

UNITED STATES DISTRICT COURT
DISTRICT OF DELAWARE

TRAVIS LEE,)	
)	
Plaintiff,)	
)	Case No. _____
v.)	
)	JURY TRIAL DEMANDED
GLU MOBILE INC., NICCOLO DE MASI,)	
NICK EARL, ERIC BALL, ANN MATHER,)	
HANY NADA, BENJAMIN T. SMITH, IV,)	
GREG BRANDEAU, BEN FEDER, GABY)	
TOLEDANO, and DARLA K. ANDERSON,)	
)	
Defendants.)	

COMPLAINT FOR VIOLATION OF THE SECURITIES EXCHANGE ACT OF 1934

Plaintiff, by his undersigned attorneys, for this complaint against defendants, alleges upon personal knowledge with respect to himself, and upon information and belief based upon, *inter alia*, the investigation of counsel as to all other allegations herein, as follows:

NATURE OF THE ACTION

1. This action stems from a proposed transaction announced on February 8, 2021 (the “Proposed Transaction”), pursuant to which Glu Mobile Inc. (“Glu Mobile” or the “Company”) will be acquired by Electronic Arts Inc. (“Parent”) and Giants Acquisition Sub, Inc. (“Merger Sub,” and together with Parent, “Electronic Arts”).

2. On February 8, 2021, Glu Mobile’s Board of Directors (the “Board” or “Individual Defendants”) caused the Company to enter into an agreement and plan of merger (the “Merger Agreement”) with Electronic Arts. Pursuant to the terms of the Merger Agreement, Glu Mobile’s stockholders will receive \$12.50 in cash for each share of Glu Mobile common stock they own.

3. On March 12, 2021, defendants filed a proxy statement (the “Proxy Statement”) with the United States Securities and Exchange Commission (the “SEC”) in connection with the Proposed Transaction.

4. The Proxy Statement omits material information with respect to the Proposed Transaction, which renders the Proxy Statement false and misleading. Accordingly, plaintiff alleges herein that defendants violated Sections 14(a) and 20(a) of the Securities Exchange Act of 1934 (the “1934 Act”) in connection with the Proxy Statement.

JURISDICTION AND VENUE

5. This Court has jurisdiction over the claims asserted herein pursuant to Section 27 of the 1934 Act because the claims asserted herein arise under Sections 14(a) and 20(a) of the 1934 Act and Rule 14a-9.

6. This Court has jurisdiction over defendants because each defendant is either a corporation that conducts business in and maintains operations within this District, or is an individual with sufficient minimum contacts with this District so as to make the exercise of jurisdiction by this Court permissible under traditional notions of fair play and substantial justice.

7. Venue is proper under 28 U.S.C. § 1391(b) because a portion of the transactions and wrongs complained of herein occurred in this District.

PARTIES

8. Plaintiff is, and has been continuously throughout all times relevant hereto, the owner of Glu Mobile common stock.

9. Defendant Glu Mobile is a Delaware corporation and maintains its principal executive offices at 875 Howard Street, Suite 100, San Francisco, California 94103. Glu Mobile’s common stock is traded on the NASDAQ under the ticker symbol “GLUU.”

10. Defendant Niccolo de Masi is Chairman of the Board of the Company.
11. Defendant Nick Earl is Chief Executive Officer, President, and a director of the Company.
12. Defendant Eric Ball is a director of the Company.
13. Defendant Ann Mather is a director of the Company.
14. Defendant Hany Nada is a director of the Company.
15. Defendant Benjamin T. Smith, IV is a director of the Company.
16. Defendant Greg Brandeau is a director of the Company.
17. Defendant Ben Feder is a director of the Company.
18. Defendant Gaby Toledano is a director of the Company.
19. Defendant Darla K. Anderson is a director of the Company.
20. The defendants identified in paragraphs 10 through 19 are collectively referred to herein as the “Individual Defendants.”

SUBSTANTIVE ALLEGATIONS

Background of the Company and the Proposed Transaction

21. Glu Mobile is a leading developer and publisher of mobile games.
22. The Company’s diverse portfolio features top-grossing and award-winning original and licensed IP titles, including: Covet Fashion, Deer Hunter, Design Home, Diner DASH Adventures, Disney Sorcerer’s Arena, Kim Kardashian: Hollywood, and MLB Tap Sports Baseball, which are available worldwide on various platforms including the App Store and Google Play.
23. On February 8, 2021, Glu Mobile’s Board caused the Company to enter into the Merger Agreement with Electronic Arts.

24. Pursuant to the terms of the Merger Agreement, Glu Mobile's stockholders will receive \$12.50 in cash for each share of Glu Mobile common stock they own.

25. According to the press release announcing the Proposed Transaction:

Electronic Arts Inc. (NASDAQ: EA), a global leader in interactive entertainment, and Glu Mobile Inc. (NASDAQ: GLUU), a leading global developer and publisher of mobile games including Design Home, Covet Fashion, and MLB Tap Sports Baseball, have entered into a definitive agreement under which Electronic Arts will acquire Glu Mobile. Under the terms of the agreement, EA will acquire Glu for \$2.1 billion in enterprise value. Glu stockholders will receive \$12.50 in cash for each share of Glu stock, representing a 36% premium to Glu's closing share price on February 5, 2021. Upon closing, the acquisition will be immediately accretive to Electronic Arts' total net bookings, and is expected to grow underlying profitability beginning in its first year. . . .

Details on the Proposed Transaction

The board of directors of each of Electronic Arts and Glu Mobile have approved the transaction and the Glu board recommends that Glu stockholders approve the transaction and adopt the merger agreement. Under the terms of the agreement, Glu stockholders will receive \$12.50 in cash for each share of Glu stock, representing an equity value of \$2.4 billion, and a total enterprise value of \$2.1 billion including Glu's net cash of \$364 million. The transaction is anticipated to close in the quarter ending June 30, 2021, subject to approval by the Glu stockholders, the receipt of required regulatory approvals and other customary closing conditions. . . .

Advisors

J.P. Morgan Securities LLC is serving as exclusive financial advisor to Electronic Arts and Simpson, Thacher & Bartlett LLP is serving as legal counsel to Electronic Arts. Goldman Sachs & Co. LLC, Morgan Stanley & Co. LLC and UBS Securities LLC are serving as financial advisors to Glu. Fenwick & West LLP is serving as legal counsel to Glu.

The Proxy Statement Omits Material Information, Rendering It False and Misleading

26. Defendants filed the Proxy Statement with the SEC in connection with the Proposed Transaction.

27. As set forth below, the Proxy Statement omits material information.

28. First, the Proxy Statement omits material information regarding the Company's financial projections.

29. The Proxy Statement fails to disclose, for each set of projections: (i) all line items used to calculate bookings and adjusted EBITDA; and (ii) a reconciliation of all non-GAAP to GAAP metrics.

30. The disclosure of projected financial information is material because it provides stockholders with a basis to project the future financial performance of a company, and allows stockholders to better understand the financial analyses performed by the company's financial advisor in support of its fairness opinion.

31. Second, the Proxy Statement omits material information regarding the analyses performed by the Company's financial advisors, Goldman Sachs & Co. LLC ("Goldman Sachs") and Morgan Stanley & Co. LLC ("Morgan Stanley").

32. With respect to Goldman Sachs' Illustrative Discounted Cash Flow Analysis, the Proxy Statement fails to disclose: (i) the terminal values for the Company; (ii) the individual inputs and assumptions underlying the discount rates and perpetuity growth rates used in the analysis; (iii) the net cash used in the analysis; and (iv) the fully diluted shares of Glu Mobile common stock.

33. With respect to Goldman Sachs' Illustrative Present Value of Future Share Price Analysis, the Proxy Statement fails to disclose: (i) the net debt used in the analysis; and (ii) the individual inputs and assumptions underlying the discount rate used in the analysis.

34. With respect to Goldman Sachs' Selected Precedent Transactions Analysis, the Proxy Statement fails to disclose: (i) the closing dates of the transactions; (ii) the total values of

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