

IN THE CIRCUIT COURT OF THE FIFTEENTH JUDICIAL CIRCUIT
IN AND FOR PALM BEACH COUNTY, FLORIDA
CIVIL DIVISION

_____ ,) Case No.
Individually and on Behalf of All Others) CLASS REPRESENTATION
Similarly Situated,)
Plaintiff,) COMPLAINT FOR VIOLATION OF THE
vs.) SECURITIES ACT OF 1933
CITRIX SYSTEMS, INC., LOGMEIN, INC.,)
WILLIAM R. WAGNER, EDWARD K.)
HERDIECH, ROBERT CALDERONI, JESSE)
COHN, PETER SACRIPANTI, DAVID)
HENSHALL, STEVEN J. BENSON, STEVEN)
G. CHAMBERS, MICHAEL J.)
CHRISTENSON, EDWIN J. GILLIS,)
GREGORY W. HUGHES, MARILYN MATZ,)
AND MICHAEL K. SIMON,)
Defendants.) DEMAND FOR JURY TRIAL

INTRODUCTION

1. Plaintiff _____

(“Plaintiff”), individually and on behalf of all others similarly situated, by Plaintiffs undersigned attorneys, alleges the following based upon personal knowledge as to Plaintiffs own acts, and upon information and belief as to other matters based on the investigation conducted by and through Plaintiffs attorneys, which included, among other things, a review of U.S. Securities and Exchange Commission (“SEC”) filings by Citrix Systems, Inc. (“Citrix”) and LogMeIn, Inc. (“LogMeIn” or “Company”), as well as media and analyst reports about the Company and Company press releases. Plaintiff believes that substantial additional evidentiary support will exist for the allegations set forth herein.

SUMMARY OF THE ACTION

2. Plaintiff brings this securities class action on behalf of current and former Citrix shareholders who acquired LogMeIn common stock pursuant or traceable to the S-4 registration statement and prospectus (collectively, “Registration Statement”) issued in connection with LogMeIn’s January 31, 2017 acquisition (“Acquisition”) of and merger with Citrix’s subsidiary, GetGo, Inc. (“GetGo”).

3. This action asserts strict liability claims under Sections 11, 12, and 15 of the Securities Act of 1933 (“Securities Act”) against Citrix, LogMeIn, and certain Citrix and LogMeIn officers and directors.

4. Citrix is a software company incorporated under the laws of Delaware and headquartered in Fort Lauderdale, Florida. Citrix’s common stock trades on the NASDAQ stock exchange under the ticker symbol “CTXS.” In connection with the Acquisition, Citrix spun off its GoToMeeting business segment into a separate, wholly owned subsidiary, GetGo, and issued and

distributed all outstanding common stock of GetGo common stock directly to Citrix shareholders of record as of January 20, 2017 on a pro rata basis.

5. LogMeln is a software company incorporated under the laws of Delaware and headquartered in Boston, Massachusetts. LogMeln's common stock trades on the NASDAQ stock exchange under the ticker symbol "LOGM."

6. On January 31, 2017, in connection with the Acquisition, LogMe issued approximately 26.8 million new shares of LOGM common stock to current and former Citrix shareholders in exchange for GetGo common stock as follows: prior to the acquisition, each Citrix shareholder of record as of January 20, 2017 received from Citrix a pro rata distribution of the outstanding common stock of GetGo common stock. Then, on the effective date, January 31, 2017, each such share of GetGo common stock was automatically converted into the right to receive one share of newly issued LOGM common stock, together with cash in lieu of fractional shares of common stock. Each of these new shares of LOGM common stock issued pursuant to the Registration Statement.

7. The Registration Statement touted false and misleading financial results, trends, and metrics and omitted material facts rendering those financial results, trends, and metrics materially misleading. Principally, the Registration Statement touted millions of dollars in purported "cost synergies" that Defendants (as defined herein) would realize by, *inter alia*, offering Citrix's GoToMeeting subscribers the option to voluntarily transition from flexible monthly and quarterly contracts to LogMeln's prepaid annual model, as well as the benefit that transition would have on LogMeln's free cash flow ("FCF") and other financial and operational results, trends, and prospects.

8. In truth, Defendants had no intention of offering GoToMeeting subscribers an optional, voluntarily transition to LogMeln's prepaid annual model. Rather, Defendants were

already planning to implement a strategy of aggressive, mandatory conversion, which would force GoToMeeting customers into signing annual contracts on short notice at higher prices with stricter terms. Defendants' undisclosed plan included: (a) aggressive tactics to force customers into converting from monthly to annual payments; (b) automatically charging small and medium business customers for an entire year without providing adequate notice or obtaining their affirmative consent; (c) forcing larger customers to sign new purchase orders rather than auto-renewing on the same terms; and (d) removing the "termination for convenience" clause, which had allowed GoToMeeting customers to cancel their annual subscription with 30-day notice. Defendants' undisclosed plan to implement these aggressive practices posed obvious and severe (yet undisclosed) risks of increased customer friction and churn in the immediate term. Moreover, as customers would be compelled on short notice to accept unfavorable terms for services they required to operate their businesses, Defendants' undisclosed plan also increased the likelihood that customers would cancel their subscriptions a year later, in 2018, once their annual contracts expired, instead switching to LogMeTn competitors who offered comparable services with more flexible terms at better prices

9. With these misrepresentations and omissions in the Registration Statement, Defendants were able to complete the Acquisition. But when the truth of Defendants' misrepresentations and omissions became known, the price of LOGM common stock suffered sharp declines. By the commencement of this action, LOGM common stock has traded down below \$76 per share, a nearly *30% decline* from the approximately \$108 price per share on the exchange date for the Acquisition. As a result, investors suffered severe losses.

JURISDICTION AND VENUE

10. This Court has original subject matter jurisdiction under the Florida Constitution, Art. V, §5, and Fla. Stat. §26.012. Removal is barred by Section 22 of the Securities Act.

11. This Court has personal jurisdiction and venue is proper because certain Defendants reside or are headquartered in this county, Defendants and their agents affirmatively solicited and sold the subject securities and Registration Statement to investors in Florida and this county and those contacts have a substantial connection to the claims alleged herein.

PARTIES

12. Plaintiff _____, via the Acquisition, acquired LOGM common stock pursuant to the Registration Statement and was damaged thereby.

13. Defendant Citrix System, Inc. is a software company incorporated under the laws of Delaware and headquartered in Fort Lauderdale, Florida. Citrix's common stock trades on the NASDAQ stock exchange under the ticker symbol "CTXS." In connection with the Acquisition, Citrix spun off its GoToMeeting business segment into a separate, wholly owned subsidiary, GetGo, issuing and distributing all outstanding common stock of GetGo common stock directly to Citrix shareholders of record as of January 20, 2017 on a pro rata basis. Via the Acquisition, Citrix shareholders exchanged GetGo common stock for shares of LOGM common stock newly issued by LogMeln. After the closing of the Acquisition, Citrix and its shareholders held a controlling majority of the common stock of LogMeln. Citrix was also afforded further control over LogMeln by appointing four of the nine directors making up LogMeln's post-Acquisition Board of Directors ("Board"). Citrix exercised its control over LogMeln and the Acquisition by designating four Citrix employee representatives on LogMeln's Board, who, within the scope of their employment, reviewed, contributed to, and agreed to be named as incoming Board designees in the Registration Statement.

14. Defendant LogMeln, Inc. is a software company incorporated under the laws of Delaware and headquartered in Boston, Massachusetts. LogMeln's common stock trades on the

NASDAQ stock exchange under the ticker symbol “LOGM.” On January 31, 2017, in connection with the Acquisition, LogMeln issued approximately 26.8 million new shares of LOGM common stock directly to current and former shareholders of Citrix common stock, all pursuant to the Registration Statement. After the closing of the Acquisition, pre-Acquisition LogMeln shareholders held approximately 49.9% of the common stock of LogMeln.

15. Defendant William R. Wagner (“Wagner”) was, at all relevant times, President, Chief Executive Officer, and a Director of LogMeln. Wagner reviewed, contributed to, and signed the Registration Statement.

16. Defendant Edward K. Herdiech (“Herdiech”) was, at all relevant times, Chief Financial Officer (“CFO”) of LogMeln. Herdiech reviewed, contributed to, and signed the Registration Statement.

17. Defendant Robert Calderoni (“Calderoni”) was, at all relevant times, Executive Chairman of the Citrix Board. Calderoni was designated by Citrix in the Registration Statement as an incoming Director on the LogMeln Board.

18. Defendant Jesse Cohn is a Director on the Citrix Board and was designated by Citrix in the Registration Statement as an incoming Director on the LogMeln Board.

19. Defendant Peter Sacripanti is partner with the law firm McDermott Will & Emery, a Director on the Citrix Board, and was designated by Citrix in the Registration Statement as an incoming Director on the LogMeln Board.

20. Defendant David Henshall is the CFO and Chief Operating Officer of Citrix and was designated by Citrix in the Registration Statement as an incoming Director on the LogMeln Board.

21. Defendant Steven J. Benson was, at all relevant times, a Director on the LogMeln Board. Defendant Benson reviewed, contributed to, and signed the Registration Statement.

22. Defendant Steven G. Chambers was, at all relevant times, a Director on the Board of LogMeln. Defendant Chambers reviewed, contributed to, and signed the Registration Statement.

23. Defendant Michael J. Christenson was, at all relevant times, a Director on the Board of LogMeln. Defendant Christenson reviewed, contributed to, and signed the Registration Statement.

24. Defendant Edwin J. Gillis was, at all relevant times, a Director on the Board of LogMeln. Defendant Gillis reviewed, contributed to, and signed the Registration Statement.

25. Defendant Gregory W. Hughes was, at all relevant times, a Director on the Board of LogMeln. Defendant Hughes reviewed, contributed to, and signed the Registration Statement.

26. Defendant Marilyn Matz was, at all relevant times, a Director on the Board of LogMeln. Defendant Matz reviewed, contributed to, and signed the Registration Statement.

27. Defendant Michael K. Simon was, at all relevant times, a Director on the Board of LogMeln. Defendant Simon reviewed, contributed to, and signed the Registration Statement.

28. The defendants named in ¶15-27 are referred to herein as the “Individual Defendants.” The Individual Defendants each signed or were referenced as incoming directors in the Registration Statement, solicited the purchase of securities issued pursuant thereto, planned and contributed to the Acquisition and Registration Statement, and attended promotions to meet with and present favorable information to Citrix and LogMeln investors, all motivated by their own and the Company’s financial interests. The Individual Defendants, along with Citrix and LogMeln, are collectively referred to herein as “Defendants.”

**DEFENDANTS’ FALSE AND MISLEADING
REGISTRATION STATEMENT AND PROSPECTUS**

29. In July 2016, Citrix and LogMeln announced the planned Acquisition, through which Citrix would spin off its GoToMeeting business segment into a separate, wholly owned

subsidiary, GetGo, which subsidiary in turn would be acquired by LogMeln via a stock-for-stock merger pursuant to the Registration Statement.

30. As described by Herdiech during a July 26, 2016 LogMeln earnings conference call with analysts, among the Acquisition's chief motivations was the opportunity for Defendants to generate increased FCF by converting GoToMeeting customers from monthly contracts to annual contracts, as follows:

So I think as most people on the call or who follow us closely know that *the vast majority of our subscriptions are annual subscriptions* where our customers pay us in advance. With respect to those, approximately 65% of those are paid via credit cards. So, we have a really strong cash conversion model as you allude to. *The difference between us and Citrix in this area, or GoTo in this area is that they enter annual contracts for a new subscriptions. However, . . . a vast majority of their billing terms are either monthly or quarterly associated with that.* At the same time, they're kind of flip-flopped between us where two-thirds of their deals are via invoices rather than credit cards. And then when their subscriptions come up for renewal, they turn to a monthly model where their customers pay monthly. *So we see a lot of opportunity over time, as Bill mentioned, where we look to optimize the businesses over time. We convert their cash model, cash conversion model to look more like ours.*

31. On September 16, 2016, Defendants filed with the SEC on Form S-4 a draft Registration Statement which would register the LOGM common stock to be issued and exchanged in the Acquisition following a series of amendments in response to SEC comments, including comments from the SEC emphasizing the importance of adequately disclosing material trends and risk factors, as required by Item 303 and Item 503 (as defined below).

December 13, 2016, Defendants filed a final amendment to the Registration Statement. On December 15, 2016, the SEC declared the Registration Statement effective. On December 16, 2016, Defendants filed a final prospectus on SEC Form 424B3 for the LOGM common stock issued and exchanged in the Acquisition, which prospectus forms part of the Registration Statement.

33. On January 31, 2017, Defendants completed the Acquisition, issuing approximately 26.8 million new shares of LOGM common stock to current and former shareholders of Citrix common stock as follows: just prior to the Acquisition, each Citrix shareholder of record as of January 20, 2017 received from Citrix a pro rata distribution of the outstanding common stock of Citrix's wholly owned subsidiary GetGo common stock. Then, on the effective date, January 31, 2017, each such share of GetGo common stock was automatically converted into the right to receive one share of newly issued LOGM common stock, together with cash in lieu of fractional shares of common stock. Each of these new shares of LOGM common stock issued pursuant to the Registration Statement. On January 31, 2017, the market price for LOGM common stock closed at approximately \$108 per share.

34. Defendants conducted the Acquisition with the Registration Statement containing untrue statements of material fact and omitting material facts both required by governing regulations and necessary to make the statements made not misleading.

35. Foremost, the Registration Statement touted millions of dollars in purported "cost synergies" that Defendants' would realize by, *inter alia*, offering Citrix's GoToMeeting subscribers the option to voluntarily transition from flexible monthly and quarterly contracts to LogMeln's prepaid annual model, as well as the benefit that transition would have on LogMeln's FCF and other financial and operational results, trends, and prospects.

The Registration Statement also purported to warn of numerous risks that "*if*" occurring "*may*" or "*could*" adversely affect the Company while failing to disclose that these very "risks" were, at the time of the Acquisition, already likely to materialize. For example, the Registration Statement stated:

If . . . the existing customers of the GoTo Business do not renew their subscriptions for LMI's services, renew on less favorable terms, or do not purchase additional functionality or subscriptions, LMI's revenue may

grow more slowly than expected or decline, and its profitability and gross margins *may be harmed*.

37. The Registration Statement's representations and purported risk disclosures were false and misleading because, in truth, Defendants had no intention of offering GoToMeeting subscribers an optional, voluntarily transition to LogMeln's prepaid annual model. Rather, Defendants were planning to implement a strategy of aggressive, mandatory conversion, which would force GoToMeeting customers into signing annual contracts on short notice at higher prices with stricter terms. Defendants' undisclosed plan included: (a) aggressive tactics to force customers into converting from monthly to annual payments; (b) automatically charging small and medium business customers for an entire year without providing adequate notice or obtaining their affirmative consent; (c) forcing larger customers to sign new purchase orders rather than auto-renewing on the same terms; and (d) removing the "termination for convenience" clause, which had allowed GoToMeeting customers to cancel their annual subscription with 30-day notice. Defendants' undisclosed plan to implement aggressive practices posed obvious and severe risks of increased customer friction and chum in the immediate term. But, moreover, as customers would be compelled on short notice to accept unfavorable terms for services they required in order to operate their businesses, Defendants' undisclosed plan also increased the likelihood that customers would cancel their subscriptions a year later, in 2018, once their annual contracts expired, instead switching to LogMeln competitors who offered comparable services with more flexible terms at better prices.

38. Defendants were required to disclose this material information in the Registration Statement for at least three independent reasons. First, SEC Regulation S-K, 17 C.F.R. §229.303 ("Item 303"), required disclosure of any known events or uncertainties that had caused or were reasonably likely to cause LogMeln's disclosed financial information not to be indicative of future operating results. Defendants' undisclosed plan to aggressively force GoToMeeting customers

into more expensive, less flexible contracts, posed severe risks of increased customer friction and chum in the immediate term, increased the likelihood that customers would cancel their subscriptions a year later, in 2018, once their annual contracts expired, instead switching to LogMeln competitors who offered comparable services with more flexible terms at better prices, and thus was likely to (and in fact did) materially and adversely affect LogMeln's future results and prospects.

39. Second, SEC Regulation S-K, 17 C.F.R. §229.503 ("Item 503") required, in the "Risk Factor" section of the Registration Statement, a discussion of the most significant factors that made the offering risky or speculative, and that each risk factor adequately describe the risk. The Registration Statement's discussion of risk factors did not even mention, much less adequately describe, the risk posed by Defendants' undisclosed plan to aggressively force GoToMeeting customers into more expensive, less flexible contracts, ~~nor~~ the severe risks of increased customer friction and chum posed thereby in the immediate term, nor the increased likelihood that customers would cancel their subscriptions a year later, in 2018, once their annual contracts expired, instead switching to FogMeln competitors who offered comparable services with more flexible terms at better prices, nor the likely and consequent material adverse effects on the Company's future results and prospects.

40. Third, Defendants' failure to disclose rendered false and misleading the Registration Statement's many references to known risks that "*if*" occurring "*may*" or "*could*" affect the Company. By the time of the Acquisition, these "risks" were already likely to materialize.

41. With these misrepresentations and omissions in the Registration Statement, Defendants were able to complete the Acquisition. But when the truth became known, the price of LOGM common stock suffered sharp declines.

42. On July 26, 2018, LogMeIn issued negative second quarter 2018 financial and operational results, including disappointing renewal rates and lowered guidance. Later that day, during a conference call with analysts and investors, Defendants admitted that the Company had a year earlier implemented a strategy to “aggressively move customers from monthly to annual payments” and that the strategy had alienated customers, causing “disappointing renewal rates” a year later when the contracts came up for renewal. For example, Defendant Wagner stated

I’d like to begin my comments discussing an area where *our performance in the quarter did not meet our expectations*, specifically the traditional communications and collaboration business, where *our combination of imperfect execution and some hangover effects of last year’s merger with the GoTo business led to disappointing renewal rates*.

As we move through the quarter, it became increasingly clear that some of the business practices we put in place following the merger were negatively impacting renewal rates. *Aggressively moving customers from monthly to annual payments, changing business terms and conditions and barriers we created the auto renewal process all contributed to friction for our customers and made us harder to do business with*. In addition, *we failed to deliver* some planned product enhancements and frankly were slow to address some product quality issues that crept into the product last year after we merged and realigned engineering teams. *The impact of these issues was amplified by competitors who took advantage of these execution challenges and successfully target our customer base*.

New and add-on sales in the quarter performed well; so we know we can win in the marketplace and take share from competitors. Nevertheless, the solid performance in new and add-on *wasn’t enough to overcome poor execution on the renewal side of our business*. By the second half of the quarter, these performance trends became clear and we’ve recognized the need to take corrective action.

Heading into Q3, we made changes in leadership and I personally began to work more closely with the team to overhaul our business practices, make changes to pricing and packaging and increase our engineering team’s focus on delivering on key product initiatives for our collaboration products. Many of these changes are already in place and others expected to be fully implemented later in the second half of the year. However, we believe it will take several quarters for these actions to meaningfully impact the renewal revenue. We therefore expect that growth in our collaboration business will slow in the second half of the year. *This performance . . . has resulted in us taking a more conservative view of the second half of 2018 and thus we are lowering our outlook for the full year*.

Again, *this performance is disappointing*, but I feel it’s mostly *due to our own executional missteps*. We are confident we’ve identified the specific causes

and have already taken steps that we believe will lead to better operational performance exiting the year.

[W]e have some work to do to improve our execution in the communication and collaboration business, specifically in the areas that most directly influence renewals. We're taking actions to improve our execution that we believe will drive better performance as we exit the year.

43. Market analysts and investors expressed deep concern. For example, in a July 27, 2018 report, analysts with Cowen Group stated, *inter alia*, “[t]he 2Q report was **a big surprise**,” “our bullish near term call was clearly wrong,” and further that “**mgmt credibility is likely at all-time lows.**”

44. In another report that same day, analysts with Northland Securities summarized as follows:

[T]he largest product line consisting of the GoToMeeting offering *stumbled as company tried to force customers to accept new contract terms* and missed shipping some product enhancements. The resulting weakness in bookings has driven down revenue guidance for the year by 3% and \$0.02 off EPS.

Starting this time last year, renewing GoTo collaboration customers were required to sign annual contracts (whereas the prior owner, Citrix, allowed monthly billing). *Given the limited time to respond, many took the annual contract but some chose not to renew a year later.* This *impacted billings and revenues going forward* and hence the guide. While the company has switched to a “however the customer wants it” billing process, we believe it will be difficult to quickly resign these customers as many went with competitors such as Zoom (which has hired some GoTo sales people).

45. On these revelations, the price for LOGM common stock plummeted over 25%, down \$26.60 per share to close at \$77.85 per share on July 27, 2018, on unusually heavy trading volume.

46. And as Defendants would later admit, these aggressive practices (and the negative impact therefrom) were not anomalous. For example, during a September 13, 2018 Deutsche Bank

Conference, LogMeln's Vice President of Investor Relations, Robert Bradley, admitted it was a result of *A very deliberate plan and a specific plan to go out after these contracts . . . and convert them from a monthly payer 12 times a year to a one-time payer.* And the first step we did was we took the new business and *we changed it from the opportunity to pay it monthly, and we made it annual.*"

47. As a result of Defendants misrepresentations and omissions, LOGM common stock has since traded down below \$76 per share, a nearly *30% decline* from the approximately \$108 price per share on the exchange date for the Acquisition. Investors suffered hundreds of millions of dollars in losses.

CLASS REPRESENTATION

48. Plaintiff brings this action as a class action on behalf of current and former Citrix shareholders who acquired LOGM common stock pursuant or traceable to the Registration Statement ("Class"). Excluded from the Class are Defendants and their families, the officers and directors and affiliates of Defendants, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns, and any entity in which Defendants have or had a controlling interest.

49. There are so many members of the Class that joinder of all members is impracticable. While the exact number of Class members is unknown to Plaintiff at this time and can only be obtained through appropriate discovery, Plaintiff believes that there are hundreds of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by Citrix, LogMeln, or their transfer agents and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

50. Plaintiffs claims are typical of the claims of the members of the Class, as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

51. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class action and securities litigation.

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

- (a) whether Defendants violated the Securities Act;
- (b) whether the Registration Statement was negligently prepared and contained inaccurate statements of material fact and omitted material information required to be stated therein; and
- (c) to what extent the members of the Class have sustained damages and the proper measure of damages.

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

FIRST CAUSE OF ACTION

FOR VIOLATION OF SECTION 11 OF THE SECURITIES ACT (Against All Defendants)

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

55. This Cause of Action is brought pursuant to Section 11 of the Securities Act, 15 U.S.C. §77k, on behalf of the Class, against all Defendants.

56. The Registration Statement contained untrue statements of material facts, omitted to state other facts necessary to make the statements made not misleading, and omitted to state material facts required to be stated therein.

57. Defendants are strictly liable to Plaintiff and the Class for the misstatements and omissions.

58. None of the Defendants named herein made a reasonable investigation or possessed reasonable grounds for the belief that the statements contained in the Registration Statement were true and without omissions of any material facts and were not misleading.

59. By reason of the conduct herein alleged, each Defendant violated, or controlled an employee who violated, Section 11 of the Securities Act.

60. Plaintiff acquired LOGM common stock pursuant to the Registration Statement.

61. Plaintiff and the Class have sustained damages. The value of LOGM common stock has declined substantially subsequent to and due to Defendants' violations.

62. At the time of their acquisition of LOGM common stock, plaintiff and other members of the Class were without knowledge of the facts concerning the wrongful conduct alleged herein and could not have reasonably discovered those facts prior to the disclosures herein. Less than one year has elapsed from the time that Plaintiff discovered or reasonably could have discovered the facts upon which this complaint is based to the time that Plaintiff commenced this action. Less than three years has elapsed between the time that the securities upon which this Cause of Action is brought were offered to the public and the time Plaintiff commenced this action.

SECOND CAUSE OF ACTION
FOR VIOLATION OF SECTION 12(a)(2) OF THE SECURITIES ACT
(Against All Defendants)

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

64. By means of the defective prospectus, Defendants promoted and sold LOGM common stock to Plaintiff and other members of the Class.

65. The prospectus contained untrue statements of material fact and concealed and failed to disclose material facts, as detailed above. Defendants owed Plaintiff and other members of the Class who purchased LOGM common stock pursuant to the prospectus the duty to make a reasonable and diligent investigation of the statements contained in the prospectus to ensure that such statements were true and that there was no omission to state a material fact required to be stated in order to make the statements contained therein not misleading. Defendants, in the exercise of reasonable care, should have known of the misstatements and omissions contained in the prospectus as set forth above.

66. Plaintiff did ~~not~~ⁱ know, nor in the exercise of reasonable diligence could have known, of the untruths and omissions contained in the prospectus at the time Plaintiff acquired LOGM common stock.

67. By reason of the conduct alleged herein, Defendants violated Section 12(a)(2) of the Securities Act. As a direct and proximate result of such violations, Plaintiff and the other members of the Class who acquired LOGM common stock pursuant to the prospectus sustained substantial damages in connection with their purchases of the stock. Accordingly, Plaintiff and other members of the Class who hold the common stock issued pursuant to the prospectus have the right to rescind and recover the consideration paid for their common stock, and hereby tender

their common stock to Defendants sued herein. Class members who have sold their common stock seek damages to the extent permitted by law.

THIRD CAUSE OF ACTION
FOR VIOLATION OF SECTION 15 OF THE SECURITIES ACT
(Against All Defendants)

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

69. This Cause of Action is brought pursuant to Section 15 of the Securities Act against Defendants.

70. Citrix controlled its employee officers and directors named as incoming LogMeln directors, controlled a majority of LOGM common stock post-Acquisition, exercised its control over LogMeln and the Acquisition by designating four of nine post-Acquisition LogMeln Board members and, as a result, controlled LogMeln, the individual Defendants, and LogMeln's and Citrix's employees. The Individual Defendants were controlling persons of LogMeln by virtue of their positions as directors or senior officers of LogMeln and Citrix. The Individual Defendants each had a series of direct or indirect business or personal relationships with other directors or officers or major shareholders of LogMeln and Citrix. LogMeln controlled its employee officers named as Individual Defendants.

71. Citrix, LogMeln, and the Individual Defendants were each culpable participants in the violations of Sections 11 and 12(a)(2) of the Securities Act alleged in the First and Second Causes of Action above, based on their having signed or authorized the signing of the Registration Statement, having solicited and promoted the Acquisition, and having otherwise participated in the process which allowed the Acquisition to be successfully completed.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

- (a) Determining that this action is a proper class action, certifying Plaintiff as Class representative under Florida Rule of Civil Procedure 1.220 and Plaintiffs counsel as Class counsel;
- (b) Awarding damages in favor of Plaintiff and the Class against all Defendants, jointly and severally, in an amount to be proven at trial, including interest thereon;
- (c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees;
- (d) Awarding rescission, disgorgement, and any other equitable or injunctive relief as deemed appropriate by the Court.

JURY

Plaintiff demands trial by jury.