

Felix v. Symantec Corporation et al.

COURT: United States District Court for the Northern District of California
CASE NUMBER: 3:18-cv-02902-WHA
JUDGE: Hon. William Alsup
CLASS PERIOD: 05/11/2017 - 08/02/2018
CASE CONTACTS: Salvatore J. Graziano, Jeroen van Kwawegen, Jeremy P. Robinson, Rebecca E. Boon

This is a securities fraud class action filed on behalf of all persons or entities who purchased or otherwise acquired publicly-traded common stock of Symantec Corporation (“Symantec” or the “Company”) during the period the period from May 11, 2017, to August 2, 2018, inclusive (the “Class Period”), and who were damaged thereby (the “Class”). The action alleges claims pursuant to Sections 10(b), 20(a), and 20A of the Securities Exchange Act of 1934 against Symantec, the world’s largest provider of cyber security software and services, and its former Chief Executive Officer, Gregory S. Clark.

Commenced on May 17, 2018, the case arises from an alleged accounting fraud that manipulated Symantec’s reported financial results to trigger compensation awards for its top executives. Specifically, during the Class Period, Symantec represented that it had accurately reported the Company’s non-GAAP financial measures, that it maintained effective internal controls over financial reporting, and that its executive compensation program aligned the interests of management and shareholders. In truth, the Company misrepresented its non-GAAP financial measures to meet financial targets used to determine compensation for the Company’s most senior officers.

On May 10, 2018, the truth began to emerge when Symantec announced that the Audit Committee of the Board of Directors had commenced an internal investigation into the Company’s accounting practices due to concerns raised by a whistleblower, that the Company had contacted the Securities and Exchange Commission regarding the matter, and that in light of the pending internal investigation Symantec would not be timely filing its annual report. On this news, Symantec’s stock price plummeted from \$29.18 per share on May 10, 2018 to \$19.52 per share on May 11, 2018, over 33%, erasing roughly \$6 billion of market capitalization. On August 2, 2018, after the market closed, Symantec filed a report with the SEC, disclosing that the Audit Committee’s investigation was “ongoing” and applied specifically to Symantec’s reported fourth quarter of fiscal year 2018 results. On August 3, 2018, Symantec’s share price fell by a further \$1.63, or approximately 8%.

On August 23, 2018, the court appointed SEB Investment Management AB (“SEB IM”) as Lead Plaintiff and subsequently approved SEB IM’s selection of BLB&G to serve as Lead Counsel for the Class.

On December 26, 2018, Defendants moved to dismiss to the Complaint. After full briefing, the Court heard argument at a hearing in San Francisco on January 31, 2019. On June 14, 2019, the Court dismissed the Complaint, granting Lead Plaintiff leave to file a motion to amend. Lead Plaintiff filed its Motion for Leave to File a First Amended Complaint on July 11, 2019. On July 16, 2019, after Lead Plaintiff filed its Motion, the Court unsealed certain relevant documents in a related derivative action. On July 23, 2019, Lead Plaintiff filed an Amended Motion for Leave to File a First Amended Complaint to include relevant information from said documents and other additional relevant facts uncovered in connection with Lead Plaintiff’s further investigation. The Court held a hearing on September 26 and granted Lead Plaintiff’s motion on October 2, 2019, sustaining Plaintiffs’ claims against Symantec and its former CEO and ordering Defendants to answer those claims. Lead Plaintiff filed its First Amended Complaint on October 11, 2019 to conform the pleading to the Court’s October 2 opinion. Defendants answered the complaint on November 7, 2019, and the case is now in discovery. Additionally, the parties completed briefing on Plaintiff’s motion for class certification on March 13, 2020. On May 8, 2020, the Court granted Plaintiff’s motion for class certification in full, certifying the entire Class for the

Class Period. The parties are now in fact discovery, which is scheduled to be completed on January 29, 2021. On September 14, 2020, the parties engaged in a Court-ordered mediation process before the Honorable Donna M. Ryu, which did not result in a settlement at that time

On May 8, 2020, the Court certified the Action to proceed as a class action. The Court certified a Class consisting of all persons and entities who purchased or otherwise acquired publicly-traded Symantec common stock during the period from May 11, 2017, to August 2, 2018, inclusive (the "Class Period"), and who were damaged thereby (the "Class"). The Class includes all persons or entities who purchased Symantec common stock contemporaneously with sales of Symantec common stock made or caused by Defendant Clark during the Class Period.

Please review the Notice of Pendency of Class Action to learn about your rights in the class action. If you wish to request exclusion from the Class, you must submit a request for exclusion in accordance with the instructions in the Notice by August 25, 2020. More information can be found on www.SymantecSecuritiesLitigation.com.