



Duolingo, Inc. Securities Fraud Class Action Lawsuit - DUOL

Duolingo, Inc.
NASDAQ: DUOL

Affected DUOL Investor Summary

- **Who:** Duolingo, Inc. ([NASDAQ: DUOL](#))
 - **What:** Securities fraud class action lawsuit filed
 - **Class Period:** May 2, 2025 through February 26, 2026
 - **Deadline to Seek Lead Plaintiff Status:** December 7, 2026
 - **Key Lawsuit Allegations:** Material misstatements and/or omissions concerning the company's monetization and growth strategies
 - **Investor Action:** Contact [Kessler Topaz Meltzer & Check, LLP \(www.ktmc.com\)](#) for recovery options
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The *Duolingo, Inc.* securities fraud class action lawsuit was filed on behalf of those who purchased or otherwise acquired *Duolingo, Inc.* ("*Duolingo*") (NASDAQ: DUOL) Class A common stock between May 2, 2025 and February 26, 2026, inclusive (the "Class Period"). Captioned *City of Dearborn Heights Act 345 Police & Fire Retirement System v. Duolingo, Inc.*, No. 26-cv-02197 (W.D. Pa.), the *Duolingo* class action lawsuit alleges that *Duolingo* and/or certain of its officers and/or directors violated federal securities laws by making false or misleading statements and/or omitted to disclose material information.

If you lost money as a result of your *Duolingo* investment and want to find out more about this action and your rights, fill out the form on this page or contact attorney Jonathan Naji, Esq. of KTMC by calling (484) 270-1453 or via e-mail at info@ktmc.com. Lead plaintiff motions must be filed with the court no later than December 7, 2026.

COMPLAINT ALLEGATION SUMMARY:

Duolingo is a mobile language-learning platform that utilizes a "freemium" business model that lets users access its app and website for free while seeking to convert them into fee-based subscriptions.

The complaint alleges that, throughout the Class Period, Defendants made materially false and/or misleading statements, as well as failed to disclose material facts about the company's business, operations, and prospects. Specifically, Defendants misrepresented and/or failed to disclose that: (1) daily active user ("DAU") growth rates were being leveraged against deliberately added user friction in the form of significant increases in ad volume, subscription tier upsells, and worsened product quality, and *Duolingo* understood that any amount of user friction would cause users to leave the app and, ultimately, negatively impact DAU growth rates; (2) *Duolingo's* rigorous A/B testing demonstrated to the company that increased friction in the free user experience, including its monetization push and rapidly generated low-quality AI content, was having negative impacts on DAU growth rates; (3) *Duolingo's* quickly generated AI content was worsening the quality of *Duolingo's* product offerings, negatively impacting the user experience and user trends,

and threatening the sustainability of the company's financial performance; and (4) as a result of the foregoing, Defendants' statements about the company's business, operations, and prospects were materially false and misleading and/or lacked a reasonable basis at all relevant times.

WHY DID DUOLINGO'S STOCK DROP?

On November 5, 2025, *Duolingo* reported its third quarter financial results, revealing a decline in DAU growth to 36%, down from 49% in the first quarter. *Duolingo* also revealed that the company would reverse course on its monetization push and instead focus on user growth going forward. On this news, *Duolingo's* stock price fell 25%, to close at \$193.74 on November 6, 2025.

Then, on January 12, 2026, *Duolingo* announced that its CFO had resigned. *Duolingo* also provided limited preliminary fourth quarter operating metrics, showing DAU growth of only 30%. On this news, *Duolingo's* stock price fell another 8.5%, to close at \$161.74 on January 12, 2026.

Finally, after the market closed on February 26, 2026, *Duolingo* announced its fourth quarter financial results, confirming the slowed DAU growth and revealing that the "small financial impact" from its strategic shift was anything but. Specifically, *Duolingo* revealed that its 2026 DAU growth would come in at a meager 20% and be accompanied by lower bookings and less profitability. On this news, *Duolingo's* stock price fell 14%, to close at \$101 on February 27, 2026.

THE LEAD PLAINTIFF PROCESS:

The Private Securities Litigation Reform Act of 1995 permits any investor who purchased or acquired *Duolingo* Class A common stock during the Class Period to seek appointment as lead plaintiff in the *Duolingo* class action lawsuit. A lead plaintiff is a representative party that acts on behalf of other class members in directing the litigation. In order to be appointed lead plaintiff, the Court must determine that the class member's claim is typical of the claims of other class members, and that the class member will adequately represent the class. Your ability to share in any recovery is not, however, affected by the decision whether or not to serve as a lead plaintiff. Filling out the online form above or communicating with any counsel is not necessary to participate or share in any recovery achieved in this case. Any member of the purported class may move the court to serve as a lead plaintiff through counsel of his/her choice, or may choose to do nothing and remain an inactive class member.

ABOUT KESSLER TOPAZ MELTZER & CHECK, LLP:

Kessler Topaz Meltzer & Check, LLP (KTMC) is a leading U.S. plaintiff-side law firm focused on securities-fraud class actions and global investor protection. The firm represents





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individual investors as well as institutions, such as major pension funds, asset managers, and international investors. KTMC has led some of the largest recoveries in securities litigation and has been recognized by peers and the legal media with numerous accolades, including being [recognized in Chambers & Partners USA 2026 as a Band 1 Top Firm](#) in Securities and Class Actions, [Legal 500's Tier 1 Rankings for Securities and M&A Litigation](#), The National Law Journal's Plaintiff's Hot List and Trailblazers in Plaintiffs' Law, BTI Consulting Group's Honor Roll of Most Feared Law Firms, The Legal Intelligencer's [Class Action Firm of the Year](#), Lawdragon's Leading Plaintiff Financial Lawyers, and Law360's Titans of the Plaintiffs Bar. The firm operates globally with offices in Pennsylvania and California. KTMC has recovered over \$25 billion for our clients and the classes they represent.

