UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

__________, Individually and On Behalf of All Others Similarly Situated, Plaintiff, v. PLANTRONICS, INC., JOSEPH BURTON, CHARLES BOYNTON, and PAMELA STRAYER, Defendants.	Case No. **CLASS ACTION COMPLAINT FOR VIOLATIONS OF THE FEDERAL SECURITIES LAWS**

Plaintiff __________ ("Plaintiff"), individually and on behalf of all others similarly situated, by and through her attorneys, alleges the following upon information and belief, except as to those allegations concerning Plaintiff, which are alleged upon personal knowledge. Plaintiff's information and belief is based upon, among other things, her counsel's investigation, which includes without limitation: (a) review and analysis of regulatory filings made by Plantronics, Inc. ("Plantronics," or "Poly," or the "Company") with the United States ("U.S.") Securities and Exchange Commission ("SEC"); (b) review and analysis of press releases and media reports issued by and disseminated by Plantronics; and (c) review of other publicly available information concerning Plantronics.

NATURE OF THE ACTION AND OVERVIEW

1. This is a class action on behalf of persons and entities that purchased or otherwise acquired Plantronics securities between July 2, 2018 and November 5, 2019, inclusive (the "Class Period"). Plaintiff pursues claims against the Defendants under the Securities Exchange Act of 1934 (the "Exchange Act").

2. Plantronics designs, manufactures, and markets integrated communications and collaboration solutions such as headsets, Open SIP desktop phones, audio and videoconferencing, and cloud management and analytics software solutions.

3. On November 5, 2019, the Company disclosed a $65 million reduction in channel inventory "by reducing sales to channel partners" and slashed its fiscal 2020 guidance, expecting revenue between $1.72 billion and $1.81 billion and adjusted EBITDA between $282 million and $323 million.

4. On this news, the Company's stock price fell $14.44 per share, or nearly 37%, to close at $25.00 per share on November 6, 2019, on unusually heavy trading volume.

5. Throughout the Class Period, Defendants made materially false and/or misleading statements, as well as failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) that the Company had engaged in channel stuffing to artificially boost sales; (2) that the Company's internal control over inventory levels was not effective; (3) that the Company had not adequately

monitored inventory levels ahead of multiple product launches, where the new models would displace demand for aging products; and (4) that, as a result of the foregoing, Defendants' positive statements about the Company's business, operations, and prospects, were materially misleading and/or lacked a reasonable basis.

6. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiff and other Class members have suffered significant losses and damages.

JURISDICTION AND VENUE

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

8. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331 and Section 27 of the Exchange Act (15 U.S.C. § 78aa).

9. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts in furtherance of the alleged fraud or the effects of the fraud have occurred in this Judicial District. Many of the acts charged herein, including the dissemination of materially false and/or misleading information, occurred in substantial part in this Judicial District. In addition, the Company's principal executive offices are located in this District.

10. In connection with the acts, transactions, and conduct alleged herein, Defendants directly and indirectly used the means and instrumentalities of interstate commerce, including the United States mail, interstate telephone communications, and the facilities of a national securities exchange.

PARTIES

11. Plaintiff __________, as set forth in the accompanying certification, incorporated by reference herein, purchased Plantronics securities during the Class Period, and suffered damages as a result of the federal securities law violations and false and/or misleading statements and/or material omissions alleged herein.

12. Defendant Plantronics is incorporated under the laws of Delaware with its principal executive offices located in Santa Cruz, California. Plantronics's common stock trades on the New York Stock Exchange ("NYSE") under the symbol "PLT."

13. Defendant Joseph Burton ("Burton") was the Company's Chief Executive Officer ("CEO") at all relevant times.

14. Defendant Charles Boynton ("Boynton") has been the Company's Chief Financial Officer ("CFO") since March 8, 2019.

15. Defendant Pamela Strayer ("Strayer") was the CFO from 2012 to March 8, 2019.

16. Defendants Burton, Boynton, and Strayer (collectively the "Individual Defendants"), because of their positions with the Company, possessed the power and authority to control the contents of the Company's reports to the SEC, press releases and presentations to securities analysts, money and portfolio managers and institutional investors, *i.e.*, the market. The Individual Defendants were provided with copies of the Company's reports and press releases alleged herein to be misleading prior to, or shortly after, their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of their positions and access to material non-public information available to them, the Individual Defendants knew that the adverse facts specified herein had not been disclosed to, and were being concealed from, the public, and that the positive representations which were being made were then materially false and/or misleading. The Individual Defendants are liable for the false statements pleaded herein.

SUBSTANTIVE ALLEGATIONS

Background

17. Plantronics designs, manufactures, and markets integrated communications and collaboration solutions such as headsets, Open SIP desktop phones, audio and videoconferencing, and cloud management and analytics software solutions.

Materially False and Misleading
<u>Statements Issued During the Class Period</u>

18. The Class Period begins on July 2, 2018. On that day, Plantronics announced that it completed its acquisition of Polycom for $1.638 billion in cash and 6.352 million Plantronics shares.

19. On August 7, 2018, the Company reported first quarter 2019 financial results, reporting "net revenues of $221.3 million, an increase of 8.5% year-over-year, and above [its] guidance range of $205 million to $215 million." This sales performance was "primarily due to growth in Gaming." Plantronics also reported operating income of $20.6.

20. The same day, Plantronics filed its quarterly report on Form 10-Q with the SEC for the period ended June 30, 2018, affirming the previously reported financial results. The report also stated certain risks impacting the Company regarding the Polycom acquisition:

> **The failure to successfully integrate the business and operations of Polycom in the expected time frame and achieve the expected synergies may adversely affect the business and financial results of the combined company.**
>
> We believe the acquisition of Polycom which was completed on July 2, 2018, will result in certain benefits, including acceleration and expansion of our market opportunities, creation of a broad portfolio of communications and collaboration endpoints, significant expansion of services offerings, and will result in immediate accretion to diluted earnings per common share, and significant operational efficiencies and cost synergies. However, our ability to realize these anticipated benefits depends on the successful integration of the two businesses. The combined company may fail to realize the anticipated benefits of the acquisition for a variety of reasons, including the following:
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> - the inability to integrate the businesses in a timely and cost-efficient manner or do so without adversely impacting revenue, operations, including new product launches;
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> - expected synergies or operating efficiencies may fail to materialize in whole or part, or may not occur within expected time-frames;
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> - the failure to successfully manage relationships with each company's historic customers, resellers, end-users, suppliers and strategic partners and their operating results and businesses generally (including the diversion of management time to react to new and unforeseen issues);
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> - the failure to accurately estimate the potential markets and market shares for the combined company's products, the nature and extent of competitive responses to the acquisition and the ability of the combined company to achieve or exceed projected market growth rates;
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> * * *

- difficulties forecasting financial results, particularly in light of distinct business cycles between the two companies with a significantly higher proportion of Polycom's quarterly bookings and revenues being recognized in the third month of each quarter, making the timing of revenue and expenses more difficult to predict and providing accurate guidance to financial analysts and investors less certain;

* * *

- difficulties integrating professional services revenue streams with historic hardware sales and subscription services without adversely impacting revenue recognition;

* * *

- the challenges of integrating the supply chains of the two companies; and
- the potential that our due diligence did not uncover risks and potential liabilities of Polycom.

21. On September 11, 2018, the Company provided an updated business outlook to reflect the contribution from the Polycom acquisition. Plantronics' press release stated, in relevant part:

> **Updated Long-Term Financial Targets**
> The addition of Polycom expands Plantronics total addressable market from $1.4 billion[1] in 2017 to $7.0 billion[1] in 2022 and accelerates its vision to be the preferred communications and collaboration touch point. As a result, Plantronics is providing the following updated long-term financial targets, reflecting post-acquisition opportunities to improve operating margins:
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> - Revenue growth of 5 - 8%, on a year-over-year basis
> - Non-GAAP gross margins of 52 - 54%[2], an increase of 200 bps over the prior Plantronics stand-alone long-term target of 50 - 52%
> - Non-GAAP operating margins of 21 - 24%[2], an increase of 100 bps over the prior Plantronics stand-alone long-term target of 20 - 23%
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> **Updated Cost Synergy Targets**
> The integration of the two companies is well underway, and further cost saving opportunities in both cost of goods sold (COGS) and operating expense (OpEx) have been identified. COGS savings are expected to be primarily driven by lower component costs through consolidated volume contracts and through leveraging in-house manufacturing for high volume product sets. OpEx savings are expected to be driven by optimizing existing overlaps in investments, channel partners, customers and programs, as well as additional efficiencies across the combined business. Based on the above, our updated synergy targets are:
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> - $85 million in run-rate annualized cost synergies within year one (~$38M COGS, ~$47M OpEx)
>   ° Exceeds previously stated target of $75 million

- $105 million in steady-state run-rate annualized cost synergies within two years (~$45-60M COGS, ~$50-55M OpEx)

22. On November 6, 2018, the Company announced its second quarter 2019 financial results, reporting net revenues of $438 million and operating loss of $86 million due to $37 million in purchase accounting adjustments. The press release also highlighted that, during the quarter, Plantronics had "announced the largest consumer headset product launch" in its history with eight new headsets that "address the needs of runners, travelers, and gamers."

23. On November 7, 2018, the Company filed its quarterly report on Form 10-Q with the SEC for the period ended September 30, 2018, affirming the previously reported financial results.

24. On January 29, 2019, the Company announced a new plug-and-play videobar called Polycom Studio. The Company's press release stated, in relevant part:

> Any company whose employees use PCs or Macs for video collaboration with services like Zoom, Microsoft Teams, Skype for Business, Google Meet, Cisco Webex, or Amazon Chime will up their game with Polycom's legendary HD audio and video quality packaged into a portable USB device.
>
> Today's open office spaces have resulted in an explosion of smaller meeting spaces, or "huddle rooms," where groups of 2-6 can escape the noise to collaborate, often with coworkers in other locations. But of an estimated 32 million huddle rooms globally, only two percent of those spaces include equipment for video conferencing, which is becoming increasingly important for the mobile workforce. And, while the rooms may be small, the ideas that businesses are counting on coming out of those rooms are anything but. With the HD audio and video clarity that Polycom Studio provides, even the smallest of spaces can have boardroom capability.
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> "Polycom Studio lets everyone get in the game of quality video conferencing," said Joe Burton, president and chief executive officer at Plantronics. "Polycom Studio is an important first step for newly combined Plantronics and Polycom to address the huddle room needs of the modern office."

25. On February 5, 2019, the Company announced its third quarter 2019 financial results, reporting net revenues of $501.7 million and operating loss of $24.7 million. Moreover, the Company's press release stated that Plantronics remained "on track" to deliver its synergy targets, stating in relevant part:

> "We continue to make progress on our ongoing product roadmap, integration plans, and financial goals, meeting or exceeding our guidance targets, with operating income and EBITDA more than doubling as result of the acquisition," said Joe Burton, President and Chief Executive Officer. . . .

"***We remain on track to deliver on our cost synergy targets and are pleased by the $45M of run-rate annualized cost synergies achieved to date*** as we continue to execute on our integration plans," said Pam Strayer, Executive Vice President and Chief Financial Officer. "***Revenue growth in desktop phones, audio conferencing, and headsets, coupled with expense reductions drove strong profitability for the third quarter.***"

Highlights for the Third Quarter of Fiscal Year 2019

- Double-digit revenue growth in Desktop Phones, Audio Conferencing, UC Headsets, and Consumer Headsets. The rapid adoption of recently introduced products, such as the VVX x50 family of Open SIP desktop phones, were strong contributors to revenue growth.

- The Company announced Polycom Studio, the first in a family of video solutions designed specifically for huddle rooms and smaller conference rooms. This plug-and-play USB video bar delivers board-room quality to smaller meeting spaces with robust features, plug-and-play simplicity, and great value. The Company expects to announce new additions to this portfolio in the next several months.

(Emphases added.)

26. On February 6, 2019, the Company filed its quarterly report on Form 10-Q with the SEC for the period ended December 29, 2018, affirming the previously reported financial results.

27. On March 18, 2019, the Company announced a rebranding to a new name "Poly" and a host of new products. The Company's press release stated, in relevant part:

New Solutions, Demonstrated Hands-On

Starting today at Enterprise Connect 2019, Poly is unveiling new products and services to realize the company vision. Visitors to the Poly booth (#713) will have a chance to meet with executives to learn more about the new company and its latest offerings, which include:

- Polycom Studio, an easy-to-use video USB bar that upgrades huddle rooms to business class and works with services like Microsoft Teams, Zoom, Skype for Business, Google Meet, Cisco Webex, or Amazon Chime.

- Plantronics Elara 60 Series, the mobile phone station designed for the increasingly mobile-first worker and provides users with a one-touch Microsoft Teams experience.

- Eagle Eye Cube, a video conference camera with 4k sensors for crystal clear image quality as well as rich sound to upgrade meetings in small to mid-sized rooms. Eagle Eye Cube is designed to work with many existing solutions including Polycom Trio with VisualPro and Group Series.

- Blackwire 7225, an intuitive UC headset designed for concentration in open offices with a sleek, boomless design. Blackwire 7225's active noise cancellation allows for focus so people can work, listen to music and sound professional on calls from a PC or Mac.

- The Plantronics Status Indicator, a wired presence indicator that sits on your desktop and connects with whatever communications platform you're using to let others know if you are available, on a call or away from your desk. Visual and audio alerts sound for messages and calls.

- Plantronics headsets and Polycom phones provide end users 'better together' functionality, allowing basic and advanced headset features to be easily changed directly from the desk phone touch screen interface, without the need for a connected PC.

- The latest version of Plantronics Manager Pro, v3.13, that gives IT pros the confidence of knowing what devices they have, what's working, and what's not – and what to do about it.

- Polycom Device Management Service for Enterprises, which now supports and manages Polycom Studio as well as added API functions for better control and management of large deployments.

28. On March 19, 2019, the Company announced Poly CCX Series, a line of desk phones "that pair with a native Microsoft Teams solution." It also announced "a new strategic alliance between Poly and Google Cloud" and stated that "its VVX 250, 350, and 450 OBi phones are the first IP phones certified for Google Voice."

29. On May 7, 2019, the Company announced its fourth quarter and full year 2019 financial results, touting the "accretive power of the Polycom acquisition. For the full year, it reported $1.675 billion revenue and $109 million operating loss. The press release stated that the Company had achieved "$73 million in annual run-rate synergy capture," and defendant Burton reiterated the integration progress. Poly also forecast net revenue in the range of $471 million to $501 million and adjusted EBITDA between $92 million and $108 million in first quarter 2020. Poly also expected fiscal 2020 revenue growth between 21% and 24% and adjusted EBITDA between $410 million and $460 million.

30. On May 17, 2019, the Company filed its annual report on Form 10-K with the SEC for the period ended March 31, 2019 (the "2019 10-K"), affirming the previously reported financial results.

31. The 2019 10-K also described certain risks impacting the Company regarding its product portfolio, stating, in relevant part:

> *Product obsolescence or discontinuance and excess inventory can negatively affect our results of operations.*

The pace of change in technology development and in the release of new products has increased and is expected to continue to increase, which can often render existing or developing technologies obsolete. In addition, the introduction of new products and any related actions to discontinue existing products can cause existing inventory to become obsolete. These obsolescence issues, or any failure by us to properly anticipate product life cycles, can require write-downs in inventory value. For each of our products, the potential exists for new products to render existing products obsolete, cause inventories of existing products to increase, cause us to discontinue a product or reduce the demand for existing products.

Further, we continually evaluate our product lines both strategically and in terms of potential growth rates and margins. Such evaluations could result in the discontinuance or divestiture of those products in the future, which could be disruptive and costly and may not yield the intended benefits.

32. Moreover, regarding the Company's channel partners' inventories, the 2019 10-K stated, in relevant part:

We are subject to risks associated with our channel partners' sales reporting, product inventories and product sell-through.

We sell a significant amount of our products to channel partners who maintain their own inventory of our products for sale to resellers and end-users. Our revenue forecasts associated with products stocked by some of our channel partners are based largely on end-user sales reports that our channel partners provide to us. Although we believe this data has historically been generally accurate, to the extent that this sales-out and channel inventory data is inaccurate or not received timely, our revenue forecasts for future periods may be less reliable. Further, if these channel partners are unable to sell an adequate amount of their inventory of our products in a given quarter or if channel partners decide to decrease their inventories for any reason, such as a recurrence of global economic uncertainty and downturn in technology spending, the volume of our sales to these channel partners and our revenues would be negatively affected. In addition, we also face the risk that some of our channel partners have inventory levels in excess of future anticipated sales. If such sales do not occur in the time frame anticipated by these channel partners for any reason, these channel partners may substantially decrease the amount of product they order from us in subsequent periods, or product returns may exceed historical or predicted levels, which would harm our business and create unexpected variations in our financial results.

33. On July 11, 2019, the Company announced "Poly G7500, a video device that combines content collaboration and video conferencing capabilities in one device."

34. On August 6, 2019, the Company announced first quarter 2020 financial results, reporting $448 million revenue and $29 million operating income. For fiscal 2020, Poly expected revenue between $1.87 and $1.97 billion and adjusted EBITDA between $410 million and $460 million. The press release stated, in relevant part:

"We delivered solid bottom-line results in the quarter despite encountering several top-line challenges," said Joe Burton, President and Chief Executive Officer. "Poly

> Studio continues to ramp ahead of plan as we push into the fast-growing Huddle Room market. Additionally, with the launch of the G7500, the first release in our next-gen video suite for medium and large conference rooms, we are excited about our long-term growth prospects."
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> "Through cost synergies and expense management we improved operating cash flow sequentially while making significant progress on our integration and restructuring efforts," said Chuck Boynton, Executive Vice President and Chief Financial Officer. "We expect operating cash flow to accelerate throughout the balance of the year and remain on track to meet our 3x leverage target by fiscal year end."
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> **Highlights for the First Quarter and Fiscal Year 2020**
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> - As of today, the Company has executed actions to capture the total two-year annualized run-rate cost synergy target of $105 million ahead of schedule. In doing so, the Company realized $20 million of actual synergy savings in the June quarter and expects to achieve $23 million of realized savings in the September quarter. In addition, the Company has identified an additional $40 million of cost savings.
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> - The previously announced strategic review of the Consumer business is progressing. The Company continues to believe that focusing exclusively on the opportunities in the enterprise market while simplifying business processes and reducing working capital will allow the Company to more quickly and effectively achieve its strategic and financial goals.

35. On August 6, 2019, the Company filed its quarterly report on Form 10-Q for the period ended June 30, 2019, affirming the previously reported financial results.

36. Over the next several weeks, the Company announced new product launches and improvements:

- RIG 700 series of wireless headsets added to the RIG gaming line, with up to 12 hours of battery life, "designed to endure an all-night raid or those intense competitive gaming sessions." (August 20, 2019)
- BackBeat PRO 5100, BackBeat FIT 3200, and BackBeat FIT 3150, BackBeat FIT 6100 wireless sport earbuds (September 4, 2019)
- "enhanced Savi Office and UC Series[, which] will offer more wearing styles, plus features to help with working in noisy office environments" (September 18, 2019)
- full range of video endpoints, including "purpose-built all-in-one video bars, the Poly Studio X30 and Poly Studio X50," and the G7500 video operating system, all of which support Zoom Rooms (October 15, 2019)
- video conferencing devices with a built-in Microsoft Teams experience at Microsoft Ignite 2019 (November 4, 2019)

37. The above statements identified in ¶¶ 18-36 were materially false and/or misleading, and failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) that the Company had engaged in channel stuffing to artificially boost sales; (2) that the Company's internal control over inventory levels was not effective; (3) that the Company had not adequately monitored inventory levels ahead of multiple product launches, where the new models would displace demand for aging products; and (4) that, as a result of the foregoing, Defendants' positive statements about the Company's business, operations, and prospects, were materially misleading and/or lacked a reasonable basis.

Disclosures at the End of the Class Period

38. On November 5, 2019, after the market closed, the Company disclosed a $65 million reduction in channel inventory "by reducing sales to channel partners" and slashed its fiscal 2020 guidance, expecting revenue between $1.72 billion and $1.81 billion and adjusted EBITDA between $282 million and $323 million. The Company's press release stated, in relevant part:

> "In light of the challenges of the past two quarters we are aggressively taking steps to drive long-term profitable growth," said Joe Burton, President and Chief Executive Officer. "Over the last few months we have announced a record number of new products that are just beginning to ship now with the full rollout over the next few quarters."
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> "During the second quarter, we made further progress reducing our debt and managing corporate spend," said Chuck Boynton, Executive Vice President and Chief Financial Officer. "As we analyze inventory levels across our value chain, in light of the evolving macroeconomic conditions and significant product transitions underway, we believe it is prudent to reduce channel inventory at this time by reducing sales to channel partners. This reduction will primarily impact our fiscal Q3 results and is incorporated into the guidance we are providing today."

39. The same day, the Company filed a Form 8-K with the SEC disclosing that the Executive Vice President of Global Sales, Jeff Loebbaka, was leaving the Company.

40. During a conference call held to discuss these results with analysts and investors, defendant Burton attributed the inventory reduction to an "aging product line" that will purportedly be cleared to "prepare for the upcoming product transitions." He stated, in relevant part:

> [W]e continue to be impacted by our aging video products, the Microsoft Teams transition and macro issues.
>
> As we navigate these dynamics and prepare for the upcoming product transitions, we're taking a number of actions to proactively manage our business. These will include a leadership change in our sales organization and a reduction of channel inventory in the December quarter, the completion of our comprehensive portfolio refresh and prioritizing cost and cash management with a focus on debt reduction. We expect the inventory reduction will have a material short-term impact on our results.

41. Similarly, defendant Boynton stated that "to navigate the current macro environment and prepare for the significant product transitions ahead," Poly would "reduce channel inventory in the December quarter by approximately $65 million," which would "have a material impact" on the Company's financial results.

42. On this news, the Company's stock price fell $14.44 per share, or nearly 37%, to close at $25.00 per share on November 6, 2019, on unusually heavy trading volume.

CLASS ACTION ALLEGATIONS

43. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and entities that purchased or otherwise acquired Plantronics securities between July 2, 2018 and November 5, 2019, inclusive, and who were damaged thereby (the "Class"). Excluded from the Class are Defendants, the officers and directors of the Company, 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.

44. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Plantronics's common shares actively traded on the NYSE. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are at least hundreds or thousands of members in the proposed Class. Millions of Plantronics common stock were traded publicly during the Class Period on the NYSE. Record owners and other members of the Class may be identified from records maintained by Plantronics or its transfer agent 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.

45. Plaintiff's 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.

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

47. 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 the federal securities laws were violated by Defendants' acts as alleged herein;

(b) whether statements made by Defendants to the investing public during the Class Period omitted and/or misrepresented material facts about the business, operations, and prospects of Plantronics; and

(c) to what extent the members of the Class have sustained damages and the proper measure of damages.

48. 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 makes 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.

UNDISCLOSED ADVERSE FACTS

49. The market for Plantronics's securities was open, well-developed and efficient at all relevant times. As a result of these materially false and/or misleading statements, and/or failures to disclose, Plantronics's securities traded at artificially inflated prices during the Class Period. Plaintiff and other members of the Class purchased or otherwise acquired Plantronics's

securities relying upon the integrity of the market price of the Company's securities and market information relating to Plantronics, and have been damaged thereby.

50. During the Class Period, Defendants materially misled the investing public, thereby inflating the price of Plantronics's securities, by publicly issuing false and/or misleading statements and/or omitting to disclose material facts necessary to make Defendants' statements, as set forth herein, not false and/or misleading. The statements and omissions were materially false and/or misleading because they failed to disclose material adverse information and/or misrepresented the truth about Plantronics's business, operations, and prospects as alleged herein.

51. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused or were a substantial contributing cause of the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Plantronics's financial well-being and prospects. These material misstatements and/or omissions had the cause and effect of creating in the market an unrealistically positive assessment of the Company and its financial well-being and prospects, thus causing the Company's securities to be overvalued and artificially inflated at all relevant times. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at artificially inflated prices, thus causing the damages complained of herein when the truth was revealed.

LOSS CAUSATION

52. Defendants' wrongful conduct, as alleged herein, directly and proximately caused the economic loss suffered by Plaintiff and the Class.

53. During the Class Period, Plaintiff and the Class purchased Plantronics's securities at artificially inflated prices and were damaged thereby. The price of the Company's securities significantly declined when the misrepresentations made to the market, and/or the information alleged herein to have been concealed from the market, and/or the effects thereof, were revealed, causing investors' losses.

SCIENTER ALLEGATIONS

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

APPLICABILITY OF PRESUMPTION OF RELIANCE (FRAUD-ON-THE-MARKET DOCTRINE)

55. The market for Plantronics's securities was open, well-developed and efficient at all relevant times. As a result of the materially false and/or misleading statements and/or failures to disclose, Plantronics's securities traded at artificially inflated prices during the Class Period. On July 6, 2018, the Company's share price closed at a Class Period high of $82.21 per share. Plaintiff and other members of the Class purchased or otherwise acquired the Company's securities relying upon the integrity of the market price of Plantronics's securities and market information relating to Plantronics, and have been damaged thereby.

56. During the Class Period, the artificial inflation of Plantronics's shares was caused by the material misrepresentations and/or omissions particularized in this Complaint causing the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Plantronics's business, prospects, and operations. These material misstatements and/or omissions created an unrealistically positive assessment of Plantronics and its business, operations, and prospects, thus causing the price of the Company's securities to be artificially

inflated at all relevant times, and when disclosed, negatively affected the value of the Company shares. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at such artificially inflated prices, and each of them has been damaged as a result.

57. At all relevant times, the market for Plantronics's securities was an efficient market for the following reasons, among others:

(a) Plantronics shares met the requirements for listing, and was listed and actively traded on the NYSE, a highly efficient and automated market;

(b) As a regulated issuer, Plantronics filed periodic public reports with the SEC and/or the NYSE;

(c) Plantronics regularly communicated with public investors via established market communication mechanisms, including through regular dissemination of press releases on the national circuits of major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services; and/or

(d) Plantronics was followed by securities analysts employed by brokerage firms who wrote reports about the Company, and these reports were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace.

58. As a result of the foregoing, the market for Plantronics's securities promptly digested current information regarding Plantronics from all publicly available sources and reflected such information in Plantronics's share price. Under these circumstances, all purchasers of Plantronics's securities during the Class Period suffered similar injury through their purchase of Plantronics's securities at artificially inflated prices and a presumption of reliance applies.

59. A Class-wide presumption of reliance is also appropriate in this action under the Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128 (1972), because the Class's claims are, in large part, grounded on Defendants' material misstatements and/or omissions. Because this action involves Defendants' failure to disclose material adverse information regarding the Company's business operations and financial prospects—information

that Defendants were obligated to disclose—positive proof of reliance is not a prerequisite to recovery. All that is necessary is that the facts withheld be material in the sense that a reasonable investor might have considered them important in making investment decisions. Given the importance of the Class Period material misstatements and omissions set forth above, that requirement is satisfied here.

NO SAFE HARBOR

60. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. The statements alleged to be false and misleading herein all relate to then-existing facts and conditions. In addition, to the extent certain of the statements alleged to be false may be characterized as forward looking, they were not identified as "forward-looking statements" when made and there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. In the alternative, to the extent that the statutory safe harbor is determined to apply to any forward-looking statements pleaded herein, Defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the speaker had actual knowledge that the forward-looking statement was materially false or misleading, and/or the forward-looking statement was authorized or approved by an executive officer of Plantronics who knew that the statement was false when made.

FIRST CLAIM

Violation of Section 10(b) of The Exchange Act and Rule 10b-5 Promulgated Thereunder Against All Defendants

61. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

62. During the Class Period, Defendants carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and other members of the Class to purchase Plantronics's securities at artificially inflated prices. In

furtherance of this unlawful scheme, plan and course of conduct, Defendants, and each defendant, took the actions set forth herein.

63. Defendants (i) employed devices, schemes, and artifices to defraud; (ii) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements not misleading; and (iii) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities in an effort to maintain artificially high market prices for Plantronics's securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5. All Defendants are sued either as primary participants in the wrongful and illegal conduct charged herein or as controlling persons as alleged below.

64. Defendants, individually and in concert, directly and indirectly, by the use, means or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a continuous course of conduct to conceal adverse material information about Plantronics's financial well-being and prospects, as specified herein.

65. Defendants employed devices, schemes and artifices to defraud, while in possession of material adverse non-public information and engaged in acts, practices, and a course of conduct as alleged herein in an effort to assure investors of Plantronics's value and performance and continued substantial growth, which included the making of, or the participation in the making of, untrue statements of material facts and/or omitting to state material facts necessary in order to make the statements made about Plantronics and its business operations and future prospects in light of the circumstances under which they were made, not misleading, as set forth more particularly herein, and engaged in transactions, practices and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities during the Class Period.

66. Each of the Individual Defendants' primary liability and controlling person liability arises from the following facts: (i) the Individual Defendants were high-level executives and/or directors at the Company during the Class Period and members of the Company's management team or had control thereof; (ii) each of these defendants, by virtue of their responsibilities and activities as a senior officer and/or director of the Company, was privy to and participated in the creation, development and reporting of the Company's internal budgets, plans, projections and/or

reports; (iii) each of these defendants enjoyed significant personal contact and familiarity with the other defendants and was advised of, and had access to, other members of the Company's management team, internal reports and other data and information about the Company's finances, operations, and sales at all relevant times; and (iv) each of these defendants was aware of the Company's dissemination of information to the investing public which they knew and/or recklessly disregarded was materially false and misleading.

67. Defendants had actual knowledge of the misrepresentations and/or omissions of material facts set forth herein, or acted with reckless disregard for the truth in that they failed to ascertain and to disclose such facts, even though such facts were available to them. Such defendants' material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose and effect of concealing Plantronics's financial well-being and prospects from the investing public and supporting the artificially inflated price of its securities. As demonstrated by Defendants' overstatements and/or misstatements of the Company's business, operations, financial well-being, and prospects throughout the Class Period, Defendants, if they did not have actual knowledge of the misrepresentations and/or omissions alleged, were reckless in failing to obtain such knowledge by deliberately refraining from taking those steps necessary to discover whether those statements were false or misleading.

68. As a result of the dissemination of the materially false and/or misleading information and/or failure to disclose material facts, as set forth above, the market price of Plantronics's securities was artificially inflated during the Class Period. In ignorance of the fact that market prices of the Company's securities were artificially inflated, and relying directly or indirectly on the false and misleading statements made by Defendants, or upon the integrity of the market in which the securities trades, and/or in the absence of material adverse information that was known to or recklessly disregarded by Defendants, but not disclosed in public statements by Defendants during the Class Period, Plaintiff and the other members of the Class acquired Plantronics's securities during the Class Period at artificially high prices and were damaged thereby.

69. At the time of said misrepresentations and/or omissions, Plaintiff and other members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff and the other members of the Class and the marketplace known the truth regarding the problems that Plantronics was experiencing, which were not disclosed by Defendants, Plaintiff and other members of the Class would not have purchased or otherwise acquired their Plantronics securities, or, if they had acquired such securities during the Class Period, they would not have done so at the artificially inflated prices which they paid.

70. By virtue of the foregoing, Defendants violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

71. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases and sales of the Company's securities during the Class Period.

SECOND CLAIM

Violation of Section 20(a) of The Exchange Act Against the Individual Defendants

72. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

73. Individual Defendants acted as controlling persons of Plantronics within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions and their ownership and contractual rights, participation in, and/or awareness of the Company's operations and intimate knowledge of the false financial statements filed by the Company with the SEC and disseminated to the investing public, Individual Defendants had the power to influence and control and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements which Plaintiff contends are false and misleading. Individual Defendants were provided with or had unlimited access to copies of the Company's reports, press releases, public filings, and other statements alleged by Plaintiff to be misleading prior to and/or shortly after these statements were

issued and had the ability to prevent the issuance of the statements or cause the statements to be corrected.

74. In particular, Individual Defendants had direct and supervisory involvement in the day-to-day operations of the Company and, therefore, had the power to control or influence the particular transactions giving rise to the securities violations as alleged herein, and exercised the same.

75. As set forth above, Plantronics and Individual Defendants each violated Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of their position as controlling persons, Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and other members of the Class suffered damages in connection with their purchases of the Company's securities during the Class Period.

PRAYER FOR RELIEF

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

a) Determining that this action is a proper class action under Rule 23 of the Federal Rules of Civil Procedure;

b) Awarding compensatory damages in favor of Plaintiff and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, 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; and

d) Such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.