

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

DAVID MICHAELSON, Individually
and on Behalf of All Others Similarly
Situated,

Plaintiff,

v.

TUFIN SOFTWARE TECHNOLOGIES
LTD., REUVEN KITOV, JACK
WAKILEH, REUVEN HARRISON,
OHAD FINKELSTEIN, EDOUARD
CUKIERMAN, YAIR SHAMIR,
RONNI ZEHAVI, and YUVAL
SHACHAR,

Defendants.

Case No.

DEMAND FOR JURY TRIAL

**CLASS ACTION COMPLAINT FOR VIOLATIONS OF
FEDERAL SECURITIES LAWS**

Plaintiff David Michaelson (“Plaintiff”), individually and on behalf of all others similarly situated, by Plaintiff’s undersigned attorneys, alleges the following based upon personal knowledge, as to Plaintiff and Plaintiff’s own acts, and upon information and belief, as to all other matters, based on the investigation conducted by and through Plaintiff’s attorneys, which included, among other things, a review of United States (“U.S.”) Securities and Exchange Commission (“SEC”) filings made by Tufin Software Technologies Ltd. (“Tufin” or the “Company”), analyst and media reports, and the Company’s press releases, among other sources. Plaintiff believes that substantial additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

NATURE AND SUMMARY OF THE ACTION

1. On March 6, 2019, Tufin filed a registration statement with the SEC on Form F-1, which, after several amendments, was declared effective on April 10, 2019 (the Form F-1, together with all amendments, is referred to herein as the “April Registration Statement”). Thereafter, on April 11, 2019, Tufin filed a prospectus for its initial public offering (the “IPO”) on Form 424B4, which incorporated and formed part of the April Registration Statement (the “April Prospectus” and collectively, with the April Registration Statement, the “IPO Offering Documents”), issuing 7,700,000 ordinary shares to the investing public at \$14.00 per share (the “IPO Price”), for anticipated gross proceeds of \$107,800,000.

2. On December 2, 2019, the Company filed a second registration statement with the SEC on Form F-1, which was declared effective on December 5, 2019 (the “December Registration Statement”). Thereafter, on December 5, 2019, Tufin filed a prospectus for its secondary offering (the “SPO”) on Form 424B4, which incorporated and formed part of the December Registration Statement (the “December Prospectus” and collectively, with the December Registration Statement, “SPO Offering Documents”), issuing an additional 4,279,882 ordinary shares to the investing public at \$17.00 per share (the “SPO Price”), for anticipated gross proceeds of \$72,757,994.

3. The IPO and SPO Offering Documents (together, the “Offering Documents”) that Tufin and the other Defendants (defined below) used to ultimately secure over \$180 million, combined, in net proceeds from investors, however, contained misleading statements in that, among other things: (i) Tufin’s customer relationships and growth metrics were overstated, particularly with respect to North America; (ii) Tufin’s business was deteriorating, primarily in North America; and (iii) as a result, Tufin’s representations regarding its sustainable financial prospects were overly optimistic.

4. On January 8, 2020, after the market closed, Tufin released its preliminary fourth quarter financial results for 2019 and announced significantly lowered financial expectations, specifically: (i) it expected to report total revenue in the range of \$29.5 million to \$30.1 million, lowered from its previous guidance of total revenue in the range of \$34.0 million to \$38.0 million; and (ii) it now anticipated non-Generally Accepted Accounting Principles (“GAAP”) operating loss in the range of \$1.1 million to \$2.6 million, compared to the previous guidance of non-GAAP operating profit in the range of \$0.0 million to \$3.0 million. The primary reason given for the revenue shortfall was Tufin’s “inability to close a number of transactions, primarily in North America, that [the Company] anticipated would close but did not close by the end of the quarter.”

5. Following this news, Tufin’s share price fell by 24%, or \$4.14 per share, and its market capitalization declined by nearly \$145 million.

6. This securities class action is brought on behalf of Plaintiff and all other persons or entities, except for Defendants, who purchased ordinary shares in the Company’s April 2019 IPO and/or December 2019 SPO pursuant and/or traceable to the misleading Offering Documents. Plaintiff brings this class action under Sections 11 and 15 of the Securities Act of 1933 (the “Securities Act”) against Tufin and certain of the Company’s senior executives, directors, and agents who signed the Offering Documents (collectively, “Defendants”). The Securities Act protects investors and the capital markets of the U.S. by preventing companies and underwriters from issuing shares to investors by means of incomplete and inaccurate offering documents.

7. Plaintiff alleges that the Offering Documents contained materially incorrect or misleading statements and/or omitted material information that was required by law to be disclosed. Defendants are each strictly liable for such misstatements and omissions therefrom (subject only, in the case of the Individual Defendants, to their ability to establish a “due diligence”

affirmative defense and are so liable in their capacities as signers of the Offering Documents, control persons, and/or as issuers, statutory sellers, and/or offerors of the shares sold pursuant to the IPO and SPO (together, the “Offerings”). Plaintiff expressly disclaims any allegations that could be construed as alleging fraud or intentional or reckless misconduct.

JURISDICTION AND VENUE

8. The claims asserted herein arise under and are pursuant to Sections 11 and 15 of the Securities Act.

9. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331 and Section 22 of the Securities Act (15 U.S.C. § 77v).

10. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b) and Section 22(a) of the Securities Act (15 U.S.C. § 77v(a)) as the alleged misstatements entered and subsequent damages took place within this judicial district. Further, Defendants’ false and misleading statements and omissions were disseminated in this District and Tufin’s ordinary shares are listed on the New York Stock Exchange (“NYSE”), a national securities exchange, which is located in this 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 U.S. mail, interstate telephone communications, and facilities of the national securities exchange.

PARTIES

12. Plaintiff, as set forth in the attached Certification, purchased Tufin ordinary shares pursuant or traceable to the Offering Documents and was damaged thereby.

13. Defendant Tufin is an Israeli company that develops, markets, and sells software and cloud-based security solutions primarily in the U.S., Europe, and Asia. Tufin's ordinary shares trade on the NYSE under the ticker symbol "TUFN."

14. Defendant Reuven Kitov ("Kitov"), who co-founded the Company, served as Tufin's Chief Executive Officer and Chairman of the Board of Directors (the "Board") at all relevant times. Defendant Kitov signed, or authorized the signing of, the Offering Documents.

15. Defendant Jack Wakileh ("Wakileh") served as Tufin's Chief Financial Officer at all relevant times. Defendant Wakileh signed, or authorized the signing of, the Offering Documents.

16. Defendant Reuven Harrison ("Harrison"), who co-founded the Company, served as Tufin's Chief Technology Officer and as a director on the Board at all relevant times. Defendant Harrison signed, or authorized the signing of, the Offering Documents.

17. Defendant Ohad Finkelstein ("Finkelstein") served as a director on the Board at all relevant times. Defendant Finkelstein signed, or authorized the signing of, the Offering Documents.

18. Defendant Edouard Cukierman ("Cuikerman") served as a director on the Board at all relevant times. Defendant Cukierman signed, or authorized the signing of, the Offering Documents.

19. Defendant Yair Shamir ("Shamir") served as a director on the Board at all relevant times. Defendant Shamir signed, or authorized the signing of, the Offering Documents.

20. Defendant Ronni Zehavi ("Zehavi") served as a director on the Board at all relevant times. Defendant Zehavi signed, or authorized the signing of, the Offering Documents.

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