

EXHIBIT A

1 ROBBINS GELLER RUDMAN
& DOWD LLP
2 SHAWN A. WILLIAMS (213113)
One Montgomery Street, Suite 1800
3 San Francisco, CA 94104
Telephone: 415/288-4545
4 415/288-4534 (fax)

- and -
5 JAMES I. JACONETTE (179565)
THOMAS E. EGLER (189871)
6 655 West Broadway, Suite 1900
San Diego, CA 92101-8498
7 Telephone: 619/231-1058
619/231-7423 (fax)

8 Attorneys for Plaintiff

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SAN MATEO COUNTY

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9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
10 COUNTY OF SAN MATEO

11 SEAFARERS OFFICERS & EMPLOYEES)
12 PENSION PLAN, Individually and on Behalf)
13 of All Others Similarly Situated,)
14 Plaintiff,)

VIA FAX 17CIV02788
Civil Action No.

15 vs.

CLASS ACTION
COMPLAINT FOR VIOLATIONS OF THE
FEDERAL SECURITIES LAWS

16 APIGEE CORPORATION,
17 CHET KAPOOR,
18 TIM WAN,
19 BOB L. COREY,
NEAL DEMPSEY,
20 PROMOD HAQUE,
WILLIAM "BJ" JENKINS, JR.,
21 EDMOND MESROBIAN,
ROBERT SCHWARTZ and
DOES 1-25, inclusive,

22 Defendants.

DEMAND FOR JURY TRIAL

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1 Plaintiff Seafarers Officers & Employees Pension Plan (“plaintiff”), individually and on behalf
2 of all others similarly situated, by plaintiff’s undersigned attorneys, for plaintiff’s complaint against
3 defendants, alleges the following based upon personal knowledge as to plaintiff and plaintiff’s own acts
4 and upon information and belief as to all other matters based on the investigation conducted by and
5 through plaintiff’s attorneys, which included, among other things, a review of Apigee Corporation’s
6 (“Apigee” or the “Company”) press releases, U.S. Securities and Exchange Commission (“SEC”)
7 filings, analyst reports, media reports, conference call transcripts and other publicly disclosed reports
8 and information about defendants, as well as interviews of certain former Apigee employees and certain
9 employees of its competitors, vendors and/or customers. Plaintiff believes that substantial evidentiary
10 support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

11 NATURE OF THE ACTION

12 1. This is a securities class action on behalf of all those who purchased Apigee common
13 stock in or traceable to Apigee’s April 24, 2015 initial public stock offering (the “IPO”), seeking to
14 pursue remedies under the Securities Act of 1933 (the “1933 Act”).

15 JURISDICTION AND VENUE

16 2. The claims alleged herein arise under §§11 and 15 of the 1933 Act, 15 U.S.C. §§77k and
17 77o. Jurisdiction is conferred by §22 of the 1933 Act, 15 U.S.C. §77v, and venue is proper pursuant to
18 §22 of the 1933 Act. Section 22 of the 1933 Act explicitly states that “[e]xcept as provided in section
19 16(c), no case arising under this title and brought in any State court of competent jurisdiction shall be
20 removed to any court in the United States.” Section 16(c) refers to “covered class actions,” which are
21 defined as lawsuits brought as class actions or on behalf of more than 50 persons asserting claims under
22 state or common law. This is an action asserting federal law claims. Thus, it does not fall within the
23 definition of a “covered class action” under §16(b)-(c) and therefore is not removable to federal court,
24 under the Securities Litigation Uniform Standards Act of 1998 or otherwise. *See Luther v. Countrywide*
25 *Fin. Corp.*, 195 Cal. App. 4th 789, 792 (2011) (“The federal Securities Act of 1933 . . . , as amended by
26 the Securities Litigation Uniform Standards Act . . . , provides for concurrent jurisdiction for cases
27 asserting claims under the 1933 Act”); *Luther v. Countrywide Home Loans Servicing LP*, 533 F.3d
28 1031, 1032 (9th Cir. 2008) (“Section 22(a) of the Securities Act of 1933 creates concurrent jurisdiction

1 in state and federal courts over claims arising under the Act. It also specifically provides that such
2 claims brought in state court are not subject to removal to federal court.”); *Plymouth Cty. Ret. Sys. v.*
3 *Model N, Inc.*, No. 14-cv-04516-WHO, 2015 U.S. Dist. LEXIS 1104, at *8 (N.D. Cal. Jan. 5, 2015)
4 (“Since 2013, . . . every court in this district to [adjudicate a motion to remand an action brought in state
5 court pursuant to the 1933 Act] has granted remand.”).

6 3. The violations of law complained of herein occurred in this State and in large part in this
7 County. Defendant Wan (defined below) resides in San Mateo County.

8 PARTIES

9 4. Plaintiff Seafarers Officers & Employees Pension Plan purchased Apigee common stock
10 traceable to the IPO and was damaged thereby.

11 5. Defendant Apigee is a California-based software development company that has
12 designed a software platform to enable application-programming interface (“API”) based digital
13 strategies and business insights for enterprises.

14 6. Defendant Chet Kapoor (“Kapoor”) was, at the time of the IPO, a member of Apigee’s
15 Board of Directors (the “Board”) and its Chief Executive Officer (“CEO”). Defendant Kapoor joined
16 Apigee in 2007, after its founding but before its IPO.

17 7. Defendant Tim Wan (“Wan”) was, at the time of the IPO, the Chief Financial Officer
18 (“CFO”) of Apigee. Defendant Wan joined Apigee in March 2015, one month before the IPO.

19 8. Defendants Bob L. Corey, Neal Dempsey, Promod Haque, William “BJ” Jenkins, Jr.,
20 Edmond Mesrobian and Robert Schwartz were, at the time of the IPO, members of the Apigee Board.

21 9. The defendants referenced above in ¶¶6-8 each signed the false and misleading
22 Registration Statement (defined herein) used to conduct the IPO and are referred to herein as the
23 “Individual Defendants.” Defendants Kapoor and Wan are sometimes also referred to herein as the
24 “Executive Defendants.” Defendant Apigee and the Individual Defendants are strictly liable for the
25 false and misleading statements incorporated into the Registration Statement.

26 10. The true names and capacities of defendants sued herein under California Code of Civil
27 Procedure §474 as Does 1 through 25, inclusive, are presently not known to plaintiff, who therefore
28 sues these defendants by such fictitious names. Plaintiff will seek to amend this complaint and include

1 these Doe defendants' true names and capacities when they are ascertained. Each of the fictitiously
2 named defendants is responsible in some manner for the conduct alleged herein and for the injuries
3 suffered by the Class.

4 **UNDERWRITERS (NON-PARTIES)**

5 11. Morgan Stanley & Co. LLC, J.P. Morgan Securities LLC, Credit Suisse Securities
6 (USA) LLC, Pacific Crest Securities, a division of KeyBanc Capital Markets Inc., JMP Securities LLC
7 and Nomura Securities International, Inc. (collectively, the "Underwriters") are investment banking
8 firms that acted as underwriters of the IPO. The Company retained them to act as the underwriters of
9 the IPO and paid them more than \$6 million in fees collectively to sell the IPO to investors at the behest
10 of the Company. Apigee also agreed that it would indemnify and hold the Underwriters harmless from
11 any liability under the federal securities laws, and that it would purchase millions of dollars in directors'
12 and officers' liability insurance. In return, the Underwriters determined they were willing to
13 merchandize Apigee stock in the IPO. The Underwriters arranged a multi-city roadshow prior to the
14 IPO during which they, and the Executive Defendants, met with potential investors and presented
15 highly favorable information about the Company, its operations and its financial prospects, and during
16 which the Executive Defendants pitched investors using the Prospectus (as defined below), roadshow
17 presentation and talking points, and in webcasts and meetings with investors, including clients of the
18 Underwriters.

19 12. The Company, with the Underwriters, determined: (i) the strategy to best accomplish the
20 IPO; (ii) the terms of the IPO, including the price at which Apigee stock would be sold; (iii) the
21 language to be used in the Registration Statement; (iv) what disclosures about Apigee would be made in
22 the Registration Statement; and (v) what responses would be made to the SEC in connection with its
23 review of the Registration Statement.

24 **SUBSTANTIVE ALLEGATIONS**

25 **Apigee's Business Leading Up to the IPO**

26 13. Apigee provides a software platform designed to permit businesses to design, deploy and
27 scale APIs as a connection layer between their core IT systems and data and the applications (or "apps")
28 through which their customers, partners, employees and other users engage with their businesses.

1 Using Apigee’s platform, businesses are supposed to be able to securely connect their core services and
2 data to developers to enable them to develop apps and experiences for customers, partners, employees
3 and other users.

4 14. An API is a set of programming instructions and standards for accessing a web-based
5 software app or web tool. Simply stated, an API is the way software apps talk to one another. A
6 software company releases its API to the public so that other software developers can design products
7 that are powered by its service.

8 15. For example, prior to the IPO, Amazon.com released its API so that website developers
9 could more easily access Amazon’s product information. Using the Amazon API, a third-party website
10 could post direct links to Amazon products with updated prices and “buy now” options. Another
11 example is the ability to look at a Google map inside Yelp.com. This is possible because Google
12 “exposes” its mapping capabilities via an API, which Yelp uses in its app, enabling the Yelp app to
13 retrieve data from Google Maps. Yelp does not have to know how Google Maps works internally but
14 just has to know Google’s API to use it in its own app.

15 16. To be sure, an API is a software-to-software interface, not a user interface. With APIs,
16 applications talk to each other without any user knowledge or intervention. For example, when a
17 consumer purchases movie tickets online and enters his or her credit card information to do so, the
18 movie ticket website uses an API to send the credit card information to a remote application that
19 verifies whether that credit card information is correct. Once payment is confirmed, the remote
20 application sends a response back to the movie ticket website saying it is appropriate to issue the tickets.

21 17. An API resembles Software as a Service (“SaaS”), since software developers do not have
22 to start from scratch every time they write a program. Instead of building one core application that tries
23 to do everything – e-mail, billing, tracking, etc. – the same application can contract out certain
24 responsibilities to remote software that does it better.

25 18. Apigee was originally incorporated in Delaware as Nexgen Machines, Inc. on June 3,
26 2004. The Company changed its name to Sonoa Systems, Inc. on November 15, 2004, and then
27 changed its name to Apigee Corporation on September 21, 2010.
28

1 19. At the time of its IPO, Apigee's two product offerings included:

- 2 • **Apigee Edge** – A self-service API-gateway/management solution that enables
3 businesses to manage exposure of their services and data through APIs to the use of
4 those APIs by developers who are building consumer-facing and enterprise applications.
Apigee Edge was the foundation of the Company's platform strategy and responsible for
5 95% of its historical revenues.
- 6 • **Apigee Insights** – A self-service predictive analytics software toolset designed to help
7 companies analyze big data to provide personalized experiences for customers. Apigee
8 had not launched Apigee Insights until September 2014.

9 Both Edge and Insights can be deployed either in the cloud or on a customer's premises. When
10 implemented on premises, Apigee's platform operates behind the user's firewall. When implemented in
11 the cloud it operates as an SaaS offering. At the time of the IPO, approximately 60% of Apigee's new
12 customers were selecting cloud deployments while 40% were selecting on-premise deployments.

13 20. In terms of revenues, the on-premise solution was sold either as a perpetual license
14 recognized upfront or as a term license recognized over the term of the contract, while the cloud
15 solution was sold as a subscription recognized ratably over the life of the subscription. At the time of
16 its IPO, the Company reported three revenue line items: License, Subscription and Support, and
17 Professional Services.¹ License revenue reflected the revenue recognized from sales of on-premise
18 software licenses. A substantial majority of License revenue was from perpetual licenses, under which
19 Apigee generally recognized the license-fee portion of the arrangement upfront. Subscription and
20 Support revenue was derived primarily from subscription fees from the customer accessing Apigee's
21 software in the cloud. Apigee also generated revenue from maintenance and support agreements for on-
22 premise licenses. Apigee typically recognized Subscription and Support revenues ratably over the term
23 of the arrangement. Professional Services revenues (associated with implementing the Company's
24 solutions) were recognized primarily on a time and materials basis as services were delivered. For the
25 Company's three fiscal years ended prior to its IPO, the Company's past revenues were reported broken
26 down as follows:

27 ¹ At the time of the IPO, Apigee provided a free self-service non-expiring cloud-based trial of Apigee
28 Edge to developers to entice them to develop compatible apps.

Fiscal Year	Total Revenues	License	Subscription and Support	Professional Services
2012	\$27.7M	\$9.5M	\$7.3M	\$10.8M
2013	\$43.2M	\$13.9M	\$15.2M	\$14.0M
2014	\$52.7M	\$11.4M	\$20.2M	\$21.1M

21. There is more fluctuation in sales of perpetual licenses, meaning License revenue is more lumpy quarter to quarter. Therefore, prior to its IPO, Apigee sought to increase subscription sales, which revenue is recognized more steadily on a ratable basis. According to the Company at the time of its IPO, 70% of new paying customers over the prior few quarters had been opting for the cloud-based product. However, some companies cannot put their and their customers' data on the cloud due to regulatory and other issues, making subscription sales more difficult to obtain.

22. By the time of the IPO, the Company's revenues from one of its largest customers, and an early adopter of its technology, AT&T Corporation ("AT&T"), were significantly decreasing. In 2011, AT&T had started using Apigee's platform as part of its digital initiative to securely open up its network-based services, such as location, messaging, payment and speech, and enable outside developers to create an ecosystem of innovative apps using AT&T's network. Using Apigee Edge, AT&T securely managed and shared select back-end services (defined through APIs) with third-party developers. In 2013, AT&T expanded its use of Apigee's platform to manage APIs and data delivery for its mission-critical system used by national reseller partners to securely activate AT&T mobile phones. For fiscal years 2014, 2013 and 2012, respectively, AT&T accounted for 15%, 36% and 38% of the Company's total revenues. In fiscal 2012, AT&T accounted for 35% of Apigee's License revenue, 20% of its Subscription and Support revenue, and 53% of its Professional Services and Other revenue; in fiscal 2013, AT&T accounted for 54% of Apigee's License revenue, 10% of its Subscription and Support revenue, and 47% of its Professional Services and Other revenue; and in fiscal 2014, AT&T accounted for just 7% of the Company's Subscription and Support revenue and 30% of its Professional Services and Other revenue. AT&T had made an unusually large License purchase in 2013 that was not repeated in 2014; and then in 2014, AT&T began reducing its reliance on Apigee's Professional Services. By 2015, *following the IPO*, AT&T would account for just 5% of the Company's revenues.

1 23. As a result, in the months leading up to the IPO, Apigee had grown more reliant upon
2 sales through channel partners, including Accenture and SAP. The Accenture partnership was forged in
3 2013 when Accenture signed a Master Alliance Agreement with Apigee that gave Accenture the right to
4 resell and Apigee the right to co-sell Apigee products and services as part of its own larger installations.
5 Accenture also had a minority investment in Apigee. The Company's OEM and reseller partnership
6 with SAP dated back to July 2014. Under the agreement, SAP agreed to deliver a comprehensive API
7 management application built on the Apigee Edge product on SAP's Hana Cloud to SAP's cloud
8 customers, as well as resell the Apigee Edge product on a stand-alone basis to its on-premise customers.

9 24. Because of the Company's relatively short operating history, its unusually long sales
10 cycle (typically lasting six to nine months), its historically high telco company customer concentration,
11 and the loss of much of AT&T's business going into the IPO, the Company's statements describing its
12 business metrics, sales trends, achievements in diversifying its customer base, and its financial
13 prospects were all particularly material to would-be investors going into Apigee's IPO. This was
14 especially true because Apigee expressly stated in its offering documents that the Company did not
15 intend to pay a dividend on its common stock in the foreseeable future, meaning that being able to cash
16 in on stock price appreciation resulting from strong financial performance marked investors' only
17 opportunity to profit on their investment in Apigee common stock.

18 25. At the time of the IPO, Apigee's fiscal year ran from August 1 to July 31. So the
19 Company's April 24, 2015 IPO was being conducted just days before its third quarter 2015 ("3Q 2015")
20 ended on April 30, 2015.

21 **The Registration Statement Contained Inaccurate Statements of**
22 **Material Fact and Omitted Material Facts It Was Required to Disclose**

23 26. On or about November 28, 2014, Apigee filed with the SEC its Registration Statement
24 on Form S-1 (Registration No. 333-202885), which, following several amendments made in response to
25 comments received from the SEC and being declared effective by the SEC on April 23, 2015, would
26 later be utilized for the IPO (the "Registration Statement"). On or about April 24, 2015, Apigee and the
27 Underwriters priced the IPO at \$17 per share, filed with the SEC the final prospectus for the IPO (the
28 "Prospectus"), which forms part of the Registration Statement (the Prospectus and Registration

1 Statement are collectively referred to herein as the “Registration Statement”), and sold 5,115,000 shares
2 of Apigee common stock to the investing public.

3 27. The Registration Statement was negligently prepared and, as a result, contained untrue
4 statements of material fact or omitted to state other facts necessary to make the statements made not
5 misleading, and was not prepared in accordance with the rules and regulations governing its
6 preparation.

7 28. *The Registration Statement omitted the material fact that Apigee service provider*
8 *Amazon was in the process of launching its own competing API service at the time of the IPO.*

9 Describing the Company’s relationship with Amazon, the Registration Statement stated that Apigee was
10 then procuring from Amazon Web Services (“AWS”) “a distributed computing infrastructure platform
11 for business operations, or what is commonly referred to as a cloud computing service,” stating that it
12 had “architected [Apigee’s] software and computer systems so as to utilize data processing, storage
13 capabilities and other services provided by AWS” and that “the vast majority of [Apigee’s own] cloud
14 service infrastructure [was then being] run on AWS.” The Registration Statement was materially false
15 and misleading in that it omitted the material fact that Amazon was then developing and would soon
16 launch its own competing API service – Amazon API Gateway, a “fully managed service that makes it
17 easy for developers to create, publish, maintain, monitor, and secure APIs at any scale” – and that both
18 existing and potential new Apigee customers already using the Amazon “stack” (a collection of related
19 resources provisioned by AWS’s “CloudFormation” service) might potentially prefer Amazon’s API
20 Gateway over Apigee’s Edge because they could obtain all tools necessary from a single vendor. The
21 omissions were material because Amazon’s API Gateway could appeal to companies that were already
22 integrated with AWS, and Amazon could pitch its service directly to Apigee customers utilizing APIs
23 on the cloud given Amazon’s inside knowledge of Apigee’s cloud-based customers, their demands,
24 what Apigee was already offering, and Apigee’s shortcomings.

25 29. While identifying both International Business Machines Corporation and Oracle
26 Corporation as potential competitors in the Registration Statement, “both of which,” the Registration
27 Statement stated, could “bundle competing products and services with other software offerings, or offer
28 them at a low price as part of a larger sale,” the Registration Statement was materially false and

1 misleading in that it omitted the material fact that behemoth Amazon had created and was on the cusp
2 of launching its own competing in-house API management platform.

3 30. Apigee's management was knowledgeable about Amazon's efforts to launch its own
4 competing API management platform; knew of Amazon's informational advantages due to the fact that
5 Apigee was then running its own cloud-based offering on Amazon's distributed computing
6 infrastructure platform; and knew that Apigee itself was relying upon the popularity of Amazon's own
7 AWS in selling its competing API management platform. Nevertheless, the Registration Statement was
8 materially false and misleading in that it omitted the material fact that Amazon was then in the process
9 of imminently launching its competing API Gateway product offering.

10 31. Amazon formally announced the launch of its AWS's API Gateway on July 9, 2015.

11 32. ***Apigee's bookings and, thus, revenue growth – which were actually declining in the***
12 ***months leading up to the IPO – were overstated by including certain one-time, non-recurring items –***
13 ***both overstating the Company's pre-IPO financial performance and creating hard comparable sales***
14 ***to match or beat in the future.*** The Registration Statement defines "gross billings" as Apigee's "total
15 revenue plus the change in [its] deferred revenue in a period," such that gross billings in any given
16 period consist of sales to new customers plus renewals and additional sales to existing customers. The
17 Registration Statement specifically emphasized that "***management uses gross billings as a***
18 ***performance measurement*** because [it] generally bill[s its] customers at the time of sale of [its]
19 solutions and recognize[s] revenue either upon delivery or ratably over subsequent periods."

20 33. The Registration Statement repeatedly emphasized that "***gross billings provide[d]***
21 ***valuable insight into the sales of [Apigee's] solutions and the performance of [its] business.***"

22 34. Concerning the purportedly steady bookings and revenue growth Apigee had been
23 experiencing in the months leading up to the IPO, the Registration Statement also provided the
24 following historical quarterly sales figures that were materially inaccurate in that they omitted the
25 material facts that the Company's bookings growth had been declining in the months leading up to the
26 IPO and that certain prior quarters included large one-time sales that were not repeating:

	Three Months Ended					
	Oct. 31, 2013	Jan. 31, 2014	April 30, 2014	July 31, 2014	Oct. 31, 2014	Jan. 31 2015
(in thousands)						
Consolidated Statement of Operations Data:						
Revenue						
License	\$ 688	\$ 2,878	\$ 3,739	\$ 4,106	\$ 4,416	\$ 5,106
Subscription	3,209	3,901	3,644	3,984	4,547	5,447
Support	1,212	1,329	1,399	1,559	1,946	2,224
Professional services and other	5,125	5,075	5,606	5,248	4,698	4,231
Total revenue	10,234	13,183	14,388	14,897	15,607	17,008

35. In the description of the Company's quarterly trends below that chart, the Registration Statement represented that Apigee's "total revenue ha[d] increased over the periods presented *due to increased sales to new customers as well as expanded sales to existing customers that seek to increase their digital deployments or expand the use of [Apigee's] software through additional use cases or broader deployment within their organizations.*" The Registration Statement further stated that Apigee's "quarterly results in recent periods *ha[d] not* reflected seasonal variations in . . . total revenue due to [its] growth and the revenue recognition policies applicable to license revenue derived from time-based licenses and to subscription and support revenue." Elsewhere, the Registration Statement emphasized that the Company had "*experienced rapid growth in recent periods,*" stating that "gross billings were \$36.7 million, \$43.1 million and \$63.8 million in fiscal 2012, 2013 and 2014, respectively, representing growth rates of 18% from fiscal 2012 to fiscal 2013 and 48% from fiscal 2013 to fiscal 2014," that "gross billings were \$23.7 million and \$37.6 million in the six months ended January 31, 2014 and 2015, respectively, representing a growth rate of 59%," and that "total revenue was \$27.6 million, \$43.2 million and \$52.7 million in fiscal 2012, 2013 and 2014, respectively, and \$23.4 million and \$32.6 million in the six months ended January 31, 2014 and 2015, respectively."

36. Concerning quarterly trends the Company was purportedly still then experiencing, the Registration Statement further stated that "[t]otal revenue increased \$9.2 million, or 39%, in the six months ended January 31, 2015, compared to six months ended January 31, 2014, *primarily due to an increase in license revenue of \$6.0 million*, or 167%, and growth in subscription and support revenue of \$4.5 million, or 47%," stating that the "*increase in license revenue was driven primarily by growth in [Apigee's] on-premises deployments,*" that the "increase in subscription revenue of \$2.9 million for the six months ended January 31, 2015, compared to six months ended January 31, 2014, *was primarily due to growth in the number of customers adopting [the Company's] cloud-based solution,*" and that

1 “revenue from software support increased by \$1.6 million for the six months ended January 31, 2015,
2 compared to six months ended January 31, 2014, *as a result of on-premises software licenses that*
3 *increased [its] cumulative installed base of customers that pay for recurring software support fees.*”

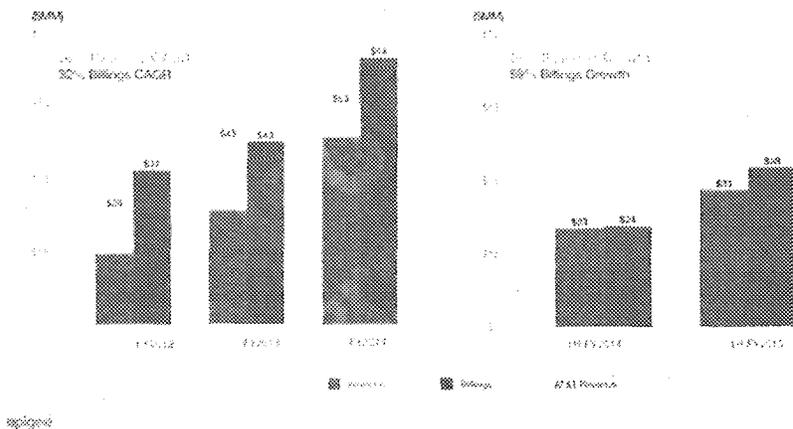
4 Once again, these statements were materially false and misleading in that they omitted the material facts
5 that billings growth had declined in the months leading up to the IPO and that one-time sales from prior
6 quarters were not being repeated.

7 37. The Registration Statement also identified a reporting metric that did not comply with
8 Generally Accepted Accounting Principles (“GAAP”) as “Non-GAAP Gross Profit and Gross Margin.”
9 According to the Registration Statement, “non-GAAP gross profit” was defined as “total revenue less
10 . . . total cost of revenue, adjusted to exclude stockbased compensation associated with equity awards
11 granted to professional services and maintenance personnel and amortization of acquired intangible
12 assets,” and “non-GAAP gross margin” was defined as “non-GAAP gross profit as a percentage
13 of . . . total revenue.” The Registration Statement stated that Apigee’s “non-GAAP gross profit was
14 \$15.6 million, \$21.4 million and \$25.8 million in fiscal 2012, 2013 and 2014, and grew 37% and 20%
15 year-over-year in fiscal 2013 and fiscal 2014, respectively,” and that its “non-GAAP gross profit was
16 \$8.2 million and \$20.5 million in the six months ended January 31, 2014 and 2015, respectively, and
17 grew 149%.” Emphasizing that “[n]on-GAAP gross profit and gross margin [were] *key measures used*
18 *by [Apigee’s] management to understand and evaluate [its] operating performance and trends,*” the
19 Registration Statement stated that “[t]he increase in non-GAAP gross profit in fiscal 2014 and the six
20 months ended January 31, 2015, *was largely as a result of increased total revenue,*” while again failing
21 to disclose that the increases in revenue in 4Q 2014 and 2Q 2015 had been inflated due to non-recurring
22 one-time deals recognized in those quarters.

23 38. As demonstrated in the following slide used in presentations made to investors by the
24 Executive Defendants during the roadshow conducted by the Underwriters to sell the IPO, defendants
25 continued the strong sales growth mantra during the roadshow while omitting the material facts that the
26 increases in revenue in 4Q 2014 and 2Q 2015 had been inflated due to unusually large telco and SAP
27 renewals and other deals recognized in those quarters, and that billings growth had been declining in the
28 two quarters preceding the IPO:



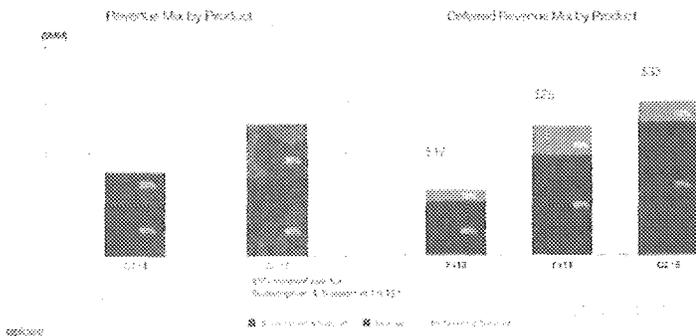
Rapid Revenue and Billings Growth



39. Another slide used in the roadshow presentation further claimed that investors could count on “increasing predictability” in Apigee’s revenue growth due to ongoing “subscription growth”:



Increasing Predictability with Subscription Growth



40. In reality, Apigee’s billings growth had actually been *declining* in the months leading up to the IPO. Year-over-year quarterly billings growth for the two quarters immediately preceding the IPO, 1Q 2015 (ended October 31, 2014) and 2Q 2015 (ended January 31, 2015), had been steadily dropping from 128% in 4Q 2014 (ended July 31, 2014) to 85% in 1Q 2015 (ended October 31, 2014) to 46% in 2Q 2015 (ended January 31, 2015), and would continue to drop to 24% in 3Q 2015 (ended April 30, 2015), *just days after the IPO*, and actually decline to -4% in 4Q 2015 (ended July 31, 2015), after the IPO, *meaning 4Q 2015 bookings would actually decline rather than grow year-over-year.*

1 41. The decline in quarterly billings growth in the months leading up to the IPO, which was
2 omitted from the Registration Statement and demonstrated a decline in revenue growth going into the
3 IPO, starkly contrasted with the annual gross billings growth emphasized in the Registration Statement
4 for fiscal years 2012 through 2014 and the gross billings emphasized in the Registration Statement for
5 the six months ending January 31, 2014 and 2015, which had indeed demonstrated strong growth and
6 which the Registration Statement described as examples of the “*rapid growth [being experienced] in*
7 *recent periods.*” The omission of the declining billings growth rates in the months leading up to the
8 IPO was particularly egregious given the Registration Statement’s repeated claims that “*gross billings*
9 *provide[d] valuable insight into the sales of [Apigee’s] solutions and the performance of [its]*
10 *business.*”

11 42. Moreover, while repeatedly lauding the Company’s purportedly strong ongoing
12 bookings and revenue growth, the Registration Statement was also materially false and misleading in
13 that it omitted the material fact that the reported bookings and revenues in 4Q 2014 (ended July 31,
14 2014) and 2Q 2015 (ended January 31, 2015) had been inflated due to unusually large telco and SAP
15 renewals and other deals recognized in those quarters. These omissions gave the false impression that
16 the Company’s revenues were steadily growing when they were not.

17 43. The existence of the large undisclosed pre-IPO transactions on Apigee’s billings and
18 revenue growth, along with recent billing trends, was clearly material, as demonstrated by the repeated
19 inclusion and discussion of this information in post-IPO quarterly conference call presentations and
20 questions from analysts during the conference calls. For instance, during Apigee’s June 9, 2015
21 investor conference call, following the IPO, defendant Wan identified certain transactions for the first
22 time, specifically discussing what Apigee’s growth rates would look like with and without the large
23 transactions, stating in pertinent part as follows:

24 For the quarter, gross billings were \$22.5 million, up 24% from \$18.1 million in
25 the year ago period and down 2% from \$22.8 million last quarter. For the sequential
26 number, note that Q2 gross billings included *an unusually large transaction of \$5.9 million* and Q3 gross billings included an annual renewal from SAP of \$3.8 million. Excluding those items, Q3 gross billings were up 10% over the preceding quarter.

27 According to defendant Wan, one of the “key metrics” for Apigee was gross billings, and “trends [in
28 gross billings] reflect the overall growth we are seeing in the business.”

1 44. During the question and answer portion of the June 9, 2015 conference call, analysts
2 asked numerous questions concerning the large deals in order to understand the quality of Apigee's
3 growth rate, whether the growth rate had been distorted by a few unusually large transactions, and how
4 dependent Apigee's finances were on unusually large deals.

5 45. Thereafter, citing as its source "[r]ecent meetings with management," an analyst
6 disclosed on August 4, 2015 that Apigee's billings reported for the quarter ended July 31, 2014 of \$21.7
7 million had also "included ~\$8-9M of billings from just 2-3 customers."

8 46. Similarly, during a September 9, 2015 investor conference call, defendant Wan again
9 provided previously undisclosed information regarding the unusually large pre-IPO transactions, stating
10 in pertinent part as follows:

11 For Q4, our gross billing was \$21.1 million. This is calculated as a total revenue in the
12 quarter, plus the change in deferred revenue from the prior quarter. ***This may fluctuate***
13 ***on a quarterly basis due to mix of business and large transaction, as was the case in***
14 ***Q4 FY14, which included three transactions over \$2 million each which accounted***
15 ***for approximately 39% of gross billings.*** Excluding those transactions, gross billings
16 grew 57% year-over-year.

17 47. In short, for forecasting purposes, it was important for investors to know that Apigee's
18 billings (and necessarily its revenues) had been impacted by a few recent unusually large deals.

19 48. The statements referenced above in ¶¶28-30, 32-39 and 41-42 were each materially false
20 and misleading because they omitted and misrepresented the following material adverse facts that
21 existed at the time of the IPO:

22 (a) Once Amazon formally launched its API Gateway, something Apigee's
23 management knew Amazon was in the process of doing at the time of the IPO, Apigee would face
24 direct competition from Amazon, upon whose platform Apigee's entire cloud infrastructure was
25 running, with Amazon having informational and convenience advantages over Apigee in selling its own
26 API offering to Apigee's existing and potential customers;

27 (b) Apigee's 2Q 2015 billings of \$22.8 million had included an "unusually large
28 transaction" of \$5.9 million from just one customer (T-Mobile), which had comprised approximately
26% of that quarter's billings;

1 (c) Apigee's 4Q 2014 billings of just \$22 million had included \$8.6 million from
2 three very large deals (one was an SAP renewal and another a telco deal) that had comprised a full 39%
3 of that quarter's billings and were unusually large;

4 (d) Lowered demand for Apigee's product offerings was requiring the Company to
5 scale back on its direct sales efforts and to focus more of its efforts on selling through channel partners
6 such as Accenture and SAP;

7 (e) As a result of the foregoing, Apigee had been experiencing diminished billings
8 growth for the two quarters prior to and at the time of the IPO; and

9 (f) As a result of the foregoing, at the time of the IPO, the Company's business and
10 financial prospects were not what defendants had led the market to believe they were in the Registration
11 Statement.

12 49. Pursuant to Item 303 of Regulation S-K, 17 C.F.R. §229.303, and the SEC's related
13 interpretive releases thereto, issuers are required to disclose events or uncertainties, including any
14 known trends, that have had or are reasonably likely to cause the registrant's financial information not
15 to be indicative of future operating results. At the time of the IPO, unbeknownst to investors, Apigee's
16 business was experiencing negative trends and uncertainties that were likely to materially impact its
17 continuing operations and future results, as detailed herein. First, Amazon, upon whose infrastructure
18 Apigee's own API platform was running – giving Amazon direct access to exactly how Apigee serviced
19 its customer accounts, who its customers were, what its customer demand was, and what Amazon
20 would need to provide those customers to obtain them from Apigee – was actually in the process of
21 launching its own Amazon API Gateway. Second, the reported revenues for two of the quarters
22 immediately preceding the IPO included revenues from several unusually large transactions that had not
23 repeated – and were not repeating – rendering the Registration Statement's emphasis on the Company's
24 strong revenue and billings growth materially false and misleading. Third, the Company was
25 experiencing reduced demand for direct sales of its product offerings, which had required the Company
26 to begin focusing its efforts on selling its products indirectly through channel partners. And fourth, as a
27 result, Apigee's billings growth had actually declined in the months leading up to the IPO and was
28 continuing to decline at the time of the IPO. The adverse events and uncertainties associated with each

1 of these negative trends were reasonably likely to have a material impact on Apigee’s profitability, and,
2 therefore, were required to be disclosed in the Registration Statement, but were not.

3 50. The Registration Statement also needed to furnish the information called for under Item
4 503 of Regulation S-K, 17 C.F.R. §229.503, including, among other things, a “discussion of the most
5 significant factors that make the offering speculative or risky.” The risk disclosures in the Registration
6 Statement negligently failed to advise investors about significant, then-existing (as opposed to potential)
7 factors that made the IPO more speculative or risky than the Registration Statement disclosed.
8

9 51. First, the Registration Statement referred to pages and pages of generalized “Risk
10 Factors” and additional “risks and uncertainties” that Apigee was purportedly “unaware of” or that were
11 “not material.” “If any of the following risks occur,” it “could” “materially and adversely affect[.]”
12 Apigee’s “business, financial condition, operating results and prospects,” the Registration Statement
13 stated. But many of these statements were ineffective boilerplate, materially false and misleading, and
14 omitted material then-current factual information. None of them disclosed that Apigee’s billings
15 growth had been declining for the two quarters preceding the IPO, that the recent quarterly revenues
16 included in the Registration Statement included large one-time deals that were not repeating, or that
17 Apigee had been experiencing reduced demand for direct sales of its product offerings requiring the
18 Company to begin focusing its efforts on selling its products indirectly through channel partners prior to
19 its IPO.

20 52. Moreover, the Registration Statement failed in any way to warn that Amazon, upon
21 whose infrastructure Apigee’s own platform was running – giving Amazon direct access to exactly how
22 Apigee serviced its customer accounts, who its customers were, what its customers’ demands were, and
23 what Amazon would need to provide those customers to obtain them from Apigee – was actually in the
24 process of launching its own Amazon API Gateway at the time of the IPO. This glaring omission is
25 demonstrated by comparing the risk disclosure contained in the Registration Statement concerning the
26 competition Apigee faced at the time of the IPO with the risk disclosure contained in the Company’s
27 post-IPO Annual Report to Shareholders filed with the SEC on Form 10-K on October 14, 2015 for the
28 fiscal year ended July 31, 2015 (the “2015 10-K”):

1 • **Competition Risk Disclosure in Registration Statement:**

2 *We may not be able to compete successfully against current and future competitors.*

3 ... Beyond in-house or custom IT development efforts, our competitors include, among others, International Business Machines Corporation and Oracle Corporation, both of which can bundle competing products and services with other software offerings, or offer them at a low price as part of a larger sale.

6 • **Competition Risk Disclosure in 2015 10-K:**

7 *We may not be able to compete successfully against current and future competitors.*

8 ... Beyond in-house or custom IT development efforts, our competitors include, among others, International Business Machines Corporation and Oracle Corporation, both of which can bundle competing products and services with other software offerings, or offer them at a low price as part of a larger sale. *In addition, Amazon Web Services recently introduced a gateway functionality in a product called AWS Gateway, which functionality is a subset of that offered by the API Services component of our Apigee Edge solution.*

11 53. While following its IPO the Company tried to significantly downplay the potential competition from Amazon's API Gateway, characterizing Amazon's API offerings as only providing a small subset of the API management services Apigee provided and wholly ignoring the informational advantage Amazon had over Apigee in its selling efforts due to the fact that Apigee runs its system on Amazon's infrastructure, the description of Amazon's API Gateway provided on its own website proved much more fulsome, stating in pertinent part as follows:

18 **Amazon API Gateway**

19 *Amazon API Gateway is a fully managed service that makes it easy for developers to create, publish, maintain, monitor, and secure APIs at any scale.* With a few clicks in the AWS Management Console, you can create an API that acts as a "front door" for applications to access data, business logic, or functionality from your back-end services, *such as workloads running on Amazon Elastic Compute Cloud (Amazon EC2), code running on AWS Lambda, or any Web application. Amazon API Gateway handles all the tasks involved in accepting and processing up to hundreds of thousands of concurrent API calls, including traffic management, authorization and access control, monitoring, and API version management.* Amazon API Gateway has no minimum fees or startup costs. You pay only for the API calls you receive and the amount of data transferred out.²

25 54. Indeed, *InfoWorld's* September 11, 2015 report addressing Amazon's launch of its API Gateway also highlighted the substantial competitive threat Amazon's API Gateway presented to

28 ² Available at <https://aws.amazon.com/api-gateway> (last visited June 16, 2017).

1 Apigee's offerings, noting that any specific tool Amazon's API Gateway did not then presently provide
 2 could easily be added *to the extent customers actually wanted it*, and that where customers were
 3 already using Amazon's own webservice, *as many were*, those customers would likely prefer adopting
 4 Amazon's API Gateway rather than Apigee's competing products, because it would allow them to work
 5 within a single vendor's system (rather than multiple vendors' systems), stating in pertinent part as
 6 follows:

7 **Businesses Will Eat Up Amazon API Gateway**

8 **Apigee, Mashery, MuleSoft, and WSO2 pioneered the technology, but AWS is
 9 about to make it mainstream**

10 Last month, Amazon Web Services introduced the Amazon API Gateway, a tool
 11 that can be used to expose and manage APIs as Web services. The API Gateway does
 12 not provide anything new, so you might have skipped over the announcement. *But its
 13 easy fit with other services like AWS Lambda could make it the API management
 14 layer of choice for most enterprises that use AWS. That's most enterprises, period,
 15 given AWS's broad adoption by business.*

16 Amazon API Gateway's out-of-the-box integration is what most enterprises will
 17 find most attractive. *Competing API management tools such as those from Apigee,
 18 Mashery, MuleSoft, and WSO2 require much more integration work.*

19 However, Amazon API Gateway is not as mature as those competitors, which
 20 are on their fifth or sixth generation. What Amazon API Gateway lacks is a common
 21 and shareable API repository, detailed API usage tracking, and a detailed dashboard for
 22 API performance. *But you can expect that AWS will add those features in the next
 23 version.*

24 * * *

25 With the cloud becoming mainstream, *AWS is entering into API management
 26 precisely to help IT do that – within AWS environments, of course. Amazon API
 27 Gateway's deep integration with the many other AWS cloud services will take this
 28 once-esoteric technology mainstream.*

55. The IPO was successful for the defendants, who sold 5,115,000 shares of Apigee
 common stock, raising nearly \$87 million in gross proceeds (\$80.9 million net of underwriting fees and
 IPO costs).

56. However, the price of Apigee common stock plummeted as the market learned,
 following the IPO, that the Company's business metrics and financial prospects were not as strong as
 had been represented in the Registration Statement. As a result, the price of Apigee common stock
 traded as low as \$5.14 per share in intraday trading, and traded well below \$8.00 per share at the time

1 the first class action complaint was filed alleging violations of the 1933 Act, or approximately 50%
2 below the price the stock was sold at in the IPO.

3 CLASS ACTION ALLEGATIONS

4 57. Plaintiff brings this action as a class action on behalf of all those who purchased Apigee
5 common stock pursuant to the Registration Statement issued in connection with the IPO (the "Class").
6 Excluded from the Class are defendants and their families, the officers, directors and affiliates of
7 defendants, at all relevant times, members of their immediate families and their legal representatives,
8 heirs, successors or assigns, and any entity in which defendants have or had a controlling interest.

9 58. The members of the Class are so numerous that joinder of all members is impracticable.
10 While the exact number of Class members is unknown to plaintiff at this time and can only be
11 ascertained through appropriate discovery, plaintiff believes that there are hundreds of members in the
12 proposed Class. Record owners and other members of the Class may be identified from records
13 maintained by Apigee or its transfer agent and may be notified of the pendency of this action by mail,
14 using the form of notice similar to that customarily used in securities class actions.

15 59. Plaintiff's claims are typical of the claims of the members of the Class as all members of
16 the Class are similarly affected by defendants' wrongful conduct in violation of federal law that is
17 complained of herein.

18 60. Plaintiff will fairly and adequately protect the interests of the members of the Class and
19 has retained counsel competent and experienced in class and securities litigation.

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

- 23 (a) whether defendants violated the 1933 Act;
- 24 (b) whether statements made by defendants to the investing public in the Registration
25 Statement misrepresented material facts about the business and operations of Apigee; and
- 26 (c) to what extent the members of the Class have sustained damages and the proper
27 measure of damages.

1 could not have reasonably discovered those facts prior to the disclosures herein. Less than one year
 2 elapsed from the time that plaintiff discovered, or reasonably could have discovered, the facts upon
 3 which this Cause of Action is based to the time that the initial complaint was filed asserting claims
 4 arising out of the Registration Statement. Less than three years elapsed from the time that the securities
 5 upon which this Cause of Action is brought were offered in good faith to the public to the time that the
 6 initial complaint was filed. Moreover, each of the claims at issue in this action were alleged in a timely
 7 manner on behalf of a class, including plaintiff, in the action now captioned as *In re Apigee Corp.*
 8 *Shareholder Litig.*, Master File No. CIV 537817, as well as similarly related actions, and any statute of
 9 limitations or repose applicable to this action were tolled based upon the filing of the claims in that
 10 action.

11 **SECOND CAUSE OF ACTION**

12 **For Violation of §15 of the 1933 Act**
 13 **Against All Defendants**

14 72. Plaintiff incorporates ¶¶1-71 by reference.

15 73. This Cause of Action is brought pursuant to §15 of the 1933 Act, 15 U.S.C. §77o,
 16 against all defendants.

17 74. The Individual Defendants were each control persons of Apigee by virtue of their
 18 positions as directors and/or senior officers of Apigee. The Individual Defendants each had a series of
 19 direct and/or indirect business and/or personal relationships with other directors and/or officers and/or
 20 major shareholders of Apigee. Apigee controlled the Individual Defendants and all of its employees.

21 **PRAYER FOR RELIEF**

22 WHEREFORE, plaintiff prays for relief and judgment as follows:

23 A. Determining that this action is a proper class action, certifying plaintiff as a Class
 24 representative under California Rule of Court 3.764 and California Code of Civil Procedure §382, and
 25 appointing Robbins Geller Rudman & Dowd LLP as Class counsel;

26 B. Awarding compensatory damages in favor of plaintiff and the other Class members
 27 against all defendants, jointly and severally, for all damages sustained as a result of defendants'
 28 wrongdoing, in an amount to be proven at trial, including interest thereon;

- 1 C. Awarding rescission or a rescissory measure of damages;
- 2 D. Awarding plaintiff and the Class their reasonable costs and expenses incurred in this
- 3 action, including counsel fees and expert fees; and
- 4 E. Awarding such equitable/injunctive or other relief as deemed appropriate by the Court.

5 **JURY DEMAND**

6 Plaintiff hereby demands a trial by jury.

7 DATED: June 22, 2017

ROBBINS GELLER RUDMAN
& DOWD LLP
JAMES I. JACONETTE
THOMAS E. EGLER

9
10 

11 THOMAS E. EGLER

12 655 West Broadway, Suite 1900
13 San Diego, CA 92101-8498
14 Telephone: 619/231-1058
15 619/231-7423 (fax)

16 ROBBINS GELLER RUDMAN
17 & DOWD LLP
18 SHAWN A. WILLIAMS
19 One Montgomery Street, Suite 1800
20 San Francisco, CA 94104
21 Telephone: 415/288-4545
22 415/288-4534 (fax)

23 Attorneys for Plaintiff

CM-010

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address): Thomas E. Egler (189871) Robbins Geller Rudman & Dowd LLP 655 West Broadway, Suite 1900 San Diego, CA 92101 TELEPHONE NO.: 619/231-1058 FAX NO.: 619/231-7423 ATTORNEY FOR (Name): Seafarers Officers & Employees Pension Plan	FOR COURT USE ONLY ENDORSED FILED SAN MATEO COUNTY JUN 22 2017 CLERK OF SUPERIOR COURT JANA FINAU COUNTY CLERK
SUPERIOR COURT OF CALIFORNIA, COUNTY OF San Mateo STREET ADDRESS: 400 County Center, 4th Floor MAILING ADDRESS: CITY AND ZIP CODE: Redwood City, CA 94063 BRANCH NAME: Hall of Justice and Records	
CASE NAME: Seafarers Officers & Employees Pension Plan v. Apigee Corporation	
CIVIL CASE COVER SHEET <input checked="" type="checkbox"/> Unlimited (Amount demanded exceeds \$25,000) <input type="checkbox"/> Limited (Amount demanded is \$25,000 or less)	Complex Case Designation <input type="checkbox"/> Counter <input type="checkbox"/> Joinder Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)
	CASE NUMBER: 17CV02788 JUDGE: DEPT:

Items 1-6 below must be completed (see instructions on page 2).

1. Check one box below for the case type that best describes this case:

Auto Tort <input type="checkbox"/> Auto (22) <input type="checkbox"/> Uninsured motorist (46) Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort <input type="checkbox"/> Asbestos (04) <input type="checkbox"/> Product liability (24) <input type="checkbox"/> Medical malpractice (45) <input type="checkbox"/> Other PI/PD/WD (23) Non-PI/PD/WD (Other) Tort <input type="checkbox"/> Business tort/unfair business practice (07) <input type="checkbox"/> Civil rights (08) <input type="checkbox"/> Defamation (13) <input type="checkbox"/> Fraud (16) <input type="checkbox"/> Intellectual property (19) <input type="checkbox"/> Professional negligence (25) <input type="checkbox"/> Other non-PI/PD/WD tort (35) Employment <input type="checkbox"/> Wrongful termination (36) <input type="checkbox"/> Other employment (15)	Contract <input type="checkbox"/> Breach of contract/warranty (06) <input type="checkbox"/> Rule 3.740 collections (09) <input type="checkbox"/> Other collections (09) <input type="checkbox"/> Insurance coverage (18) <input type="checkbox"/> Other contract (37) Real Property <input type="checkbox"/> Eminent domain/Inverse condemnation (14) <input type="checkbox"/> Wrongful eviction (33) <input type="checkbox"/> Other real property (26) Unlawful Detainer <input type="checkbox"/> Commercial (31) <input type="checkbox"/> Residential (32) <input type="checkbox"/> Drugs (38) Judicial Review <input type="checkbox"/> Asset forfeiture (05) <input type="checkbox"/> Petition re: arbitration award (11) <input type="checkbox"/> Writ of mandate (02) <input type="checkbox"/> Other judicial review (39)	Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 3.400-3.403) <input type="checkbox"/> Antitrust/Trade regulation (03) <input type="checkbox"/> Construction defect (10) <input type="checkbox"/> Mass tort (40) <input checked="" type="checkbox"/> Securities litigation (28) <input type="checkbox"/> Environmental/Toxic tort (30) <input type="checkbox"/> Insurance coverage claims arising from the above listed provisionally complex case types (41) Enforcement of Judgment <input type="checkbox"/> Enforcement of judgment (20) Miscellaneous Civil Complaint <input type="checkbox"/> RICO (27) <input type="checkbox"/> Other complaint (not specified above) (42) Miscellaneous Civil Petition <input type="checkbox"/> Partnership and corporate governance (21) <input type="checkbox"/> Other petition (not specified above) (43)
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2. This case is is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:

a. <input checked="" type="checkbox"/> Large number of separately represented parties	d. <input checked="" type="checkbox"/> Large number of witnesses
b. <input checked="" type="checkbox"/> Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve	e. <input type="checkbox"/> Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court
c. <input checked="" type="checkbox"/> Substantial amount of documentary evidence	f. <input type="checkbox"/> Substantial postjudgment judicial supervision

3. Remedies sought (check all that apply): a. monetary b. nonmonetary; declaratory or injunctive relief c. punitive

4. Number of causes of action (specify): Two

5. This case is is not a class action suit.

6. If there are any known related cases, file and serve a notice of related case. (You may use form CM-015.)

Date: June 22, 2017
 Thomas E. Egler
 (TYPE OR PRINT NAME)

 (SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

NOTICE

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

FILE BY FAX

INSTRUCTIONS ON HOW TO COMPLETE THE COVER SHEET

To Plaintiffs and Others Filing First Papers. If you are filing a first paper (for example, a complaint) in a civil case, you **must** complete and file, along with your first paper, the *Civil Case Cover Sheet* contained on page 1. This information will be used to compile statistics about the types and numbers of cases filed. You must complete items 1 through 6 on the sheet. In item 1, you must check **one** box for the case type that best describes the case. If the case fits both a general and a more specific type of case listed in item 1, check the more specific one. If the case has multiple causes of action, check the box that best indicates the **primary** cause of action. To assist you in completing the sheet, examples of the cases that belong under each case type in item 1 are provided below. A cover sheet must be filed only with your initial paper. Failure to file a cover sheet with the first paper filed in a civil case may subject a party, its counsel, or both to sanctions under rules 2.30 and 3.220 of the California Rules of Court.

To Parties in Rule 3.740 Collections Cases. A "collections case" under rule 3.740 is defined as an action for recovery of money owed in a sum stated to be certain that is not more than \$25,000, exclusive of interest and attorney's fees, arising from a transaction in which property, services, or money was acquired on credit. A collections case does not include an action seeking the following: (1) tort damages, (2) punitive damages, (3) recovery of real property, (4) recovery of personal property, or (5) a prejudgment writ of attachment. The identification of a case as a rule 3.740 collections case on this form means that it will be exempt from the general time-for-service requirements and case management rules, unless a defendant files a responsive pleading. A rule 3.740 collections case will be subject to the requirements for service and obtaining a judgment in rule 3.740.

To Parties in Complex Cases. In complex cases only, parties must also use the *Civil Case Cover Sheet* to designate whether the case is complex. If a plaintiff believes the case is complex under rule 3.400 of the California Rules of Court, this must be indicated by completing the appropriate boxes in items 1 and 2. If a plaintiff designates a case as complex, the cover sheet must be served with the complaint on all parties to the action. A defendant may file and serve no later than the time of its first appearance a joinder in the plaintiff's designation, a counter-designation that the case is not complex, or, if the plaintiff has made no designation, a designation that the case is complex.

CASE TYPES AND EXAMPLES**Auto Tort**

- Auto (22)—Personal Injury/Property Damage/Wrongful Death
- Uninsured Motorist (46) (*if the case involves an uninsured motorist claim subject to arbitration, check this item instead of Auto*)

Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort

- Asbestos (04)
 - Asbestos Property Damage
 - Asbestos Personal Injury/Wrongful Death
- Product Liability (*not asbestos or toxic/environmental*) (24)
- Medical Malpractice (45)
 - Medical Malpractice—Physicians & Surgeons
 - Other Professional Health Care Malpractice
- Other PI/PD/WD (23)
 - Premises Liability (e.g., slip and fall)
 - Intentional Bodily Injury/PD/WD (e.g., assault, vandalism)
 - Intentional Infliction of Emotional Distress
 - Negligent Infliction of Emotional Distress
 - Other PI/PD/WD

Non-PI/PD/WD (Other) Tort

- Business Tort/Unfair Business Practice (07)
- Civil Rights (e.g., discrimination, false arrest) (*not civil harassment*) (08)
- Defamation (e.g., slander, libel) (13)
- Fraud (16)
- Intellectual Property (19)
- Professional Negligence (25)
 - Legal Malpractice
 - Other Professional Malpractice (*not medical or legal*)
- Other Non-PI/PD/WD Tort (35)

Employment

- Wrongful Termination (36)
- Other Employment (15)

Contract

- Breach of Contract/Warranty (06)
 - Breach of Rental/Lease
 - Contract (*not unlawful detainer or wrongful eviction*)
 - Contract/Warranty Breach—Seller Plaintiff (*not fraud or negligence*)
 - Negligent Breach of Contract/Warranty
 - Other Breach of Contract/Warranty
- Collections (e.g., money owed, open book accounts) (09)
 - Collection Case—Seller Plaintiff
 - Other Promissory Note/Collections Case
- Insurance Coverage (*not provisionally complex*) (18)
 - Auto Subrogation
 - Other Coverage
- Other Contract (37)
 - Contractual Fraud
 - Other Contract Dispute

Real Property

- Eminent Domain/Inverse Condemnation (14)
- Wrongful Eviction (33)
- Other Real Property (e.g., quiet title) (26)
 - Writ of Possession of Real Property
 - Mortgage Foreclosure
 - Quiet Title
 - Other Real Property (*not eminent domain, landlord/tenant, or foreclosure*)

Unlawful Detainer

- Commercial (31)
- Residential (32)
- Drugs (38) (*if the case involves illegal drugs, check this item; otherwise, report as Commercial or Residential*)

Judicial Review

- Asset Forfeiture (05)
- Petition Re: Arbitration Award (11)
- Writ of Mandate (02)
 - Writ—Administrative Mandamus
 - Writ—Mandamus on Limited Court Case Matter
 - Writ—Other Limited Court Case Review
- Other Judicial Review (39)
 - Review of Health Officer Order
 - Notice of Appeal—Labor Commissioner Appeals

Provisionally Complex Civil Litigation (Cal. Rules of Court Rules 3.400–3.403)

- Antitrust/Trade Regulation (03)
- Construction Defect (10)
- Claims Involving Mass Tort (40)
- Securities Litigation (28)
- Environmental/Toxic Tort (30)
- Insurance Coverage Claims (*arising from provisionally complex case type listed above*) (41)

Enforcement of Judgment

- Enforcement of Judgment (20)
 - Abstract of Judgment (Out of County)
 - Confession of Judgment (*non-domestic relations*)
 - Sister State Judgment
 - Administrative Agency Award (*not unpaid taxes*)
 - Petition/Certification of Entry of Judgment on Unpaid Taxes
 - Other Enforcement of Judgment Case

Miscellaneous Civil Complaint

- RICO (27)
- Other Complaint (*not specified above*) (42)
 - Declaratory Relief Only
 - Injunctive Relief Only (*non-harassment*)
 - Mechanics Lien
 - Other Commercial Complaint Case (*non-tort/non-complex*)
 - Other Civil Complaint (*non-tort/non-complex*)

Miscellaneous Civil Petition

- Partnership and Corporate Governance (21)
- Other Petition (*not specified above*) (43)
 - Civil Harassment
 - Workplace Violence
 - Elder/Dependent Adult Abuse
 - Election Contest
 - Petition for Name Change
 - Petition for Relief From Late Claim
 - Other Civil Petition