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9 **UNITED STATES DISTRICT COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA**

11 , Individually and on
12 behalf of all others similarly situated,

13 Plaintiff,

14 v.

15 TINTRI, INC., KEN KLEIN, and IAN
16 HALIFAX,

17 Defendants.

Case No.

**CLASS ACTION COMPLAINT FOR
VIOLATION OF THE FEDERAL
SECURITIES LAWS**

JURY TRIAL DEMANDED

19
20 Plaintiff (“Plaintiff”), individually and on behalf of all other
21 persons similarly situated, by Plaintiff’s undersigned attorneys, for Plaintiff’s
22 complaint against Defendants (defined below), alleges the following based upon
23 personal knowledge as to Plaintiff and Plaintiff’s own acts, and information and belief
24 as to all other matters, based upon, inter alia, the investigation conducted by and
25 through Plaintiff’s attorneys, which included, among other things, a review of
26 Defendants’ public documents, conference calls and announcements made by
27 Defendants, United States Securities and Exchange Commission (“SEC”) filings, wire
28 and press releases published by and regarding Tintri, Inc. (“Tintri” or the “Company”),

1 and information readily obtainable on the Internet. Plaintiff believes that substantial
2 evidentiary support will exist for the allegations set forth herein after a reasonable
3 opportunity for discovery.

4 **NATURE OF THE ACTION**

5 1. This is a federal securities class action on behalf of a class consisting of
6 all persons and entities other than Defendants who purchased or otherwise acquired the
7 publicly traded securities of Tintri pursuant and/or traceable to the Company's
8 Registration Statement and Prospectus (defined below) issued in connection with the
9 Company's initial public offering completed on or about June 30, 2017 (the "IPO"),
10 seeking to recover compensable damages caused by Defendants' violations of the
11 federal securities laws.

12 **JURISDICTION AND VENUE**

13 2. The claims asserted herein arise under and pursuant to §§11 and 15 of the
14 Securities Act of 1933 (the "Securities Act") (15 U.S.C. §§77k and 77o).

15 3. This Court has jurisdiction over this action pursuant to §22 of the
16 Securities Act (15 U.S.C. §77v) and 28 U.S.C. §1331.

17 4. Venue is properly laid in this District pursuant to §22 of the Securities Act
18 and 28 U.S.C. §1391(b) as the Company conducts business in this judicial district.

19 5. In connection with the acts, conduct and other wrongs alleged in this
20 complaint, Defendants, directly or indirectly, used the means and instrumentalities of
21 interstate commerce, including but not limited to, the United States mails, interstate
22 telephone communications and the facilities of the national securities exchange.

23 **PARTIES**

24 6. Plaintiff, as set forth in the accompanying certification, incorporated by
25 reference herein, purchased the Company's securities at artificially inflated prices
26 pursuant and/or traceable to the Company's IPO and was economically damaged
27 thereby.

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1 7. Defendant Tintri develops and markets an enterprise cloud platform
2 combining cloud management software technology and a range of all-flash storage
3 systems for virtualized and cloud environments in the United States and internationally.
4 Tintri is a Delaware corporation with its headquarters located at 303 Ravendale Drive,
5 Mountain View, California. The Company conducts business in Los Angeles,
6 California. Tintri securities trade on the Nasdaq Global Market (“NASDAQ”) under
7 the ticker “TNTR.”

8 8. Defendant Ken Klein (“Klein”) has been the Company’s Chairman and
9 Chief Executive Officer since October 2013.

10 9. Defendant Ian Halifax (“Halifax”) has been the Company’s Chief
11 Financial Officer since December 2013.

12 10. Defendants Klein and Halifax are collectively referred to herein as the
13 “Individual Defendants.”

14 11. Each of the Individual Defendants:

- 15 a. directly participated in the management of the Company;
- 16 b. was directly involved in the day-to-day operations of the Company
17 at the highest levels;
- 18 c. was privy to confidential proprietary information concerning the
19 Company and its business and operations;
- 20 d. was directly or indirectly involved in drafting, producing,
21 reviewing and/or disseminating the false and misleading statements
22 and information alleged herein;
- 23 e. was directly or indirectly involved in the oversight or
24 implementation of the Company’s internal controls;
- 25 f. was aware of or recklessly disregarded the fact that the false and
26 misleading statements were being issued concerning the Company;
27 and/or

1 g. approved or ratified these statements in violation of the federal
2 securities laws.

3 12. Tintri is liable for the acts of the Individual Defendants and its employees
4 under the doctrine of *respondeat superior* and common law principles of agency
5 because all of the wrongful acts complained of herein were carried out within the scope
6 of their employment.

7 13. The Company and Individual Defendants are collectively referred to
8 herein as “Defendants.”

9 **SUBSTANTIVE ALLEGATIONS**

10 14. Pursuant to the Securities Act, Defendants are strictly liable for material
11 misstatements in the Registration Statement and Prospectus, issued in connection with
12 the IPO. The Securities Act claims specifically exclude any allegations of fraud,
13 knowledge, recklessness or scienter, do not “sound in fraud” and based solely on strict
14 liability and negligence.

15 **Background**

16 15. On June 1, 2017, the Company filed a registration statement on Form S-1
17 with the SEC. The registration statement was subsequently amended, with the final
18 amended registration statement on Form S-1/A filed on June 29, 2017 (collectively, the
19 “Registration Statement”). The Registration Statement was declared effected by the
20 SEC on June 29, 2017.

21 16. The Registration Statement contained a preliminary prospectus. The final
22 prospectus was filed on June 30, 2017 (“Prospectus”).

23 17. On or about June 30, 2017, the Company completed its IPO, selling 8.572
24 million shares at \$7.00 per share and raising approximately \$60 million.

25 **Materially False and Misleading Statements**

26 18. The Registration Statement, signed by Defendants Klein and Halifax,
27 stated the following regarding the Company’s growth strategy:
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Our Growth Strategy

We intend to extend our position as a leader in providing enterprise cloud solutions to large organizations and CSPs. Key elements of our growth strategy include:

- Extend Our Differentiation in Enterprise Cloud through Continued Software Innovation. We plan to continue to invest in enhancing our CONNECT architecture and our enterprise cloud platform, and extending our portfolio of software products, thereby driving cross-selling and attach rates.
- Pursue Additional Large Organizations and CSPs. We intend to continue our sales efforts to further penetrate the Global 2000 enterprises and CSPs with the most demanding workloads and complex cloud requirements.
- Leverage Line of Business Buyers to Accelerate Adoption. We intend to continue to focus on selling to line of business buyers, who generally have their own IT budgets, and leverage those relationships to sell more broadly within their organizations.
- Increase Sales to Installed Base. We intend to continue expanding our footprint with our existing customers by supporting additional use cases and selling additional software products. These additional use cases include data protection and disaster recovery, to expand our total addressable market.
- Expand Sales and Marketing Presence in New and Existing Markets. We plan to expand our presence in both existing and new markets, including territories in the Middle East, Asia and Europe.
- Support Value-Add Channel Partners. We expect to focus our efforts on supporting those partners offering cloud services, including infrastructure “stacks” that include our solutions.
- Expand and Deepen Technology Partnerships and Integrations. We intend to expand and deepen our relationships with leading technology companies. We expect to continue to work closely with our partners to achieve certifications and integrations as well as to

1 seek additional partnerships that will allow us to address new
2 customer use cases and deployments.

3 19. The statements contained in ¶ 18 were materially false and/or misleading
4 because they misrepresented and failed to disclose the following adverse facts
5 pertaining to the Company's business, operations and prospects, which were known to
6 Defendants or recklessly disregarded by them. Specifically, Defendants made false
7 and/or misleading statements and/or failed to disclose that: (1) the Company
8 experienced distraction, disruption, and sales attrition during its IPO; and (2) as a result,
9 Defendants' statements about the Company's business, operations, and prospects were
10 materially false and misleading and/or lacked a reasonable basis at all relevant times.

11 20. On September 7, 2017, the Company held an earnings conference call for
12 the second quarter of 2018. During the call, Defendant Klein stated the following:

13 Now onto our second quarter results. And this is our first quarter as a
14 public company. ***Q2 revenue grew 27% over the same quarter a year ago,
15 at the low end of our expectations. This is primarily due to distraction,
16 disruption and some sales attrition occurred during and after our IPO.***
17 Following Mike McGuire's departure as Chief Sales Officer, we have
18 flattened our sales organization by moving to two sales regions North
19 America and international. I understand leadership about global sales
20 force and believe this change will help us improve go to market alignment,
21 velocity and execution.

22 (Emphasis added).

23 21. Shares of Tintri have plummeted since the IPO and currently trade below
24 \$5.00 per share—less than 65% of its IPO price.

25 22. As a result of Defendants' wrongful acts and omissions, and the
26 precipitous decline in the market value of the Company's securities, Plaintiff and other
27 Class members have suffered significant losses and damages.
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1 **PLAINTIFF’S CLASS ACTION ALLEGATIONS**

2 23. Plaintiff brings this action as a class action pursuant to Federal Rule of
3 Civil Procedure 23(a) and (b)(3) on behalf of a class consisting of all persons other than
4 defendants who purchased or otherwise acquired the publicly traded securities of Tintri
5 pursuant and/or traceable to the Company’s Registration Statement and Prospectus
6 issued in connection with the Company’s IPO and who were damaged thereby (the
7 “Class”). Excluded from the Class are Defendants, the officers and directors of the
8 Company, members of the Individual Defendants’ immediate families and their legal
9 representatives, heirs, successors or assigns and any entity in which the officers and
10 directors of the Company have or had a controlling interest.

11 24. The members of the Class are so numerous that joinder of all members is
12 impracticable. Since the IPO, the Company’s securities were actively traded on
13 NASDAQ. While the exact number of Class members is unknown to Plaintiff at this
14 time and can be ascertained only through appropriate discovery, Plaintiff believes that
15 there are hundreds, if not thousands of members in the proposed Class.

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

19 26. Plaintiff will fairly and adequately protect the interests of the members of
20 the Class and has retained counsel competent and experienced in class and securities
21 litigation. Plaintiff has no interests antagonistic to or in conflict with those of the Class.

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

- 25 a. whether Defendants’ acts as alleged violated the federal securities
- 26 laws;
- 27 b. whether Defendants’ statements to the investing public in the
- 28 Registration Statement and Prospectus misrepresented material

1 facts about the financial condition, business, operations, and
2 management of the Company; and
3 c. to what extent members of the Class have sustained damages and
4 what is the proper measure of damages.

5 28. A class action is superior to all other available methods for the fair and
6 efficient adjudication of this controversy since joinder of all members is impracticable.
7 Furthermore, as the damages suffered by individual Class members may be relatively
8 small, the expense and burden of individual litigation make it impossible for members
9 of the Class to individually redress the wrongs done to them. There will be no difficulty
10 in the management of this action as a class action.

11 **COUNT I**

12 **Violations of Section 11 of the Securities Act**
13 **Against All Defendants**

14 29. Plaintiff repeats and realleges each and every allegation contained in the
15 foregoing paragraphs as if fully set forth herein.

16 30. This claim is brought by Plaintiff and on behalf of other members of the
17 Class who purchased or otherwise acquired the Company's securities pursuant to or
18 traceable to the Company's IPO. Each member of the Class acquired his, her, or its
19 shares pursuant to and/or traceable to, and in reliance on, the Prospectus and
20 Registration Statement. The Company is the issuer of the securities through the
21 Prospectus and Registration Statement, on which the Individual Defendants were
22 signatories.

23 31. Defendants issued and disseminated, and caused to be issued and
24 disseminated, and participated in the issuance and dissemination of, material
25 misstatements and/or omissions to the investing public that were contained in the
26 Prospectus and Registration Statement, which misrepresented or failed to disclose,
27 among other things, the facts as set forth above. By reason of the conduct alleged
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1 herein, each Defendants violated and/or controlled a person who violated Section 11
2 of the Securities Act, 15 U.S.C. §77k.

3 32. The Company is the issuer of the securities sold via the Prospectus and
4 Registration Statement. As issuer of these securities, the Company is strictly liable to
5 Plaintiff and the Class members for the material misstatements and omissions
6 contained therein.

7 33. At the times they obtained their shares of the Company, Plaintiff and the
8 members of the Class did so without knowledge of the facts concerning the
9 misstatements and omissions alleged herein.

10 34. This claim is brought within one year after discovery of the untrue
11 statements and omissions in and from the Prospectus and Registration Statement that
12 should have been made and/or corrected through the exercise of reasonable diligence,
13 and within three years of the effective date of the Prospectus and Registration
14 Statement. It is therefore timely.

15 35. At the time of the purchases and/or acquisitions by Plaintiff and the Class,
16 the true value of the Company's securities was substantially lower than the price paid
17 by Plaintiff and the other members of the Class.

18 36. By reason of the foregoing, Plaintiff and the other members of the Class
19 are entitled to damages as measured by the provisions of Section 11(e), 15 U.S.C.
20 77K(e), from the Defendants and each of them, jointly and severally.

21 **COUNT II**

22 **Violations of Section 15 of the Securities Act Against** 23 **the Individual Defendants**

24 37. Plaintiff repeats and realleges each and every allegation contained in the
25 foregoing paragraphs as if fully set forth herein.

26 38. This claim is asserted against the Individual Defendants, each of whom
27 was a control person of the Company at relevant times.

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1 d. awarding Plaintiff and other members of the Class such other and further
2 relief as the Court may deem just and proper.

3 **JURY TRIAL DEMANDED**

4 Plaintiff hereby demands a trial by jury.

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6 Dated:

Respectfully submitted,

7 **THE ROSEN LAW FIRM, P.A.**

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