

# Rocket Companies Shareholder Lawsuit Cites Gilbert's \$500M Detroit Gift

"Detroit-based Rocket Companies was hit Tuesday with a shareholder lawsuit accusing the firm and its executives of giving misleading guidance that the suit says artificially boosted Rocket's stock price in the weeks before founder Dan Gilbert sold \$500 million in stock to finance a major philanthropic effort in the city's neighborhoods," reports JC Reindl in Detroit Free Press.

"The lawsuit, filed in U.S. District Court in Detroit, claims that Rocket executives were extremely optimistic to the point of deception and fraud earlier this year when forecasting the anticipated "gain on sale" margin for its mortgage loans. The gain on sale margin is commonly viewed by investors as a core measure of profitability."

***Read the article.***