deny that the
8 allegations of Paragraph 175 set forth a complete and accurate statement of Defendants' legal
9 duties. Defendants further deny that Plaintiff's allegations regarding ASC 606 fairly, accurately,
10 and completely characterize the applicable guidance under GAAP (including ASC 606).
11 Defendants otherwise deny the allegations in Paragraph 175 of the Amended Complaint.

12 176. To the extent that Paragraph 176 alleges that GAAP, including but not limited to
13 ASC 606, imposes certain legal requirements on Defendants, Defendants state that such
14 allegations state legal conclusions that Defendants are not required to admit or deny. To the extent
15 a response is deemed required, Defendants deny that the allegations of Paragraph 176 set forth a
16 complete and accurate statement of Defendants' legal duties. Defendants further deny that
17 Plaintiff's allegations fairly, accurately, and completely characterize the applicable guidance under
18 GAAP. To the extent that Paragraph 176 purports to quote statements made by Ms. Desai during
19 Granite's August 2, 2019 earnings call, Defendants state that the transcript of the earnings call
20 speaks for itself, deny that it supports Plaintiff's claims, and deny Plaintiff's allegations to the
21 extent they misquote, mischaracterize, or are inconsistent with the statements reflected in the
22 transcript. Defendants otherwise deny the allegations in Paragraph 176 of the Amended
23 Complaint. To the extent that Paragraph 176 incorporates by reference the allegations in
24 Paragraph 53 of the Amended Complaint, Defendants incorporate by reference their response to
25 that paragraph.

26 177. To the extent that Paragraph 177 purports to quote from or summarize Granite's
27 Form 10-Q for the first quarter of 2018, filed with the SEC on May 1, 2018, Defendants state that
28 the Form 10-Q speaks for itself, deny that it supports Plaintiff's claims, and deny Plaintiff's

1 allegations to the extent they misquote, mischaracterize, or are inconsistent with the Form 10-Q.
2 Defendants otherwise deny the allegations in Paragraph 177 of the Amended Complaint.

3 178. To the extent Paragraph 178 purports to characterize or quote ASC 606, Defendants
4 state that the document speaks for itself. To the extent that Paragraph 178 alleges that GAAP
5 (including ASC 606) imposes certain legal requirements on Defendants, Defendants state that such
6 allegations state legal conclusions that Defendants are not required to admit or deny. To the extent
7 a response is deemed required, Defendants deny that the allegations of Paragraph 178 set forth a
8 complete and accurate statement of Defendants' legal duties. Defendants further deny that
9 Plaintiff's allegations regarding ASC 606 fairly, accurately, and completely characterize the
10 applicable guidance under GAAP. Defendants otherwise deny the allegations in Paragraph 178 of
11 the Amended Complaint.

12 179. Defendants deny the allegations in Paragraph 179 of the Amended Complaint.

13 180. Defendants deny the allegations in Paragraph 180 of the Amended Complaint.

14 181. Defendants deny the allegations in Paragraph 181 of the Amended Complaint.

15 Furthermore, to the extent that Paragraph 181 purports to characterize or quote ASC 606,
16 Defendants state that the document speaks for itself. To the extent that Paragraph 181 alleges that
17 ASC 606 imposes legal requirements on Defendants, Defendants state that such allegations state
18 legal conclusions that Defendants are not required to admit or deny. To the extent a response is
19 deemed required, Defendants deny that the allegations of Paragraph 181 set forth a complete and
20 accurate statement of Defendants' legal duties. Defendants further deny that Plaintiff's allegations
21 regarding ASC 606 fairly, accurately, and completely characterize the applicable guidance under
22 GAAP.

23 182. Defendants deny the allegations in Paragraph 182 of the Amended Complaint.

24 183. To the extent that Paragraph 183 purports to summarize information in Granite's
25 SEC filings, Defendants state that Granite's SEC filings speak for themselves, deny that the filings
26 support Plaintiff's claims, and deny Plaintiff's allegations regarding Granite's prior disclosures to
27 the extent they misstate, mischaracterize, or are inconsistent with the filings. Defendants
28 otherwise deny the allegations in Paragraph 183 of the Amended Complaint.

1 184. To the extent Paragraph 184 purports to characterize or quote ASC 450, Defendants
2 state that the document speaks for itself. To the extent that Paragraph 184 alleges that GAAP,
3 including ASC 450, imposes certain legal requirements on Defendants, Defendants state that such
4 allegations state legal conclusions that Defendants are not required to admit or deny. To the extent
5 a response is deemed required, Defendants deny that the allegations of Paragraph 184 set forth a
6 complete and accurate statement of Defendants' legal duties. Defendants further deny that
7 Plaintiff's allegations regarding ASC 450 fairly, accurately, and completely characterize the
8 applicable guidance under GAAP. Defendants admit that an SEC employee gave remarks during
9 a May 27, 2014 conference at the University of Southern California Leventhal School of
10 Accounting. Defendants state those remarks speak for themselves, deny that they support
11 Plaintiff's claims, and deny Plaintiff's allegations regarding the remarks to the extent they
12 misquote, mischaracterize, or are inconsistent with the remarks. To the extent Paragraph 184
13 alleges that those remarks impose legal requirements on Defendants, Defendants state that such
14 allegation states a legal conclusion to which Defendants are not required to respond. Defendants
15 otherwise deny the allegations in Paragraph 184 of the Amended Complaint.

16 185. Defendants deny the allegations in Paragraph 185 of the Amended Complaint.

17 186. Defendants deny the allegations in the first two sentences of Paragraph 186 of the
18 Amended Complaint. To the extent that the last sentence of Paragraph 186 purports to summarize
19 Granite's SEC filings, Defendants state that Granite's SEC filings speak for themselves, deny that
20 the filings support Plaintiff's claims, and deny Plaintiff's allegations to the extent they misstate,
21 mischaracterize, or are inconsistent with the filings. Defendants otherwise deny the allegations in
22 the last sentence of Paragraph 186 of the Amended Complaint.

23 187. Defendants deny the first sentence of Paragraph 187 of the Amended Complaint.
24 In response to the second sentence of Paragraph 187, Defendants admit that (i) in a press release
25 attached to a Form 8-K filed with the SEC on August 2, 2019, Granite disclosed that it would be
26 taking after-tax charges of \$106.7 million, and (ii) in Granite's Form 10-Q for the third quarter of
27 2019 filed with the SEC on October 25, 2019, Granite reported a decrease in gross profit of \$80.7
28 million (before taxes) due to revisions in estimates in project profitability. Defendants state that

1 the Form 10-Q and the Form 8-K (and any attachments thereto) speak for themselves, deny that
2 they support Plaintiff's claims, and deny Plaintiff's allegations to the extent they misstate,
3 mischaracterize, or are inconsistent with those SEC filings. Defendants otherwise deny the
4 allegations in Paragraph 187 of the Amended Complaint.

5 188. Defendants deny the allegations in Paragraph 188 of the Amended Complaint. To
6 the extent that Paragraph 188 of the Amended Complaint seeks to incorporate by reference the
7 allegations in Section IV.E of the Amended Complaint, Defendants incorporate by reference their
8 responses to the paragraphs in that section.

9 189. To the extent Paragraph 189 purports to quote from or summarize statements made
10 during Granite's earnings calls, Defendants state that the transcripts of those earnings calls speak
11 for themselves, deny that they support Plaintiff's claims, and deny Plaintiff's allegations to the
12 extent they misquote, mischaracterize, or are inconsistent with the statements reflected in those
13 transcripts. Defendants otherwise deny the allegations in Paragraph 189 of the Amended
14 Complaint.

15 190. To the extent Paragraph 190 purports to quote from or summarize statements made
16 by Mr. Roberts during Granite's earnings calls, Defendants state that the transcripts of those
17 earnings calls speak for themselves, deny that they support Plaintiff's claims, and deny Plaintiff's
18 allegations to the extent they misquote, mischaracterize, or are inconsistent with the statements
19 reflected in those transcripts. Defendants otherwise deny the allegations in Paragraph 190 of the
20 Amended Complaint.

21 191. Defendants admit that, in a press release attached to a Form 8-K filed with the SEC
22 on August 2, 2019, Granite disclosed that it would be taking after-tax charges of \$106.7 million.
23 Defendants state that the Form 8-K and accompanying press release speak for themselves, deny
24 that they support Plaintiff's claims, and deny Plaintiff's allegations to the extent they misstate,
25 mischaracterize, or are inconsistent with the Form 8-K or the press release. To the extent
26 Paragraph 191 purports to quote from or summarize statements made during Granite's August 2,
27 2019 earnings call, Defendants state that the transcript of this earnings call speaks for itself, deny
28 that it supports Plaintiff's claims, and deny Plaintiff's allegations to the extent they misquote,

1 mischaracterize, or are inconsistent with the statements reflected in the transcript. Defendants
2 otherwise deny the allegations in Paragraph 191 of the Amended Complaint.

3 192. To the extent that Paragraph 192 purports to quote from or summarize statements
4 made by Mr. Roberts during Granite’s earnings call for the third quarter of 2019, Defendants state
5 that the transcript of this earnings call speaks for itself, deny that it support Plaintiff’s claims, and
6 deny Plaintiff’s allegations to the extent they misquote, mischaracterize, or are inconsistent with
7 the statements reflected in the transcript. Defendants otherwise deny the allegations in
8 Paragraph 192 of the Amended Complaint.

9 193. Defendants are without sufficient knowledge or information to admit or deny the
10 allegation that “analysts consistently focused on [details of the Projects] as a major driver of
11 Granite’s financial performance” and on that basis deny that allegation. To the extent
12 Paragraph 193 purports to quote from or summarize statements made during Granite’s earnings
13 calls, Defendants state that the transcripts of these earnings calls speak for themselves, deny that
14 they support Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they misquote,
15 mischaracterize, or are inconsistent with the statements reflected in those transcripts. Defendants
16 otherwise deny the allegations in Paragraph 193 of the Amended Complaint.

17 194. To the extent Paragraph 194 purports to quote from or summarize statements made
18 during Granite’s earnings calls or its October 10, 2018 call with analysts, Defendants state that the
19 transcripts of these calls speak for themselves, deny that they support Plaintiff’s claims, and deny
20 Plaintiff’s allegations to the extent they misquote, mischaracterize, or are inconsistent with the
21 statements reflected in those transcripts. Defendants otherwise deny the allegations in
22 Paragraph 194 of the Amended Complaint.

23 195. To the extent that Paragraph 195 of the Amended Complaint purports to draw
24 information from Granite’s disclosure of financial results in SEC filings, Defendants state that
25 Granite’s SEC filings speak for themselves, deny that they support Plaintiff’s claims, and deny the
26 allegations of Paragraph 195 to the extent that they misstate, mischaracterize, or are inconsistent
27 with Granite’s SEC filings. Defendants otherwise deny the allegations in Paragraph 195 of the
28 Amended Complaint.

1 196. Defendants admit that, in Granite’s Form 10-Q for the second quarter of 2019 filed
2 with the SEC on August 6, 2019, Granite reported a decrease in gross profit of \$161.1 million
3 (before taxes) due to revisions in estimates in project profitability on five projects due to increased
4 project completion costs, schedule delays, and execution of a significant amount of disputed work,
5 as well as an unfavorable court ruling on a designer back charge claim. Defendants further admit
6 that, in Granite’s Form 10-Q for the third quarter of 2019 filed with the SEC on October 25, 2019,
7 Granite reported a decrease in gross profit of \$80.7 million (before taxes) due to revisions in
8 estimates in project profitability. To the extent that Paragraph 196 of the Amended Complaint
9 purports to draw information from Granite’s disclosure of financial results in these and other SEC
10 filings, Defendants state that the filings speak for themselves, deny that they support Plaintiff’s
11 claims, and deny the allegations to the extent that they misstate, mischaracterize, or are
12 inconsistent with the filings. Defendants otherwise deny the allegations in Paragraph 196.

13 197. Defendants deny the allegations in the first sentence of Paragraph 197.
14 Furthermore, to the extent that Paragraph 197 alleges that GAAP, including but not limited to
15 ASC 450, imposes certain legal requirements on Defendants, Defendants state that such
16 allegations state legal conclusions that Defendants are not required to admit or deny. To the extent
17 a response is deemed required, Defendants deny that the allegations of Paragraph 197 set forth a
18 complete and accurate statement of Defendants’ legal duties. To the extent that Plaintiff purports
19 in Paragraph 197 to characterize or summarize GAAP (including ASC 450), Defendants deny that
20 Plaintiff’s allegations fairly, accurately, and completely characterize the applicable guidance under
21 GAAP. Additionally, to the extent that Paragraph 197 purports to draw information from
22 Granite’s SEC filings, Defendants state that Granite’s SEC filings speak for themselves, deny that
23 they support Plaintiff’s claims, and deny the allegations to the extent that they misstate,
24 mischaracterize, or are inconsistent with the filings. Defendants otherwise deny the allegations in
25 Paragraph 197 of the Amended Complaint.

26 198. Defendants deny the allegations in Paragraph 198 of the Amended Complaint.
27 Furthermore, to the extent that Paragraph 198 alleges that GAAP, including but not limited to
28 ASC 450, imposes certain legal requirements on Defendants, Defendants state that such

1 allegations state legal conclusions that Defendants are not required to admit or deny. To the extent
2 a response is deemed required, Defendants deny that the allegations of Paragraph 198 set forth a
3 complete and accurate statement of Defendants' legal duties. To the extent that Plaintiff purports
4 in Paragraph 198 to characterize or summarize GAAP (including ASC 450), Defendants deny that
5 Plaintiff's allegations fairly, accurately, and completely characterize the applicable guidance under
6 GAAP.

7 199. Defendants admit that, in a press release attached to a Form 8-K filed with the SEC
8 on August 2, 2019, Granite disclosed that it would be taking after-tax charges of \$106.7 million.
9 Defendants state that the Form 8-K and accompanying press release speak for themselves, deny
10 that they support Plaintiff's claims, and deny Plaintiff's allegations to the extent they misstate,
11 mischaracterize, or are inconsistent with the Form 8-K or the press release. Defendants otherwise
12 deny the allegations in Paragraph 199. To the extent Paragraph 199 purports to draw information
13 from any other of Granite's SEC filings, Defendants state that those filings speak for themselves,
14 deny that they support Plaintiff's claims, and deny Plaintiff's allegations regarding Granite's
15 financials to the extent they misstate, mischaracterize, or are inconsistent with the filings.

16 200. Defendants deny the allegations in Paragraph 200 of the Amended Complaint.

17 201. Defendants admit that Granite acquired Layne in a merger in which it paid \$321.0
18 million in Granite stock, paid \$28.8 million in cash to settle outstanding options, and assumed
19 \$191.5 million in Layne convertible notes. Defendants otherwise deny the allegations in
20 Paragraph 201 of the Amended Complaint.

21 202. To the extent that Paragraph 202 purports to quote or summarize statements made
22 during Granite's February 16, 2018 earnings call, Defendants state the transcript of that earnings
23 call speaks for itself, deny that it supports Plaintiff's claims, and deny Plaintiff's allegations to the
24 extent they misquote, mischaracterize, or are inconsistent with the statements reflected in the
25 transcript. Defendants admit that the per-share closing price of Granite's common stock is
26 published daily, which prices speak for themselves. Defendants deny that the per-share closing
27 price of Granite's common stock was \$67.64 on January 16, 2018, and deny that the per-share
28 closing price of Granite's common stock was \$57.40 on June 14, 2018. Defendants state that,

1 according to the Amended Complaint, the last day of the Class Period is October 24, 2019;
2 Defendants state that at the close of trading on October 24, 2019, the per-share price of Granite's
3 common stock was \$36.90. Defendants admit that the Granite-Layne Merger closed on June 14,
4 2018. Defendants otherwise deny the allegations in Paragraph 202 of the Amended Complaint.

5 203. Defendants admit that Granite's headquarters is in Watsonville, California.
6 Defendants admit that Anita Clerisse was at certain times a Senior Manager for Financial
7 Reporting at Granite. Defendants further admit that at times Ms. Clerisse reported to Mike
8 Barker. Defendants are without sufficient knowledge or information to admit or deny the
9 allegations regarding the identity of FE 2 and what FE 2 allegedly told Plaintiff's counsel during
10 its investigation and on that basis deny the remaining allegations in Paragraph 203. To the extent
11 further response is deemed required, Defendants deny the remaining allegations in Paragraph 203
12 of the Amended Complaint.

13 204. Defendants are without sufficient knowledge or information to admit or deny the
14 allegations regarding what FE 2 allegedly told Plaintiff's counsel during its investigation and on
15 that basis deny the allegations in Paragraph 204. To the extent further response is deemed
16 required, Defendants deny the allegations in Paragraph 204 of the Amended Complaint.

17 205. Defendants are without sufficient knowledge or information to admit or deny the
18 allegations regarding what FE 2 allegedly told Plaintiff's counsel during its investigation and on
19 that basis deny the allegations in Paragraph 205. To the extent further response is deemed
20 required, Defendants deny the allegations in Paragraph 205 of the Amended Complaint.

21 206. Defendants admit that Brad Graham was at certain times Granite's Corporate
22 Controller and Vice President of Operational Finance. Defendants are without sufficient
23 knowledge or information to admit or deny the allegations regarding the identity of FE 3 and what
24 FE 3 allegedly told Plaintiff's counsel during its investigation and on that basis deny the remaining
25 allegations in Paragraph 206. To the extent further response is deemed required, Defendants deny
26 the remaining allegations in Paragraph 206 of the Amended Complaint.

27 207. Defendants admit that "work in progress" reports were created periodically in
28 Excel, reflected information from the JD Edwards Accounting System, contained information on

1 Granite projects, and were shared with certain Granite employees, including the individual
2 Defendants. Defendants are without sufficient knowledge or information to admit or deny the
3 allegations regarding the identity of FE 3 and what FE 3 allegedly told Plaintiff's counsel during
4 its investigation and on that basis deny the remaining allegations in Paragraph 207. To the extent
5 further response is deemed required, Defendants deny the remaining allegations in Paragraph 207
6 of the Amended Complaint.

7 208. Defendants admit that Granite's headquarters is in Watsonville, California.
8 Defendants are without sufficient knowledge or information to admit or deny the allegations
9 regarding the identity of FE 4 and what FE 4 allegedly told Plaintiff's counsel during its
10 investigation and on that basis deny the remaining allegations in Paragraph 208. To the extent
11 further response is deemed required, Defendants deny the remaining allegations in Paragraph 208
12 of the Amended Complaint.

13 209. Defendants are without sufficient knowledge or information to admit or deny the
14 allegations regarding the identity of FE 4 and what FE 4 allegedly told Plaintiff's counsel during
15 its investigation and on that basis deny the allegations in Paragraph 209. To the extent further
16 response is deemed required, Defendants deny the allegations in Paragraph 209 of the Amended
17 Complaint.

18 210. Defendants are without sufficient knowledge or information to admit or deny the
19 allegations regarding the identity of FE 5 and what FE 5 allegedly told Plaintiff's counsel during
20 its investigation and on that basis deny the allegations in Paragraph 210. To the extent further
21 response is deemed required, Defendants deny the allegations in Paragraph 210 of the Amended
22 Complaint.

23 211. Defendants admit that Gabrielle Boozer was at certain times a regional controller at
24 Granite and that Bill Heathcott was at certain times Granite's Vice President for Large Project
25 Groups, Central Region. Defendants admit that at certain times Ms. Boozer and Mr. Heathcott
26 reported directly or indirectly to Dale Swanberg, who was at times a Senior Vice President at
27 Granite. Defendants further admit that Mr. Swanberg reported to Mr. Roberts. Defendants are
28 without sufficient knowledge or information to admit or deny the allegations regarding the identity

1 of FE 1 and what FE 1 allegedly told Plaintiff's counsel during its investigation and on that basis
2 deny the remaining allegations in Paragraph 211. To the extent further response is deemed
3 required, Defendants deny the remaining allegations in Paragraph 211 of the Amended Complaint.

4 212. Defendants are without sufficient knowledge or information to admit or deny the
5 allegations regarding what FE 1 allegedly told Plaintiff's counsel during its investigation and on
6 that basis deny the allegations in Paragraph 212. To the extent further response is deemed
7 required, Defendants deny the allegations in Paragraph 212 of the Amended Complaint.

8 213. Defendants state that the allegations in Paragraph 213 of the Amended Complaint
9 consist of legal conclusions to which no response is required. To the extent a response is deemed
10 required, Defendants deny the allegations in Paragraph 213 of the Amended Complaint.

11 214. Defendants state that the allegations in Paragraph 214 relating to "scienter,"
12 "corporate scienter," and "imput[ing] scienter to Granite" state legal conclusions to which no
13 response is required. To the extent a response is deemed required, Defendants deny those
14 allegations. Defendants otherwise deny the allegations in Paragraph 214 of the Amended
15 Complaint.

16 215. Defendants deny the allegations in Paragraph 215 of the Amended Complaint.

17 216. Defendants state that Paragraph 216 consists of legal conclusions to which no
18 response is required. To the extent a response is deemed required, Defendants deny the
19 allegations in Paragraph 216 of the Amended Complaint.

20 217. Defendants state that the allegation that "Defendants' statements and omissions
21 were materially false and misleading" states a legal conclusion to which no response is required,
22 but to the extent a response is deemed required, Defendants deny that allegation. Defendants
23 admit that on June 11, 2018, I-4 Mobility, the concessionaire for the I-4 Ultimate Project, sent a
24 letter to the Florida Department of Transportation seeking additional compensation. Defendants
25 state that this letter (and any attachments thereto) speaks for itself, deny that it supports Plaintiff's
26 claims, and deny Plaintiff's allegations regarding the I-4 Ultimate Project claim to the extent they
27 misstate, mischaracterize, or are inconsistent with the letter. Defendants state that since the filing
28 of the Amended Complaint, Florida has agreed to pay an additional \$125 million on the I-4

1 Ultimate Project. Defendants otherwise deny the allegations in Paragraph 217 and
2 Subparagraphs (i)–(iv) thereto of the Amended Complaint. Defendants hereby incorporate by
3 reference their response to Paragraph 217 and Subparagraphs (i)–(iv) thereto of the Amended
4 Complaint as part of their responses to all paragraphs in Section V, which is titled “Actionable
5 False and Misleading Statements and Omissions.”

6 218. Defendants admit the allegations in Paragraph 218 of the Amended Complaint.

7 219. To the extent Paragraph 219 purports to quote statements made by Ms. Krzeminski
8 during Granite’s April 30, 2018 earnings call, Defendants state that the transcript of that earnings
9 call speaks for itself, deny that it supports Plaintiff’s claims, and deny Plaintiff’s allegations to the
10 extent they misquote, mischaracterize, or are inconsistent with the statements reflected in the
11 transcript. Defendants state that the allegation that “[t]hese statements were materially false and
12 misleading” states a legal conclusion to which no response is required, but to the extent a response
13 is deemed required, Defendants deny that allegation. Defendants otherwise deny the allegations in
14 Paragraph 219 of the Amended Complaint.

15 220. To the extent Paragraph 220 purports to quote or summarize Granite’s Form 10-Q
16 for the first quarter of 2018, filed with the SEC on May 1, 2018, Defendants state that the
17 Form 10-Q speaks for itself, deny that it supports Plaintiff’s claims, and deny Plaintiff’s
18 allegations to the extent they misquote, mischaracterize, or are inconsistent with the Form 10-Q.
19 Defendants state that the allegation that “[t]hese statements were materially false and misleading”
20 states a legal conclusion to which no response is required, but to the extent a response is deemed
21 required, Defendants deny that allegation. Defendants otherwise deny the allegations in
22 Paragraph 220 of the Amended Complaint.

23 221. To the extent Paragraph 221 purports to quote or summarize Granite’s Form 10-Q
24 for the first quarter of 2018, filed with the SEC on May 1, 2018, Defendants state that the
25 Form 10-Q speaks for itself, deny that it supports Plaintiff’s claims, and deny Plaintiff’s
26 allegations to the extent they misquote, mischaracterize, or are inconsistent with the Form 10-Q.
27 Defendants state that the allegation that “[t]hese statements were materially false and misleading”
28 states a legal conclusion to which no response is required, but to the extent a response is deemed

1 required, Defendants deny that allegation. Defendants otherwise deny the allegations in
2 Paragraph 221 of the Amended Complaint.

3 222. To the extent Paragraph 222 purports to quote or summarize Granite’s Form 10-Q
4 for the first quarter of 2018, filed with the SEC on May 1, 2018, Defendants state that the
5 Form 10-Q speaks for itself, deny that it supports Plaintiff’s claims, and deny Plaintiff’s
6 allegations to the extent they misquote, mischaracterize, or are inconsistent with the Form 10-Q.
7 Defendants state that the allegation that “[t]hese statements were materially false and misleading”
8 states a legal conclusion to which no response is required, but to the extent a response is deemed
9 required, Defendants deny that allegation. Defendants otherwise deny the allegations in
10 Paragraph 222 of the Amended Complaint.

11 223. Defendants admit that Granite’s Form 10-Q for the first quarter of 2018, which was
12 filed with the SEC on May 1, 2018, stated that Granite held a \$415 million interest in the assets of
13 all ten of its unconsolidated JVs as of March 31, 2018—a group that includes many JVs that are
14 not one of the Projects. Defendants state that the Form 10-Q speaks for itself, deny that it supports
15 Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they misstate, mischaracterize, or
16 are inconsistent with the Form 10-Q. Defendants state that the allegation that “[t]hese statements
17 were materially false and misleading” states a legal conclusion to which no response is required,
18 but to the extent a response is deemed required, Defendants deny that allegation. Defendants
19 otherwise deny the allegations in Paragraph 223 of the Amended Complaint.

20 224. Defendants admit that Granite’s Form 10-Q for the first quarter of 2018, which was
21 filed with the SEC on May 1, 2018, stated that Granite’s interest in the assets of its ten
22 unconsolidated JVs—a group that includes many JVs that are not one of the Projects—as of
23 March 31, 2018, included “\$65.0 million . . . related to Granite’s share of estimated cost recovery
24 of customer affirmative claims,” as of March 31, 2018. Defendants state that the Form 10-Q
25 speaks for itself, deny that it supports Plaintiff’s claims, and deny Plaintiff’s allegations to the
26 extent they misquote, mischaracterize, or are inconsistent with the Form 10-Q. Defendants state
27 that the allegation that “[t]hese statements were materially false and misleading” states a legal
28 conclusion to which no response is required, but to the extent a response is deemed required,

1 Defendants deny that allegation. Defendants otherwise deny the allegations in Paragraph 224 of
2 the Amended Complaint.

3 225. Defendants admit that Granite’s Form 10-Q for the first quarter of 2018, which was
4 filed with the SEC on May 1, 2018, stated that Granite held a \$182 million interest in the liabilities
5 of its ten unconsolidated JVs as of March 31, 2018—a group that includes many JVs that are not
6 one of the Projects. Defendants state that the Form 10-Q speaks for itself, deny that it supports
7 Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they misstate, mischaracterize, or
8 are inconsistent with the Form 10-Q. Defendants state that the allegation that “[t]hese statements
9 were materially false and misleading” states a legal conclusion to which no response is required,
10 but to the extent a response is deemed required, Defendants deny that allegation. Defendants
11 otherwise deny the allegations in Paragraph 225 of the Amended Complaint.

12 226. Defendants admit that Granite’s Form 10-Q for the first quarter of 2018, which was
13 filed with the SEC on May 1, 2018, stated that Granite held a \$118 million interest in the revenue
14 of its ten unconsolidated JVs, a \$114 million interest in the cost of revenue of these JVs, and a
15 \$4.0 million interest in the gross profits of these JVs, each as of March 31, 2018. Defendants state
16 that the Form 10-Q speaks for itself, deny that it supports Plaintiff’s claims, and deny Plaintiff’s
17 allegations to the extent they misstate, mischaracterize, or are inconsistent with the Form 10-Q.
18 Defendants state that the allegation that “[t]hese statements were materially false and misleading”
19 states a legal conclusion to which no response is required, but to the extent a response is deemed
20 required, Defendants deny that allegation. Defendants otherwise deny the allegations in
21 Paragraph 226 of the Amended Complaint.

22 227. To the extent Paragraph 227 purports to quote or summarize Granite’s disclosure of
23 its financial results in a Form 10-Q for the first quarter of 2018 filed with the SEC on May 1,
24 2018, Defendants state that the Form 10-Q speaks for itself, deny that it supports Plaintiff’s
25 claims, and deny Plaintiff’s allegations to the extent they misquote, mischaracterize, or are
26 inconsistent with the Form 10-Q. Defendants state that the allegation that “[t]hese statements
27 were materially false and misleading” states a legal conclusion to which no response is required,
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1 but to the extent a response is deemed required, Defendants deny that allegation. Defendants
2 otherwise deny the allegations in Paragraph 227 of the Amended Complaint.

3 228. Defendants admit the allegations in Paragraph 228 of the Amended Complaint.

4 229. To the extent Paragraph 229 purports to quote statements made by Mr. Roberts
5 during Granite's August 8, 2018 earnings call, Defendants state that the transcript of that earnings
6 call speaks for itself, deny that it supports Plaintiff's claims, and deny Plaintiff's allegations to the
7 extent that they misquote, mischaracterize, or are inconsistent with statements reflected in the
8 transcript. Defendants state that the allegation that "[t]hese statements were materially false and
9 misleading" states a legal conclusion to which no response is required, but to the extent a response
10 is deemed required, Defendants deny that allegation. Defendants otherwise deny the allegations in
11 Paragraph 229 of the Amended Complaint.

12 230. To the extent Paragraph 230 purports to quote statements made by Ms. Desai
13 during Granite's August 8, 2018 earnings call, Defendants state that the transcript of that earnings
14 call speaks for itself, deny that it supports Plaintiff's claims, and deny Plaintiff's allegations to the
15 extent that they misquote, mischaracterize, or are inconsistent with statements reflected in the
16 transcript. Defendants state that the allegation that "[t]hese statements were materially false and
17 misleading" states a legal conclusion to which no response is required, but to the extent a response
18 is deemed required, Defendants deny that allegation. Defendants otherwise deny the allegations in
19 Paragraph 230 of the Amended Complaint.

20 231. To the extent that Paragraph 231 purports to quote from or summarize Granite's
21 Form 10-Q for the second quarter of 2018 filed with the SEC on August 8, 2018, Defendants state
22 that the Form 10-Q speaks for itself, deny that it supports Plaintiff's claims, and deny Plaintiff's
23 allegations to the extent they misquote, mischaracterize, or are inconsistent with the Form 10-Q.
24 Defendants state that the allegation that "[t]hese statements were materially false and misleading"
25 states a legal conclusion to which no response is required, but to the extent a response is deemed
26 required, Defendants deny that allegation. Defendants otherwise deny the allegations in
27 Paragraph 231 of the Amended Complaint.

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1 232. To the extent that Paragraph 232 purports to quote from or summarize Granite’s
2 Form 10-Q for the second quarter of 2018 filed with the SEC on August 8, 2018, Defendants state
3 that the Form 10-Q speaks for itself, deny that it supports Plaintiff’s claims, and deny Plaintiff’s
4 allegations to the extent they misquote, mischaracterize, or are inconsistent with the Form 10-Q.
5 Defendants state that the allegation that “[t]hese statements were materially false and misleading”
6 states a legal conclusion to which no response is required, but to the extent a response is deemed
7 required, Defendants deny that allegation. Defendants otherwise deny the allegations in
8 Paragraph 232 of the Amended Complaint.

9 233. To the extent that Paragraph 233 purports to quote from or summarize Granite’s
10 Form 10-Q for the second quarter of 2018 filed with the SEC on August 8, 2018, Defendants state
11 that the Form 10-Q speaks for itself, deny that it supports Plaintiff’s claims, and deny Plaintiff’s
12 allegations to the extent they misquote, mischaracterize, or are inconsistent with the Form 10-Q.
13 Defendants state that the allegation that “[t]hese statements were materially false and misleading”
14 states a legal conclusion to which no response is required, but to the extent a response is deemed
15 required, Defendants deny that allegation. Defendants otherwise deny the allegations in
16 Paragraph 233 of the Amended Complaint.

17 234. Defendants admit that Granite’s Form 10-Q for the second quarter of 2018, which
18 was filed with the SEC on August 8, 2018, stated that Granite held a \$431 million interest in the
19 assets of its ten unconsolidated JVs as of June 30, 2018—a group that includes many JVs not
20 among the Projects. Defendants state that the Form 10-Q speaks for itself, deny that it supports
21 Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they misstate, mischaracterize, or
22 are inconsistent with the Form 10-Q. Defendants state that the allegation that “[t]hese statements
23 were materially false and misleading” states a legal conclusion to which no response is required,
24 but to the extent a response is deemed required, Defendants deny that allegation. Defendants
25 otherwise deny the allegations in Paragraph 234 of the Amended Complaint.

26 235. Defendants admit that Granite’s Form 10-Q for the second quarter of 2018, which
27 was filed with the SEC on August 8, 2018, stated that Granite’s interest in the assets of its ten
28 unconsolidated JVs—a group that includes many JVs not among the Projects—as of June 30,

1 2018, included “\$65.8 million . . . related to Granite’s share of estimated cost recovery of
2 customer affirmative claims” as of June 30, 2018. Defendants state that the Form 10-Q speaks for
3 itself, deny that it supports Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they
4 misquote, mischaracterize, or are inconsistent with the Form 10-Q. Defendants state that the
5 allegation that “[t]hese statements were materially false and misleading” states a legal conclusion
6 to which no response is required, but to the extent a response is deemed required, Defendants deny
7 that allegation. Defendants otherwise deny the allegations in Paragraph 235 of the Amended
8 Complaint.

9 236. Defendants admit that Granite’s Form 10-Q for the second quarter of 2018, which
10 was filed with the SEC on August 8, 2018, stated that Granite held a \$193 million interest in the
11 liabilities of its ten unconsolidated JVs as of June 30, 2018—a group that includes many JVs not
12 among the Projects. Defendants state that the Form 10-Q speaks for itself, deny that it supports
13 Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they misstate, mischaracterize, or
14 are inconsistent with the Form 10-Q. Defendants state that the allegation that “[t]hese statements
15 were materially false and misleading” states a legal conclusion to which no response is required,
16 but to the extent a response is deemed required, Defendants deny that allegation. Defendants
17 otherwise deny the allegations in Paragraph 236 of the Amended Complaint.

18 237. Defendants admit that Granite’s Form 10-Q for the second quarter of 2018, which
19 was filed with the SEC on August 8, 2018, stated that Granite held a \$109 million interest in the
20 revenue of its ten unconsolidated JVs, a \$127 million interest in the cost of revenue of these JVs,
21 and an (\$18 million) interest in the gross loss of these JVs, each as of the three months ended June
22 30, 2018. Defendants state that the Form 10-Q speaks for itself, deny that it supports Plaintiff’s
23 claims, and deny Plaintiff’s allegations to the extent they misstate, mischaracterize, or are
24 inconsistent with the Form 10-Q. Defendants state that the allegation that “[t]hese statements
25 were materially false and misleading” states a legal conclusion to which no response is required,
26 but to the extent a response is deemed required, Defendants deny that allegation. Defendants
27 otherwise deny the allegations in Paragraph 237 of the Amended Complaint.

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1 238. To the extent that Paragraph 238 purports to quote from or summarize Granite’s
2 Form 10-Q for the second quarter of 2018 filed with the SEC on August 8, 2018, Defendants state
3 that the Form 10-Q speaks for itself, deny that it supports Plaintiff’s claims, and deny Plaintiff’s
4 allegations to the extent they misquote, mischaracterize, or are inconsistent with the Form 10-Q.
5 Defendants state that the allegation that “[t]hese statements were materially false and misleading”
6 states a legal conclusion to which no response is required, but to the extent a response is deemed
7 required, Defendants deny that allegation. Defendants otherwise deny the allegations in
8 Paragraph 238 of the Amended Complaint.

9 239. Defendants admit the allegations in Paragraph 239 of the Amended Complaint.

10 240. To the extent Paragraph 240 purports to quote statements made by Ms. Desai
11 during Granite’s October 26, 2018 earnings call, Defendants state that the transcript of that
12 earnings call speaks for itself, deny that it supports Plaintiff’s claims, and deny Plaintiff’s
13 allegations to the extent they misquote, mischaracterize, or are inconsistent with the statements
14 reflected in the transcript. Defendants state that the allegation that “[t]hese statements were
15 materially false and misleading” states a legal conclusion to which no response is required, but to
16 the extent a response is deemed required, Defendants deny that allegation. Defendants otherwise
17 deny the allegations in Paragraph 240 of the Amended Complaint.

18 241. To the extent Paragraph 241 purports to quote from or summarize Granite’s
19 Form 10-Q for the third quarter of 2018 filed with the SEC on October 29, 2018, Defendants state
20 that the Form 10-Q speaks for itself, deny that it support Plaintiff’s claims, and deny Plaintiff’s
21 allegations to the extent they misquote, mischaracterize, or are inconsistent with the Form 10-Q.
22 Defendants states that the allegation that “[t]hese statements were materially false and misleading”
23 states a legal conclusion to which no response is required, but to the extent a response is deemed
24 required, Defendants deny that allegation. Defendants otherwise deny the allegations in
25 Paragraph 241 of the Amended Complaint.

26 242. To the extent Paragraph 242 purports to quote from or summarize Granite’s
27 Form 10-Q for the third quarter of 2018 filed with the SEC on October 29, 2018, Defendants state
28 that the Form 10-Q speaks for itself, deny that it support Plaintiff’s claims, and deny Plaintiff’s

1 allegations to the extent they misquote, mischaracterize, or are inconsistent with the Form 10-Q.
2 Defendants state that the allegation that “[t]hese statements were materially false and misleading”
3 states a legal conclusion to which no response is required, but to the extent a response is deemed
4 required, Defendants deny that allegation. Defendants otherwise deny the allegations in
5 Paragraph 242 of the Amended Complaint.

6 243. To the extent Paragraph 243 purports to quote from or summarize Granite’s
7 Form 10-Q for the third quarter of 2018 filed with the SEC on October 29, 2018, Defendants state
8 that the Form 10-Q speaks for itself, deny that it support Plaintiff’s claims, and deny Plaintiff’s
9 allegations to the extent they misquote, mischaracterize, or are inconsistent with the Form 10-Q.
10 Defendants state that the allegation that “[t]hese statements were materially false and misleading”
11 states a legal conclusion to which no response is required, but to the extent a response is deemed
12 required, Defendants deny that allegation. Defendants otherwise deny the allegations in
13 Paragraph 243 of the Amended Complaint.

14 244. Defendants admit that Granite’s Form 10-Q for the third quarter of 2018, which
15 was filed with the SEC on October 29, 2018, stated that Granite held a \$442 million interest in the
16 assets of its nine unconsolidated JVs as of September 30, 2018—a group that includes many JVs
17 not among the Projects. Defendants state that the Form 10-Q speaks for itself, deny that it
18 supports Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they misstate,
19 mischaracterize, or are inconsistent with the Form 10-Q. Defendants state that the allegation that
20 “[t]hese statements were materially false and misleading” states a legal conclusion to which no
21 response is required, but to the extent a response is deemed required, Defendants deny that
22 allegation. Defendants otherwise deny the allegations in Paragraph 244 of the Amended
23 Complaint.

24 245. Defendants admit that Granite’s Form 10-Q for the third quarter of 2018, which
25 was filed with the SEC on October 29, 2018, stated that Granite’s interest in the assets of its nine
26 unconsolidated JVs—a group that includes many JVs not among the Projects—as of September
27 30, 2018, included “\$67.1 million . . . related to Granite’s share of estimated cost recovery of
28 customer affirmative claims” as of September 30, 2018. Defendants state that the Form 10-Q

1 speaks for itself, deny that it supports Plaintiff’s claims, and deny Plaintiff’s allegations to the
2 extent they misquote, mischaracterize, or are inconsistent with the Form 10-Q. Defendants state
3 that the allegation that “[t]hese statements were materially false and misleading” states a legal
4 conclusion to which no response is required, but to the extent a response is deemed required,
5 Defendants deny that allegation. Defendants otherwise deny the allegations in Paragraph 245 of
6 the Amended Complaint.

7 246. Defendants admit that Granite’s Form 10-Q for the third quarter of 2018, which
8 was filed with the SEC on October 29, 2018, stated that Granite held a \$180 million interest in the
9 liabilities of its nine unconsolidated JVs as of September 30, 2018—a group that includes many
10 JVs not among the Projects. Defendants state that the Form 10-Q speaks for itself, deny that it
11 supports Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they misstate,
12 mischaracterize, or are inconsistent with the Form 10-Q. Defendants state that the allegation that
13 “[t]hese statements were materially false and misleading” states a legal conclusion to which no
14 response is required, but to the extent a response is deemed required, Defendants deny that
15 allegation. Defendants otherwise deny the allegations in Paragraph 246 of the Amended
16 Complaint.

17 247. Defendants admit that Granite’s Form 10-Q for the third quarter of 2018, which
18 was filed with the SEC on October 29, 2018, stated that Granite held a \$151 million interest in the
19 revenue of its nine unconsolidated JVs, a \$155 million interest in the cost of revenue of these JVs,
20 and a (\$4.02) million interest in the gross loss of these JVs, each as of the three months ended
21 September 30, 2018. Defendants state that the Form 10-Q speaks for itself, deny that it supports
22 Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they misstate, mischaracterize, or
23 are inconsistent with the Form 10-Q. Defendants state that the allegation that “[t]hese statements
24 were materially false and misleading” states a legal conclusion to which no response is required,
25 but to the extent a response is deemed required, Defendants deny that allegation. Defendants
26 otherwise deny the allegations in Paragraph 247 of the Amended Complaint.

27 248. To the extent Paragraph 248 purports to quote from or summarize Granite’s
28 Form 10-Q for the third quarter of 2018, which was filed with the SEC on October 29, 2018,

1 Defendants state that the Form 10-Q speaks for itself, deny that it support Plaintiff's claims, and
2 deny Plaintiff's allegations to the extent they misquote, mischaracterize, or are inconsistent with
3 the Form 10-Q. Defendants state that the allegation that "[t]hese statements were materially false
4 and misleading" states a legal conclusion to which no response is required, but to the extent a
5 response is deemed required, Defendants deny that allegation. Defendants otherwise deny the
6 allegations in Paragraph 248 of the Amended Complaint.

7 249. Defendants admit the allegations in Paragraph 249 of the Amended Complaint.

8 250. To the extent Paragraph 250 purports to quote statements made by Ms. Desai
9 during Granite's February 20, 2019 earnings call, Defendants state that the transcript of that
10 earnings call speaks for itself, deny that it supports Plaintiff's claims, and deny Plaintiff's
11 allegations to the extent they misquote, mischaracterize, or are inconsistent with the statements
12 reflected in the transcript. Defendants state that the allegation that "[t]hese statements were
13 materially false and misleading" states a legal conclusion to which no response is required, but to
14 the extent a response is deemed required, Defendants deny that allegation. Defendants otherwise
15 deny the allegations in Paragraph 250 of the Amended Complaint.

16 251. To the extent Paragraph 251 purports to quote from Granite's 2018 Form 10-K
17 filed with the SEC on February 22, 2019, Defendants state that the Form 10-K speaks for itself,
18 deny that it supports Plaintiff's claims, and deny Plaintiff's allegations to the extent that they
19 misquote, mischaracterize, or are inconsistent with the Form 10-K. Defendants state that the
20 allegation that "[t]hese statements were materially false and misleading" states a legal conclusion
21 to which no response is required, but to the extent a response is deemed required, Defendants deny
22 that allegation. Defendants otherwise deny the allegations in Paragraph 251 of the Amended
23 Complaint.

24 252. To the extent Paragraph 252 purports to draw information from Granite's 2018
25 Form 10-K filed with the SEC on February 22, 2019, Defendants state that the Form 10-K speaks
26 for itself, deny that it supports Plaintiff's claims, and deny Plaintiff's allegations to the extent that
27 they misquote, mischaracterize, or are inconsistent with the Form 10-K. To the extent that
28 Plaintiff alleges in Paragraph 252 that GAAP, including but not limited to ASC 450, imposes

1 certain legal requirements on Defendants, Defendants state that such allegations state legal
2 conclusions to which Defendants are not required to respond. To the extent a response is deemed
3 required, Defendants deny that the allegations in Paragraph 252 set forth a complete and accurate
4 statement of Defendants' legal duties. To the extent that Plaintiff purports in Paragraph 252 to
5 characterize or summarize GAAP, including but not limited to ASC 450, Defendants deny that
6 Plaintiff's allegations fairly, accurately, and completely characterize the applicable guidance under
7 GAAP. Defendants state that the allegation that "[t]his material omission . . . was materially false
8 and misleading" states a legal conclusion to which no response is required, but to the extent a
9 response is deemed required, Defendants deny that allegation. Defendants otherwise deny the
10 allegations in Paragraph 252 of the Amended Complaint.

11 253. To the extent Paragraph 253 purports to quote from or summarize Granite's 2018
12 Form 10-K filed with the SEC on February 22, 2019, Defendants state that the Form 10-K speaks
13 for itself, deny that it supports Plaintiff's claims, and deny Plaintiff's allegations to the extent that
14 they misquote, mischaracterize, or are inconsistent with the Form 10-K. Defendants state that the
15 allegation that "[t]hese statements were materially false and misleading" states a legal conclusion
16 to which no response is required, but to the extent a response is deemed required, Defendants deny
17 that allegation. Defendants otherwise deny the allegations in Paragraph 253 of the Amended
18 Complaint.

19 254. To the extent Paragraph 254 purports to quote from Granite's 2018 Form 10-K
20 filed with the SEC on February 22, 2019, Defendants state that the Form 10-K speaks for itself,
21 deny that it supports Plaintiff's claims, and deny Plaintiff's allegations to the extent that they
22 misquote, mischaracterize, or are inconsistent with the Form 10-K. Defendants state that the
23 allegation that "[t]hese statements were materially false and misleading" states a legal conclusion
24 to which no response is required, but to the extent a response is deemed required, Defendants deny
25 that allegation. Defendants otherwise deny the allegations in Paragraph 254 of the Amended
26 Complaint.

27 255. Defendants admit that Granite's 2018 Form 10-K, which was filed with the SEC on
28 February 22, 2019, stated that Granite had a \$426 million interest in the assets of its nine

1 unconsolidated JVs for the year ended December 31, 2018—a group that includes many JVs not
2 among the Projects. Defendants state that the Form 10-K speaks for itself, deny that it supports
3 Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they misstate, mischaracterize, or
4 are inconsistent with the Form 10-K. Defendants state that the allegation that “[t]hese statements
5 were materially false and misleading” states a legal conclusion to which no response is required,
6 but to the extent a response is deemed required, Defendants deny that allegation. Defendants
7 otherwise deny the allegations in Paragraph 255 of the Amended Complaint.

8 256. Defendants admit that Granite’s 2018 Form 10-K, which was filed with the SEC on
9 February 22, 2019, stated that Granite’s interest in the assets of its nine unconsolidated JVs—a
10 group that includes many JVs not among the Projects—as of the year ended December 31, 2018,
11 included “\$78.1 million . . . related to Granite’s share of estimated cost recovery of customer
12 affirmative claims” for the year ended December 31, 2018. Defendants state that the Form 10-K
13 speaks for itself, deny that it supports Plaintiff’s claims, and deny Plaintiff’s allegations to the
14 extent they misquote, mischaracterize, or are inconsistent with the Form 10-K. Defendants state
15 that the allegation that “[t]hese statements were materially false and misleading” states a legal
16 conclusion to which no response is required, but to the extent a response is deemed required,
17 Defendants deny that allegation. Defendants otherwise deny the allegations in Paragraph 256 of
18 the Amended Complaint.

19 257. Defendants admit that Granite’s 2018 Form 10-K, which was filed with the SEC on
20 February 22, 2019, stated that Granite held a \$155 million interest in the liabilities of its nine
21 unconsolidated JVs for the year ended December 31, 2018—a group that includes many JVs not
22 among the Projects. Defendants state that the Form 10-K speaks for itself, deny that it supports
23 Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they misstate, mischaracterize, or
24 are inconsistent with the Form 10-K. Defendants state that the allegation that “[t]hese statements
25 were materially false and misleading” states a legal conclusion to which no response is required,
26 but to the extent a response is deemed required, Defendants deny that allegation. Defendants
27 otherwise deny the allegations in Paragraph 257 of the Amended Complaint.

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1 258. Defendants admit that Granite’s 2018 Form 10-K, which was filed with the SEC on
2 February 22, 2019, stated that Granite had a \$522 million interest in the revenue of its nine
3 unconsolidated JVs, a \$547 million interest in the cost of revenue of these JVs, and a (\$25 million)
4 interest in the gross loss of these JVs, each for the year ended December 31, 2018. Defendants
5 state that the Form 10-K speaks for itself, deny that it supports Plaintiff’s claims, and deny
6 Plaintiff’s allegations to the extent they misstate, mischaracterize, or are inconsistent with the
7 Form 10-K. Defendants state that the allegation that “[t]hese statements were materially false and
8 misleading” states a legal conclusion to which no response is required, but to the extent a response
9 is deemed required, Defendants deny that allegation. Defendants otherwise deny the allegations in
10 Paragraph 258 of the Amended Complaint.

11 259. To the extent Paragraph 259 purports to quote from Granite’s 2018 Form 10-K
12 filed with the SEC on February 22, 2019, Defendants state that the Form 10-K speaks for itself,
13 deny that it supports Plaintiff’s claims, and deny Plaintiff’s allegations to the extent that they
14 misquote, mischaracterize, or are inconsistent with the Form 10-K. Defendants state that the
15 allegation that “[t]hese statements were materially false and misleading” states a legal conclusion
16 to which no response is required, but to the extent a response is deemed required, Defendants deny
17 that allegation. Defendants otherwise deny the allegations in Paragraph 259 of the Amended
18 Complaint.

19 260. Defendants admit the allegations in Paragraph 260 of the Amended Complaint.

20 261. To the extent Paragraph 261 purports to quote from or summarize a press release
21 attached to a Form 8-K that Granite filed with the SEC on April 26, 2019, Defendants state that
22 the Form 8-K and accompanying press release speak for themselves, deny that they support
23 Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they misquote, mischaracterize, or
24 are inconsistent with the Form 8-K or the press release. To the extent Paragraph 261 purports to
25 quote statements made by Ms. Desai during Granite’s April 26, 2019 earnings call, Defendants
26 state that the transcript of that earnings call speaks for itself, deny that it supports Plaintiff’s
27 claims, and deny Plaintiff’s allegations to the extent they misquote, mischaracterize, or are
28 inconsistent with statements reflected in the transcript. Defendants state that the allegation that

1 “[t]hese statements were materially false and misleading” states a legal conclusion to which no
2 response is required, but to the extent a response is deemed required, Defendants deny that
3 allegation. Defendants otherwise deny the allegations in Paragraph 261 of the Amended
4 Complaint.

5 262. To the extent Paragraph 262 purports to draw information from Granite’s Form 10-
6 Q for the first quarter of 2019 filed with the SEC on April 26, 2019, Defendants state that the
7 Form 10-Q speaks for itself, deny that it supports Plaintiff’s claims, and deny Plaintiff’s
8 allegations to the extent they misquote, mischaracterize, or are inconsistent with the Form 10-Q.
9 To the extent that Plaintiff alleges in Paragraph 262 that GAAP, including but not limited to
10 ASC 450, imposes certain legal requirements on Defendants, Defendants state that such
11 allegations state legal conclusions to which Defendants are not required to respond. To the extent
12 a response is deemed required, Defendants deny that the allegations in Paragraph 262 set forth a
13 complete and accurate statement of Defendants’ legal duties. To the extent that Plaintiff purports
14 in Paragraph 262 to characterize or summarize GAAP, including but not limited to ASC 450,
15 Defendants deny that Plaintiff’s allegations fairly, accurately, and completely characterize the
16 applicable guidance under GAAP. Defendants state that the allegation that “[t]his material
17 omission . . . was materially false and misleading” states a legal conclusion to which no response
18 is required, but to the extent a response is deemed required, Defendants deny that allegation.
19 Defendants otherwise deny the allegations in Paragraph 262 of the Amended Complaint.

20 263. To the extent Paragraph 263 purports to quote from or summarize Granite’s
21 Form 10-Q for the first quarter of 2019 filed with the SEC on April 26, 2019, Defendants state that
22 the Form 10-Q speaks for itself, deny that it supports Plaintiff’s claims, and deny Plaintiff’s
23 allegations to the extent they misquote, mischaracterize, or are inconsistent with the Form 10-Q.
24 Defendants state that the allegation that “[t]hese statements were materially false and misleading”
25 states a legal conclusion to which no response is required, but to the extent a response is deemed
26 required, Defendants deny that allegation. Defendants otherwise deny the allegations in
27 Paragraph 263 of the Amended Complaint.

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1 264. To the extent Paragraph 264 purports to draw information from Granite’s Form 10-
2 Q for the first quarter of 2019 filed with the SEC on April 26, 2019, Defendants state that the
3 Form 10-Q speaks for itself, deny that it supports Plaintiff’s claims, and deny Plaintiff’s
4 allegations to the extent they misquote, mischaracterize, or are inconsistent with the Form 10-Q.
5 Defendants state that the allegation that “[t]hese statements were materially false and misleading”
6 states a legal conclusion to which no response is required, but to the extent a response is deemed
7 required, Defendants deny that allegation. Defendants otherwise deny the allegations in
8 Paragraph 264 of the Amended Complaint.

9 265. Defendants admit that Granite’s Form 10-Q for the first quarter of 2019, filed with
10 the SEC on April 26, 2019, stated that Granite had a \$458 million interest in the assets of its nine
11 unconsolidated JVs as of March 31, 2019—a group that includes many JVs not among the
12 Projects. Defendants state that the Form 10-Q speaks for itself, deny that it supports Plaintiff’s
13 claims, and deny Plaintiff’s allegations to the extent they misstate, mischaracterize, or are
14 inconsistent with the Form 10-Q. Defendants state that the allegation that “[t]hese statements
15 were materially false and misleading” states a legal conclusion to which no response is required,
16 but to the extent a response is deemed required, Defendants deny that allegation. Defendants
17 otherwise deny the allegations in Paragraph 265 of the Amended Complaint.

18 266. Defendants admit that Granite’s Form 10-Q for the first quarter of 2019, which was
19 filed with the SEC on April 26, 2019, stated that Granite’s interest in the assets of its nine
20 unconsolidated JVs—a group that includes many JVs not among the Projects—as of March 31,
21 2019, included “\$80.8 million . . . related to Granite’s share of estimated cost recovery of
22 customer affirmative claims,” as of March 31, 2019. Defendants state that the Form 10-Q speaks
23 for itself, deny that it supports Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they
24 misquote, mischaracterize, or are inconsistent with the Form 10-Q. Defendants state that the
25 allegation that “[t]hese statements were materially false and misleading” states a legal conclusion
26 to which no response is required, but to the extent a response is deemed required, Defendants deny
27 that allegation. Defendants otherwise deny the allegations in Paragraph 266 of the Amended
28 Complaint.

1 267. Defendants admit that Granite’s Form 10-Q for the first quarter of 2019, which was
2 filed with the SEC on April 26, 2019, stated that Granite had a \$161 million interest in the
3 liabilities of its nine unconsolidated JVs as of March 31, 2019—a group that includes many JVs
4 not among the Projects. Defendants state that the Form 10-Q speaks for itself, deny that it
5 supports Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they misstate,
6 mischaracterize, or are inconsistent with the Form 10-Q. Defendants state that the allegation that
7 “[t]hese statements were materially false and misleading” states a legal conclusion to which no
8 response is required, but to the extent a response is deemed required, Defendants deny that
9 allegation. Defendants otherwise deny the allegations in Paragraph 267 of the Amended
10 Complaint.

11 268. Defendants admit that Granite’s Form 10-Q for the first quarter of 2019, which was
12 filed with the SEC on April 26, 2019, stated that Granite had a \$132 million interest in the revenue
13 from its nine unconsolidated JVs, a \$131 million interest in the cost of revenue from these JVs,
14 and a \$1.0 million interest in the gross profits of these JVs, each as of March 31, 2019.
15 Defendants state that the Form 10-Q speaks for itself, deny that it supports Plaintiff’s claims, and
16 deny Plaintiff’s allegations to the extent they misstate, mischaracterize, or are inconsistent with the
17 Form 10-Q. Defendants state that the allegation that “[t]hese statements were materially false and
18 misleading” states a legal conclusion to which no response is required, but to the extent a response
19 is deemed required, Defendants deny that allegation. Defendants otherwise deny the allegations in
20 Paragraph 268 of the Amended Complaint.

21 269. To the extent Paragraph 269 purports to draw information from Granite’s Form 10-
22 Q for the first quarter of 2019 filed with the SEC on April 26, 2019, Defendants state that the
23 Form 10-Q speaks for itself, deny that it supports Plaintiff’s claims, and deny Plaintiff’s
24 allegations to the extent they misquote, mischaracterize, or are inconsistent with the Form 10-Q.
25 Defendants state that the allegation that “[t]hese statements were materially false and misleading”
26 states a legal conclusion to which no response is required, but to the extent a response is deemed
27 required, Defendants deny that allegation. Defendants otherwise deny the allegations in
28 Paragraph 269 of the Amended Complaint.

1 270. Defendants admit the allegations in Paragraph 270 of the Amended Complaint.

2 271. To the extent Paragraph 271 purports to quote from a Form 8-K that Granite filed
3 with the SEC on August 2, 2019, Defendants state that the Form 8-K (and any attachments
4 thereto) speaks for itself, deny that it supports Plaintiff's claims, and deny Plaintiff's allegations to
5 the extent they misquote, mischaracterize, or are inconsistent with the Form 8-K. Defendants state
6 that the allegation that "[t]hese statements were materially false and misleading" states a legal
7 conclusion to which no response is required, but to the extent a response is deemed required,
8 Defendants deny that allegation. Defendants otherwise deny the allegations in Paragraph 271 of
9 the Amended Complaint.

10 272. To the extent Paragraph 272 purports to quote statements made by Ms. Desai
11 during Granite's August 2, 2019 earnings calls, Defendant state that the transcript of the earnings
12 call speaks for itself, deny that it supports Plaintiff's claims, and deny Plaintiff's allegations to the
13 extent they misquote, mischaracterize, or are inconsistent with the statements reflected in the
14 transcript. Defendants state that the allegation that "[t]hese statements were materially false and
15 misleading" states a legal conclusion to which no response is required, but to the extent a response
16 is deemed required, Defendants deny that allegation. Defendants otherwise deny the allegations in
17 Paragraph 272 of the Amended Complaint.

18 273. To the extent Paragraph 273 purports to quote or summarize statements made
19 during Granite's August 2, 2019 earnings calls, Defendant state that the transcript of the earnings
20 call speaks for itself, deny that it supports Plaintiff's claims, and deny Plaintiff's allegations to the
21 extent they misquote, mischaracterize, or are inconsistent with the statements reflected in the
22 transcript. Defendants state that the allegation that "[t]hese statements were materially false and
23 misleading" states a legal conclusion to which no response is required, but to the extent a response
24 is deemed required, Defendants deny that allegation. Defendants otherwise deny the allegations in
25 Paragraph 273 of the Amended Complaint.

26 274. To the extent that Paragraph 274 purports to draw information from Granite's
27 Form 10-Q for the second quarter of 2019 filed with the SEC on August 6, 2019, Defendants state
28 that the Form 10-Q speaks for itself, deny that it supports Plaintiff's claims, and deny Plaintiff's

1 allegations to the extent they misstate, mischaracterize, or are inconsistent with the Form 10-Q.
2 To the extent that Plaintiff alleges in Paragraph 274 that GAAP, including but not limited to
3 ASC 450, imposes certain legal requirements on Defendants, Defendants state that such
4 allegations state legal conclusions to which Defendants are not required to respond. To the extent
5 a response is deemed required, Defendants deny that the allegations in Paragraph 274 set forth a
6 complete and accurate statement of Defendants' legal duties. To the extent that Plaintiff purports
7 in Paragraph 274 to characterize or summarize GAAP, including but not limited to ASC 450,
8 Defendants deny that Plaintiff's allegations fairly, accurately, and completely characterize the
9 applicable guidance under GAAP. Defendants state that the allegation that "[t]hese statements
10 were materially false and misleading" states a legal conclusion to which no response is required,
11 but to the extent a response is deemed required, Defendants deny that allegation. Defendants
12 otherwise deny the allegations in Paragraph 274 of the Amended Complaint.

13 275. To the extent that Paragraph 275 purports to quote from or summarize Granite's
14 Form 10-Q for the second quarter of 2019 filed with the SEC on August 6, 2019, Defendants state
15 that the Form 10-Q speaks for itself, deny that it supports Plaintiff's claims, and deny Plaintiff's
16 allegations to the extent they misquote, mischaracterize, or are inconsistent with the Form 10-Q.
17 Defendants state that the allegation that "[t]hese statements were materially false and misleading"
18 states a legal conclusion to which no response is required, but to the extent a response is deemed
19 required, Defendants deny that allegation. Defendants otherwise deny the allegations in
20 Paragraph 275 of the Amended Complaint.

21 276. To the extent that Paragraph 276 purports to quote from or summarize Granite's
22 Form 10-Q for the second quarter of 2019 filed with the SEC on August 6, 2019, Defendants state
23 that the Form 10-Q speaks for itself, deny that it supports Plaintiff's claims, and deny Plaintiff's
24 allegations to the extent they misquote, mischaracterize, or are inconsistent with the Form 10-Q.
25 Defendants state that the allegation that "[t]hese statements were materially false and misleading"
26 states a legal conclusion to which no response is required, but to the extent a response is deemed
27 required, Defendants deny that allegation. Defendants otherwise deny the allegations in
28 Paragraph 276 of the Amended Complaint.

1 277. Defendants admit that Granite’s Form 10-Q for the second quarter of 2019, which
2 was filed with the SEC on August 6, 2019, stated that Granite had a \$470 million interest in the
3 assets of its nine unconsolidated JVs as of June 30, 2019—a group that includes many JVs not
4 among the Projects. Defendants state that the Form 10-Q speaks for itself, deny that it supports
5 Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they misstate, mischaracterize, or
6 are inconsistent with the Form 10-Q. Defendants state that the allegation that “[t]hese statements
7 were materially false and misleading” states a legal conclusion to which no response is required,
8 but to the extent a response is deemed required, Defendants deny that allegation. Defendants
9 otherwise deny the allegations in Paragraph 277 of the Amended Complaint.

10 278. Defendants admit that Granite’s Form 10-Q for the second quarter of 2019, which
11 was filed with the SEC on August 6, 2019, stated that Granite’s interest in the assets of its nine
12 unconsolidated JVs—a group that includes many JVs not among the Projects—as of June 30,
13 2019, included “\$89.4 million . . . related to Granite’s share of estimated cost recovery of
14 customer affirmative claims,” as of June 30, 2019. Defendants state that the Form 10-Q speaks for
15 itself, deny that it supports Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they
16 misquote, mischaracterize, or are inconsistent with the Form 10-Q. Defendants state that the
17 allegation that “[t]hese statements were materially false and misleading” states a legal conclusion
18 to which no response is required, but to the extent a response is deemed required, Defendants deny
19 that allegation. Defendants otherwise deny the allegations in Paragraph 278 of the Amended
20 Complaint.

21 279. Defendants admit that Granite’s Form 10-Q for the second quarter of 2019, which
22 was filed with the SEC on August 6, 2019, stated that Granite had a \$287 million interest in the
23 liabilities of its nine unconsolidated JVs as of June 30, 2019—a group that includes many JVs not
24 among the Projects. Defendants state that the Form 10-Q speaks for itself, deny that it supports
25 Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they misstate, mischaracterize, or
26 are inconsistent with the Form 10-Q. Defendants state that the allegation that “[t]hese statements
27 were materially false and misleading” states a legal conclusion to which no response is required,
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1 but to the extent a response is deemed required, Defendants deny that allegation. Defendants
2 otherwise deny the allegations in Paragraph 279 of the Amended Complaint.

3 280. Defendants admit that Granite's Form 10-Q for the second quarter of 2019, which
4 was filed with the SEC on August 6, 2019, stated that Granite had a \$37 million interest in the
5 revenue of its nine unconsolidated JVs, a \$144 million interest in the cost of revenue of these JVs,
6 and a (\$107 million) interest in the gross loss of these JVs, each as of the three months ended June
7 30, 2019. Defendants state that the Form 10-Q speaks for itself, deny that it supports Plaintiff's
8 claims, and deny Plaintiff's allegations to the extent they misstate, mischaracterize, or are
9 inconsistent with the Form 10-Q. Defendants state that the allegation that "[t]hese statements
10 were materially false and misleading" states a legal conclusion to which no response is required,
11 but to the extent a response is deemed required, Defendants deny that allegation. Defendants
12 otherwise deny the allegations in Paragraph 280 of the Amended Complaint.

13 281. To the extent that Paragraph 281 purports to quote from or summarize Granite's
14 Form 10-Q for the second quarter of 2019 filed with the SEC on August 6, 2019, Defendants state
15 that the Form 10-Q speaks for itself, deny that it supports Plaintiff's claims, and deny Plaintiff's
16 allegations to the extent they misquote, mischaracterize, or are inconsistent with the Form 10-Q.
17 Defendants state that the allegation that "[t]hese statements were materially false and misleading"
18 states a legal conclusion to which no response is required, but to the extent a response is deemed
19 required, Defendants deny that allegation. Defendants otherwise deny the allegations in
20 Paragraph 281 of the Amended Complaint.

21 282. To the extent Paragraph 282 purports to quote from Granite's SEC filings,
22 Defendants state that Granite's SEC filings speak for themselves, deny that they support Plaintiff's
23 claims, and deny Plaintiff's allegations to the extent they misquote, mischaracterize, or are
24 inconsistent with the SEC filings. To the extent that Plaintiff alleges in Paragraph 282 that GAAP,
25 including but not limited to ASC 606, imposes certain legal requirements on Defendants,
26 Defendants state that such allegations state legal conclusions that Defendants are not required to
27 admit or deny. To the extent a response is deemed required, Defendants deny that the allegations
28 of Paragraph 282 of the Amended Complaint set forth a complete and accurate statement of

1 Defendants' legal duties. To the extent that Plaintiff purports in Paragraph 282 to characterize or
2 summarize GAAP, including but not limited to ASC 606, Defendants deny that Plaintiff's
3 allegations fairly, accurately, and completely characterize the applicable guidance under GAAP.
4 Defendants state that the allegation that "[t]hese statements were materially false and misleading"
5 states a legal conclusion to which no response is required, but to the extent a response is deemed
6 required, Defendants deny that allegation. Defendants otherwise deny the allegations in
7 Paragraph 282 of the Amended Complaint. To the extent Paragraph 282 seeks to incorporate by
8 reference the allegations contained in Section IV.D of the Amended Complaint, Defendants
9 incorporate by reference their responses to the paragraphs in that section.

10 283. To the extent Paragraph 283 purports to quote from or summarize Granite's SEC
11 filings, Defendants state that Granite's SEC filings speak for themselves, deny that they support
12 Plaintiff's claims, and deny Plaintiff's allegations to the extent they misquote, mischaracterize, or
13 are inconsistent with the SEC filings. Defendants state that the allegation that "[t]hese statements
14 were materially false and misleading" states a legal conclusion to which no response is required,
15 but to the extent a response is deemed required, Defendants deny that allegation. Defendants
16 otherwise deny the allegations in Paragraph 283 of the Amended Complaint. To the extent
17 Paragraph 283 seeks to incorporate by reference the allegations contained in Section IV.D of the
18 Amended Complaint, Defendants incorporate by reference their responses to the paragraphs in that
19 section.

20 284. To the extent Paragraph 284 purports to quote from or summarize Granite's SEC
21 filings, Defendants state that Granite's SEC filings speak for themselves, deny that they support
22 Plaintiff's claims, and deny Plaintiff's allegations to the extent they misquote, mischaracterize, or
23 are inconsistent with the SEC filings. Defendants state that the allegation that "[t]hese statements
24 were materially false and misleading" states a legal conclusion to which no response is required,
25 but to the extent a response is deemed required, Defendants deny that allegation. Defendants
26 otherwise deny the allegations in Paragraph 284 of the Amended Complaint. To the extent
27 Paragraph 284 seeks to incorporate by reference the allegations contained in Section IV.D of the
28

1 Amended Complaint, Defendants incorporate by reference their responses to the paragraphs in that
2 section.

3 285. To the extent Paragraph 285 purports to quote from or summarize Granite’s SEC
4 filings, Defendants state that Granite’s SEC filings speak for themselves, deny that they support
5 Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they misquote, mischaracterize, or
6 are inconsistent with the SEC filings. Defendants state that the allegation that “[t]hese statements
7 were materially false and misleading” states a legal conclusion to which no response is required,
8 but to the extent a response is deemed required, Defendants deny that allegation. Defendants
9 otherwise deny the allegations in Paragraph 285 of the Amended Complaint. To the extent
10 Paragraph 285 seeks to incorporate by reference the allegations contained in Section IV.D of the
11 Amended Complaint, Defendants incorporate by reference their responses to the paragraphs in that
12 section.

13 286. To the extent Paragraph 286 purports to quote from or summarize Granite’s SEC
14 filings, Defendants state that Granite’s SEC filings speak for themselves, deny that they support
15 Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they misquote, mischaracterize, or
16 are inconsistent with the SEC filings. Defendants state that the allegation that “[t]hese statements
17 were materially false and misleading” states a legal conclusion to which no response is required,
18 but to the extent a response is deemed required, Defendants deny that allegation. Defendants
19 otherwise deny the allegations in Paragraph 286 of the Amended Complaint. To the extent
20 Paragraph 286 seeks to incorporate by reference the allegations contained in Section IV.D of the
21 Amended Complaint, Defendants incorporate by reference their responses to the paragraphs in that
22 section.

23 287. To the extent Paragraph 287 purports to quote from or summarize Granite’s SEC
24 filings, Defendants state that Granite’s SEC filings speak for themselves, deny that they support
25 Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they misquote, mischaracterize, or
26 are inconsistent with the SEC filings. Defendants state that the allegation that “[t]hese statements
27 were materially false and misleading” states a legal conclusion to which no response is required,
28 but to the extent a response is deemed required, Defendants deny that allegation. Defendants

1 otherwise deny the allegations in Paragraph 287 of the Amended Complaint. To the extent
2 Paragraph 287 seeks to incorporate by reference the allegations contained in Section IV.D of the
3 Amended Complaint, Defendants incorporate by reference their responses to the paragraphs in that
4 section.

5 288. To the extent Paragraph 288 purports to quote from or summarize Granite’s SEC
6 filings, Defendants state that Granite’s SEC filings speak for themselves, deny that they support
7 Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they misquote, mischaracterize, or
8 are inconsistent with the SEC filings. Defendants state that the allegation that “[t]hese statements
9 were materially false and misleading” states a legal conclusion to which no response is required,
10 but to the extent a response is deemed required, Defendants deny that allegation. Defendants
11 otherwise deny the allegations in Paragraph 288 of the Amended Complaint. To the extent
12 Paragraph 288 seeks to incorporate by reference the allegations contained in Section IV.D of the
13 Amended Complaint, Defendants incorporate by reference their responses to the paragraphs in that
14 section.

15 289. To the extent Paragraph 289 purports to quote from or summarize Granite’s SEC
16 filings, Defendants state that Granite’s SEC filings speak for themselves, deny that they support
17 Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they misquote, mischaracterize, or
18 are inconsistent with the SEC filings. Defendants state that the allegation that “[t]hese statements
19 were materially false and misleading” states a legal conclusion to which no response is required,
20 but to the extent a response is deemed required, Defendants deny that allegation. Defendants
21 otherwise deny the allegations in Paragraph 289 of the Amended Complaint. To the extent
22 Paragraph 289 seeks to incorporate by reference the allegations contained in Section IV.D of the
23 Amended Complaint, Defendants incorporate by reference their responses to the paragraphs in that
24 section.

25 290. To the extent Paragraph 290 purports to quote from or summarize Granite’s SEC
26 filings, Defendants state that Granite’s SEC filings speak for themselves, deny that they support
27 Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they misquote, mischaracterize, or
28 are inconsistent with the SEC filings. Defendants state that the allegation that “[t]hese statements

1 were materially false and misleading” states a legal conclusion to which no response is required,
2 but to the extent a response is deemed required, Defendants deny that allegation. Defendants
3 otherwise deny the allegations in Paragraph 290 of the Amended Complaint. To the extent
4 Paragraph 290 seeks to incorporate by reference the allegations contained in Section IV.D of the
5 Amended Complaint, Defendants incorporate by reference their responses to the paragraphs in that
6 section.

7 291. To the extent Paragraph 291 purports to quote from or summarize Granite’s SEC
8 filings, Defendants state that Granite’s SEC filings speak for themselves, deny that they support
9 Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they misquote, mischaracterize, or
10 are inconsistent with the SEC filings. Defendants state that the allegation that “[t]hese statements
11 were materially false and misleading” states a legal conclusion to which no response is required,
12 but to the extent a response is deemed required, Defendants deny that allegation. To the extent
13 that Plaintiff alleges in Paragraph 291 that GAAP or Granite’s stated accounting policies impose
14 certain legal requirements on Defendants, Defendants state that such allegations state legal
15 conclusions to which Defendants are not required to respond. To the extent a response is deemed
16 required, Defendants deny that GAAP or Granite’s stated accounting policies required Granite “to
17 disclose any ‘reasonably possible’ cost overruns.” To the extent that Plaintiff purports in
18 Paragraph 291 to characterize or summarize GAAP, Defendants admit that GAAP provides
19 guidance with respect to how to account for, among other things, costs and revenues, but deny that
20 Plaintiff’s allegations fairly, accurately, and completely characterize the applicable guidance.
21 Defendants otherwise deny the allegations in Paragraph 291 of the Amended Complaint. To the
22 extent Paragraph 291 seeks to incorporate by reference the allegations contained in Section IV.D
23 of the Amended Complaint, Defendants incorporate by reference their responses to the paragraphs
24 in that section.

25 292. To the extent Paragraph 292 purports to summarize information from Granite’s
26 SEC filings, Defendants state that Granite’s SEC filings speak for themselves, deny that they
27 support Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they misquote,
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1 mischaracterize, or are inconsistent with the SEC filings. Defendants otherwise deny the
2 allegations in Paragraph 292 of the Amended Complaint.

3 293. To the extent Paragraph 293 purports to quote or summarize information from
4 Granite’s SEC filings, Defendants state that Granite’s SEC filings speak for themselves, deny that
5 they support Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they misquote,
6 mischaracterize, or are inconsistent with the SEC filings. Defendants state that the allegation that
7 “[t]hese statements were materially false and misleading” states a legal conclusion to which no
8 response is required, but to the extent a response is deemed required, Defendants deny that
9 allegation. Defendants otherwise deny the allegations in Paragraph 293 of the Amended
10 Complaint.

11 294. To the extent Paragraph 294 purports to quote or summarize information from
12 Granite’s SEC filings, Defendants state that Granite’s SEC filings speak for themselves, deny that
13 they support Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they misquote,
14 mischaracterize, or are inconsistent with the SEC filings. Defendants state that the allegation that
15 “[t]hese statements were materially false and misleading” states a legal conclusion to which no
16 response is required, but to the extent a response is deemed required, Defendants deny that
17 allegation. Defendants otherwise deny the allegations in Paragraph 294 of the Amended
18 Complaint.

19 295. To the extent Paragraph 295 purports to quote or summarize information from
20 Granite’s SEC filings, Defendants state that Granite’s SEC filings speak for themselves, deny that
21 they support Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they misquote,
22 mischaracterize, or are inconsistent with the SEC filings. Defendants state that the allegation that
23 “[t]hese statements were materially false and misleading” states a legal conclusion to which no
24 response is required, but to the extent a response is deemed required, Defendants deny that
25 allegation. Defendants otherwise deny the allegations in Paragraph 295 of the Amended
26 Complaint.

27 296. To the extent Paragraph 296 purports to quote or summarize information from
28 Granite’s SEC filings, Defendants state that Granite’s SEC filings speak for themselves, deny that

1 they support Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they misquote,
2 mischaracterize, or are inconsistent with the SEC filings. Defendants state that the allegation that
3 “[t]hese statements were materially false and misleading” states a legal conclusion to which no
4 response is required, but to the extent a response is deemed required, Defendants deny that
5 allegation. Defendants otherwise deny the allegations in Paragraph 296 of the Amended
6 Complaint. To the extent Paragraph 296 seeks to incorporate by reference the allegations
7 contained in Section IV.D of the Amended Complaint, Defendants incorporate by reference their
8 responses to the paragraphs in that section.

9 297 Defendants admit that, in all of Granite’s Forms 10-K and 10-Q filed during the
10 Class Period, in the section titled “Controls and Procedures,” Mr. Roberts affirmed that he had
11 conducted an evaluation of “the effectiveness of our disclosure controls and procedures” under the
12 Exchange Act and that Granite’s “disclosure controls and procedures were effective.” Defendants
13 admit that, in Granite’s Form 10-Q for the first quarter of 2018, in the section titled “Controls and
14 Procedures,” Krzeminski affirmed that she had conducted an evaluation of “the effectiveness of
15 our disclosure controls and procedures” under the Exchange Act and that Granite’s “disclosure
16 controls and procedures were effective.” Defendants deny that Ms. Krzeminski made these same
17 affirmations as part of any other Form 10-K or Form 10-Q that Granite filed during the Class
18 Period. Defendants admit that, in Granite’s 2018 Form 10-K and in its Forms 10-Q for the second
19 and third quarters of 2018 and for the first and second quarters of 2019, in the section titled
20 “Controls and Procedures,” Ms. Desai affirmed that she had conducted an evaluation of “the
21 effectiveness of our disclosure controls and procedures” under the Exchange Act and that
22 Granite’s “disclosure controls and procedures were effective.” Defendants deny that Ms. Desai
23 made any such affirmations as part of Granite’s Form 10-Q for the first quarter of 2018.
24 Defendants state these Forms 10-K and 10-Q speak for themselves, deny that they support
25 Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they misquote, mischaracterize, or
26 are inconsistent with the forms. Defendants admit that for all of Granite’s Forms 10-K and 10-Q
27 filed during the Class Period, Mr. Roberts signed a SOX certification. Defendants admit that Ms.
28 Krzeminski signed a SOX certification for Granite’s Form 10-Q for the first quarter of 2018.

1 Defendants deny that Ms. Krzeminski signed SOX certifications for any other Form 10-K or
2 Form 10-Q filed by Granite during the Class Period. Defendant's admit that Ms. Desai signed
3 SOX certifications for Granite's 2018 Form 10-K and for its Forms 10-Q for the second and third
4 quarters of 2018 and for the first and second quarters of 2019. Defendants deny that Ms. Desai
5 signed a SOX certification for Granite's Form 10-Q for the first quarter of 2018. Defendants state
6 that these SOX certifications speak for themselves, deny that they support Plaintiff's claims, and
7 deny Plaintiff's allegations to the extent they misquote, mischaracterize, or are inconsistent with
8 the certifications. Defendants otherwise deny the allegations in Paragraph 297 of the Amended
9 Complaint.

10 298. Defendants deny the allegations in Paragraph 298 of the Amended Complaint.

11 299. Defendants deny the allegations in Paragraph 299 of the Amended Complaint.

12 300. Defendants deny the allegations in Paragraph 300 of the Amended Complaint.

13 301. Defendants deny the allegations in Paragraph 301 of the Amended Complaint.

14 302. Defendants admit that Granite filed a Form 8-K with the SEC on July 29, 2019, that
15 included a press release disclosing Granite's preliminary results for the second quarter of 2019.
16 Defendants state that the Form 8-K and accompanying press release speak for themselves, deny
17 that they support Plaintiff's claims, and deny Plaintiff's allegations to the extent they misquote,
18 mischaracterize, or are inconsistent with the Form 8-K or the press release. Defendants otherwise
19 deny the allegations in Paragraph 302 of the Amended Complaint.

20 303. Defendants admit that Granite filed a Form 8-K with the SEC on July 29, 2019, that
21 included a press release disclosing Granite's preliminary results for the second quarter of 2019.
22 Defendants state that the Form 8-K and accompanying press release speak for themselves, deny
23 that they support Plaintiff's claims, and deny Plaintiff's allegations to the extent they misquote,
24 mischaracterize, or are inconsistent with the Form 8-K or the press release. Defendants otherwise
25 deny the allegations in Paragraph 303 of the Amended Complaint.

26 304. Defendants admit that the per-share closing price of Granite's common stock is
27 published daily, which prices speak for themselves. Defendants admit that Granite's stock price
28 was \$44.47 per share at the close of trading on July 29, 2019, and that it was \$36.49 per share at

1 the close of trading on July 30, 2019. Defendants admit that the trading volume of Granite stock
2 was approximately 2.59 million shares on July 30, 2019. Defendants otherwise deny the
3 allegations in Paragraph 304 of the Amended Complaint.

4 305. Defendants admit that The Motley Fool published an article on July 30, 2019, titled
5 “Why Shares of Granite Construction Are Crumbling on Tuesday.” Defendants state that this
6 article speaks for itself, deny that it supports Plaintiff’s claims, and deny Plaintiff’s allegations
7 concerning the article to the extent the allegations misquote, mischaracterize, or are inconsistent
8 with it. Defendants admit that Bloomberg published an article on July 30, 2019, titled “Granite
9 Construction Plummets in Worst Session in 20 Years.” Defendants state that this article speaks
10 for itself, deny that it supports Plaintiff’s claims, and deny Plaintiff’s allegations concerning the
11 article to the extent the allegations misquote, mischaracterize, or are inconsistent with it.
12 Defendants otherwise deny the allegations in Paragraph 305 of the Amended Complaint.

13 306. Defendants are without sufficient knowledge or information to admit or deny the
14 allegations in the first sentence of Paragraph 306 and on that basis deny those allegations.
15 Defendants admit that Cowen published a report addressing Granite’s second quarter financials on
16 July 30, 2019. Defendants state that this report speaks for itself, deny that it supports Plaintiff’s
17 claims, and deny Plaintiff’s allegations concerning the report to the extent the allegations
18 misquote, mischaracterize, or are inconsistent with the report. Defendants otherwise deny the
19 allegations in Paragraph 306 of the Amended Complaint.

20 307. Defendants admit that Granite filed a Form 8-K with the SEC on August 2, 2019,
21 that included a press release disclosing that Granite took after-tax charges of \$106.7 in the second
22 quarter of 2019. Defendants state that the Form 8-K and accompanying press release speak for
23 themselves, deny that they support Plaintiff’s claims, and deny Plaintiff’s allegations to the extent
24 they misquote, mischaracterize, or are inconsistent with the Form 8-K or press release. To the
25 extent Paragraph 307 purports to quote statements made by Ms. Desai during Granite’s August 2,
26 2019 earnings call, Defendants state that the transcript of that earnings call speaks for itself, deny
27 that it supports Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they misquote,
28

1 mischaracterize, or are inconsistent with the statements reflected in the transcript. Defendants
2 otherwise deny the allegations in Paragraph 307 of the Amended Complaint.

3 308. Defendants admit that, in a press release attached to a Form 8-K filed with the SEC
4 on August 2, 2018, Granite reported a net loss of \$97.8 million for the second quarter of 2019 and
5 a net loss of \$8.4 million for the second quarter of 2018. Defendants further admit that, in the
6 same press release, Granite disclosed a net loss of \$132.4 million for the first two quarters of 2019
7 and a net loss of \$19.8 million for the first two quarters of 2018. Defendants state that the Form 8-
8 K and accompanying press release speak for themselves, deny that they support Plaintiff's claims,
9 and deny Plaintiff's allegations to the extent they misstate, mischaracterize, or are inconsistent
10 with the Form 8-K or the press release. Defendants otherwise deny the allegations in
11 Paragraph 308 of the Amended Complaint.

12 309. Defendants admit that the per-share closing price of Granite's common stock is
13 published daily, which prices speak for themselves. Defendants admit that Granite's stock price
14 was \$34.00 per share at the close of trading on August 1, 2019, and \$31.22 per share at the close
15 of trading on August 2, 2019. Defendants admit that the trading volume of Granite stock was
16 approximately 1.3 million shares on August 2, 2019. Defendants otherwise deny the allegations in
17 Paragraph 309 of the Amended Complaint.

18 310. Defendants admit that Bloomberg published an article on August 2, 2019, entitled,
19 "Granite Construction Wrap: Earnings, Streak." Defendants state that this article speaks for itself,
20 deny that it supports Plaintiff's claims, and deny Plaintiff's allegations concerning the article to
21 the extent the allegations misquote, mischaracterize, or are inconsistent with the article.
22 Defendants otherwise deny the allegations in Paragraph 310 of the Amended Complaint.

23 311. Defendants admit that Yahoo! Finance published an article entitled, "Granite
24 Construction (GVA) Reports Q2 Loss, Lags Revenue Estimates." Defendants state that this article
25 speaks for itself, deny that it supports Plaintiff's claims, and deny Plaintiff's allegations
26 concerning the article to the extent the allegations misquote, mischaracterize, or are inconsistent
27 with the article. Defendants otherwise deny the allegations in Paragraph 311 of the Amended
28 Complaint.

1 312. Defendants are without sufficient knowledge or information to admit or deny the
2 allegations in the first sentence of Paragraph 312 and on that basis deny those allegations.
3 Defendants admit that Macquarie Research published a report on August 2, 2019, entitled, “Large
4 contract indigestion.” Defendants state that this report speaks for itself, deny that it supports
5 Plaintiff’s claims, and deny Plaintiff’s allegations concerning the report to the extent the
6 allegations misquote, mischaracterize, or are inconsistent with the report. Defendants otherwise
7 deny the allegations in Paragraph 312 of the Amended Complaint.

8 313. Defendants admit that on October 25, 2019, Granite filed a Form 8-K with the SEC
9 that included a press release announcing its financial results for the third quarter of 2019.
10 Defendants admit that, in the press release, Granite disclosed net income of \$20.5 million for the
11 third quarter of 2019 and net income of \$55.7 million for the third quarter of 2018; Transportation
12 segment revenue of \$598.6 million for the third quarter of 2019 and of \$610.8 million for the third
13 quarter of 2018; and Transportation segment gross loss of \$65.0 million for the first three quarters
14 of 2019 and Transportation segment gross profit of \$138.4 million for the first three quarters of
15 2018. Defendants state that the Form 8-K and accompanying press release speak for themselves,
16 deny that they support Plaintiff’s claims, and deny Plaintiff’s allegations to the extent they
17 misquote, mischaracterize, or are inconsistent with the Form 8-K or the press release. Defendants
18 otherwise deny the allegations in Paragraph 313.

19 314. Defendants admit that the per-share closing price of Granite’s common stock is
20 published daily, which prices speak for themselves. Defendants admit that Granite’s stock price
21 was \$36.90 per share at the close of trading on October 24, 2019, and \$26.25 per share at the close
22 of trading on October 25, 2019. Defendants admit that the trading volume of Granite stock was
23 approximately 5.32 million shares on October 25, 2019. Defendants otherwise deny the
24 allegations in Paragraph 314 of the Amended Complaint.

25 315. Defendants admit that The Motley Fool published an article on October 25, 2019,
26 entitled “Why Anheuser-Busch, InBev, PG&E, and Granite Construction Slumped Today.”
27 Defendants state that this article speaks for itself, deny that it supports Plaintiff’s claims, and deny
28 Plaintiff’s allegations concerning the article to the extent the allegations misquote,

1 mischaracterize, or are inconsistent with it. Defendants otherwise deny the allegations in
2 Paragraph 315 of the Amended Complaint.

3 316. Defendants are without sufficient knowledge to admit or deny the allegation that
4 “[a]nalysts were shocked by these disclosures” and on that basis deny that allegation. Defendants
5 admit that Cowen published a report on October 25, 2019, titled “3Q Miss, 2020 Guide Looks
6 Disappointing – Heavy Civil Hurting Credibility.” Defendants state that this report speaks for
7 itself, deny that it supports Plaintiff’s claims, and deny Plaintiff’s allegations concerning the report
8 to the extent the allegations misquote, mischaracterize, or are inconsistent with it. Defendants
9 otherwise deny the allegations in Paragraph 316 of the Amended Complaint.

10 317. Defendants state that Paragraph 317 of the Amended Complaint consists of legal
11 conclusions to which no response is required. To the extent a response is deemed required,
12 Defendants deny the allegations in Paragraph 317 of the Amended Complaint.

13 318. Defendants state that Paragraph 318 of the Amended Complaint consists of legal
14 conclusions to which no response is required. To the extent a response is deemed required,
15 Defendants deny the allegations in Paragraph 318 of the Amended Complaint.

16 319. Defendants admit that Plaintiff purports to invoke a presumption of reliance
17 pursuant to the fraud-on-the-market doctrine. Defendants state that the allegation that Plaintiff is
18 “entitled to a presumption of reliance” states a legal conclusion to which no response is required,
19 but to the extent a response is deemed required, Defendants deny that allegation. Defendants
20 further state that the allegation that “[a]t all relevant times, the market for Granite’s common stock
21 was efficient” states a legal conclusion to which no response is required, but to the extent a
22 response is deemed required, Defendants are without sufficient knowledge to admit or deny the
23 allegation and on that basis deny that allegation. Defendants admit that Granite’s common stock
24 met the requirements for listing and was listed on the NYSE. Defendants admit that Granite was a
25 regulated issuer that filed public reports with the SEC and the NYSE and that Granite was eligible
26 to file simplified SEC filings. Defendants admit that Granite communicated with the public
27 through established market communication channels, including through the dissemination of news
28 releases through major newswire services, communications with the financial press, and other

1 public disclosures. Defendants are without sufficient knowledge or information to admit or deny
2 the allegations in Subparagraph 319(f) and on that basis deny those allegations. Defendants
3 otherwise deny the allegations in Paragraph 319 and Subparagraphs (i)–(g) thereto of the
4 Amended Complaint.

5 320. Defendants are without sufficient knowledge or information to admit or deny the
6 allegations in the first sentence of Paragraph 320 of the Amended Complaint and on that basis
7 deny those allegations. Defendants deny the allegations contained in the second sentence of
8 Paragraph 320 of the Amended Complaint. Defendants state that the third sentence of
9 Paragraph 320 of the Amended Complaint states a legal conclusion to which no response is
10 required, but to the extent a response is deemed required, Defendants deny the allegations in the
11 third sentence of Paragraph 320 of the Amended Complaint.

12 321. Defendants state that Paragraph 321 consists of legal conclusions to which no
13 response is required. To the extent that a response is deemed required, Defendants deny the
14 allegations in Paragraph 321 of the Amended Complaint.

15 322. Defendants admit that Plaintiff purports to bring this action as a class action and
16 that Plaintiff defines the putative class as stated in Paragraph 322 of the Amended Complaint.
17 Defendants deny that this action has any merit and deny that the class properly may be certified in
18 this action. Defendants deny all other allegations in Paragraph 322 of the Amended Complaint.

19 323. Defendants admit that Plaintiff purports to exclude six categories of individuals
20 from the putative class as stated in Paragraph 323 of the Amended Complaint. Defendants deny
21 that this action has any merit and deny that a class properly may be certified in this action.

22 324. Defendants state that the allegation that the “[c]lass is so numerous that joinder of
23 all members is impracticable” states a legal conclusion to which no response is required. To the
24 extent a response is deemed required, Defendants are without sufficient knowledge or information
25 to admit or deny that allegation and on that basis deny it. Defendants are without sufficient
26 knowledge or information to admit or deny the allegation that “Lead Plaintiff believes that the
27 Class members number at least in the thousands” and on that basis deny that allegation.

28 Defendants admit that as of October 22, 2019, Granite had 46,741,311 shares of common stock

1 outstanding. Defendants otherwise deny the allegations in Paragraph 324 of the Amended
2 Complaint.

3 325. Defendants state that the allegations in Paragraph 325 of the Amended Complaint
4 consist of legal conclusions to which no response is required. To the extent a response is deemed
5 required, Defendants are without sufficient knowledge or information to admit or deny the
6 allegations in Paragraph 325 of the Amended Complaint and on that basis deny the allegations.

7 326. Defendants state that the allegations in Paragraph 326 of the Amended Complaint
8 consist of legal conclusions to which no response is required. To the extent a response is deemed
9 required, Defendants are without sufficient knowledge or information to admit or deny the
10 allegations in Paragraph 326 of the Amended Complaint and on that basis deny the allegations.

11 327. Defendants state that the allegations in Paragraph 327 and Subparagraphs (a)–(f)
12 thereto of the Amended Complaint consist of legal conclusions to which no response is required.
13 To the extent a response is deemed required, Defendants are without sufficient knowledge or
14 information to admit or deny the allegations in Paragraph 327 and Subparagraphs (a)–(f) thereto of
15 the Amended Complaint and on that basis deny the allegations.

16 328. Defendants state that Paragraph 328 of the Amended Complaint consists of legal
17 conclusions to which no response is required. To the extent a response is deemed required,
18 Defendants are without sufficient knowledge or information to admit or deny the allegations in
19 Paragraph 328 of the Amended Complaint and on that basis deny the allegations.

20 329. Defendants are without sufficient knowledge or information to admit or deny the
21 allegations in Paragraph 329 of the Amended Complaint and on that basis deny the allegations.

22 330. Defendants hereby incorporate their responses to Paragraphs 1 through 329 of the
23 Amended Complaint as if fully set forth herein.

24 331. Defendants state that Paragraph 331 of the Amended Complaint consists of legal
25 conclusions to which no response is required. To the extent a response is deemed required,
26 Defendants deny the allegations in Paragraph 331 of the Amended Complaint.

27 332. Defendants state that Paragraph 332 and Subparagraphs (a)–(c) thereto of the
28 Amended Complaint consist of legal conclusions to which no response is required. To the extent a

1 response is deemed required, Defendants deny the allegations in Paragraph 332 and
2 Subparagraphs (a)–(c) thereto of the Amended Complaint.

3 333. Defendants deny the allegations in Paragraph 333 of the Amended Complaint.

4 334. Defendants deny the allegations in Paragraph 334 of the Amended Complaint.

5 335. Defendants hereby incorporate their responses to Paragraphs 1 through 334 of the
6 Amended Complaint as if fully set forth herein. Defendants further state that Plaintiff's
7 Section 20(a) claims regarding statements made before July 8, 2018, have been dismissed as
8 against Ms. Desai and that Plaintiff's Section 20(a) claims regarding statements made after July 8,
9 2018, have been dismissed as against Ms. Krzeminski.

10 336. Defendants state that Paragraph 336 of the Amended Complaint consists of legal
11 conclusions to which no response is required. To the extent a response is deemed required,
12 Defendants deny the allegations in Paragraph 336 of the Amended Complaint. Defendants further
13 state that Plaintiff's Section 20(a) claims regarding statements made before July 8, 2018, have
14 been dismissed as against Ms. Desai and that Plaintiff's Section 20(a) claims regarding statements
15 made after July 8, 2018, have been dismissed as against Ms. Krzeminski.

16 337. Defendants admit that Plaintiff purports to demand a jury trial.

17 338. Defendants deny Plaintiff's prayer for relief in all respects.

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AFFIRMATIVE DEFENSES

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Without in any way assuming the burden of proof or any other evidentiary burden with
respect to any issue as to which applicable law places the burden upon Plaintiff, and based on the
facts known by Defendants as of the date of this Answer, Defendants assert the following separate
and independent affirmative defenses.

24

First Affirmative Defense

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The Amended Complaint fails to allege facts sufficient to state a claim for relief.

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Second Affirmative Defense

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The Amended Complaint fails to allege fraud with particularity as required by Rule 9(b) of
the Federal Rules of Civil Procedure.

1 **Third Affirmative Defense**

2 The Amended Complaint fails to comply with the pleading requirements of the Private
3 Securities Litigation Reform Act of 1995, 15 U.S.C. §§ 78u-4, 78u-5.

4 **Fourth Affirmative Defense**

5 Plaintiff's claims are barred to the extent they are based on forward-looking statements
6 protected by the safe harbor of the Private Securities Litigation Reform Act of 1995.

7 **Fifth Affirmative Defense**

8 The individual Defendants alleged to be control persons under Section 20(a) of the
9 Securities Exchange Act of 1934 acted in good faith and did not directly or indirectly induce the
10 acts constituting the alleged violations and causes of action.

11 **Sixth Affirmative Defense**

12 Plaintiff's claims are barred, in whole or in part, by the applicable statute of limitations.

13 **Seventh Affirmative Defense**

14 Defendants are not liable because Plaintiff's loss, if any, resulted from the acts or
15 omissions of third parties over whom Defendants had no control. The acts of such third parties
16 constitute intervening or superseding causes of the loss, if any, suffered by Plaintiff, thereby
17 barring such claims for loss or requiring reduction in the amount of damages to the degree to
18 which they were the result of such intervening or superseding causes.

19 **Eighth Affirmative Defense**

20 Any damage, loss, or liability sustained by Plaintiff must be reduced, diminished, and/or
21 eliminated in proportion to the wrongful or negligent conduct of entities or individuals other than
22 Defendants under the principles of equitable allocation, recoupment, set-off, proportionate
23 responsibility, and comparative fault, including under the proportionate liability provisions of
24 Section 21(D)(f)(2)(B) and 21D(f)(3) of the Securities Exchange Act of 1934.

25 **Ninth Affirmative Defense**

26 Plaintiff's alleged damages are too speculative to be recoverable at law.
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Tenth Affirmative Defense

In purchasing Granite stock, Plaintiff did not actually rely on the purported misstatements or omissions alleged.

Eleventh Affirmative Defense

In purchasing Granite stock, Plaintiff was not reasonably justified in relying on the purported misstatements or omissions alleged.

Twelfth Affirmative Defense

The alleged misstatements or omissions were not material to the decision by Plaintiff to purchase Granite stock.

Thirteenth Affirmative Defense

Plaintiff knowingly and/or recklessly assumed the risk of purchasing securities in Granite and such was the cause of the alleged damages, if any.

Fourteenth Affirmative Defense

Plaintiff knew or had reason to know of the true facts that were allegedly misrepresented or omitted and upon which Plaintiff's claims are based, and Defendants had reason to believe that Plaintiff was in possession of this information.

Fifteenth Affirmative Defense

Plaintiff's claims are barred because the complained-of acts or omissions did not actually cause the damage, loss, or injury allegedly sustained by Plaintiff.

Sixteenth Affirmative Defense

Plaintiff's claims are barred because the complained-of acts or omissions did not directly or proximately cause the damage, loss, or injury allegedly sustained by Plaintiff.

Seventeenth Affirmative Defense

Plaintiff, by acts, omissions, and/or conduct, has waived, in whole or in part, its right to obtain the relief sought in the Amended Complaint.

Eighteenth Affirmative Defense

Plaintiff, by acts, omissions, and/or conduct, is estopped, in whole or in part, from obtaining the relief sought in the Amended Complaint.

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PRAYER FOR RELIEF

WHEREFORE, Defendants pray that this Court:

1. Dismiss with prejudice all claims asserted against them;
2. Award the costs of defending this action, including such reasonable attorneys' fees, costs, and disbursements as may be authorized by applicable law; and
3. Grant such other and further relief as this Court may deem just and proper.

DATED: June 3, 2020

MUNGER, TOLLES & OLSON LLP

By: /s/ David H. Fry
DAVID H. FRY
Attorney for Defendants GRANITE
CONSTRUCTION INC., JAMES H. ROBERTS,
JIGISHA DESAI, and LAUREL J. KRZEMINSKI