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

_____, Individually and
on Behalf of All Others Similarly Situated,

Plaintiff,

v.

VERB TECHNOLOGY COMPANY,
INC., and RORY J. CUTAIA,

Defendant.

Case No.

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

DEMAND FOR JURY TRIAL

1 Plaintiff _____ (“Plaintiff”), individually and on behalf of all
2 other persons similarly situated, by the undersigned attorneys, alleges the
3 following based upon personal knowledge as to himself and his own acts, and upon
4 information and belief as to all other matters based upon, *inter alia*, the
5 investigation conducted by and through his attorneys, which included, among other
6 things, a review of the defendants’ public documents, announcements made by
7 defendants, U.S. Securities and Exchange Commission (“SEC”) filings, wire and
8 press releases published by and regarding Verb Technology Company, Inc.
9 (“Verb” or the “Company”), and information readily available on the Internet.
10 Plaintiff believes that substantial evidentiary support will exist for these allegations
11 after a reasonable opportunity for discovery.

12 **NATURE OF THE ACTION**

13 1. This is a federal securities class action on behalf of all persons or
14 entities who purchased or otherwise acquired Verb common stock between January
15 3, 2018 and May 2, 2018, both days inclusive (the “Class Period”), seeking to
16 recover damages caused by defendants’ violations of the federal securities laws
17 and to pursue remedies under Sections 10(b) and 20(a) of the Securities Exchange
18 Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated thereunder, against
19 the Company and certain of its top officials.

20 **JURISDICTION & VENUE**

21 2. The federal law claims asserted herein arise under Sections 10(b) and
22 20(a) of the Exchange Act, 15 U.S.C. § 78j(b) and § 78t(a), and Rule 10b-5, 17
23 C.F.R. § 240.10b-5, promulgated thereunder by the SEC.

24 3. This Court has subject matter jurisdiction over this action pursuant to
25 28 U.S.C. § 1331, as well as Section 27 of the Exchange Act, 15 U.S.C. § 78aa.

26 4. This Court has jurisdiction over each defendant named herein because
27 each defendant has sufficient minimum contacts with this District so as to render
28

1 the exercise of jurisdiction by this Court permissible under traditional notions of
2 fair play and substantial justice.

3 5. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(b) and
4 Section 27 of the Exchange Act because many of the false and misleading
5 statements were made in or issued from this District, and Verb's U.S. offices are
6 located within this District.

7 6. In connection with the acts, conduct, and other wrongs alleged in this
8 complaint, defendants, directly or indirectly, used the means and instrumentalities
9 of interstate commerce including, but not limited to, the United States mails,
10 interstate telephone communications, and the facilities of the national securities
11 exchange.

12 **PARTIES**

13 7. Plaintiff purchased Verb securities during the Class Period at
14 artificially inflated prices as set forth in the certification annexed hereto.

15 8. Defendant Verb is a Nevada corporation with its principal executive
16 offices at 344 South Hauser Blvd., Suite 414, Los Angeles, CA 90036. Verb
17 common stock trades under the ticker symbol "VERB" on the NASDAQ stock
18 exchange.

19 9. Defendant Rory J. Cutaia served as Chairman of the Board of
20 Directors and Chief Executive Officer of the Company at all relevant times.

21 10. Cutaia (a) directly participated in the management of the Company;
22 (b) was directly involved in the day-to-day operations of the Company at the
23 highest levels; (c) was privy to confidential proprietary information concerning the
24 Company and its business and operations; (d) was directly or indirectly involved in
25 drafting, producing, reviewing, and/or disseminating the false and misleading
26 statements and information alleged herein; (e) was directly or indirectly involved
27 in the oversight or implementation of the Company's internal controls; (f) was
28 aware of or recklessly disregarded the fact that false and misleading statements

1 were being issued concerning the Company; and/or (g) approved or ratified these
2 statements in violation of the federal securities laws.

3 11. Together, Verb and the Cutaia are referred to herein as “Defendants.”

4 **SUBSTANTIVE ALLEGATIONS**

5 **Background**

6 12. Verb purportedly operates as an applications services provider with
7 cloud-based software products for businesses. As part of its business, Verb utilizes
8 interactive videos as part of its customer relationship management application.
9 Verb has formerly operated under the names of nFusz, Inc., bBooth, Inc., bBooth
10 (USA), Inc., and Cutaia Media Group, LLC.

11 **Defendants’ False and Misleading Class Period Statements**

12 13. On January 3, 2018, the Company announced a purported agreement
13 with Oracle America, Inc. (herein, the “Oracle Agreement”) which received
14 widespread attention.

15 14. The Company made this announcement via a filing with the SEC on
16 Form 8-K, which omitted the text of the agreement itself:

17 Item 1.01. Entry into a Material Definitive Agreement.

18
19 On January 2, 2018 we entered into an agreement with ORACLE
20 AMERICA, INC. (“ORACLE”) (the “Agreement”) pursuant to which
21 we agreed to develop an application (a “Partner Application” as
22 defined in the Agreement) to facilitate the integration of our
23 notifiCRM interactive video messaging technology into the NetSuite
24 Software-as-a-Service (SaaS) platform developed by ORACLE (the
25 “ORACLE SERVICE”), and to ensure the interoperability of our
26 notifiCRM technology with the ORACLE SERVICE. The Parties
27 intend that all ORACLE NetSuite customers (existing and future) that
28 pay an additional per user fee (discussed below), will have the ability

1 to create, edit, send, and track notifiCRM interactive video messaging
2 seamlessly through the ORACLE NetSuite user interface. The
3 ORACLE SERVICE integrates Enterprise Resource Planning,
4 Customer Relationship Management, E-commerce (web site hosting,
5 web store transactions) and partner collaboration capabilities.

6
7 **The Agreement provides that the development of the application,**
8 **which will be undertaken jointly by us and ORACLE, will be**
9 **completed within one year.** We anticipate that development of the
10 application, which has already begun, will be completed within 120
11 days. The Agreement is for an initial term of one year, but renews
12 automatically for successive one-year terms, unless sooner terminated
13 in accordance with the termination provisions set forth in the
14 Agreement.

15
16 Upon completion of development and testing of the application, **it will**
17 **be marketed jointly by us and ORACLE, through, among other**
18 **things, ORACLE'S existing network of approximately 2,000**
19 **ORACLE NetSuite sales reps.** Pricing is yet to be finalized, but it is
20 estimated that the integrated notifiCRM feature set will be offered at a
21 price of between \$10 and \$25 (or such higher price, depending upon
22 the requested features and functionality) per user, per month, (the
23 "notifiCRM Fee") which is in addition to the price each user pays for
24 the ORACLE SERVICE. The Agreement provides that the notifiCRM
25 fee will be shared between us and ORACLE as follows: 90% to us
26 and 10% to ORACLE.

27
28 The Agreement contains covenants, representations and warranties of

1 us and ORACLE that are typical for agreements of this type,
2 including, among other things, provisions for confidentiality,
3 intellectual property, and the licensed use of each other's trademarks
4 for marketing purposes. The Agreement is non-exclusive. It is
5 currently contemplated that once the application is available to be
6 marketed to ORACLE customers, the Parties will prepare and
7 distribute a joint press release.

8
9 The foregoing description of the terms of the Agreement, does not
10 purport to be complete and is subject to and qualified in its entirety by
11 reference to the Agreement itself, the terms of which are incorporated
12 herein by reference. The benefits and representations and warranties
13 set forth in such document (if any) are not intended to and do not
14 constitute continuing representations and warranties of us or any other
15 party to persons not a party thereto.

16 Verb (formerly, nFusz, Inc.) Form 8-K (January 3, 2018) (emphasis added).

17 15. Throughout the Class Period, the Company continued to tout this
18 relationship. For example, on or about March 1, 2018, Company CEO Rory Cutaia
19 highlighted the agreement in an online video referring investors to the Company's
20 Form 8-K and stating:

21 The 300 billion dollar public company with who we just signed a
22 contract to incorporate our interactive video technology into their
23 CRM platform. They have got millions of current subscribers and a
24 sales force of over 2,000 people who will market our product as an
25 upgrade feature to all of those customers. And best of all, we keep
26 90% of the monthly recurring revenue from each one of those sales.

1 Game changer for us and a huge advancement for them.¹

2 16. Cutaia made similar statements that Oracle would issue a joint press
3 release to announce the incorporation of the Company's technology in "30 to 45
4 days" and that Oracle's salesforce of 2,000 employees would sell the Company's
5 technology as an "upgrade" to NetSuite in an interview with Uptick Newswire
6 posted on February 23, 2018. See *CEO Rory Cutaia of nFusz, Inc.(OTCQB:
7 FUSZ) - Feb '18 update*, UPTICK NEWSWIRE (Feb. 23, 2018) at 5:52-10:00,
8 <https://www.youtube.com/watch?v=LeAIX-m4kuI>.

9 17. The Company also disclosed the Oracle Agreement in an Annual
10 Form 10-K filed on April 2, 2018, which stated:

11 We enter into license or partnership agreements with other CRM
12 providers to incorporate our notifiCRM technology into such other
13 CRM providers' software platform that they offer to their existing and
14 prospective client base, for an additional monthly fee which is shared
15 with us. In January 2018, we entered into such an agreement with
16 Oracle America, Inc. to integrate our notifiCRM product into their
17 NetSuite platform on a revenue share basis.

18 18. During the Class Period the stock increased from approximately \$0.12
19 per share on January 3, 2018 to \$2.70 per share on April 19, 2018, an astonishing
20 increase of over 2000%.

21 19. The statements referenced in ¶¶ 14-17 above were materially false
22 and/or misleading because they misinterpreted and failed to disclose the following
23 adverse facts pertaining to the Company's business and operations which were
24 known to Defendants or recklessly disregarded by them. Specifically, Defendants

25 _____
26 ¹ Periodicvideos, *nFusz - Fusz Opportunity of a Lifetime*, YOUTUBE (Mar. 1, 2018),
27 https://www.youtube.com/watch?v=N314LB_WBAQ; see also nFUSZ,
28 <https://nfusz.com/super/ajax/ajax2.php?mediaid=iGN5dg> (last visited July 9, 2019). The
Company issued many such videos directed to shareholders in possible violation of Regulation
FD by failing to file concurrent Form 8-K's.

1 made false and/or misleading statements as to the scope of the Agreement with
2 Oracle as the Company did not have a contract with Oracle to jointly develop and
3 market the Company's product and that as a result of the foregoing, the Company's
4 public statements were materially false and misleading at all relevant times.

5 **The Truth Emerges**

6 20. Following the rapid rise of the Company's stock price, on April 23,
7 2018, the truth as to the Company's relationship with Oracle began to emerge.

8 21. First, the Company revealed the actual terms of the Oracle Agreement
9 through the filing of a Form 8-K.

10 22. The terms of the agreement revealed that the prior representations as
11 to the scope of the relationship with Oracle were materially misleading. For
12 example, the Oracle Agreement stated:

13 4. Partner Program Requirements.

14
15
16 4.8. Development. Partner will develop and make commercially
17 available at least one (1) Partner Application or Partner Connector
18 within one (1) year from the Effective Date.

19 * * *

20 4.10. Inspection. Only Partner Applications or Partner Connectors
21 authorized by Oracle may be made available to Customers. Oracle's
22 authorization of a Partner Application or Partner Connector does not
23 mean that Oracle has inspected or reviewed the Partner Application or
24 Partner Connector. Oracle may inspect the Partner Application or
25 Partner Connector, including the source code and documentation
26 related thereto, at any time during the Term. If, during such
27 inspection, Oracle determines that the Partner Application or the
28 Partner Connector is in violation of this Agreement, including any

1 security requirements, any Partner Program rules, or the Marketing
2 Guidelines, or is otherwise unsatisfactory, Oracle may terminate this
3 Agreement, require that Partner modify the Partner Application or
4 Partner Connector, or suspend Partner's access to the Service until the
5 violation or other issues are resolved.

6 * * *

7 5. Marketing.

8
9 5.1. Participation on SuiteApp.com. Within one (1) month from the
10 commercial availability of Partner Application or Partner Connector
11 or upon request from Oracle, Partner will provide marketing
12 information about Partner, the Partner Application, or the Partner
13 Connector ("Marketing Materials") to be posted on the SuiteApp.com
14 area of the Oracle website, in the Partner Program newsletter, or in
15 connection with any Oracle marketing activities. Partner grants to
16 Oracle a non-exclusive, worldwide, fully-paid, royalty free license
17 during the Term to use the Marketing Materials, including any of
18 Partner's Marks, trade names, or other trademarks included therein, in
19 connection with any Oracle marketing activities, and to list Partner as
20 a Oracle partner wherever such lists may appear. Oracle reserves the
21 right, in its sole discretion, to refuse to list the Partner Application or
22 Partner Connector on SuiteApp.com or to remove or modify
23 Marketing Material. For avoidance of doubt, only Partner
24 Applications and Partner Connectors that have met the requirements
25 of the Quality Program as set forth in Section 4.12 will be listed on
26 SuiteApp.com.

27 * * *

28 5.4. Partner Activities. Unless otherwise expressly authorized in

1 advance in writing by Oracle, Partner will not in any way express or
2 imply that any opinions contained in Partner's promotional activities
3 are endorsed by Oracle. Neither Partner, nor someone acting for
4 Partner, will solicit any persons or entities which Partner knows to be
5 (or should reasonably know to be) an Oracle Customer for any
6 purpose, except for the purpose of promoting the applicable Partner
7 Application, Partner Connector, or Oracle products and services.
8 Partner will not diminish or damage the reputation or goodwill of
9 Oracle or the Service.

10 * * *

11 14. Publicity. Subject to the permission granted in Section 5 of this
12 Agreement, neither Party will issue any press release, make a public
13 statement, or publicize this Agreement, without the prior written
14 consent of the other Party. Notwithstanding the foregoing, each Party
15 will be entitled to comply with government reporting obligations and
16 information request in connection with this Agreement.

17
18 23. The text of the Oracle Agreement revealed that there was no joint
19 agreement for Oracle to use its substantial salesforce to market the Company's
20 product as previously touted by the Company and its CEO. Similarly, the text of
21 the Oracle Agreement revealed that there was no joint development of the
22 Company's product, notifiCRM.

23 24. Moreover, the text of the Oracle Agreement revealed the true nature of
24 the relationship between Oracle and the Company: the Company had simply been
25 provided with an application developer toolkit for its program to interface with
26 Oracle NetSuite. The Company and Cutaia had exceedingly overstated this
27 relationship and omitted from all prior communications about the Oracle
28 Agreement that the Company had to pay a fee to Oracle in order to participate in

1 the partnership program and access nothing more than an application developer
2 toolkit.

3 25. The Oracle Agreement revealed that the Company had made
4 misleading statements pertaining to Oracle's acts upon completion of the product,
5 despite such statements having been explicitly prohibited by the Oracle
6 Agreement.

7 26. Nonetheless, the transmittal Form 8-K on April 23, 2018 assured
8 investors that:

9 A press release we approved announcing the [the integration of the
10 Company's product with Oracle's NetSuite] has been prepared but we
11 have been advised that it is awaiting final review and approval by
12 certain parties, including the Oracle NetSuite CEO, after which,
13 subject to any changes, will be distributed to the news wires. We have
14 requested that the review and approval process be expedited.

15 27. On April 30, 2018, CEO Rory Cutaia issued a video to Company
16 shareholders assuring investors that a joint press release would be coming from
17 Oracle "within days" though there were a number of complicating factors. No
18 joint press release was ever issued and the market increasingly questioned the
19 relationship between the two companies.

20 28. As the market digested the true nature of the Oracle Agreement, the
21 stock began a precipitous decline, closing on April 30, 2018 at \$1.54 per share, a
22 decrease of 43% from the high a week prior. The market continued to digest this
23 information and by the market close on May 2, 2018, the Company's stock was
24 trading at \$1.08 per share, a decrease of 60% from the high a week prior.

25 29. 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
27 the other members of the Class have suffered significant losses and damages.

28

1 **ADDITIONAL ALLEGATIONS OF SCIENTER**

2 30. As alleged herein, Defendants acted with scienter since they knew that
3 the public documents and statements issued or disseminated in the name of the
4 Company were materially false and/or misleading; knew that such statements or
5 documents would be issued or disseminated to the investing public; and knowingly
6 and substantially participated or acquiesced in the issuance or dissemination of
7 such statements or documents as primary violations of the federal securities laws.
8 As set forth elsewhere herein in detail, Defendants, by virtue of their receipt of
9 information reflecting the true facts regarding the Company, their control over,
10 and/or receipt and/or modification of Company’s allegedly materially misleading
11 misstatements and/or their associations with the Company which made them privy
12 to confidential proprietary information concerning the Company, participated in
13 the fraudulent scheme alleged herein.

14 **NO SAFE HARBOR**

15 31. The statutory safe harbor provided for certain forward-looking
16 statements does not apply to any of the false statements alleged herein. None of
17 the statements alleged herein is a “forward-looking statement” and no such
18 statement was identified as a “forward-looking statement” when made. Rather, the
19 statements alleged herein to be false and misleading all relate to facts and
20 conditions existing at the time the statements were made. Moreover, cautionary
21 statements, if any, did not identify important factors that could cause actual results
22 to differ materially from those in any forward-looking statements.

23 32. In the alternative, to the extent that the statutory safe harbor does
24 apply to any statement pleaded herein that is deemed to be forward-looking, the
25 Defendants are liable for such false forward-looking statements because, at the
26 time each such statement was made: (i) the speaker actually knew and/or recklessly
27 disregarded the fact that such forward-looking statement was materially false or
28 misleading and/or omitted facts necessary to make statements previously made not

1 materially false and misleading; and/or (ii) each such statement was authorized
2 and/or approved by a director and/or executive officer of the Company who
3 actually knew or recklessly disregarded the fact that each such statement was false
4 and/or misleading when made.

5 33. None of the historic or present tense statements made by the
6 Defendants was an assumption underlying or relating to any plan, projection, or
7 statement of future economic performance, as they were not stated to be such
8 assumptions underlying or relating to any projection or statement of future
9 economic performance when made, nor were any of the projections or forecasts
10 made by the Defendants expressly related to or stated to be dependent on those
11 historic or present tense statements when made.

12 **CLASS ACTION ALLEGATIONS**

13 34. Plaintiff brings this action as a class action pursuant to Rule 23 of the
14 Federal Rules of Civil Procedure on behalf of all persons who purchased or
15 otherwise acquired Verb securities during the Class Period (the “Class”).
16 Excluded from the Class are Defendants and their families, the officers and
17 directors of the Company at all relevant times, members of their immediate
18 families and their legal representatives, heirs, successors, or assigns, and any entity
19 in which Defendants have or had a controlling interest.

20 35. The members of the Class are so numerous that joinder of all members
21 is impracticable, since Verb has millions of shares of stock outstanding and
22 because the Company’s shares were actively traded on the NASDAQ. As of April
23 2, 2018, Verb had more than 79 million shares issued and outstanding. While the
24 exact number of Class members is unknown to Plaintiff at this time and can only
25 be ascertained through appropriate discovery, Plaintiff believes that there are
26 thousands of members in the proposed Class and that they are geographically
27 dispersed.

28 36. There is a well-defined community of interest in the questions of law

1 and fact involved in this case. Questions of law and fact common to the members
2 of the Class, which predominate over questions that may affect individual Class
3 members, include, *inter alia*:

- 4 (a) whether the Defendants violated the Exchange Act;
- 5 (b) whether the Defendants omitted and/or misrepresented material facts
6 in their publicly-disseminated reports, press releases, and statements
7 during the Class Period;
- 8 (c) whether the price of Verb securities was artificially inflated during the
9 Class Period as a result of the material omissions and/or
10 misrepresentations complained of herein; and
- 11 (d) whether the members of the Class have sustained damages as a result
12 of the decline in value of Verb's stock when the truth was revealed.

13 37. Plaintiff's claims are typical of those of the Class because Plaintiff and
14 the Class sustained damages from the Defendants' wrongful conduct in a
15 substantially identical manner.

16 38. Plaintiff will adequately protect the interests of the Class and has
17 retained counsel experienced in class action securities litigation. Plaintiff has no
18 interests that conflict with those of the other members of the Class.

19 39. A class action is superior to other available methods for the fair and
20 efficient adjudication of this controversy.

21 **CLAIMS FOR RELIEF**

22 **COUNT I**

23 **(Violation of Section 10(b) of the Exchange Act and Rule 10b-5** 24 **Promulgated Thereunder Against All Defendants)**

25 40. Plaintiff repeats and realleges each and every allegation contained
26 above as if fully set forth herein.

27 41. This Count, asserted against all of the Defendants, is based upon
28

1 Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5
2 promulgated thereunder by the SEC.

3 42. During the Class Period, the Defendants, individually and in concert,
4 directly or indirectly, disseminated or approved the false and/or misleading
5 statements specified above, which they knew or deliberately disregarded were false
6 and/or misleading in that they contained material misrepresentations and failed to
7 disclose material facts necessary in order to make the statements made, in light of
8 the circumstances in which they were made, not misleading.

9 43. The Defendants violated Section 10(b) of the Exchange Act and Rule
10 10b-5 in that they:

- 11 (a) Employed devices, schemes and artifices to defraud;
- 12 (b) Made untrue statements of material facts or omitted to state
13 material facts necessary in order to make the statements made,
14 in light of the circumstances in which they were made, not
15 misleading; and/or
- 16 (c) Engaged in acts, practices, and a course of business that
17 operated as a fraud or deceit upon Plaintiff and others similarly
18 situated in connection with their purchases of Verb securities
19 during the Class Period.

20 44. The Defendants acted with scienter in that they knew that the public
21 documents and statements issued or disseminated in the name of Verb were
22 materially false and misleading; knew that such statements or documents would be
23 issued or disseminated to the investing public; and knowingly and substantially
24 participated or acquiesced in the issuance or dissemination of such statements or
25 documents as primary violations of the securities laws. These Defendants, by
26 virtue of their receipt of information reflected the true facts regarding Verb, their
27 control over and/or receipt of and/or modification of Verb's allegedly materially
28 false and misleading statements, and/or their associations with the Company,

1 which made them privy to confidential proprietary information concerning Verb,
2 participated in the fraudulent scheme alleged herein.

3 45. Cutaia, who is a senior officer and director of the Company, had
4 actual knowledge of the material omissions and/or the falsity of the material
5 statements set forth above, and intended to deceive Plaintiff and the other members
6 of the Class or, in the alternative, acted with reckless disregard for the truth when
7 they failed to ascertain and disclose the true facts in the statements made by them
8 or other Verb personnel to members of the investing public, including Plaintiff and
9 the Class.

10 46. As a result of the foregoing, the market price of Verb securities was
11 artificially inflated during the Class Period. Unaware of the falsity of the
12 Defendants' statements, Plaintiff and the other members of the Class relied on the
13 statements described above and/or the integrity of the market price of Verb
14 securities during the Class Period in purchasing Verb securities at prices that were
15 artificially inflated as a result of the Defendants' false and misleading statements.

16 47. As a result of the wrongful conduct alleged herein, Plaintiff and other
17 members of the Class have suffered damages in an amount to be established at
18 trial.

19 48. By reason of the foregoing, the Defendants have violated Section
20 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder and are liable
21 to Plaintiff and the other members of the Class for the substantial damages they
22 suffered in connection with their purchases of Verb securities during the Class
23 Period.

24 **COUNT II**

25 **(Violation of Section 20(a) of the Exchange Act Against Rory Cutaia)**

26 49. Plaintiff repeats and realleges each and every allegation contained
27 above as if fully set forth herein.

28 50. During the Class Period, Cutaia participated in the operation and

1 management of Verb and conducted and participated, directly and indirectly, in the
2 conduct of the Company's business affairs. As a consequence of his senior
3 position, Cutaia knew or recklessly disregarded the fact that the adverse
4 information specified herein had not been disclosed to, and was being concealed
5 from, the investing public. Plaintiff and the other members of the Class had no
6 access to such information, which was and is solely under the control of the
7 Defendants.

8 51. As an officer and director of a publicly-owned company, Cutaia had a
9 duty to disseminate accurate and truthful information about the Company to the
10 investing public, and to correct promptly any public statements issued by Verb that
11 had become materially false or misleading.

12 52. As a result of his position of control and authority as a senior officer
13 and director of the Company, Cutaia was able to, and did, control the contents of
14 the various reports, press releases, and public filings that Verb disseminated in the
15 marketplace during the Class Period concerning its business operations.
16 Throughout the Class Period, Cutaia exercised his power and authority to cause
17 Verb to engage in the wrongful acts complained of herein. Cutaia therefore, was a
18 "controlling person" of Verb within the meaning of Section 20(a) of the Exchange
19 Act. In this capacity, he participated in the unlawful conduct alleged herein, which
20 artificially inflated the market price of Verb securities.

21 53. By reason of the above conduct, Cutaia is liable pursuant to Section
22 20(a) of the Exchange Act for the violations committed by Verb.

23 **PRAYER FOR RELIEF**

24 **WHEREFORE**, Plaintiff demands judgment as follows:

25 (A) Declaring this action to be a class action pursuant to Rule 23 of the
26 Federal Rules of Civil Procedure, and designating Plaintiff as class representative
27 and Plaintiff's counsel as Class Counsel;

28 (B) Awarding compensatory damages in favor of Plaintiff and the other

1 members of the Class against all of the Defendants, jointly and severally, for all
2 damages sustained as a result of Defendants' wrongdoing, in an amount to be
3 proven at trial, including interest thereon;

4 (C) Awarding Plaintiff and the Class their reasonable costs and expenses
5 incurred in the prosecution of this action, including reasonable attorneys' fees and
6 expert fees; and

7 (D) Awarding such other and further relief as the Court may deem just and
8 proper.

9 **JURY DEMAND**

10 Plaintiff hereby demands a trial by jury.

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