

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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

_____, Individually and On
Behalf of All Others Similarly
Situating,

Plaintiff,

v.

ALTERYX, INC., DEAN A.
STOECKER, and KEVIN RUBIN,

Defendants.

Case No.

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

1 Plaintiff _____ (“Plaintiff”), individually and on behalf of all others
2 similarly situated, by and through his attorneys, alleges the following upon
3 information and belief, except as to those allegations concerning Plaintiff, which are
4 alleged upon personal knowledge. Plaintiff’s information and belief is based upon,
5 among other things, his counsel’s investigation, which includes without limitation:
6 (a) review and analysis of regulatory filings made by Alteryx, Inc. (“Alteryx” or the
7 “Company”) with the United States (“U.S.”) Securities and Exchange Commission
8 (“SEC”); (b) review and analysis of press releases and media reports issued and
9 disseminated by Alteryx; and (c) review of other publicly available information
10 concerning Alteryx.

11 **NATURE OF THE ACTION AND OVERVIEW**

12 1. This is a class action on behalf of persons and entities that purchased or
13 otherwise acquired Alteryx securities between May 6, 2020 and August 7, 2020,
14 inclusive (the “Class Period”). Plaintiff pursues claims against the Defendants under
15 the Securities Exchange Act of 1934 (the “Exchange Act”).

16 **JURISDICTION AND VENUE**

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

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

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

1 materially false and/or misleading. The Individual Defendants are liable for the false
2 statements pleaded herein.

3 SUBSTANTIVE ALLEGATIONS

4 Background

5 11. Alteryx purports to be a leader in analytic process automation. The
6 Company offers a subscription-based platform that customers can use to access,
7 prepare, and analyze data from a multitude of sources, then deploy and share analytics
8 at scale to make data-driven decisions.

9 **Materially False and Misleading**

10 Statements Issued During the Class Period

11 12. The Class Period begins on May 6, 2020. On that day, the Company
12 announced its first quarter 2020 financial results in a press release that stated, in
13 relevant part:

14 “Alteryx delivered solid results and crossed over \$400 million in annual
15 recurring revenue in the first quarter, *despite an abrupt and significant*
16 *change in customer buying behavior late in the quarter,”* said Dean
17 Stoecker, CEO of Alteryx, Inc. “In these challenging times, we believe
the importance of data has never been greater, and we remain focused on
and committed to helping our customers leverage data to better navigate
these circumstances.”

18 **First Quarter 2020 Financial Highlights**

- 19 • **Revenue:** Revenue for the first quarter of 2020 was \$108.8
20 million, an increase of 43%, compared to revenue of \$76.0 million
in the first quarter of 2019.
- 21 • **Gross Profit:** GAAP gross profit for the first quarter of 2020 was
22 \$95.8 million, or a GAAP gross margin of 88%, compared to
23 GAAP gross profit of \$68.0 million, or a GAAP gross margin of
24 89%, in the first quarter of 2019. Non-GAAP gross profit for the
25 first quarter of 2020 was \$99.4 million, or a non-GAAP gross
margin of 91%, compared to non-GAAP gross profit of \$68.8
26 million, or a non-GAAP gross margin of 90%, in the first quarter
of 2019.
- 27 • **Income (Loss) from Operations:** GAAP loss from operations for
28 the first quarter of 2020 was \$(20.1) million, compared to GAAP
loss from operations of \$(4.4) million for the first quarter of 2019.
Non-GAAP loss from operations for the first quarter of 2020 was
\$(3.2) million, compared to non-GAAP income from operations
of \$1.4 million for the first quarter of 2019.

1 strategies to drive our sales and revenue. If these marketing strategies
2 fail to continue to generate sufficient sales opportunities necessary to
3 increase our revenue and to the extent that we are unable to successfully
4 attract and expand our customer base, we will not realize the intended
5 benefits of these marketing strategies and our ability to grow our revenue
6 may be adversely affected.

7 Demand for our platform by new customers may also be affected by a
8 number of factors, many of which are beyond our control, such as
9 continued market acceptance of our platform for existing and new use
10 cases, the timing of development and new releases of our software,
11 technological change, growth or contraction in our addressable market,
12 and accessibility across operating systems. . . .

13 Our customers generally enter into license agreements with one to three
14 year subscription terms and generally have no obligation or contractual
15 right to renew their subscriptions after the expiration of their initial
16 subscription period. ***New customers may enter into license agreements
for lower subscription amounts or for shorter subscription terms than
we anticipate, which reduces our ability to forecast revenue growth
accurately. Moreover, our customers may not renew their
subscriptions and those customers that do renew their subscriptions
may renew for lower subscription amounts or for shorter subscription
terms.*** Customer renewal rates may decline or fluctuate as a result of a
number of factors, including the breadth of early deployment, reductions
in our customers' spending levels, our pricing or pricing structure, the
pricing or capabilities of products or services offered by our competitors,
our customers' satisfaction or dissatisfaction with our platform, or the
effects of economic conditions, including as a result of the COVID-19
pandemic. If our customers do not renew their agreements with us, or
renew on terms less favorable to us, our revenue may decline.

17 (Emphasis added.)

18 14. The above statements identified in ¶¶ 12-13 were materially false and/or
19 misleading, and failed to disclose material adverse facts about the Company's
20 business, operations, and prospects. Specifically, Defendants failed to disclose to
21 investors: (1) that the Company was unable to close large deals within the quarter and
22 deals were pushed out to subsequent quarters or downsized; (2) that, as a result,
23 Alteryx increasingly relied on adoption licenses to attract new customers; (3) that, as
24 a result and due to the nature of adoption licenses, the Company's revenue was
25 reasonably likely to decline; and (4) that, as a result of the foregoing, Defendants'
26 positive statements about the Company's business, operations, and prospects were
27 materially misleading and/or lacked a reasonable basis.

1 **Disclosures at the End of the Class Period**

2 15. On August 6, 2020, after the market closed, Alteryx announced its
3 second quarter 2020 financial results, and stated that the Company expected only 10%
4 to 11% revenue growth for the full year, and 7% to 11% revenue growth for the third
5 quarter of 2020 (as compared to the same period in 2019). Specifically, Alteryx stated
6 in a press release, in relevant part:

7 **Second Quarter 2020 and Recent Business Highlights**

- 8 • Ended the second quarter of 2020 with 6,714 customers, a 27%
9 increase from the second quarter of 2019. Added 271 net new
10 customers in the second quarter of 2020.
- 11 • Achieved a dollar-based net expansion rate (annual contract value
12 based) of 126% for the second quarter of 2020.
- 13 • Ended the quarter with over \$430.0 million in annual recurring
14 revenue (ARR), an increase of over 40% year-over-year.

15 * * *

16 • **Third Quarter 2020 Guidance:**

- 17 ▪ Revenue is expected to be in the range of \$111.0 million to
18 \$115.0 million, an increase of 7% to 11% year-over-year.
- 19 ▪ Non-GAAP income from operations is expected to be in the
20 range of \$8.0 million to \$12.0 million.
- 21 ▪ Non-GAAP net income per share is expected to be in the
22 range of \$0.09 to \$0.14 based on approximately 71.0
23 million non-GAAP weighted-average diluted shares
24 outstanding.

25 • **Full Year 2020 Guidance:**

- 26 ▪ Revenue is expected to be in the range of \$460.0 million to
27 \$465.0 million, an increase of 10% to 11% year-over-year.
- 28 ▪ Annual recurring revenue is expected to be approximately
\$500.0 million as of December 31, 2020, an increase of over
30% year-over-year.

16. Alteryx hosted a conference call with investors and analysts to discuss
the second quarter 2020 results on August 6, 2020 at 5 p.m. Eastern Time. During the
call, defendant Stoecker disclosed that customers’ buying behaviors resulted in
“notable changes, such as higher levels of scrutiny on spending across all sectors,

1 resulting in longer sales cycles, smaller deal sizes and less favorable linearity in the
2 quarter.” Defendant Rubin provided further details, stating:

3 Last quarter, we highlighted that new business activity in April was
4 consistent with the levels in April 2019. This gave us some degree of
5 confidence that customers were reengaging after the abrupt slowdown
6 we saw at the end of March.

7 However, as we have typical software linearity in our business, meaning
8 the majority of our bookings are generally concentrated in the back half
9 of the quarter, changes in customer buying behavior did not become
10 apparent to us until later in the quarter. These changes included
11 elongated sales cycles resulting from customers having more robust
12 approval processes and higher levels of scrutiny, smaller deal sizes and
13 less favorable linearity with some transactions slipping into Q3. . . . The
14 changes in customer buying behavior were most evident in our
15 expansion business, particularly for transactions that were not attached
16 to a renewal. Along with these trends, sales and marketing productivity
17 declined for the quarter, and we saw a moderate increase in our churn
18 rates globally.

19 17. During the conference call, Defendant Stoecker further disclosed that
20 Alteryx “increased [the] use of adoption licenses” in response. He explained:

21 To address this new normal of buying behavior, we increased our use of
22 adoption licenses. An adoption license is a short term contract, generally
23 six months, that allows the customer to effectively take Alteryx for an
24 extended test drive to prove value and gauge demand before they make
25 a longer term commitment.

26 Adoption licenses [] allow us to engage with broader audiences at larger
27 enterprise[s] for an extended period of time to help prove out digital
28 transformation initiatives. It is also a way for us to continue to engage
with and support our customers in these trying times. It also acts as an
insurance policy of sorts for our customers. In Q2, adoption agreements
increased by over 60% year over year and more than 100% sequentially.

18. During the conference call, Defendant Stoecker revealed that, despite the
use of adoption licenses, Alteryx continued to experience “high customer churn.” He
disclosed that “[d]ollar-based churn was predominantly seen in downsized contracts”
and “customer churn continued to be concentrated in the commercial sector, which
we define as less than \$100 million in annual revenue regardless of the vertical.” He
further stated:

I think the elongated sales cycles occurred across the entirety of the base
of the business. I think that the churn was mostly impacted in commercial
businesses, much of it in the highly impacted verticals. But at the same

1 time, 20% of our new customers came from high-risk verticals, tending
2 to be in larger organizations in those verticals.

3 19. Analysts sought to determine the long-term impact of the numerous
4 factors—elongated sales cycles, smaller deal sizes, customer churn, and use of
5 adoption licenses—that Alteryx had offered to explain the earnings miss. Specifically,
6 during the call, an analyst asked about annual recurring revenue (“ARR”), how it grew
7 in the first quarter 2020, and how it had grown in 2019. But defendant Rubin merely
8 stated: “It is a metric that we’ve kind of drifted out at various different milestones
9 over the years. And more recently, we did provide it in both Q1 and now going
10 forward. We aren’t providing what those interim periods are, but I think there’s
11 enough information you can kind of interpolate to come up with your own estimate.”

12 20. Following this discussion, analysts issued reports interpreting the results.
13 For example, on August 7, 2020, J.P. Morgan issued a report stating: “Alteryx saw
14 sales cycles elongate, initial lands turn smaller, and churn elevate. . . . Full year
15 revenue guidance implies a negative growth rate in Q4, something investors may not
16 have conceived to be possible earlier in the year[.]” (emphases omitted). The report
17 went on to state that “investors looked at the Q2 guidance provided in Q1 as highly
18 conservative, but are now seeing the severity of the bookings impacts flow through
19 the financial model.”

20 21. Also on August 7, 2020, Guggenheim published a report stating that for
21 Alteryx, ARR is “the most accurate metric to assess AYX’s momentum given its
22 revenue model.” However, the Company has only reported ARR in some quarters,
23 and the analyst inferred that the “‘new ARR’ added in Q2’20 was ~\$20m and was
24 down y/y and q/q [i.e. year-over-year and quarter-over-quarter].”

25 22. Oppenheimer issued a report the same day, affirming that the host of
26 problems disclosed in the second quarter 2020 earnings report dampened expectations
27 for the rest of the fiscal year: “With little visibility into when customer activity
28

1 (delayed spending/slower expansion, churn, and smaller deals) might normalize,
2 management lowered expectations for 2020 (implying 4Q renewals pressure).”

3 23. On this news, Alteryx’s stock price fell \$47.62, or more than 28%, to
4 close at \$121.38 per share on August 7, 2020, on unusually heavy trading volume.

5 24. On August 7, 2020, after the market closed, the Company filed its
6 Quarterly Report on Form 10-Q for the period ended June 30, 2020. Therein, Alteryx
7 further disclosed, in relevant part:

8 During the three and six months ended June 30, 2020, we continued to
9 experience significant changes in customer buying behavior that began
10 in March as a result of the impact of the COVID-19 pandemic, including
11 decreased customer engagement and delayed sales cycles. Specifically,
12 economic challenges that enterprise customers in certain verticals have
13 experienced, as well as weakness in our commercial segment that targets
14 small- and medium-sized businesses, have adversely impacted the length
15 of the sales cycle and the expansion and new business sales with these
16 customers. As a result of these changes, we experienced a decrease in
17 revenue from the three months ended June 30, 2020 as compared to the
18 three months ended March 31, 2020 and deterioration in near-term
19 demand, and saw key business metrics, including our dollar-based net
20 expansion rate, decrease quarter over quarter. See *Key Business Metrics*
21 and *Results of Operations* for further discussion. Further, as a result of
22 the impact of the COVID-19 pandemic on our operating results for the
23 three months ended June 30, 2020, we expect our business in fiscal 2020
24 to continue to perform at levels lower than planned prior to the COVID-
25 19 pandemic.

26 25. Under “Results of Operations,” regarding revenue, the Company’s
27 Quarterly Report on Form 10-Q also stated:

28 The decrease in subscription-based software license revenue for the three
months ended June 30, 2020 as compared to the three months ended June
30, 2019 was primarily due to a decrease in sales to new and existing
customers and average transaction size as customers have slowed or
delayed purchases due to the impact of the ongoing COVID-19
pandemic. Although our growth and expansion rates have decreased
during the three months ended June 30, 2020, our total number of
customers increased from 5,278 as of June 30, 2019 to 6,714 as of June
30, 2020, and our customer base expanded its use of our platform as
shown by our dollar-based net expansion rate of 126%.

29 26. On this news, Alteryx’s stock price fell \$12.15, or 10%, to close at
30 \$109.23 per share on August 10, 2020, on unusually heavy trading volume.

1 **CLASS ACTION ALLEGATIONS**

2 27. Plaintiff brings this action as a class action pursuant to Federal Rule of
3 Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and
4 entities that purchased or otherwise acquired Alteryx securities between May 6, 2020
5 and August 7, 2020, inclusive, and who were damaged thereby (the “Class”).
6 Excluded from the Class are Defendants, the officers and directors of the Company,
7 at all relevant times, members of their immediate families and their legal
8 representatives, heirs, successors, or assigns, and any entity in which Defendants have
9 or had a controlling interest.

10 28. The members of the Class are so numerous that joinder of all members
11 is impracticable. Throughout the Class Period, Alteryx’s Class A common shares
12 actively traded on the NYSE. While the exact number of Class members is unknown
13 to Plaintiff at this time and can only be ascertained through appropriate discovery,
14 Plaintiff believes that there are at least hundreds or thousands of members in the
15 proposed Class. Millions of Alteryx Class A common stock were traded publicly
16 during the Class Period on the NYSE. Record owners and other members of the Class
17 may be identified from records maintained by Alteryx or its transfer agent and may
18 be notified of the pendency of this action by mail, using the form of notice similar to
19 that customarily used in securities class actions.

20 29. Plaintiff’s claims are typical of the claims of the members of the Class,
21 as all members of the Class are similarly affected by Defendants’ wrongful conduct
22 in violation of federal law that is complained of herein.

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

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

1 (a) whether the federal securities laws were violated by Defendants'
2 acts as alleged herein;

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

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

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

14 **UNDISCLOSED ADVERSE FACTS**

15 33. The market for Alteryx's securities was open, well-developed, and
16 efficient at all relevant times. As a result of these materially false and/or misleading
17 statements, and/or failures to disclose, Alteryx's securities traded at artificially
18 inflated prices during the Class Period. Plaintiff and other members of the Class
19 purchased or otherwise acquired Alteryx's securities relying upon the integrity of the
20 market price of the Company's securities and market information relating to Alteryx,
21 and have been damaged thereby.

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

1 forth elsewhere herein in detail, the Individual Defendants, by virtue of their receipt
2 of information reflecting the true facts regarding Alteryx, their control over, and/or
3 receipt and/or modification of, Alteryx’s allegedly materially misleading
4 misstatements and/or their associations with the Company which made them privy to
5 confidential proprietary information concerning Alteryx, participated in the
6 fraudulent scheme alleged herein.

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

9 39. The market for Alteryx’s securities was open, well-developed, and
10 efficient at all relevant times. As a result of the materially false and/or misleading
11 statements and/or failures to disclose, Alteryx’s securities traded at artificially inflated
12 prices during the Class Period. On June 9, 2020, the Company’s share price closed at
13 a Class Period high of \$181.98 per share. Plaintiff and other members of the Class
14 purchased or otherwise acquired the Company’s securities relying upon the integrity
15 of the market price of Alteryx’s securities and market information relating to Alteryx,
16 and have been damaged thereby.

17 40. During the Class Period, the artificial inflation of Alteryx’s shares was
18 caused by the material misrepresentations and/or omissions particularized in this
19 Complaint causing the damages sustained by Plaintiff and other members of the Class.
20 As described herein, during the Class Period, Defendants made, or caused to be made,
21 a series of materially false and/or misleading statements about Alteryx’s business,
22 prospects, and operations. These material misstatements and/or omissions created an
23 unrealistically positive assessment of Alteryx and its business, operations, and
24 prospects, thus causing the price of the Company’s securities to be artificially inflated
25 at all relevant times, and when disclosed, negatively affected the value of the
26 Company shares. Defendants’ materially false and/or misleading statements during
27 the Class Period resulted in Plaintiff and other members of the Class purchasing the
28

1 Company's securities at such artificially inflated prices, and each of them has been
2 damaged as a result.

3 41. At all relevant times, the market for Alteryx's securities was an efficient
4 market for the following reasons, among others:

5 (a) Alteryx shares met the requirements for listing, and were listed
6 and actively traded on the NYSE, a highly efficient and automated market;

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

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

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

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

24 43. A Class-wide presumption of reliance is also appropriate in this action
25 under the Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United States*,
26 406 U.S. 128 (1972), because the Class's claims are, in large part, grounded on
27 Defendants' material misstatements and/or omissions. Because this action involves
28 Defendants' failure to disclose material adverse information regarding the Company's

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

7
8 **NO SAFE HARBOR**

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

24 **FIRST CLAIM**

25 **Violation of Section 10(b) of The Exchange Act and**

26 **Rule 10b-5 Promulgated Thereunder**

27 **Against All Defendants**

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

1 46. During the Class Period, Defendants carried out a plan, scheme, and
2 course of conduct which was intended to and, throughout the Class Period, did: (i)
3 deceive the investing public, including Plaintiff and other Class members, as alleged
4 herein; and (ii) cause Plaintiff and other members of the Class to purchase Alteryx’s
5 securities at artificially inflated prices. In furtherance of this unlawful scheme, plan,
6 and course of conduct, Defendants took the actions set forth herein.

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

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

19 49. Defendants employed devices, schemes, and artifices to defraud, while
20 in possession of material adverse non-public information, and engaged in acts,
21 practices, and a course of conduct as alleged herein in an effort to assure investors of
22 Alteryx’s value, performance, and continued substantial growth, which included the
23 making of, or the participation in the making of, untrue statements of material facts
24 and/or omitting to state material facts necessary in order to make the statements made
25 about Alteryx, its business operations, and future prospects in light of the
26 circumstances under which they were made, not misleading, as set forth more
27 particularly herein, and engaged in transactions, practices, and a course of business
28

1 which operated as a fraud and deceit upon the purchasers of the Company's securities
2 during the Class Period.

3 50. Each of the Individual Defendants' primary liability and controlling
4 person liability arises from the following facts: (i) the Individual Defendants were
5 high-level executives and/or directors at the Company during the Class Period and
6 members of the Company's management team, or had control thereof; (ii) each of
7 these Defendants, by virtue of their responsibilities and activities as a senior officer
8 and/or director of the Company, was privy to and participated in the creation,
9 development, and reporting of the Company's internal budgets, plans, projections,
10 and/or reports; (iii) each of these Defendants enjoyed significant personal contact and
11 familiarity with the other Defendants and was advised of, and had access to, other
12 members of the Company's management team, internal reports, and other data and
13 information about the Company's finances, operations, and sales at all relevant times;
14 and (iv) each of these Defendants was aware of the Company's dissemination of
15 information to the investing public which they knew and/or recklessly disregarded
16 was materially false and misleading.

17 51. Defendants had actual knowledge of the misrepresentations and/or
18 omissions of material facts set forth herein, or acted with reckless disregard for the
19 truth in that they failed to ascertain and to disclose such facts, even though such facts
20 were available to them. Such Defendants' material misrepresentations and/or
21 omissions were done knowingly or recklessly, and for the purpose and effect of
22 concealing Alteryx's financial well-being and prospects from the investing public and
23 supporting the artificially inflated price of its securities. As demonstrated by
24 Defendants' overstatements and/or misstatements of the Company's business,
25 operations, financial well-being, and prospects throughout the Class Period,
26 Defendants, if they did not have actual knowledge of the misrepresentations and/or
27 omissions alleged, were reckless in failing to obtain such knowledge by deliberately
28

1 refraining from taking those steps necessary to discover whether those statements
2 were false or misleading.

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

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

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

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

28

1 **SECOND CLAIM**

2 **Violation of Section 20(a) of The Exchange Act**

3 **Against the Individual Defendants**

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

6 57. Individual Defendants acted as controlling persons of Alteryx within the
7 meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their
8 high-level positions and their ownership and contractual rights; participation in,
9 and/or awareness of, the Company’s operations; and intimate knowledge of the false
10 financial statements filed by the Company with the SEC and disseminated to the
11 investing public, Individual Defendants had the power to influence and control and
12 did influence and control, directly or indirectly, the decision-making of the Company,
13 including the content and dissemination of the various statements which Plaintiff
14 contends are false and misleading. Individual Defendants were provided with or had
15 unlimited access to copies of the Company’s reports, press releases, public filings,
16 and other statements alleged by Plaintiff to be misleading prior to and/or shortly after
17 these statements were issued, and had the ability to prevent the issuance of the
18 statements or cause the statements to be corrected.

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

23 59. As set forth above, Alteryx and Individual Defendants each violated
24 Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint.
25 By virtue of their positions as controlling persons, Individual Defendants are liable
26 pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of
27 Defendants’ wrongful conduct, Plaintiff and other members of the Class suffered
28

1 damages in connection with their purchases of the Company's securities during the
2 Class Period.

3 **PRAYER FOR RELIEF**

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

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

7 (b) Awarding compensatory damages in favor of Plaintiff and the other
8 Class members against all Defendants, jointly and severally, for all damages sustained
9 as a result of Defendants' wrongdoing, in an amount to be proven at trial, including
10 interest thereon;

11 (c) Awarding Plaintiff and the Class their reasonable costs and expenses
12 incurred in this action, including counsel fees and expert fees; and

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

14 **JURY TRIAL DEMANDED**

15 Plaintiff hereby demands a trial by jury.
16
17
18
19
20
21
22
23
24
25
26
27
28