

## *In re Oracle Corporation Securities Litigation*

**COURT:** United States District Court for the Northern District of California  
**CASE NUMBER:** 5:18-cv-04844  
**CLASS PERIOD:** 05/10/2017 - 06/20/2018  
**CASE LEADERS:** John Rizio-Hamilton, Jonathan D. Uslaner  
**CASE TEAM:** Jonathan G. D'Errico, Ryan Candee

This action asserts claims under Sections 10(b), 20(a), and 20A of the Securities Exchange Act of 1934, and SEC Rule 10b-5 promulgated thereunder on behalf of a class of persons and entities who purchased or otherwise acquired shares in Oracle Corporation ("Oracle" or the "Company") from May 10, 2017 through June 20, 2018, inclusive (the "Class Period"). Defendants include the Company and certain of the Company's current and former senior executives (collectively, "Defendants").

### **Lead Plaintiff Has Settled the Action for \$17.5 Million**

Lead Plaintiff Union Asset Management Holding AG, on behalf of itself and the Court-certified Class, has reached a settlement of the Action for \$17,500,000 in cash (the "Settlement").

On January 12, 2023, the Court held a hearing to consider final approval of the Settlement and related matters. On January 13, 2023, the Court entered a final Judgment approving the Settlement and orders approving the Plan of Allocation and awarding attorney's fees and litigation expenses.

The Class consists of:

all persons and entities who purchased or otherwise acquired the common stock of Oracle during the period from May 10, 2017 through June 20, 2018, inclusive (the "Class Period"), and who were damaged thereby.

Certain persons and entities are excluded from the Class by definition (see paragraph 17 of the Notice) or if they requested exclusion from the Class pursuant to the instructions set forth in the Notice (see paragraphs 40 to 43 of the Notice).

Please read the Notice to fully understand your rights. A copy of the Notice can be found in the Case Documents list on the right of this page. You may also visit the case website, [OracleSecuritiesLitigation.com](https://www.OracleSecuritiesLitigation.com), for more information about the Settlement.

### **Background and History of the Litigation**

The Court appointed Union Asset Management Holding AG as Lead Plaintiff, and BLB&G as Lead Counsel, on December 21, 2018.

Oracle is one of the world's largest software companies. Among other things, the Company offers both on-premises and cloud solutions to a variety of end users. Historically, Oracle's revenues were driven by the sale of the Company's on-premises software services, but those revenues stagnated in recent years, forcing Oracle to shift to cloud-based programs.

Throughout the Class Period, Defendants reported that Oracle's cloud revenues were growing at extremely rapid rates, and repeatedly emphasized that the "hypergrowth" in Oracle's all-important cloud business demonstrated that it had successfully pivoted its business model to cloud-based technology. In addition, Defendants attributed

that growth to a variety of supposedly legitimate factors and initiatives, including that its “products are better” its “sales force is better” and its “ability to implement is better.” Lead Plaintiffs alleges that, in truth, Oracle drove sales of cloud products in two ways: (i) by threatening its customers with very costly “audits” of their use of the Company’s non-cloud software unless the customers agreed to shift their business to Oracle’s cloud programs; and (ii) offering customers large discounts on on-premise products if they accepted short-term cloud contracts that they did not want and would likely not use. Lead Plaintiff alleges that the use of such tactics concealed the lack of real demand for Oracle’s cloud services, making Oracle’s cloud growth unsustainable and ultimately driving away customers.

Lead Plaintiff further alleges that the truth was revealed starting on December 14, 2017, when the Company disclosed that cloud revenue growth had stagnated and forecasted significantly slower sales growth for its cloud business. On March 19, 2018, Oracle reported even slower cloud growth, heightening the market’s concern regarding Oracle’s cloud business. On June 14, 2018, JP Morgan issued a report indicating that it had performed a large-scale survey of Chief Information Officers and found that Oracle was highly unpopular due to its business tactics and the lack of value in its cloud products. Finally, on June 19, 2018, Oracle reported that it would no longer separately report financial results or guidance for its cloud business, decreasing transparency as to cloud revenue growth. As a result of these disclosures, the price of the Company’s stock declined significantly.

Lead Plaintiff filed its amended complaint on March 8, 2019 and Defendants filed a motion to dismiss on April 19, 2019. Lead Plaintiff filed its opposition on May 31, 2019, and Defendants filed their reply on June 21, 2019. Oral argument on the motion to dismiss was heard on October 17, 2019. The Court dismissed Plaintiff’s claims on December 17, 2019 with leave to amend its complaint. Lead Plaintiff filed its second amended complaint on February 17, 2020. Defendants’ filed their motion to dismiss on April 23, 2020. Lead Plaintiff filed its opposition on June 30, 2020. The Court heard oral argument on the renewed motion to dismiss on September 24, 2020.

On March 22, 2021, the Court granted in part and denied in part Defendants’ motion to dismiss, and discovery commenced. On October 8, 2021, Lead Plaintiff filed its motion for class certification. Defendants filed their opposition to Lead Plaintiff’s motion on December 9, 2021. On February 9, 2022, Lead Plaintiff filed its reply brief in further support of its motion for class certification. Oral argument on the motion for class certification was heard on March 24, 2022. On May 9, 2022, the Court granted Lead Plaintiff’s motion for class certification.

On June 23, 2022, the Parties entered into a Stipulation and Agreement of Settlement, which provides for complete settlement of the Action in return for payment of \$17.5 million for the benefit of the Class, subject to approval of the Court.

On September 15, 2022, following a hearing, the Court preliminarily approved the Settlement, authorized sending notice of the Settlement to potential Class Members, and scheduled a final Settlement Hearing for January 12, 2023 to consider whether to grant final approval to the Settlement.

On January 12, 2023, the Court held the final Settlement Hearing to consider final approval of the Settlement and related matters. On January 13, 2023, the Court entered a Judgment finally approving the Settlement and entered orders approving the Plan of Allocation and awarding attorney’s fees and litigation expenses. The deadline for submission of Claim Forms was February 3, 2023.

The claims administration was completed in February 2024. On March 14, 2024, Counsel filed its Distribution Motion. The Court approved the motion on March 15, 2024. The Claims Administrator conducted the initial

distribution of the Net Settlement Fund to eligible claimants in May 2024. Subsequent distributions will occur on a rolling basis, provided that net settlement funds are available.

## Case Documents

- Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Fairness Hearing; and (III) Motion for Attorneys' Fees and Litigation Expenses ("Notice")
- August 22, 2024 - Post-Distribution Accounting Report
- March 15, 2024 - Order Granting Motion for Approval of Distribution Plan
- March 14, 2024 - Unopposed Motion for Approval of Distribution Plan
- March 14, 2024 - Declaration of Jack Ewashko in Support of Unopposed Motion for Approval of Distribution Plan
- January 13, 2023 - Judgment Approving Class Action Settlement
- January 13, 2023 - Order Approving Plan of Allocation of Net Settlement Fund
- January 13, 2023 - Order Awarding Attorneys' Fees and Litigation Expenses
- January 5, 2023 - Reply Memorandum in Further Support of (I) Motion for Final Approval of Settlement, and (II) Motion for Attorneys' Fees & Expenses
- December 8, 2022 - Lead Plaintiff's Motion for Final Approval of Settlement and Plan of Allocation
- December 8, 2022 - Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses
- December 8, 2022 - Declaration of Jonathan D. Uslaner in Support of (A) Motion for Final Approval of Settlement and Plan of Allocation, and (B) Motion for Attorney's Fees & Litigation Expenses
- September 15, 2022 - Order Preliminarily Approving Settlement and Providing for Notice
- July 11, 2022 - Lead Plaintiff's Unopposed Motion For Preliminary Approval of Settlement
- June 23, 2022 - Stipulation and Agreement of Settlement
- May 9, 2022 - Order Granting Lead Plaintiff Union Asset Management Holdings AG's Motion for Class Certification
- March 22, 2021 - Order Granting in Part and Denying in Part Defendants' Motion to Dismiss
- February 17, 2020 - Amended Consolidated Class Action Complaint for Violations of the Federal Securities Laws
- March 8, 2019 - Consolidated Class Action Complaint for Violations of the Federal Securities Laws