

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES SECURITIES AND EXCHANGE COMMISSION, Plaintiff, v. VIKRAM LUTHAR, Defendant.	Civil Action No.: 26-cv-0927 JURY TRIAL DEMANDED
--	---

COMPLAINT

Plaintiff United States Securities and Exchange Commission (the “SEC”) files this Complaint against Defendant Vikram Luthar (“Luthar”) and alleges as follows:

SUMMARY

1. This case concerns accounting and disclosure fraud committed by Luthar, a high-ranking finance executive of Archer-Daniels-Midland Company (“ADM”), one of the world’s largest agricultural, supply chain management, and food processing companies. While he was Chief Financial Officer (“CFO”) of ADM’s critical Nutrition business segment (“Nutrition”) – and after his promotion to CFO of all of ADM – Luthar orchestrated and approved a series of improper, *post hoc* adjustments to sales between ADM’s business segments. Luthar manipulated these intersegment transactions to shift operating profit from ADM’s other business segments to Nutrition so that Nutrition would appear to be: (a) performing better than it was; and (b) meeting annual performance goals ADM had touted to the investing public.

2. ADM executives – including Luthar – routinely portrayed the Nutrition segment as ADM’s engine for future growth. Luthar and other ADM executives consistently represented to investors that Nutrition’s operating profit was projected to grow by 15% to 20% per year.

3. Investors reacted positively to Nutrition’s growth prospects, and analysts portrayed Nutrition’s operating profit growth as a key metric in evaluating an investment in ADM.

4. Luthar and other ADM executives knew that Nutrition’s growth was important to investors. To amplify that message, ADM offered monetary incentives to its executives that were based on Nutrition’s performance. Even some executives who worked for ADM’s other business segments received bonuses based, in part, on whether Nutrition met its operating profit growth goals. It was widely understood by ADM executives and employees that they should, at times, help Nutrition meet its goals – even if doing so came at the expense of their own business segment.

5. Despite those incentives, ADM assured investors that its business segments would not receive special treatment when they transacted with each other. In periodic reports publicly filed with the SEC, ADM repeatedly told investors that ADM’s intersegment transactions would be recorded at amounts “approximating market,” *i.e.*, as if the transactions were the result of an arm’s length negotiation between unrelated parties. In short, ADM promised investors that Nutrition’s performance, or the performance of any other business segment, would not be artificially boosted by special benefits or backroom deals that were not available to third parties. ADM’s internal policies adopted the same principles.

6. Contrary to ADM’s representations to investors and internal policies, in certain instances, Nutrition received special treatment. For fiscal year (“FY”) 2021 and FY 2022, Luthar directed a series of “adjustments” to Nutrition’s intersegment transactions, including retroactive rebates and *post hoc* price changes, with the goal of making it appear that Nutrition was meeting its performance targets. Although Luthar disguised that goal using innocuous terms like “risk sharing” or other euphemisms, the adjustments, in practical effect, allowed Nutrition to: (a) rewrite its sales agreements after the fact; (b) grab revenue from other business segments that it was not entitled to; (c) shed expenses it had already incurred; and (d) pick better historical prices for sales that were already completed.

7. Contrary to ADM’s representations to investors, the adjustments that Luthar directed and approved did not “approximate market” and were not the result of arm’s length negotiations. The retroactive rebates and price adjustments had no basis in contractual language, were not customarily available to ADM’s third-party customers, and were the product of ADM’s business segments working in concert to help Nutrition achieve its growth targets. Far from reflecting an arm’s length deal, Luthar’s adjustments were essentially one-sided transfers of operating profit to Nutrition with no tangible benefit to ADM’s other segments. In short, when financial circumstances made it difficult for Nutrition to meet its growth target, Luthar used ADM’s other business segments as Nutrition’s piggybank to close the shortfall, and misled investors into believing Nutrition’s growth was solely the result of its normal operations and market factors.

8. Luthar’s adjustments also rendered ADM’s publicly filed periodic reports materially false and misleading. First, ADM’s annual and quarterly reports – including the FY 2022 reports that Luthar certified – represented to investors that ADM was recording

Nutrition's intersegment transactions at prices "approximating market" – *i.e.*, as if the transactions were conducted by two unrelated parties at arm's length. That was false. Second, because of the fraudulent adjustments Luthar engineered, ADM's FY 2021 and FY 2022 periodic reports materially overstated Nutrition's operating profit and operating profit growth.

9. Luthar directly benefitted from the fraud. In 2022, he received a \$130,000 cash bonus based, in part, on Nutrition's FY 2021 performance. And, in 2022 and 2023, Luthar sold over \$1.8 million of his personal supply of ADM stock at prices inflated by Nutrition's overstated performance.

10. Meanwhile, investors were left bearing the losses. In January 2024, ADM publicly disclosed that: (a) it had started an internal investigation into accounting practices related to Nutrition's intersegment transactions; (b) it had withdrawn Nutrition's forward-looking outlook; and (c) Luthar had been placed on administrative leave. The reaction to ADM's disclosure was immediate: the next trading day, ADM's share price fell by 24%.

VIOLATIONS

11. Through the conduct alleged in this Complaint, Luthar violated Securities Act of 1933 ("Securities Act") Section 17(a) [15 U.S.C. § 77q(a)]; Securities Exchange Act of 1934 ("Exchange Act") Section 10(b) [15 U.S.C. § 78j(b)]; Exchange Act Rules 10b-5(a) through (c) [17 C.F.R. 240.10b-5(a)-(c)], and 13a-14 [17 C.F.R. 240.13a-14]; and Section 304 of the Sarbanes-Oxley Act of 2002 ("SOX") [15 U.S.C. § 7243(a)]. Luthar also aided and abetted ADM's violations of Exchange Act Sections 10(b) [15 U.S.C. § 78j(b)], 13(a) [15 U.S.C. § 78m(a)], 13(b)(2)(A) [15 U.S.C. § 78m(b)(2)(A)], and 13(b)(2)(B) [15 U.S.C. § 78m(b)(2)(A)]; and Exchange Act Rules 10b-5(b) [17 C.F.R. 240.10b-5(b)], 12b-20 [17

C.F.R. 240.12b-20], 13a-1 [17 C.F.R. 240.13a-1], 13a-11 [17 C.F.R. 240.13a-11], and 13a-13 [17 C.F.R. 240.13a-13].

12. Unless enjoined, Luthar is reasonably likely to engage in future violations of the federal securities laws. Among other relief, the SEC seeks entry of an Order: (a) permanently enjoining Luthar from further violations of the securities laws identified in this Complaint; (b) barring Luthar from serving as an officer or director of a public company; (c) requiring Luthar to pay civil monetary penalties; (d) requiring Luthar to disgorge his ill-gotten gains with prejudgment interest; and (e) requiring Luthar to reimburse certain executive compensation pursuant to SOX 304.

JURISDICTION AND VENUE

13. The SEC brings this action under Securities Act Section 20(b) [15 U.S.C. § 77t(b)], and Exchange Act Sections 21(d) and (e) [15 U.S.C. §§ 78u(d) and 78u(e)].

14. This Court has jurisdiction over this action pursuant to Section 22 of the Securities Act [15 U.S.C. § 77v] and Section 27 of the Exchange Act [15 U.S.C. § 78aa].

15. Venue is proper in this Court pursuant to Section 27 of the Exchange Act [15 U.S.C. § 78aa]. ADM is headquartered in this District, Luthar resides in and conducted business in this District, and a significant portion of his conduct alleged in this Complaint took place in this District.

16. Luthar directly and indirectly used the means and instruments of transportation and communication in interstate commerce in connection with the acts, practices, and courses of business alleged in this Complaint.

DEFENDANT

17. Vikram Luthar, age 57, of Chicago, Illinois, was Nutrition's CFO from January 2020 through April 2022. In April 2022, Luthar was promoted to CFO for all of ADM. Prior to his role as Nutrition's CFO, Luthar held several other senior-level positions at ADM starting in 2004, including various positions in finance units and in strategy and investor relations. In January 2024, ADM placed Luthar on administrative leave following ADM's internal investigation of the conduct alleged in this Complaint, and he later agreed to resign effective September 30, 2024.

RELATED PARTIES

18. Archer-Daniels-Midland Company is a Delaware corporation with its principal executive offices in Chicago, Illinois. ADM's common stock is registered with the SEC pursuant to Section 12(b) of the Exchange Act and its stock trades on the New York Stock Exchange under the symbol "ADM."

FACTS

I. Background of ADM and Its Critical Nutrition Business Segment

19. ADM's primary business is the sourcing, trading, and production of agricultural commodities (such as corn, wheat, and soybeans) and then either selling them or processing them into food ingredients and renewable fuels.

20. Starting in or about 2014, ADM invested billions of dollars into bolstering its food processing business. ADM started this investment surge with an approximately \$3 billion acquisition of a European company specializing in the manufacture of natural flavors and other food ingredients.

21. ADM pursued this investment strategy because equity shares of food processing companies were trading at higher multiples than mature, commodity-based companies like ADM. In other words, ADM recognized that investors viewed food processing companies as having higher growth potential (and less volatile earnings) than ADM's traditional, commodities-based business. ADM concluded that expanding its food processing business was the best strategy for growing its operating profit.

22. In or about 2018, ADM merged its food processing operations to form its newest business segment: Nutrition. After a major reorganization in July 2019, ADM's operations were split into three business segments: (1) Ag Services and Oilseeds ("AS&O"), (2) Carbohydrate Solutions ("CarbSol"), and (3) Nutrition. AS&O and CarbSol focused on ADM's traditional commodities-based business. Nutrition focused on ADM's newer, higher-growth food processing operations.

23. Although Nutrition was ADM's smallest business segment by gross annual revenue, at all times relevant to the Complaint, Luthar and other ADM executives: (a) routinely described Nutrition – both internally and to the investing public – as a key driver of ADM's growth strategy; and (b) knew that Nutrition's operating profit growth was a key metric evaluated by investors and prospective investors in ADM.

24. From FY 2019 through FY 2022, ADM executives repeatedly told investors that ADM was projecting double-digit annual operating profit growth for Nutrition. For example, from January 2020 to July 2022, ADM executives told investors in earnings calls and other communications that Nutrition was projected to generate 15% to 20% annual growth in operating profit. In December 2021, ADM publicly issued a five-year growth plan

highlighting Nutrition's operating profit target of \$1.25 billion to \$1.5 billion by 2025 (a projected average 15% to 20% compounded annual growth rate).

25. Third-party investment analysts often highlighted to investors the importance of the Nutrition segment to ADM (and Nutrition's significance to evaluating an investment in ADM). Analysts responded positively to ADM's emphasis on Nutrition's growth and profitability, regularly citing the segment's importance in equity research reports. For example, a January 2021 analyst report issued by one of the largest investment banks in the United States stated that "the introduction of upbeat 2021 commentary around Nutrition growth should continue the drive towards a more balanced portfolio with less volatile earnings and cash flows, deserving of a higher multiple, in our view."

26. The Nutrition segment was so important to ADM and its investors that ADM developed executive compensation plans that were tied to Nutrition's performance – even for executives who worked for ADM's other business segments (*i.e.*, AS&O and CarbSol). To incentivize management to bolster the Nutrition segment, Nutrition's operating profit growth target was added as a performance metric in ADM's 2020 and 2021 cash bonus and equity long-term incentive plans for eligible ADM employees, including Luthar and senior executives of CarbSol and AS&O.

27. In practical effect, as of 2020, ADM's compensation plans incentivized AS&O and CarbSol executives to assist Nutrition (even though they were not working for that segment). In addition, executives and other employees at AS&O and CarbSol widely understood that to be considered a "good corporate citizen" by senior management, they should at times be willing to assist Nutrition – even when that meant adversely affecting their own business segment.

28. As of 2020, Luthar knew that executives at CarbSol and AS&O were incentivized (and expected by senior ADM management) to help Nutrition, even if that help came at CarbSol's and AS&O's expense.

II. GAAP and ADM's Accounting Policy for Reporting Intersegment Transactions

29. ADM's three business segments routinely transacted with each other as part of their normal business operations. For example, Nutrition regularly bought agricultural commodities from AS&O and CarbSol which Nutrition then processed into food products for sale to external customers.

30. Federal securities law required ADM to file various reports with the SEC, including annual reports ("Forms 10-K"), quarterly reports ("Forms 10-Q"), and current reports ("Forms 8-K"). ADM was required to include financial statements that comply with Generally Accepted Accounting Principles ("GAAP") in its periodic reports.

31. ADM identified three reportable business segments in its periodic reports starting in FY 2019: AS&O, CarbSol, and Nutrition. From FY 2019 onward, ADM disclosed in its periodic financial statements the revenue, operating profit, and assets of each segment. Further, ADM disclosed each segment's operating profit growth in the management discussion and analysis section of its periodic reports.

32. GAAP required ADM to include disclosures in the notes to its financial statements about intersegment transactions and segment performance. Specifically, Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 280, *Segment Reporting* ("ASC 280") required ADM to disclose certain categories of financial information for each business segment, including Nutrition. Although ASC 280 did not require ADM to use a specific measurement principle for disclosing segment information, it

required ADM to provide: (a) “an explanation of the measurements of segment profit or loss and segment assets for each reportable segment”; and (b) “[t]he basis of accounting for any transactions between reportable segments.”

33. ASC 280 serves to: (a) promote transparency, offering investors insights that may not be apparent from consolidated financial statements; (b) enhance investors’ ability to compare investment opportunities; and (c) provide sufficient information for investors to properly assess benefits and risks associated with their investment. In addition, accurate segment reporting allows analysts to value an investment where different business segments may have different valuation considerations. For example, some investors in ADM – and investment analysts covering ADM – viewed Nutrition as a “higher-multiple” segment and incorporated that premium into the overall valuation of ADM.

34. Pursuant to ASC 280, ADM disclosed to investors in the notes to its financial statements the method it used to measure intersegment transactions, representing that “[i]ntersegment sales have been recorded at amounts approximating market.” ADM repeated this representation in each of its annual reports on Form 10-K for FY 2018 through FY 2022 and in each quarterly report on Form 10-Q in FY 2018 through FY 2022.

35. ADM’s internal policies related to intersegment transactions identified the hallmarks of a market transaction (*i.e.*, a transaction between a willing buyer and seller at arm’s length). Specifically, ADM’s global accounting policy governing intersegment transactions defined “arm’s length” as “a transaction in which [the parties] act independently as if they have no relationship to each other and treat the other as if they would a third party.” The definition further provided that the “concept of an arm’s length transaction is to ensure that both parties involved are acting in their own self-interest and

not granting favorable conditions or terms to the other party simply because both entities are part of the enterprise's worldwide group of companies."

36. In FY 2021 and FY 2022, Luthar: (a) knew that Nutrition's operating profit growth was an important metric for analysts, investors, and prospective investors in ADM; (b) knew that ADM's annual and quarterly reports represented to investors that ADM reported intersegment sales "at amounts approximating market"; (c) understood ADM's accounting policies related to intersegment transactions; (d) understood that intersegment transactions between Nutrition on the one hand and AS&O or CarbSol on the other hand were to be negotiated at "arm's length"; and (e) understood that ADM's definition of "arm's length transaction" required ADM's business segments to "act[] in their own self-interest and not grant[] favorable conditions or terms to the other party simply because both entities are part of the enterprise's worldwide group of companies."

37. At all times relevant to this Complaint, Luthar knew – or recklessly or negligently disregarded – that the special treatment Nutrition received from AS&O and CarbSol (identified in paragraphs 52-102 below) was inconsistent with ADM's disclosures to investors and its internal accounting policies. In other words, Luthar knew – or recklessly or negligently disregarded – that the special prices, rebates, or transaction terms that were not otherwise available to third parties resulted in false and misleading disclosures to ADM investors about Nutrition's performance.

III. Overview of ADM's Fraudulent Shift of Operating Profit to Nutrition

38. Although ADM touted Nutrition as a growth center and consistently provided investors with projections of 15% to 20% annual growth in Nutrition's operating profit, Nutrition repeatedly encountered financial obstacles between FY 2019 and FY 2022.

As a result, during that period, Nutrition was, at certain times, in danger of missing the annual growth target that ADM communicated to investors.

39. Pursuant to GAAP, ADM’s internal accounting policies, and its disclosures to investors, Luthar should have taken steps to ensure that: (a) ADM reported accurate financial results for Nutrition regardless of any financial difficulties it encountered; and (b) intersegment transactions involving Nutrition were recorded as ADM had promised to investors – as if the transactions resulted from arm’s length negotiations between unrelated parties (*i.e.*, at prices “approximating market”).

40. Instead, in certain instances, when Nutrition was falling short of its operating profit target, ADM and certain executives, including Luthar – acting knowingly, recklessly, or negligently – orchestrated a series of fraudulent adjustments to intersegment transactions designed to artificially boost Nutrition’s operating profit to the detriment of AS&O and CarbSol.

41. Although the fraudulent adjustments varied in form, the pattern was consistent. In each instance, ADM executives, including Luthar: (a) recognized that Nutrition was falling short of its publicly-disclosed operating profit growth target in a given reporting period; (b) pressured ADM employees to revisit Nutrition’s intersegment transactions and find rebates or other retroactive adjustments that would inflate Nutrition’s reported operating profit; (c) set the amount of the adjustment based on the need to meet Nutrition’s operating profit target; (d) approved and certified financial statements either knowingly, recklessly, or negligently disregarding that the improper adjustments inflated Nutrition’s operating profit; and then (e) reported inflated Nutrition performance to

investors without disclosing the adjustments to intersegment sales that were inconsistent with market terms.

42. These adjustments did not reflect arm's length transactions between Nutrition and ADM's other business segments (*i.e.*, transactions at prices "approximating market"). Rather, the adjustments came in the form of one-sided transfers of operating profit to Nutrition on terms not provided to external customers.

43. The fraudulent adjustments resulted in ADM overstating Nutrition's operating profit and operating profit growth in its periodic reports filed with the SEC.

44. In addition, the fraudulent adjustments rendered the disclosure in ADM's annual and quarterly reports about how it priced intersegment transactions false and misleading, as the adjustments resulted in transactions inconsistent with ADM's representation that intersegment transactions were recorded at amounts approximating market.

45. ADM began fraudulently shifting operating profit to Nutrition from ADM's other business segments before Luthar was appointed as Nutrition's CFO and Luthar continued the practice after he joined the scheme. In FY 2019, ADM and certain of its executives – realizing that Nutrition was in danger of missing its performance target – engineered rebates that improperly shifted \$4.7 million of operating profit from CarbSol to Nutrition. Those rebates were not the result of an arm's length negotiation but rather were designed to assist Nutrition in meeting its FY 2019 performance goal. The rebates: (a) were not contemplated in the original contracts between Nutrition and CarbSol for the related intersegment sales; (b) were not generally made available to third-party customers; and (c) had no discernable benefit to CarbSol and resulted in CarbSol selling one of its products to

Nutrition for amounts below cost. On earnings calls for the third quarter and year-end FY 2019, ADM executives reported Nutrition's results but omitted any reference to the adjustment or its impact.

46. Although he was not directly involved in the FY 2019 adjustment, starting in FY 2021, Luthar began engaging in fraud and employed the same improper practices ADM used in FY 2019.

IV. Luthar Takes a Central Role in the Fraudulent Scheme to Artificially Boost Nutrition's Performance

47. In FY 2021 and FY 2022, Luthar orchestrated and approved the fraudulent shifting of operating profit to Nutrition from ADM's other business segments to: (a) artificially bolster Nutrition's performance; and (b) make it appear as if Nutrition was meeting the growth projections it had communicated to investors (or minimizing a shortfall from those projections). In addition to the other facts alleged herein, Luthar's senior position, education, training, and experience reflect that he knew, or recklessly or negligently disregarded, that the *post hoc* adjustments to intersegment transactions rendered ADM's disclosures false and misleading as they included terms not made available to third parties (and not obtained through arm's length negotiation).

48. Luthar earned a Master of Business Administration from the Wharton School of the University of Pennsylvania. Before joining ADM, Luthar spent nearly a decade in various treasury and regional finance leadership positions at one of the world's largest automobile manufacturers. By FY 2021, Luthar had worked at ADM in a variety of senior-level positions, including positions of increasing responsibility in its finance organization and Head of Investor Relations.

49. As of FY 2021 and through April 2022, Luthar was the CFO of Nutrition and had amassed extensive experience in ADM's operations and financial policies. In that role, among other duties, Luthar was responsible for: (a) supervising Nutrition's finance department; (b) reviewing ADM's annual and quarterly reports with a focus on disclosures related to Nutrition; (c) ensuring that Nutrition complied with ADM's internal policies related to financial disclosure; and (d) signing quarterly sub-certifications pursuant to SOX Section 302 on Nutrition's behalf.

50. In FY 2021 and FY 2022, Luthar understood ADM's policies governing negotiating and recording intersegment transactions. He also was familiar with ADM's disclosures to investors regarding the method for reporting intersegment transactions (*i.e.*, that transactions would be recorded at prices "approximating market").

51. Despite his familiarity with ADM's disclosures to investors – and despite knowing that intersegment transactions should be recorded as if they resulted from arm's length negotiations between unrelated parties – in FY 2021 and FY 2022, Luthar engineered multiple fraudulent adjustments to intersegment transactions that: (a) were, in practical effect, gifts to Nutrition from ADM's other segments; (b) were not negotiated at arm's length; and (c) would not have been granted to ADM's external customers.

A. FY 2021: Luthar Orchestrates a Fraudulent, Retroactive "White Flake" "Rebate" from AS&O to Nutrition

52. Nutrition faced an unanticipated obstacle in late 2020 that threatened its ability to meet its publicly disclosed 15% to 20% operating profit growth target for FY 2021.

53. As part of its routine operations, Nutrition bought a processed soybean product called "white flake" from AS&O, which Nutrition then used to manufacture food products it sold to external customers. Nutrition agreed that it would pay AS&O for white

flake based, in part, on the market price for soybean meal (white flake's main component). Nutrition and AS&O memorialized each purchase in a purchase order reflecting the then-current market price for soybean meal.

54. But, in the fourth quarter of 2020, the market price of soybean meal rose significantly, causing a corresponding increase in the price of white flake sold by AS&O to Nutrition. This substantial and unexpected increase in the price of white flake would have negatively affected Nutrition's operating profit margin.

55. Nutrition's operating profit growth projection for FY 2021 did not anticipate the increase in market price for soybean meal. Rather, Nutrition's financial projections for 2021 used the August 2020 market price for soybean meal (prior to the market price increase). And, Nutrition already had entered into sales agreements with its customers based on pre-spike prices (meaning that Nutrition could not pass the added expense for white flake to its customers).

56. By late 2020, Luthar knew that Nutrition was on track to miss its operating profit growth target for FY 2021 if it paid the market price for soybean meal to AS&O (as it had agreed). In the fourth quarter of 2020, Luthar notified ADM's leadership about the spike in soybean meal's market price and that the price increase would negatively affect Nutrition's FY 2021 operating profit margin.

57. Certain ADM executives suggested to Luthar that ADM act transparently and revise Nutrition's FY 2021 growth forecast downward. In other words, those ADM executives proposed that Nutrition accurately disclose Nutrition's financial situation: *i.e.*, that market price increases in raw materials were adversely affecting Nutrition's operating

profit and Nutrition would be unable to meet its publicly disclosed operating profit growth target for FY 2021.

58. Instead, Luthar executed a plan to retroactively re-price the white flake transactions between Nutrition and AS&O to reflect the pre-spike August 2020 market price for soybean meal, which would: (a) improve Nutrition's operating profit; and (b) allow Nutrition to achieve its initial FY 2021 operating profit growth forecast.

59. As this plan took shape in late 2020, Luthar knew that AS&O executives were incentivized to be compliant partners rather than arm's length negotiators. Nutrition's President reminded Luthar that AS&O's President was financially motivated to help Nutrition even though a transfer of operating profit would adversely affect AS&O. Nutrition's President told Luthar that AS&O's President "is willing to work with us on white flake too. We spoke privately last night and he is severely motivated by [ADM's Performance Incentive Plan] and [Performance Share Units] to help us."

60. The adjustment that Luthar sought for Nutrition was not based on any contractual obligation or the economic realities of Nutrition's white flake purchases. Instead, the amount of the adjustment was based entirely on Nutrition's immediate need to reduce expenses and increase operating profit to meet its FY 2021 operating profit growth target.

61. As Nutrition's shortfall increased through the end of 2020 and beginning of 2021, the size of the adjustment that Luthar sought increased to match. In December 2020, Nutrition forecasted that it would fall short of its FY 2021 operating profit goal by approximately \$5 million, and Nutrition thus estimated the required adjustment as a \$5 million to \$8 million operating profit transfer from AS&O to Nutrition. By the end of

January 2021, the negative impact on Nutrition's FY 2021 operating profit had grown to more than \$20 million. Luthar revised the size of the required adjustment accordingly.

62. Although the planned adjustment more than doubled in size to \$20 million, no arm's length negotiations took place. For example, Nutrition was not asked to make any concessions in return for the additional funds. Nutrition, at Luthar's direction, simply set the size of the adjustment and AS&O agreed.

63. Only after agreeing on the size of the adjustment, did ADM executives, led by Luthar, focus on how they would justify it.

64. Several potential justifications were suggested. Luthar initially advocated for Nutrition to receive a "volume discount" on white flake. But, some ADM finance executives expressed concern that ADM's Controller would not approve such a discount because it would be applied retroactively and was not based on an existing contractual obligation.

65. Nutrition's finance personnel proposed an alternative adjustment that was more consistent with how AS&O treated external customers. The alternative proposal was called a "wash out contract." This arrangement would have gradually compensated Nutrition in future reporting periods (over the course of FY 2021 and FY 2022). But, Luthar rejected that proposal because it would not solve Nutrition's immediate problem (*i.e.*, meeting its operating profit growth goal for FY 2021).

66. After Luthar led a series of meetings in February and March 2021, Luthar, other Nutrition executives, and AS&O executives agreed to a "rebate" that would be paid by AS&O to Nutrition in four quarterly installments in FY 2021 in an amount that would:

(a) allow Nutrition to buy its FY 2021 white flake using the pre-spike August 2020 soybean meal price; and (b) allow Nutrition to meet its FY 2021 forecast.

67. This rebate had the same practical effect as if Nutrition and AS&O had backdated their existing soybean meal purchase orders by five months to replace the actual market price (that the parties had previously agreed to) with a lower soybean meal price that existed just before the price spike. The rebate Luthar orchestrated effectively granted Nutrition a do-over, allowing it to lock in a lower historical soybean meal price so Nutrition would not have to bear the expense of the actual market-based price spike. This retroactive re-pricing arrangement was not available to AS&O's third-party customers.

68. Luthar knew that this retroactive rebate could raise suspicions. He encouraged others to characterize the rebate using language that disguised the goal of boosting Nutrition's reported results. In March 2021, Nutrition's President expressed concern to Luthar about calling the adjustment a "rebate." Nutrition's President told Luthar that it sounded like AS&O was giving Nutrition a "gift." Luthar agreed and stated that he preferred a less suspicious term for the adjustment: "risk sharing."

69. Luthar and other ADM executives approved the fraudulent, retroactive white flake adjustment that inflated Nutrition's operating profit by \$20.7 million in FY 2021.

70. In a July 2021 earnings call, ADM raised its publicly disclosed operating profit growth target for Nutrition for FY 2021 to 20%. It did not disclose the \$20.7 million white flake adjustment.

71. Luthar knew – or recklessly or negligently disregarded – that this retroactive white flake adjustment did not approximate market and had none of the indicia of an arm's length transaction. For example, he knew or recklessly or negligently disregarded that: (a)

there was no written agreement to support a rebate or renegotiation of pricing in the event of unexpected increases in market prices (*i.e.*, AS&O was providing this adjustment as a favor with no contractual obligation to do so); (b) such a *post hoc* price adjustment was not consistent with market terms in transactions between AS&O and third parties; (c) the amount of the adjustment was not determined by arm's length negotiation, but rather was quantified based on Nutrition's unilateral determination of how much money it needed to meet its operating profit growth goal; (d) AS&O received no benefit from the "rebate" (rather the "rebate" was designed solely to benefit Nutrition); (e) AS&O executives were encouraged and financially incentivized by ADM's executive compensation plan to transfer operating profit to Nutrition at the expense of their own business segment; and (f) the adjustment was not designed to reach a price "approximating market" but rather was designed to allow Nutrition to avoid the impact of the market price for soybean meal.

72. Based on Luthar's fraudulent shifting of \$20.7 million from AS&O to Nutrition, Nutrition was able to make it appear as if it had met its publicly announced operating profit growth target of 20% for FY 2021. Without the \$20.7 million generated by Luthar's retroactive white flake price adjustment, Nutrition's annual operating profit growth would have fallen short of that publicly announced 20% growth target.

73. In a January 2022 earnings call, ADM represented to investors that Nutrition had met its projected 20% operating growth target for FY 2021. Nutrition's FY 2021 operating profit growth, and the assertion that ADM had met its projections in that regard were material to investors. ADM's representations were misleading because ADM did not disclose that Nutrition would not have met this target without Luthar orchestrating the

fraudulent shift of \$20.7 million from AS&O to Nutrition through the retroactive white flake adjustment.

B. FY 2022: Luthar Engineers the Fraudulent Transfer of Operating Profit from CarbSol and AS&O to Nutrition

74. In April 2022, ADM promoted Luthar to CFO for the entire company. In that role, among other duties, Luthar was responsible for: (a) overseeing ADM's finance and accounting operations; and (b) signing and certifying ADM's publicly filed annual and quarterly reports. In addition, Luthar was appointed to ADM's disclosure committee, which reviewed and approved ADM's annual and quarterly reports. From his new position, Luthar continued to direct ADM employees to shift operating profit to Nutrition through *post hoc* adjustments to intersegment transactions.

(1) Nutrition's Operating Profit Lags and Luthar Instructs ADM Employees to Identify \$10 to \$20 Million in Adjustments to Benefit Nutrition

75. In April and July 2022 earnings calls, Luthar assured investors that ADM was projecting an annual increase in Nutrition's operating profit of 20%.

76. But, starting in December 2021, before FY 2022 even began, Luthar expressed concern to AS&O's CFO that Nutrition would not be able to hit its growth target for FY 2022 (which, at the time, was 15%) and asked him to find potential avenues for shifting operating profit from AS&O to Nutrition.

77. In the Spring of 2022 – after Luthar first told investors that ADM was raising Nutrition's operating profit growth estimate for FY 2022 from 15% to 20% – Luthar's private concerns regarding Nutrition's performance began to materialize. Beginning in May 2022, Nutrition experienced global pricing pressure and operational issues that again threatened Nutrition's ability to meet its annual growth projection.

78. In response, Luthar asked ADM employees to re-examine Nutrition's intersegment transactions and find adjustments to fix Nutrition's shortfall. Specifically, Luthar directed Nutrition's President and other ADM employees to identify \$10 million to \$20 million in adjustments to increase Nutrition's operating profit for FY 2022. Luthar did not select this amount based on the economic realities of Nutrition's intersegment transactions. Rather, Luthar instructed ADM employees to identify \$10 million to \$20 million in adjustments because that amount was needed to help Nutrition avoid falling short of its operating profit growth target.

79. By July 2022, Nutrition's financial problems had increased significantly. Nutrition's President internally described the financial difficulties as "a disaster" and told Nutrition's CFO that "[w]e need to stop the bleeding."

80. Luthar continued to pressure Nutrition's President and others to "find some relief" for Nutrition (*i.e.*, to transfer operating profit to Nutrition from AS&O and CarbSol). Luthar's instructions were met with some pushback. According to Nutrition's President, AS&O executives complained that Nutrition was "begging for money." A few months later, after the AS&O president threatened that "the charitable bank is closed," Nutrition's President: (a) suggested to Luthar that Nutrition should "wear our numbers"; and (b) confided to AS&O's and CarbSol's Presidents that "in good conscience, you guys have both already done too much for us."

81. Despite any concerns, in August 2022, Nutrition's President, following Luthar's instruction, told Nutrition's CFO to "push" the CFO of AS&O and CarbSol to complete the adjustments because Nutrition "need[s] this."

82. As in FY 2021, Luthar knew that ADM's other business segments ultimately would be willing partners rather than arm's length negotiators. Based on discussions at an ADM executive committee meeting that he attended in late October 2022, Luthar knew that Nutrition's fourth quarter performance was a "corporate priority" and that all of ADM's business segments were incentivized to help Nutrition meet its growth target.

(2) Luthar Misleads Investors About Nutrition's Performance in an October 2022 Earnings Call

83. Despite knowing – or recklessly or negligently disregarding – that Nutrition was in danger of missing its growth target absent extraordinary adjustments to intersegment transactions, Luthar continued to tout Nutrition's performance to investors. In an October 25, 2022 earnings call with investors, Luthar represented that: (a) "the Nutrition business continued to outpace the industry with Q3 revenue growth of 10% on a reported basis and 16% on a constant currency basis"; (b) "[t]hird quarter adjusted operating profit was similar to last year and 7% higher on a constant currency basis"; (c) [o]ur year-to-date performance remains very strong, including 20% revenue and 19% OP [operating profit] growth on a constant currency basis"; (d) "[l]ooking ahead, we expect the fourth quarter for Nutrition this year to be higher than the fourth quarter of 2021, with continued strong demand in Human Nutrition more than offsetting adverse currency effects"; and (e) "[w]e expect Nutrition's full year OP growth to be between 15% and 20% on a constant currency basis."

84. During a question-and-answer segment on the October 2022 earnings call with investors, Luthar further represented that: (a) in FY 2021 Nutrition operating profit growth was 20%; and (b) "we continue to expect growth going forward to be in that 15-plus percent range."

85. During the October 2022 earnings call, Luthar did not disclose: (a) the FY 2021 white flake adjustment; or (b) that he had instructed ADM personnel to find up to \$20 million in adjustments to intersegment transactions to make it appear that Nutrition was meeting its FY 2022 growth goal.

86. Luthar's representations in the October 2022 earnings call identified in paragraphs 83-84 were materially false, and omitted material information which rendered the representations misleading. At the time he made those representations to investors, Luthar knew – or recklessly or negligently disregarded – that: (a) Nutrition was only able to meet its FY 2021 operating profit growth goal because of the fraudulent retroactive white flake rebate that he had engineered; (b) Nutrition was facing significant financial obstacles that threatened its ability to meet its FY 2022 operating profit growth target; and (c) Luthar was so concerned about Nutrition's operating profit that he had instructed ADM employees to re-examine intersegment transactions and identify \$10 million to \$20 million in adjustments to try to remedy Nutrition's operating profit shortfall. Luthar disclosed none of this to investors.

87. Luthar's false and misleading representations in the October 2022 earnings call were material. Reasonable investors making investment decisions related to ADM would find the information in paragraphs 83-86 important as part of the total mix of information available.

(3) Luthar Pressures ADM Employees to Transfer Operating Profit to Nutrition from AS&O and CarbSol Through Two Fraudulent Adjustments

88. In November 2022, the pressure on Nutrition further intensified when ADM's Controller identified an inventory error that further reduced Nutrition's operating profit by \$21 million.

89. From August 2022 through December 2022, Nutrition executives, following Luthar's instruction to revisit Nutrition's intersegment transactions, worked with AS&O and CarbSol personnel to identify adjustments that would bolster Nutrition's reported results. Ultimately, ADM personnel delivered on Luthar's instructions by making two adjustments in December 2022 designed to shift operating profit from AS&O and CarbSol to Nutrition.

90. The first fraudulent adjustment was a retroactive "rebate" on products CarbSol had sold to Nutrition earlier in the fiscal year. Nutrition premised this rebate on the fact that CarbSol had generated some additional revenue by selling a by-product created in the manufacture of products it had sold to Nutrition during the first and second quarters of the fiscal year. CarbSol voluntarily transferred \$2.5 million of that additional by-product revenue to Nutrition in the form of a "rebate" even though CarbSol: (a) was not required by contract to share that revenue; and (b) did not transfer its by-product revenue to external customers under similar circumstances.

91. In September 2022, ADM's Controller initially rejected such retroactive transfers, citing the lack of a contractual obligation.

92. But Luthar kept pressuring ADM's Controller to remedy Nutrition's operating profit shortfall. In the wake of discovering the \$21 million inventory error, ADM's Controller informed her colleague that "I get the impression [Luthar] is pretty angry with me" and "I cant (sic) take many more angry calls I had been warning everyone about this."

93. Despite her previous concerns, just a month before the close of the fourth quarter, ADM's Controller reversed course and ultimately approved a retroactive adjustment structured as a \$2.5 million "rebate" from CarbSol to Nutrition.

94. The second fraudulent adjustment was to sales between Nutrition and AS&O.

In August 2022, the two business segments began negotiating standardized prices for prospective sales of white flake. Although the price negotiations were for future sales, Nutrition executives acting at Luthar's direction, with the agreement of AS&O executives and ADM's Controller, retroactively adjusted sales transactions that already had been recognized in earlier quarters of FY 2022, applying certain beneficial pricing terms not finalized until 2023. AS&O agreed to retroactively re-price completed sales even though: (a) the white flake price agreement did not require it to do so; and (b) external customers were not given the same opportunity to retroactively re-price completed sales.

95. This second retroactive adjustment increased Nutrition's reported operating profit by \$6.6 million for sales occurring in the first and second quarters of FY 2022, *i.e.*, before the August 2022 price negotiations even began.

96. The FY 2022 adjustments were not made on market terms and had none of the indicia of arm's length transactions. For example, Luthar knew – or recklessly or negligently disregarded – that: (a) the adjustments were not based on an obligation stemming from any contractual language; (b) the adjustments were not consistent with terms ADM offered in market transactions with third parties; and (c) the adjustments were enacted solely based on the pre-determined financial objective of achieving Nutrition's operating profit growth target (or minimizing any shortfall).

97. As with FY 2021, the fraudulent operating profit shifting – overseen and implemented by Luthar – served its purpose. Although Nutrition still fell short of its announced operating profit projection for FY 2022, the \$9.1 million of “rebates” that

Nutrition received from AS&O and CarbSol caused Nutrition's operating profit to look higher than it was and made its growth projection "miss" appear smaller than it was.

(4) Luthar Misleads Investors About Nutrition's Performance in a January 2023 Earnings Call

98. Once again, Luthar misleadingly boasted about Nutrition's performance to investors. In ADM's January 2023 earnings call for FY 2022, Luthar represented to investors that: (a) "the Nutrition business continued its strong growth trajectory in 2022"; and (b) Nutrition "continued to outperform industry growth levels and delivered 11% higher profits for the full year on a constant currency basis." On the earnings call, a research analyst asked Luthar about a "structural challenge within Nutrition." In response, Luthar stated, "in terms of Q4, the issues that affected Q4, I'd say, are kind of a little more temporary" despite knowing that Nutrition's reported performance was inflated by the fraudulent adjustments.

99. The representations that Luthar made to investors in the January 2023 earnings call in paragraph 98 were materially false and omitted material information which rendered the statements misleading. Luthar did not disclose the fraudulent adjustments from AS&O and CarbSol to Nutrition or their impact on Nutrition's operating profit growth.

100. Luthar's false and misleading representations on the January 2023 earnings call were material. Reasonable investors making investment decisions related to ADM would find the information in paragraphs 98-99 important as part of the total mix of information available.

(5) Luthar Certifies ADM's FY 2022 Form 10-K that Overstated Nutrition's Operating Profit

101. On February 14, 2023, after instructing ADM employees to “identify” rebates in intersegment transactions – and continually pressuring ADM employees to execute them – Luthar certified ADM’s FY 2022 Form 10-K pursuant to SOX Section 302 despite knowing, or being reckless or negligent in not knowing, that Nutrition’s reported operating profit and operating profit growth were overstated.

102. In certifying ADM’s FY 2022 Form 10-K, Luthar either knew – or recklessly or negligently failed to verify – that the intersegment adjustments that were identified at his direction were not reached through arm’s length negotiation and did not reflect prices “approximating market.” Any reasonable examination of the adjustments described in paragraphs 89-96 above would have revealed that Nutrition’s retroactive “rebate” from CarbSol and *post hoc* repricing of white flake were not consistent with market terms, were not the result of arm’s length negotiations, and were intended solely to inflate Nutrition’s performance so that it could attempt to meet the growth target that Luthar and other ADM executives had provided to investors.

V. Luthar’s Misconduct Results in Material Misstatements in ADM’s Periodic Reports

103. The fraudulent, non-market-based operating profit transfers to Nutrition from ADM’s other business segments – described in paragraphs 52-97 – rendered ADM’s publicly available periodic reports in FY 2021 and FY 2022 materially false and misleading in several respects.

104. First, pursuant to ASC 280 – in the notes to its financial statements in ADM’s Forms 10-K for FY 2021 and FY 2022, and in each Form 10-Q ADM filed for FY 2021 –

ADM disclosed the method it used to measure intersegment transactions, representing that “[i]ntersegment sales have been recorded at amounts approximating market.” Those representations were false and misleading, and omitted material information. In reality, as described in paragraphs 52-97, Luthar artificially boosted Nutrition’s operating profit by engineering retroactive rebates and price adjustments that: (a) were not negotiated at arm’s length; (b) were not available to Nutrition’s external customers; (c) were not based on a contractual obligation; and (d) were designed solely to benefit Nutrition and to make it appear as if Nutrition was meeting its growth targets (or minimizing any shortfall).

105. Second, Nutrition’s operating profit was materially overstated in ADM’s: (a) Forms 10-Q for each quarter of FY 2021; (b) Forms 8-K announcing quarterly results in FY 2021; (c) Forms 10-K for FY 2021 and FY 2022; and (d) Forms 8-K announcing fourth quarter and annual results for FY 2021 and FY 2022.

106. Third, because of the overstatement of Nutrition’s operating profit, ADM’s disclosures of Nutrition’s operating profit growth – a critical metric for investors – were materially false and misleading.

107. For FY 2021, without Luthar’s fraudulent, retroactive adjustment to Nutrition’s white flake purchases, Nutrition would have missed its publicly disclosed 20% target for operating profit growth for the fiscal year. Nutrition’s actual annual operating profit growth without the fraudulent adjustments identified in paragraphs 52-73 would have been 17%, rather than the 20% operating profit growth that: (a) was reported in ADM’s FY 2021 Form 10-K and Form 8-K announcing FY 2021 fourth quarter and year-end earnings; and (b) had been forecasted and publicly touted by ADM in earnings calls on July 27, 2021, October 26, 2021, and January 25, 2022.

108. For FY 2022, without the fraudulent adjustments identified in paragraphs 89-97, Nutrition's actual operating profit growth would have been 5%, rather than the 7% disclosed in ADM's FY 2022 Form 10-K.

109. The misrepresentations identified in paragraphs 103-108 were material because a reasonable investor would want to know that: (a) contrary to its representations to investors, certain intersegment transactions for Nutrition were not recorded at prices "approximating market"; (b) ADM and Luthar had made non-market based adjustments to boost Nutrition's performance and push it closer to or above ADM's projections for Nutrition's operating profit growth; (c) the adjustments took the form of retroactive rebates and price adjustments that were not negotiated at arm's length and were on terms that were not available to ADM's external customers; (d) as a result of the fraudulent adjustments, Nutrition's operating profit was overstated; (e) for FY 2021, contrary to the disclosures in ADM's Form 10-K (and Form 8-K announcing fourth quarter and annual earnings), Nutrition had, in reality, fallen short of its publicly disclosed target for operating profit growth; and (f) for FY 2022, Nutrition's operating profit growth was lower than disclosed in its Form 10-K.

110. In addition, the misrepresentations in paragraphs 103-108 were material because: (a) the misstatements concerned a business segment – Nutrition – that ADM had identified as playing a significant role in ADM's growth prospects; (b) at least some analysts and institutional investors separately analyzed Nutrition when evaluating an investment and assigned Nutrition a higher earnings multiple than ADM's other segments in their investment analysis; (c) the misstatements were the result of an intentional shifting of operating profit by Luthar and other ADM executives to Nutrition from ADM's other

business segments; (d) the misstatements in FY 2021 hid Nutrition's failure to meet operating profit growth targets that ADM had shared with investors; and (e) in the case of the FY 2021 adjustments, the misstatements affected executive compensation for certain executives, including Luthar, because it gave the appearance that Nutrition had met a profit growth target that was one of the metrics ADM weighed when evaluating those executives' individual performance for purposes of awarding a cash bonus.

VI. ADM's Securities Offerings During FY 2021 and FY 2022

111. ADM filed Form S-3 registration statements on August 4, 2017, and July 31, 2020. ADM sold notes to investors pursuant to these registration statements in September 2021, February 2022, and March 2023. These registration statements incorporated the misstatements discussed in paragraphs 103-108.

VII. Luthar Obtained a Financial Benefit from His Fraudulent Conduct

112. Luthar received a personal financial benefit from his fraudulent conduct in the form of: (a) a \$130,000 cash bonus ADM paid him in or around February 2022 based, in part, on Nutrition's FY 2021 performance; and (b) his sales of personally held shares of ADM stock, cumulatively for more than \$1.8 million, at prices inflated by the artificial boosting of Nutrition's operating profit.

113. As described in paragraphs 52-73, Luthar's engineering of the fraudulent \$20.7 million transfer from AS&O to Nutrition allowed Nutrition to meet its operating profit goal for FY 2021. That artificial boost to Nutrition's operating profit, therefore, helped Luthar meet one of the performance metrics for his individual cash bonus for FY 2021. Without the \$20.7 million transfer, Nutrition would not have reached its operating

profit growth goal, and Luthar, therefore, would not have met one of the performance metrics which was one of the bases of his individual cash bonus for FY 2021.

114. In or around February 2022, ADM paid Luthar an individual performance bonus of \$130,000 that was tied, in part, to Nutrition meeting its operating profit goal for FY 2021.

115. In addition to his cash bonus, Luthar benefitted from his fraud by selling personally held ADM shares, cumulatively for more than \$1.8 million, during the period when ADM's share price was inflated by the fraudulent transfer of operating profit to Nutrition from ADM's other business segments (*i.e.*, the period before ADM's January 21, 2024 public announcement – described in paragraph 121 below – that it had placed Luthar on leave and had launched an internal investigation into accounting practices related to certain intersegment transactions involving Nutrition).

116. As described in paragraph 122 below, after ADM's January 21, 2024 announcement of its internal investigation and Luthar's suspension, ADM's stock price fell by 24% on the next trading day.

117. Before Luthar's and ADM's fraud came to light – and before the resulting drop in ADM's share price – Luthar sold shares of ADM stock into the public market.

118. Specifically, between June 2022 and February 2023, Luthar executed the following sales of his personal ADM shares for total proceeds of over \$1.8 million. In doing so, Luthar benefitted from ADM share prices that were inflated by the fraudulent shifting of operating profit from ADM's other business segments to Nutrition:

Stock Sales by Luthar During the Fraud

<u>Sale Date</u>	<u>Number of Shares Sold</u>	<u>Sale Price</u>	<u>Total Proceeds</u>
6/7/2022	7,500	\$89.59 per share	\$671,925
2/13/2023	14,750	\$82.09 per share	\$1,210,828
<u>TOTAL:</u>			<u>\$1,882,753</u>

VIII. The Fraudulent Shift of Operating Profit to Nutrition Is Exposed and Luthar Resigns

119. Details of ADM's and Luthar's fraud started coming to light in January 2024.

120. In June 2023, ADM became aware of an investigation by the SEC. Shortly thereafter, ADM started an internal investigation into intersegment transactions involving the Nutrition segment.

121. In January 2024, ADM publicly announced that it was: (a) investigating "certain accounting practices and procedures with respect to ADM's Nutrition reporting segment, including as related to certain intersegment transactions ... in response to [ADM's] receipt of a voluntary document request by the [SEC]"; (b) withdrawing Nutrition's forward-looking outlook; (c) delaying its earnings release relating to its fourth quarter and full year 2023 financial results, as well as the filing of its FY 2023 Form 10-K; and (d) placing Luthar on administrative leave, effective immediately.

122. On January 22, 2024 – the first trading day after ADM's announcement – ADM's stock price fell 24%.

123. In addition, in the wake of ADM's January 2024 announcement, two institutional investors with significant, long-term stakes in ADM sharply reduced their

investments. One of them sold its entire position in ADM following the announcement, citing a “crisis in confidence” and the inability to trust ADM’s financial reporting.

124. Further, after ADM’s January 2024 announcement, several analysts lowered their ratings and/or price target for ADM, citing uncertainty surrounding the Nutrition segment. For example, on January 21, 2024, one analyst reacting to the announcement lowered its target price for ADM, stating that “shares will be pressured as announcements imply lowered profit baseline for Nutrition – which is key valuation driver – and create management credibility concerns.” On January 22, 2024, a large analyst firm reacting to the announcement lowered its target price for ADM by almost 15% and lowered its “Capital Allocation Rating” for ADM from “Exemplary” to “Standard.” In reducing its rating, the analyst noted that “[o]ur Exemplary rating had been rooted in our view that ADM’s acquisitions that created the nutrition business have been value accretive... However, in the absence of reliable financial statements, we are unable to tell if the acquisitions have created value.”

125. ADM’s internal investigation ultimately concluded that various intersegment transactions – including the fraudulent adjustments described in paragraphs 52-97 above – were recorded at amounts that did not approximate market.

126. On November 18, 2024, ADM filed an amended FY 2023 Form 10-K that restated its consolidated financial statements for FY 2021 through FY 2023 and restated segment operating profit for FY 2018 through FY 2023.

127. The restatement included the reversal of the fraudulent adjustments identified in paragraphs 52-97 above. ADM further disclosed in its restated FY 2023 Form 10-K a “material weakness in the Company’s internal control over financial reporting related to its

accounting practices and procedures for intersegment sales. The material weakness resulted from inadequate controls that allowed for certain intersegment sales to be reported at amounts not approximating market.”

128. At the close of trading on November 18, 2024, the day ADM filed the amended FY 2023 Form 10-K, ADM’s share price remained over 23% lower than on January 19, 2024 (the last trading day before ADM disclosed that it was investigating its accounting practices with respect to ADM’s Nutrition segment, including those related to certain intersegment transactions).

COUNT I

Violations of Section 10(b) of the Exchange Act [15 U.S.C. §78j(b)] and Rule 10b-5(a) through (c) [17 C.F.R. 240.10b-5] thereunder

129. Paragraphs 52-111 are realleged and incorporated by reference.

130. As more fully described in paragraphs 52-111, Luthar, directly or indirectly, singly or in concert with others, by use of the means or instrumentalities of interstate commerce, or by the use of the mails, or of the facilities of a national securities exchange, in connection with the purchase or sale of securities, knowingly or recklessly, has: (a) employed devices, schemes and artifices to defraud; (b) made untrue statements of material facts and omitted to state material facts necessary in order to make statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaged in acts, practices and courses of business which operated or would have operated as a fraud or deceit upon purchasers of securities and upon other persons.

131. As described in more detail in paragraphs 52-111, Luthar acted with scienter in that he knowingly or recklessly made the material misrepresentations and omissions and engaged in the fraudulent conduct identified above.

132. By reason of the foregoing, Luthar violated Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5(a) through (c) thereunder [17 C.F.R. 240.10b-5].

COUNT II

Violations of Section 17(a)(1) of the Securities Act [15 U.S.C. § 77q(a)(1)]

133. Paragraphs 52-111 are realleged and incorporated by reference as though fully set forth herein.

134. By engaging in the conduct described in paragraphs 52-111, Luthar, directly or indirectly, in the offer and sale of securities, by the use of the means and instruments of interstate commerce, has employed devices, schemes and artifices to defraud.

135. In engaging in the conduct described herein, Luthar acted knowingly or recklessly.

136. By reason of the foregoing, Luthar has violated Section 17(a)(1) of the Securities Act [15 U.S.C. § 77q(a)(1)].

COUNT III

Violations of Section 17(a)(2) of the Securities Act [15 U.S.C. § 77q(a)(2)]

137. Paragraphs 83-87, 98-118 are realleged and incorporated by reference.

138. By engaging in the conduct described in paragraphs 83-87, 98-118, Luthar, in the offer and sale of securities, by the use of the means and instruments of interstate commerce, directly or indirectly, obtained money or property by means of untrue statements of material fact or by omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

139. Luthar acted knowingly, recklessly, or at least negligently in relation to the false and misleading statements and omissions identified in paragraphs 83-87, 98-110 above.

140. By reason of the foregoing, Luthar violated Section 17(a)(2) of the Securities Act [15 U.S.C. § 77q(a)(2)].

COUNT IV

Violations of Section 17(a)(3) of the Securities Act [15 U.S.C. § 77q(a)(3)]

141. Paragraphs 52-111 are realleged and incorporated by reference.

142. By engaging in the conduct described in paragraphs 52-111, Luthar, in the offer and sale of securities, by the use of the means and instruments of interstate commerce, directly or indirectly, engaged in transactions, practices, or courses of business which operated as a fraud or deceit upon the purchaser of securities.

143. Luthar acted knowingly, recklessly, or at least negligently in engaging in the conduct identified in paragraphs 52-111.

144. By reason of the foregoing, Luthar violated Section 17(a)(3) of the Securities Act [15 U.S.C. § 77q(a)(3)].

COUNT V

Aiding and Abetting ADM's Violations of Section 10(b) of the Exchange Act [15 U.S.C. §78j(b)] and Rule 10b-5(b) thereunder [17 C.F.R. 240.10b-5(b)]

145. Paragraphs 52-111 are realleged and incorporated by reference.

146. As more fully described in paragraphs 73, 83-87, 98-111, ADM directly or indirectly, in connection with the purchase or sale of securities, by the use of the means or instrumentalities of interstate commerce or of the mails, acting knowingly, or recklessly, made untrue statements of material fact and omitted to state material facts necessary in

order to make statements made, in the light of the circumstances under which they were made, not misleading.

147. As described in more detail in paragraphs 52-111, pursuant to Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)], Luthar knowingly or recklessly provided substantial assistance to ADM in its violations of Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Rule 10b-5(b) thereunder [17 C.F.R. 240.10b-5(b)].

COUNT VI

Aiding and Abetting ADM's Violations of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20 [17 C.F.R. 240.12b-20], 13a-1 [17 C.F.R. 240.13a-1], 13a-11 [17 C.F.R. 240.13a-11] and 13a-13 [17 C.F.R. 240.13a-13] thereunder

148. Paragraphs 52-111 are realleged and incorporated by reference.

149. Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 13a-1, 13a-11, and 13a-13 thereunder [17 C.F.R. 240.13a-1, 240.13a-11, and 240.13a-13] respectively require issuers of registered securities to file with the SEC materially accurate annual reports (on Form 10-K), current reports (on Form 8-K), and quarterly reports (on Form 10-Q). Exchange Act Rule 12b-20 [17 C.F.R. 240.12b-20] provides that, in addition to the information expressly required to be included in a statement or report, there shall be added such further material information, if any, as may be necessary to make the required statements, in light of the circumstances under which they were made, not misleading.

150. As more fully described in paragraphs 103-108, ADM, as an issuer of a security registered pursuant to Exchange Act Section 12 [15 U.S.C. § 78l], filed annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K, that each contained materially false or misleading statements and/or material omissions

that rendered the statements made in these filings, in light of the circumstances under which they were made, misleading.

151. As described in more detail in paragraphs 52-111, pursuant to Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)], Luthar knowingly or recklessly provided substantial assistance to ADM in its violations of Exchange Act Section 13(a) [15 U.S.C. § 78m(a)] and Rules 12b-20 [17 C.F.R. 240.12b-20], 13a-1 [17 C.F.R. 240.13a-1], 13a-11 [17 C.F.R. 240.13a-11] and 13a-13 [17 C.F.R. 240.13a-13] thereunder.

COUNT VII

Aiding and Abetting ADM's Violations of Exchange Act Section 13(b)(2)(A) [15 U.S.C § 78m(b)(2)(A)]

152. Paragraphs 52-111 are realleged and incorporated by reference.

153. Exchange Act Section 13(b)(2)(A) requires an issuer such as ADM to make and keep books, records, and accounts which, in reasonable detail, accurately and fairly reflect transactions of the issuer.

154. As more fully described in paragraphs 52-111, by failing to make or keep books, records and accounts that in reasonable detail accurately and fairly reflected transactions of the issuer, ADM violated Exchange Act Section 13(b)(2)(A) [15 U.S.C. § 78m(b)(2)(A)].

155. As described in more detail in paragraphs 52-111, pursuant to Exchange Act Section 20(e) [15 U.S.C. § 78t(e)], Luthar knowingly or recklessly provided substantial assistance to ADM in its violations of Exchange Act Section 13(b)(2)(A) [15 U.S.C. § 78m(b)(2)(A)].

COUNT VIII

**Aiding and Abetting ADM's Violations of Exchange Act Section 13(b)(2)(B)
[15 U.S.C. § 78m(b)(2)(A)]**

156. Paragraphs 52-111, and 127 are realleged and incorporated by reference.

157. Exchange Act Section 13(b)(2)(B) requires an issuer such as ADM to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that its financial statements are prepared in conformity with GAAP or any other criteria applicable to those statements.

158. As more fully described in paragraphs 52-111, and 127, by failing to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that its financial statements were prepared in conformity with GAAP or any other criteria applicable to those statements, ADM violated Exchange Act Section 13(b)(2)(B) [15 U.S.C. § 78m(b)(2)(A)].

159. As described in more detail in paragraphs 52-111, pursuant to Exchange Act Section 20(e) [15 U.S.C. § 78t(e)], Luthar knowingly or recklessly provided substantial assistance to ADM in its violations of Exchange Act Section 13(b)(2)(B) [15 U.S.C. § 78m(b)(2)(B)].

COUNT IX

Violations of Exchange Act Rule 13a-14 thereunder [17 C.F.R. 240.13a-14]

160. Paragraphs 101-102 are realleged and incorporated by reference.

161. Exchange Act Rule 13a-14 required Luthar to include a certification of ADM's FY 2022 Form 10-K in the form required by 18 U.S.C. § 1350.

162. As more fully described in paragraphs 101-102 above, Luthar signed the certification for ADM's FY 2022 Form 10-K and certified that it did not contain any untrue

statement of material fact or omit to state a material fact necessary to make the statements made not misleading.

163. Luthar violated Rule 13a-14 [17 C.F.R. 240.13a-14] when he signed the certification for ADM's FY 2022 Form 10-K that, among other things, failed to disclose (a) the fraudulent adjustments from AS&O and CarbSol to Nutrition or (b) their impact on Nutrition's operating profit growth.

164. By reason of the foregoing, Luthar violated Exchange Act Rule 13a-14 [17 C.F.R. 240.13a-14].

COUNT X

Failure to Reimburse Violations of SOX Section 304 [15 U.S.C. § 7243]

165. Paragraph 30 is realleged and incorporated by reference.

166. As more fully described in paragraph 30, ADM was required to prepare a FY 2022 Form 10-K in compliance with its financial reporting requirements under the federal securities laws.

167. SOX Section 304(a) requires, among other things, the CFO of any issuer required to prepare an accounting restatement due to material noncompliance with financial reporting requirements under the securities laws as a result of misconduct to reimburse the issuer for any bonuses, incentive-based or equity-based compensation, or profits from sales of the issuer's securities received by that person during the 12-month period following the first public issuance or filing with the SEC of the misstated document.

168. Because ADM's Form 10-K for FY 2022 was in material noncompliance, Luthar – who signed and certified ADM's FY 2022 Form 10-K as ADM's CFO – is required to reimburse ADM for: (a) any bonus or other incentive-based or equity-based

compensation he received in the 12-month period following ADM's filing of its FY 2022 Form 10-K, and (b) any profits related from any sales of ADM shares in the 12-month period following ADM's filing of its FY 2022 Form 10-K.

169. Luthar has not reimbursed ADM for compensation that he received in the 12-month period following ADM's filing of its FY 2022 Form 10-K.

170. The SEC has not exempted Luthar, pursuant to SOX Section 304(b) [15 U.S.C. § 7243(b)], from the application of SOX Section 304(a) [15 U.S.C. § 7243(a)].

171. By reason of the foregoing, Luthar violated Section 304 of SOX [15 U.S.C. § 7243].

RELIEF REQUESTED

WHEREFORE, the SEC respectfully requests that this Court:

I.

Enter an Order of Permanent Injunction restraining and enjoining Luthar, his officers, agents, servants, employees, attorneys and those persons in active concert or participation with him who receive actual notice of the Order, by personal service or otherwise, and each of them from, directly or indirectly, engaging in the transactions, acts, practices or courses of business described above, or in conduct of similar purport and object, in violation of Securities Act Section 17(a) [15 U.S.C. § 77q(a)]; Exchange Act Section 10(b) [15 U.S.C. § 78j(b)]; Exchange Act Rule 10b-5(a)-(c) [17 C.F.R. 240.10b-5(a)-(c)], and Exchange Act Rule 13a-14 [17 C.F.R. 240.13a-14].

II.

Enter an Order of Permanent Injunction restraining and enjoining Luthar, his officers, agents, servants, employees, attorneys and those persons in active concert or

participation with him who receive actual notice of the Order, by personal service or otherwise, and each of them from, directly or indirectly, engaging in the transactions, acts, practices or courses of business described above, or in conduct of similar purport and object, aiding and abetting violations of Exchange Act Sections 13(a) [15 U.S.C. § 78m(a)], 13(b)(2)(A) [15 U.S.C. § 78m(b)(2)(A)], and 13(b)(2)(B) [15 U.S.C. § 78m(b)(2)(B)]; and Exchange Act Rules 12b-20 [17 C.F.R. 240.12b-20], 13a-1 [17 C.F.R. 240.13a-1], 13a-11 [17 C.F.R. 240.13a-11], and 13a-13 [17 C.F.R. 240.13a-13] thereunder.

III.

Issue an Order requiring Luthar to disgorge any ill-gotten gains received based on the violations alleged in this Complaint, including prejudgment interest, pursuant to Exchange Act Sections 21(d)(3), 21(d)(5), and 21(d)(7) [15 U.S.C. §§ 78u(d)(3), (d)(5), and (d)(7)].

IV.

Issue an Order requiring Luthar to pay civil penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)], and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)].

V.

Issue an Order pursuant to Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)] and Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)], prohibiting Luthar from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act (15 U.S.C. § 78l) or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

VI.

Issue an Order pursuant to SOX Section 304 [15 U.S.C. § 7243(a)] requiring Luthar to reimburse ADM for any bonus or other incentive-based or equity-based compensation he received in the 12-month period following ADM's filing of its FY 2022 Form 10-K.

VII.

Grant such other relief as this Court deems appropriate.

JURY DEMAND

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, the SEC hereby requests a trial by jury.

Dated: January 27, 2026

Respectfully submitted,

By: /s/ Timothy S. Leiman
UNITED STATES SECURITIES
AND EXCHANGE COMMISSION

Timothy Leiman (LeimanT@sec.gov)
Timothy J. Stockwell (StockwellT@sec.gov)
Ashley E. Dalmau Holmes (DalmauHolmesA@sec.gov)
Arefa Patel (PatelAr@sec.gov)
175 W. Jackson Blvd., Suite 1450
Chicago, Illinois 60604
Phone: (312) 353-3790
Facsimile: (312) 353-7398