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7
8 **IN THE UNITED STATES DISTRICT COURT**
9 **FOR THE NORTHERN DISTRICT OF CALIFORNIA**

10 DANIEL ESTES, on behalf of himself
and all others similarly situated,

11 Plaintiff,

12 vs.

13 FITBIT, INC., JAMES PARK, ERIC N.
14 FRIEDMAN, LAURA ALBER,
15 MATTHEW BROMBER, GLENDA
FLANAGAN, BRADLEY M. FLUEGEL,
16 STEVEN MURRAY and CHRISTOPHER
PAISLEY,

17 Defendants.

Civil Action No. _____

**CLASS ACTION COMPLAINT FOR BREACH
OF FIDUCIARY DUTIES AND VIOLATIONS
OF SECTIONS 14(a) AND 20(a) OF THE
SECURITIES EXCHANGE ACT OF 1934**

JURY TRIAL DEMANDED

18 Plaintiff, Daniel Estes (“Plaintiff”), by his attorneys, on behalf of himself and those
19 similarly situated, files this action against the defendants, and alleges upon information and belief,
20 except for those allegations that pertain to him, which are alleged upon personal knowledge, as
21 follows:

22 **SUMMARY OF THE ACTION**

23
24 1. Plaintiff brings this stockholder class action on behalf of himself and all other
25 public stockholders of Fitbit, Inc. (“Fitbit” or the “Company”), against Fitbit and the Company’s
26 Board of Directors (the “Board” or the “Individual Defendants,” collectively with the Company,
27 the “Defendants”), for violations of Sections 14(a) and 20(a) of the Securities and Exchange Act
28

1 of 1934 (the “Exchange Act”) and breaches of fiduciary duty as a result of Defendants’ efforts to
2 sell the Company to Google, LLC (“Parent”), and Magnoliophyta, Inc. (“Merger Sub,” collectively
3 with Parent, “Google”) as a result of an unfair process for an unfair price, and to enjoin an
4 upcoming stockholder vote on a proposed all cash transaction valued at approximately \$2.1 billion
5 (the “Proposed Transaction”).

6 2. The terms of the Proposed Transaction were memorialized in a November 1, 2019,
7 filing with the Securities and Exchange Commission (“SEC”) on Form 8-K attaching the definitive
8 Agreement and Plan of Merger (the “Merger Agreement”). Under the terms of the Merger
9 Agreement, Fitbit will become an indirect wholly-owned subsidiary of Google, and Fitbit
10 stockholders will receive only \$7.35 in cash for each share of Fitbit common stock they own. As
11 a result of the Proposed Transaction, Plaintiff and other Fitbit stockholders will be frozen out of
12 any future ownership interest in the Company.

13 3. In approving the Proposed Transaction, the Individual Defendants have breached
14 their fiduciary duties of loyalty, good faith, due care and disclosure by, *inter alia*, (i) agreeing to
15 sell Fitbit without first taking steps to ensure that Plaintiff and Class members (defined below)
16 would obtain adequate, fair and maximum consideration under the circumstances; and (ii)
17 engineering the Proposed Transaction to benefit themselves and/or Google without regard for
18 Fitbit public stockholders. Accordingly, this action seeks to enjoin the Proposed Transaction and
19 compel the Individual Defendants to properly exercise their fiduciary duties to Fitbit stockholders.

20 4. Next, it appears as though the Board has entered into the Proposed Transaction to
21 procure for themselves and senior management of the Company significant and immediate benefits
22 with no thought to the Company’s public stockholders. For instance, pursuant to the terms of the
23 Merger Agreement, upon the consummation of the Proposed Transaction, Company Board
24 Members and executive officers will be able to exchange all Company equity awards for the
25 merger consideration.

1 Charge 2, Alta HR, Alta, Fitbit Ace, Fitbit Flex 2, Fitbit One, and Fitbit Zip activity trackers; Fitbit
2 Ionic and Fitbit Versa smartwatches; Fitbit Aria 2 Wi-Fi smart scales; and a range of accessories,
3 such as bands and frames for its devices, as well as Fitbit Flyer, a wireless headphone designed for
4 fitness. Fitbit is incorporated under the laws of the State of Delaware and has its principal place
5 of business at 405. Howard Street, San Francisco, CA 94015. Shares of Fitbit common stock are
6 traded on the NasdaqGS under the symbol "FIT."

7 11. Defendant James Park ("Park") has been a Director of the Company at all relevant
8 times. In addition, Park serves as the President, Chairman of the Company Board, and the
9 Company's Chief Executive Officer ("CEO").

10 12. Defendant Eric N. Friedman ("Friedman") has been a director of the Company at
11 all relevant times. In addition, Friedman serves as the Company's Chief Technology Officer
12 ("CTO").

13 13. Defendant Glenda Flanagan ("Flanagan") has been a director of the Company
14 since 2016.

15 14. Defendant Matthew Bromberg ("Bromberg") has been a director of the Company
16 since 2018.

17 15. Defendant Laura Alber ("Alber") has been a director of the Company at all relevant
18 times.

19 16. Defendant Bradley M. Fluegel ("Fluegel") has been a director of the Company
20 since 2018.

21 17. Defendant Steven Murray ("Murray") has been a director of the Company at all
22 relevant times.

23 18. Defendant Christopher Paisley ("Paisley") has been a director of the Company at
24 all relevant times.

25 19. Defendants identified in ¶¶ 11 - 18 are collectively referred to as the "Individual
26 Defendants."

27
28

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