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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

ELAINE WANG,

Plaintiff,

v.

SLACK TECHNOLOGIES, INC., ANDREW
BRACCIA, STEWART BUTTERFIELD,
EDITH COOPER, SARAH FRIAR, SHEILA
JORDAN, MIKE MCNAMARA, JOHN
O'FARRELL, and GRAHAM SMITH,

Defendants.

) Case No.

) **COMPLAINT FOR VIOLATIONS OF
SECTIONS 14(a) AND 20(a) OF THE
SECURITIES EXCHANGE ACT OF
1934**

) **DEMAND FOR JURY TRIAL**

1 Plaintiff Elaine Wang (“Plaintiff”), by her attorneys, makes the following allegations
2 against Slack Technologies, Inc. (“Slack” or the “Company”) and the members of the board of
3 directors of Slack (the “Board” or “Individual Defendants,” along with Slack, collectively referred
4 to as the “Defendants”), for their violations of Sections 14(a) and 20(a) of the Securities
5 Exchange Act of 1934 (the “Exchange Act”), 15 U.S.C. §§ 78n(a), 78t(a), SEC Rule 14a-9, 17
6 C.F.R. 240.14a-9, and Regulation G, 17 C.F.R. § 244.100 in connection with the proposed
7 acquisition (the “Proposed Transaction”) of Slack by affiliates of salesforce.com, inc.
8 (“Salesforce”). The allegations in this complaint are based on the personal knowledge of Plaintiff
9 as to herself and on information and belief (including the investigation of counsel and review of
10 publicly available information) as to all other matters stated herein.

11 **INTRODUCTION**

12 1. This is an action brought by Plaintiff to enjoin a transaction whereby Skyline
13 Strategies I Inc., a Delaware corporation and direct wholly owned subsidiary of Salesforce
14 (“Merger Sub I”) will merge with and into Slack, with Slack continuing as the surviving
15 corporation as a direct wholly owned subsidiary of Salesforce, immediately followed by a second
16 merger of the surviving corporation into either Skyline Strategies II LLC (“Merger Sub II”) or
17 Salesforce, with either Merger Sub II or Salesforce continuing as the surviving company
18 (“Proposed Transaction”). Pursuant to the Merger Agreement, Slack shareholders will receive
19 \$26.79 in cash and 0.0776 shares of Salesforce common stock for each share of Slack common
20 stock owned (the “Merger Consideration”). The Board has unanimously recommended to the
21 Company’s stockholders that they vote for the Proposed Transaction at the special meeting of the
22 Slack shareholders.

23 2. To convince Slack stockholders to vote in favor of the Proposed Transaction, on
24 December 23, 2020, the Board authorized the filing of a materially incomplete and misleading
25 Registration Statement on Form S-4 (the “Registration Statement”) with the Securities and
26 Exchange Commission (“SEC”). The Registration Statement violates Sections 14(a) and 20(a) of
27 the Exchange Act by noncompliance with Regulation G and SEC Rule 14a-9 (17 C.F.R. §
28 244.100 and 17 C.F.R. § 240.14a-9, respectively).

3. Defendants have failed to disclose certain material information necessary for Slack stockholders to properly assess the fairness of the Proposed Transaction, thereby violating SEC rules and regulations and rendering certain statements in the Registration Statement materially incomplete and misleading.

4. In particular, the Registration Statement contains materially incomplete and misleading information concerning the financial forecasts for the Company prepared and relied upon by the Board in recommending to the Company's stockholders that they vote in favor of the Proposed Transaction. The same forecasts were used by Slack's financial advisors, Qatalyst Partners LP ("Qatalyst") and Goldman Sachs & Co. LLC ("Goldman Sachs"), in conducting their valuation analyses in support of their fairness opinions. The Registration Statement also contains materially incomplete and misleading information concerning certain financial analyses performed by the financial advisors.

5. The material information that has been omitted from the Registration Statement must be disclosed prior to the forthcoming stockholder vote in order to allow the stockholders to make an informed decision regarding the Proposed Transaction.

6. For these reasons, and as set forth in detail herein, Plaintiff asserts claims against Defendants for violations of Sections 14(a) and 20(a) of the Exchange Act, based on Defendants' violations of Regulation G and Rule 14a-9. Plaintiff seeks to enjoin Defendants from holding the stockholders vote on the Proposed Transaction and taking any steps to consummate the Proposed Transaction unless, and until, all material information discussed below is disclosed to Slack stockholders sufficiently in advance of the vote on the Proposed Transaction or, in the event the Proposed Transaction is consummated without corrective disclosures, to recover damages resulting from Defendants' violations of the Exchange Act.

JURISDICTION AND VENUE

7. This Court has subject matter jurisdiction pursuant to Section 27 of the Exchange Act (15 U.S.C. § 78aa) and 28 U.S.C. § 1331 (federal question jurisdiction) as Plaintiff alleges violations of Section 14(a) and 20(a) of the Exchange Act.

8. This Court has personal jurisdiction over each defendant named herein because

1 each defendant is either a corporation that does sufficient business in California or an individual
2 who has sufficient minimum contacts with California to render the exercise of jurisdiction by the
3 California courts permissible under traditional notions of fair play and substantial justice.

4 9. Venue is proper in this District under Section 27 of the Exchange Act, 15 U.S.C.
5 § 78aa, as well as under 28 U.S.C. § 1391, because Slack is headquartered in this District.

6 **PARTIES**

7 10. Plaintiff has owned the common stock of Slack since prior to the announcement of
8 the Proposed Transaction herein complained of and continues to own this stock.

9 11. Slack is a corporation duly organized and existing under the laws of Delaware and
10 maintains its principal offices at 500 Howard Street, San Francisco, California 94105. Slack is,
11 and at all relevant times hereto was, listed and traded on the New York Stock Exchange under the
12 symbol “WORK.”

13 12. Defendant Andrew Braccia has been a member of the Board since March 2010.

14 13. Defendant Stewart Butterfield has been a member of the Board since February 2009
15 and is also a Co-Founder, Chairperson, and Chief Executive Officer of the Company.

16 14. Defendant Edith Cooper has been a member of the Board since January 2018.

17 15. Defendant Sarah Friar has been a member of the Board since March 2017.

18 16. Defendant Sheila Jordan has been a member of the Board since September 2019.

19 17. Defendant Mike McNamara has been a member of the Board since December 2019.

20 18. Defendant John O’Farrell has been a member of the Board since April 2011.

21 19. Defendant Graham Smith has been a member of the Board since December 2018.

22 20. The Defendants referred to in paragraphs 12-19 are collectively referred to herein as
23 the “Individual Defendants” and/or the “Board.”

24 21. The Defendants referred to in paragraphs 11-19 are collectively referred to herein as
25 the “Defendants.”

26 **SUBSTANTIVE ALLEGATIONS**

27 ***The Proposed Transaction***

28 22. On December 1, 2020, Slack and Salesforce jointly announced that it had entered

1 into the Agreement and Plan of Merger (the “Merger Agreement”):

2
3 SAN FRANCISCO--(BUSINESS WIRE)-- Salesforce (NYSE: CRM), the global
4 leader in CRM, and Slack Technologies, Inc. (NYSE: WORK), the most
5 innovative enterprise communications platform, have entered into a definitive
6 agreement under which Salesforce will acquire Slack. Under the terms of the
7 agreement, Slack shareholders will receive \$26.79 in cash and 0.0776 shares of
8 Salesforce common stock for each Slack share, representing an enterprise value of
9 approximately \$27.7 billion based on the closing price of Salesforce’s common
10 stock on November 30, 2020.

11
12 Combining Slack with Salesforce Customer 360 will be transformative for
13 customers and the industry. The combination will create the operating system for
14 the new way to work, uniquely enabling companies to grow and succeed in the
15 all-digital world.

16
17 “Stewart and his team have built one of the most beloved platforms in enterprise
18 software history, with an incredible ecosystem around it,” said Marc Benioff,
19 Chair and CEO, Salesforce. “This is a match made in heaven. Together,
20 Salesforce and Slack will shape the future of enterprise software and transform
21 the way everyone works in the all-digital, work-from-anywhere world. I’m
22 thrilled to welcome Slack to the Salesforce Ohana once the transaction closes.”

23
24 “Salesforce started the cloud revolution, and two decades later, we are still
25 tapping into all the possibilities it offers to transform the way we work. The
26 opportunity we see together is massive,” said Stewart Butterfield, Slack CEO and
27 Co-Founder. “As software plays a more and more critical role in the performance
28 of every organization, we share a vision of reduced complexity, increased power
and flexibility, and ultimately a greater degree of alignment and organizational
agility. Personally, I believe this is the most strategic combination in the history
of software, and I can’t wait to get going.”

29 **Acquisition to Create the Operating System for the New Way to Work**

30 The events of this year have greatly accelerated the move by companies and
31 governments to an all-digital world, where work happens wherever people are—
32 whether they’re in the office, at home or somewhere in between. They need to
33 deliver connected experiences for their customers across every touchpoint and
34 enable their employees to work seamlessly wherever they are.

35
36 Together, Salesforce and Slack will give companies a single source of truth for
37 their business and a unified platform for connecting employees, customers and
38 partners with each other and the apps they use every day, all within their existing
workflows.

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