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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

CARRIE ALEXANDER, derivatively on behalf of DOCUSIGN, INC., Plaintiff, v. DANIEL D. SPRINGER, ENRIQUE SALEM, PETER SOLVIK, INHI CHO SUH, MARY AGNES WILDEROTTER, TERESA BRIGGS, BLAKE J. IRVING, JAMES BEER, CAIN A. HAYES, CYNTHIA GAYLOR, MICHAEL J. SHERIDAN, and LOREN ALHADEFF, Defendants, and DOCUSIGN, INC., Nominal Defendant.	Case No. **VERIFIED SHAREHOLDER DERIVATIVE COMPLAINT** DEMAND FOR JURY TRIAL

Plaintiff Carrie Alexander ("Plaintiff"), by and through Plaintiff's undersigned attorneys, derivatively on behalf of Nominal Defendant DocuSign, Inc. ("DocuSign" or the "Company"), brings this Verified Shareholder Derivative Complaint against Daniel D. Springer ("Springer"), Enrique Salem ("Salem"), Peter Solvik ("Solvik"), Inhi Cho Suh ("Suh"), Mary Agnes Wilderotter ("Wilderotter"), Teresa Briggs ("Briggs"), Blake J. Irving ("Irving"), James Beer ("Beer"), Cain A. Hayes ("Hayes"), Cynthia Gaylor ("Gaylor"), Michael J. Sheridan ("Sheridan"), and Loren Alhadeff ("Alhadeff") (collectively, the "Individual Defendants" and, together with DocuSign, "Defendants") for and among other things, their breaches of fiduciary duties and violations of the federal securities laws.

Plaintiff's allegations are based upon personal knowledge as to herself and her own acts, and upon information and belief, including a review of publicly available information, including filings by DocuSign with the U.S. Securities and Exchange Commission ("SEC"), press releases, news reports, analyst reports, investor conference transcripts, publicly available filings in lawsuits, and matters of public record. Plaintiff believes that substantial evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

NATURE OF THE ACTION

1. This is a shareholder derivative action brought against certain DocuSign officers and members of DocuSign's Board of Directors (the "Board") that seeks to remedy wrongdoing committed by the Individual Defendants between March 27, 2020 and June 13, 2022, inclusive (the "Relevant Period").

2. Nominal Defendant DocuSign is a software provider whose product facilitates the signing and preparation of agreements and other documents. The DocuSign Agreement Cloud, a software suite, allows users to generate, distribute, and sign agreements, and further offers technological support for, among other things, negotiating agreements and collecting payments.

3. Throughout the early stages of the COVID-19 pandemic, DocuSign's revenue grew substantially. In fact, for six straight quarters, the Company experienced increased growth in both revenue and billings.

4. Throughout the Relevant Period, Defendants assured investors that DocuSign's newfound growth was not solely the result of increased remote work and other pandemic restrictions, but was in fact indicative of a new paradigm under which DocuSign would maintain its rapid growth. For example, during a June 4, 2020 earnings call, Defendant Springer, the Company's Chief Executive Officer ("CEO") at the time, stated that "even when the COVID-19 situation is behind us, we don't anticipate customers returning to paper or manual-based processes."

5. The Individual Defendants also maintained that competition from other eSignature product providers, such as Adobe, did not pose a significant threat to DocuSign's growth prospects. In addition, the Individual Defendants assured the investing public that sales of the Company's contract lifestyle management ("CLM") product would help to drive continued growth.

6. In reality, the Individual Defendants were aware, through communications with customers, as well as through internal data collection, that most customers who began using DocuSign after the COVID-19 had began did not intend to renew their contracts with DocuSign once pandemic restrictions subsided, let alone expand their contracts with the addition of a CLM product. The Individual Defendants were also aware that competition from Adobe's cheaper eSignature product was directly impacting DocuSign's sales, and significantly decreased the likelihood that DocuSign would be able to sustain the levels of growth it experienced during the COVID-19 pandemic.

7. Despite possessing the above information, the Individual Defendants provided misrepresentations and/or failed to disclose that: (1) much of DocuSign's accelerated growth in 2020 and 2021 was directly attributable to COVID-19 pandemic restrictions rather than a sustainable, increased shift in demand for the Company's services; (2) demand for DocuSign's services was, in fact, waning as COVID-19 pandemic restrictions were lifted; and (3) both competition from Adobe, as well as DocuSign's difficulty in selling its CLM product, posed significant hurdles to the sustainability of DocuSign's newfound, COVID-19-driven growth.

8. As a result of the Individual Defendants' misrepresentations, DocuSign's share price was artificially inflated throughout the Relevant Period, reaching a high of $310.05 per share on September 3, 2021.

9. The truth began to emerge in December 2021, when DocuSign disclosed a significant drop in billings. At that point, Defendants began representing that such a slow-down was expected and predictable. These representations stood in stark contrast to the representations made earlier in the Relevant Period, when the Individual Defendants stated that increased demand for DocuSign's products was the result of a "new normal."

10. Following this disclosure, the price of DocuSign common stock declined $98.73 per share, or more than 42%, from a close of $233.82 per share on December 2, 2021, to close at $135.09 per share on December 3, 2021.

11. The Individual Defendants made two further disclosures that fully revealed that the Company's earlier growth during the COVID-19 pandemic was fueled by the pandemic. On March 10, 2022, the Company announced its financial results for the fourth quarter of the 2022 fiscal year, reporting the lowest quarterly billings growth the Company had ever experienced as a public Company. Then, on June 9, 2022, when announcing financial results for the first quarter of the 2023 fiscal year, the Company revealed that it had experienced even lower billings growth than the previous quarter, setting a new all time low as a public Company.

12. As the reality of DocuSign's prospects became clear over the next several days, analysts weighed in, with many downgrading DocuSign's stock. As a result, the Company's share price continued to drop, eventually closing at $59.12 per share on June 13, 2022.

13. In light of the Individual Defendants' misconduct, the Company as well as Defendants Springer, Sheridan, Gaylor, and Alhadeff were named as defendants in a federal securities fraud class action lawsuit pending in the United States District Court for the Northern District of California, captioned *Weston v. DocuSign, Inc., et al.,* 3:22-cv-00824 (N.D.Cal.) (the "Securities Class Action.") The Securities Class Action has further subjected DocuSign to the

need to undertake internal investigations and the need to implement adequate internal controls, as well as exposed the Company to massive class-wide liability.

JURISDICTION AND VENUE

14. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1331 because Plaintiff's claims raise a federal question under Section 10(b) of the Exchange Act (15 U.S.C. § 78j(b)) and Rule 10b-5 promulgated thereunder (17 C.F.R. § 240.10b-5), Section 20(a) of the Exchange Act (15 U.S. 78t(a)), and Section 21D of the Exchange Act (15 U.S.C. §78u-4(f)). Plaintiff's claims also raise a federal question pertaining to the claims made in the Securities Class Action based on violations of the Exchange Act.

15. This Court has supplemental jurisdiction over Plaintiff's state law claims pursuant to 28 USC. §1367(a).

16. This derivative action is not a collusive action to confer jurisdiction on a court of the United States that it would not otherwise have.

17. Venue is proper in this District pursuant to 28 U.S.C. §§ 1391 and 1401 because DocuSign's principal executive offices are located in this district, a substantial portion of the transactions and wrongs complained of herein occurred in this District, and the Defendants have received substantial compensation in this district by engaging in numerous activities that had an effect in this District.

PARTIES

18. Plaintiff is a current shareholder of DocuSign and has continuously held DocuSign stock at all relevant times.

19. Nominal Defendant DocuSign is a Delaware corporation and its principal executive offices are located at 221 Main St., Suite 1550, San Francisco, California 94105. The Company's common stock trades on NASDAQ under the ticker symbol "DOCU."

20. Defendant Springer has served as a Company director since 2017 and previously served as the Company's CEO and President from 2017 until his resignation from the roles of CEO and President in June 2022. According to the proxy statement filed on Schedule 14A with

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