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- additional counsel on signature page -

UNITED STATES DISTRICT COURT  
 NORTHERN DISTRICT OF CALIFORNIA

ADAM WICKS, Individually and On  
 Behalf of All Others Similarly Situated,

Plaintiff,

v.

ALPHABET, INC., LAWRENCE E.  
 PAGE, SUNDAR PICHAI and RUTH M.  
 PORAT,

Defendants.

) Case No.

) **CLASS ACTION COMPLAINT  
 FOR VIOLATION OF FEDERAL  
 SECURITIES LAWS**

) **JURY TRIAL DEMANDED**

Plaintiff Adam Wicks (“Plaintiff”), individually and on behalf of all other persons similarly situated, by Plaintiff’s undersigned attorneys, for Plaintiff’s complaint against Defendants (defined below), alleges the following based upon personal knowledge as to Plaintiff and Plaintiff’s own acts, and information and belief as to all other matters, based upon, *inter alia*, the investigation conducted by and through Plaintiff’s attorneys, which included, among other things, a review of the Defendants’ public documents, conference calls and announcements made by Defendants, United States Securities and Exchange Commission (“SEC”) filings, wire and press releases published by and regarding Alphabet, Inc. (“Alphabet” or the “Company”),

analysts' reports and advisories about the Company, and information readily obtainable on the Internet. 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 federal securities class action on behalf of a class consisting of all persons other than Defendants who purchased or otherwise acquired common shares of Alphabet between April 23, 2018 and October 7, 2018, both dates inclusive (the "Class Period"). Plaintiff seeks to recover compensable damages caused by Defendants' violations of the federal securities laws and to pursue remedies under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder.

2. Alphabet was incorporated in 2015 and is the parent company of its leading subsidiary Google Inc. ("Google"), among others. Google was founded in 1998. Alphabet and Google are headquartered in Mountain View, California. The Company's common stock trades on the NASDAQ Global Select Market ("NASDAQ") under the ticker symbol "GOOG."

3. Alphabet, through its subsidiary Google, operates a social networking website called "Google+" that allows people to communicate with their family, friends, and coworkers. Google+ users ostensibly have the ability to share and restrict the sharing of personal information according to their preferences by changing privacy settings.

4. Between 2015 and March 2018, a software glitch in the Google+ website permitted outside developers to access the personal profile data of Google+ members who had not opted to permit their data to be shared publicly. Defendants discovered this glitch in March 2018, ran tests to determine the impact of the glitch, and determined that the data of nearly half of a million users had been exposed to third parties. Google's legal and policy staff drafted a memorandum regarding the security failure and shared it with senior executives. The

1 memorandum warned that disclosing the incident would likely trigger “immediate regulatory  
2 interest.” Google’s CEO, Defendant Pichai, was briefed on the plan not to notify users after an  
3 internal committee had reached that decision.

4         5. Throughout the Class Period, Defendants repeatedly made materially false and  
5 misleading statements regarding the security failure affecting users personal data. Specifically,  
6 Defendants made false and/or misleading statements and/or failed to disclose that: (1) the  
7 Company’s security measures had failed recently and massively, as Google had exposed the  
8 private data of hundreds of thousands of users of Google+ to third parties; (2) damage to the  
9 Company’s reputation and operating results and loss of customers from this failure of the  
10 Company’s security measures were imminent and inevitable; (3) the Company’s security  
11 protections did not shield personal user data against theft and security breaches; and (4) the  
12 Company’s security measures had been breached due to employee error, malfeasance, system  
13 errors or vulnerabilities.  
14

15  
16         6. On October 8, 2018, citing “people briefed on the incident and documents  
17 reviewed,” *The Wall Street Journal* reported that in March 2018, Google discovered a software  
18 glitch in its Google+ social network that had exposed users’ personal data to third parties, but  
19 “opted not to disclose the issue . . . in part because of fears that doing so would draw regulatory  
20 scrutiny and cause reputational damage.” Following this news, Google’s stock price fell \$67.75  
21 per share, or 5.9%, over the following two trading sessions, to close at \$1,081.22 per share on  
22 October 10, 2018.  
23

24         7. As a result of Defendants’ wrongful acts and omissions, and the precipitous decline in  
25 the market value of the Company’s common shares, Plaintiff and other Class members have suffered  
26 significant losses and damages.  
27  
28

## JURISDICTION AND VENUE

8. The claims asserted herein arise under and pursuant to §§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).

9. This Court has jurisdiction over the subject matter of this action under 28 U.S.C. §1331 and §27 of the Exchange Act.

10. Venue is proper in this Judicial District pursuant to §27 of the Exchange Act (15 U.S.C. §78aa) and 28 U.S.C. §1391(b). Alphabet is headquartered in this Judicial District.

11. In connection with the acts, conduct and other wrongs alleged in this Complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including but not limited to, the United States mail, interstate telephone communications and the facilities of the national securities exchange.

## PARTIES

12. Plaintiff, as set forth in the accompanying Certification, purchased common shares of Alphabet at artificially inflated prices during the Class Period and was damaged upon the revelation of the alleged corrective disclosure.

13. Defendant Alphabet, Inc. is incorporated in Delaware, and the Company's principal executive offices are located at 1600 Amphitheatre Parkway Mountain View, CA 94043. Alphabet's securities trade on the NASDAQ under the ticker symbol "GOOG."

14. Defendant Lawrence E. Page ("Page") has served at all relevant times as the Company's Chief Executive Officer ("CEO").

15. Defendant Sundar Pichai has served at all relevant times as Google's Chief Executive Officer ("CEO").

18. The Individual Defendants possessed the power and authority to control the contents of Alphabet's SEC filings, press releases, and other market communications. The Individual Defendants were provided with copies of the Company's SEC filings 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 to cause them to be corrected. Because of their positions with the Company, and their access to material information available to them but not to the public, 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 being made were then materially false and misleading. The Individual Defendants are liable for the false statements and omissions pleaded herein.

## Background

20. In developing Google+, Google created an application programming interface (“API”) (a software intermediary that allows two applications to talk to each other) to help smartphone app developers to access profile information of users who, through their privacy settings, had permitted such information to be shared. This profile information included personal



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