In re Plantronics, Inc. Securities Litigation

COURT: United States District Court for the Northern District of California
CASE NUMBER: 4:19-cv-07481-JST
CLASS PERIOD: 08/07/2018 - 11/05/2019
CASE LEADERS: Lauren A. Ormsbee
CASE TEAM: Jonathan G. D'Errico, Alexander Noble

Securities fraud class action filed on behalf of a class of persons and entities who purchased or acquired the securities of Plantronics Inc. ("Plantronics" or "the Company") between July 2, 2018 and November 5, 2019 (the "Class Period"). The action, filed in the United States District Court of the Northern District of California, alleges violations of the federal securities laws – in that the Company misled investors about the amount of sales the company was achieving by engaging in a scheme of channel stuffing.

Plantronics, incorporated in Delaware and headquartered in Santa Cruz, California, designs, manufactures, and markets integrated communications and collaboration solutions including products such as headsets, Open SIP desktop phones, audio and videoconferencing equipment, and cloud management and analytics software. The Company sells its products around the world through numerous channel partners such as CDW and Comcast Business.

Plaintiffs allege that, throughout the Class Period, Plantronics made materially false or misleading statements, failing to disclose that (1) the Company had engaged in channel stuffing to artificially increase its sales; (2) the Company's internal controls over inventory levels were not effective; and (3) the Company had not adequately monitored inventory levels leading up to multiple product launches.

On November 5, 2019, Plantronics disclosed a $65 million reduction in channel inventory "by reducing sales to channel partners" and significantly lowered its fiscal 2020 guidance. The same day, Plantronics announced that the Executive Vice President of Global Sales, Jeff Loebbaka, was departing the Company. On that news, the price of Plantronics common stock fell $14.44 per share, or 36.61%, from a closing price of $39.44 on November 5, 2019, to close at $25.00 per share on November 6, 2019, on extremely elevated trading volume.

On February 13, 2020, the Honorable Jon S. Tigar appointed Bernstein Litowitz co-lead counsel, representing Roofers' Pension Fund. On June 5, 2020, Lead Plaintiffs filed an amended complaint. Defendants moved to dismiss the amended complaint on August 7, 2020, and on March 29, 2021, the Court dismissed the amended complaint without prejudice. On June 22, 2021, Lead Plaintiffs filed the Second Amended Complaint to cure pleading deficiencies identified by the Court. Defendants moved to dismiss the Second Amended Complaint on September 7, 2021, and the Court denied Defendants' motion in part on August 17, 2022. Defendants moved the Court for leave to file a motion to reconsider its order denying Defendants' motion to dismiss on September 2, 2022, which the Court denied on November 7, 2022.

Plaintiffs filed a motion to amend the complaint on October 20, 2023. Defendants filed a brief in opposition on November 21, 2023, and Plaintiffs filed a reply brief on December 21, 2023.

Plaintiffs filed a motion for class certification on February 8, 2024. Defendants' opposition brief is due on March 21, 2024, and Plaintiffs' reply brief is due on April 18, 2024, with a hearing scheduled for May 30, 2024.

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The parties have commenced discovery. The parties have propounded and responded to written discovery requests and have begun taking depositions, and Lead Plaintiffs have pursued document discovery from relevant third parties. The parties attended a mediation on June 22,2023 and were unsuccessful in reaching a settlement agreement.

Case Documents

- August 17, 2022 - Order on Motion to Dismiss
- June 22, 2021 - Second Amended Complaint
- June 15, 2020 - Amended Complaint for Violations of the Federal Securities Laws
- February 13, 2020 - Stipulation and Order Appointing Lead Plaintiff and Approving Their Selection of Lead Counsel

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