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13  
14  
15 UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

16 CITY OF SUNRISE FIREFIGHTERS'  
17 PENSION FUND, on behalf of themselves  
and all others similarly situated,

18 Plaintiff,

19 v.

20  
21 ORACLE CORPORATION, SAFRA A.  
22 CATZ, MARK HURD, LAWRENCE J.  
ELLISON, THOMAS KURIAN, KEN  
23 BOND, and STEVE MIRANDA,

24 Defendants.

Case No.

**COMPLAINT FOR VIOLATIONS  
OF THE FEDERAL SECURITIES  
LAWS**

CLASS ACTION

DEMAND FOR JURY TRIAL

1           1.       Plaintiff City of Sunrise Firefighters’ Pension Fund (“Plaintiff”), by and through its  
2 counsel, alleges the following upon information and belief, except as to those allegations  
3 concerning Plaintiff, which are alleged upon personal knowledge. Plaintiff’s information and  
4 belief is based upon, *inter alia*, counsel’s investigation, which included review and analysis of: (a)  
5 regulatory filings made by Oracle Corporation (“Oracle” or the “Company”) with the United States  
6 Securities and Exchange Commission (“SEC”); (b) press releases, presentations, and media reports  
7 issued by and disseminated by the Company; (c) analyst and media reports concerning Oracle; and  
8 (d) other public information regarding the Company.

9       **I.       INTRODUCTION**

10           2.       This federal securities class action is brought on behalf of purchasers of Oracle  
11 stock between May 10, 2017 and March 19, 2018, inclusive (the “Class Period”). The claims  
12 asserted herein are alleged against Oracle and certain of the Company’s senior executives  
13 (collectively, “Defendants”), and arise under Sections 10(b) and 20(a) of the Securities Exchange  
14 Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated thereunder.

15           3.       Oracle is one of the world’s largest software companies. Among other things, the  
16 Company offers both on-premises and cloud solutions to a variety of end users. Unlike on-  
17 premises solutions, which are installed on a user’s computers, cloud solutions are accessed through  
18 the internet, and are typically hosted by a third-party vendor like Oracle. Another significant  
19 difference is the “pay as you go” or on-demand usage service model associated with cloud services,  
20 as opposed to the traditional upfront capital expenditure for on-premises solutions.

21           4.       Historically, Oracle’s revenues were driven by the sale of the Company’s on-  
22 premises software services, but those revenues have stagnated in recent years as customers shifted  
23 to cloud-based programs. Although Oracle initially hesitated when deciding whether to enter the  
24 cloud storage business, as cloud storage became mainstream, Oracle began to rapidly expand its  
25 cloud offerings.

26           5.       This matter arises from Defendants’ misrepresentations regarding revenue growth  
27 within Oracle’s cloud segment and the drivers of that growth. Throughout the Class Period,  
28 Defendants falsely attributed the Company’s revenue growth in its cloud segment to a variety of

1 factors and initiatives, including, among other things, Oracle’s “unprecedented level of automation  
2 and cost savings,” as well as the Company being “customer-focused” and “intimate partners with  
3 our customer.” In truth, Oracle drove sales of cloud products using threats and extortive tactics.  
4 The use of such tactics concealed the lack of real demand for Oracle’s cloud services, making the  
5 growth unsustainable (and ultimately driving away customers). Among other things, the Company  
6 threatened current customers with “audits” of their use of the Company’s non-cloud software  
7 licenses unless the customers agreed to shift their business to Oracle cloud programs.

8 6. The truth was revealed on March 19, 2018, when the Company disclosed that cloud  
9 revenue growth had stagnated and forecasted significantly slower sales growth for its cloud  
10 business than its competitors. Following these disclosures, analysts connected Oracle’s poor  
11 financial performance to its improper sales tactics. Gartner, Inc.—a leading research and advisory  
12 company—observed that Oracle had to rely on coercive practices because its cloud-based offering  
13 is a “bare-bones minimum viable product.” These revelations caused Oracle shares to decline by  
14 \$4.90 per share, or nearly 9.5%—the Company’s largest single-day stock drop in over five years.

## 15 **II. JURISDICTION AND VENUE**

16 7. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange  
17 Act, 15 U.S.C. §§ 78j(b) and 78t(a), and Rule 10b-5 promulgated thereunder by the SEC, 17 C.F.R.  
18 § 240.10b-5. This Court has jurisdiction over the subject matter of this action pursuant to 28  
19 U.S.C. §§ 1331 and 1337, and Section 27 of the Exchange Act, 15 U.S.C. § 78aa.

20 8. Venue is proper in this District pursuant to Section 27 of the Exchange Act and 28  
21 U.S.C. § 1391(b). Oracle maintains its corporate headquarters in Redwood City, California, which  
22 is situated in this District, conducts substantial business in this District, and many of the acts and  
23 conduct that constitute the violations of law complained of herein, including the preparation and  
24 dissemination to the public of materially false and misleading information, occurred in this  
25 District. In connection with the acts alleged in this Complaint, Defendants, directly or indirectly,  
26 used the means and instrumentalities of interstate commerce, including, but not limited to, the  
27 mails, interstate telephone communications, and the facilities of the national securities markets.

1 **III. PARTIES**

2 9. Plaintiff City of Sunrise Firefighters' Pension Fund is a public pension fund that  
3 provides retirement benefits to firefighters employed by the city of Sunrise, Florida. As of March  
4 31, 2018, Plaintiff managed approximately \$143 million in assets on behalf of approximately 235  
5 participants. Plaintiff purchased shares of Oracle stock on the New York Stock Exchange  
6 ("NYSE") during the Class Period and suffered damages as a result of the violations of the federal  
7 securities laws alleged herein.

8 10. Defendant Oracle is a multinational technology company. Incorporated in  
9 Delaware, the Company maintains its corporate headquarters at 500 Oracle Parkway, Redwood  
10 City, California. Oracle stock trades on NYSE, which is an efficient market, under ticker symbol  
11 "ORCL." As of November 30, 2017, Oracle had 5.16 billion shares of stock outstanding, owned  
12 by at least hundreds or thousands of investors.

13 11. Defendant Safra A. Catz ("Catz") is, and was at all relevant times, co-Chief  
14 Executive Officer of Oracle, as well as a member of the Company's Board of Directors.

15 12. Defendant Mark Hurd ("Hurd") is, and was at all relevant times, co-Chief  
16 Executive Officer of Oracle, as well as a member of the Company's Board of Directors.

17 13. Defendant Lawrence J. Ellison ("Ellison") is, and was at all relevant times, Oracle's  
18 Chief Technology Officer, as well as the Chairman of the Company's Board of Directors.

19 14. Defendant Thomas Kurian ("Kurian") is, and was at all relevant times, Oracle's  
20 President, Product Development.

21 15. Defendant Ken Bond ("Bond") is, and was at all relevant times, Oracle's Senior  
22 Vice President of Investor Relations.

23 16. Defendant Steve Miranda ("Miranda") is, and was at all relevant times, Oracle's  
24 Executive Vice President, Oracle Applications Product Development.

25 17. Defendants Catz, Hurd, Ellison, Kurian, Bond, and Miranda are collectively  
26 referred to hereinafter as the "Individual Defendants." The Individual Defendants, because of their  
27 positions with Oracle, possessed the power and authority to control the contents of Oracle's reports  
28 to the SEC, press releases, and presentations to securities analysts, money and portfolio managers,

1 and institutional investors. Each of the Individual Defendants was provided with copies of the  
2 Company's reports and press releases alleged herein to be misleading prior to, or shortly after,  
3 their issuance and had the ability and opportunity to prevent their issuance or cause them to be  
4 corrected. Because of their positions and access to material non-public information available to  
5 them, each of the Individual Defendants knew that the adverse facts specified herein had not been  
6 disclosed to, and were being concealed from, the public, and that the positive representations which  
7 were being made were then materially false and/or misleading.

#### 8 **IV. BACKGROUND**

9 18. Based in California, Oracle is one of the world's largest software companies. The  
10 Company develops database software and technology, cloud engineered systems, and enterprise  
11 software products. Historically, Oracle's revenues were driven by the sale of the Company's on-  
12 premises software services, but those revenues have stagnated in recent years as customers shifted  
13 to cloud-based programs.

14 19. In 2008, when cloud-based software products began to gain popularity and  
15 technology companies such as Google and Amazon were starting to expand into this new area of  
16 data storage, Oracle stated its intention to stay out of the cloud business. At the time, Defendant  
17 Ellison, called cloud storage "complete gibberish" and questioned when this "idiocy [was] going  
18 to stop?" By 2015, however, as cloud storage entered the mainstream, Oracle publicly  
19 acknowledged the importance of developing successful cloud services in order to compete with  
20 platforms offered by Amazon and Microsoft and began to aggressively pursue several acquisitions  
21 in an attempt to expand its cloud offerings.

22 20. As a late comer to the cloud space, Oracle had ceded significant market share to its  
23 competitors. Instead of focusing on creating a better product, however, Oracle relied on improper  
24 sales practices to railroad its customers into purchasing the Company's cloud offerings. One such  
25 practice was to "audit" customers' use of the Company's non-cloud software licenses and charge  
26 those customers hefty penalties unless they agreed to shift their business to Oracle cloud  
27 programs. Oracle's use of audits was well known within the industry, but the extent to which the  
28

1 Company was using threats of audits to coerce customers to purchase cloud products was not  
2 known to investors, and expressly denied by the Company.

3 21. In addition to threatening customers with audits, Oracle also decreased its customer  
4 support for certain of its on-premises and hardware systems, in an effort to drive customers away  
5 from such systems and into cloud-based systems. Oracle also strong-armed customers by  
6 threatening to dramatically raise the cost of legacy database licenses if the customer chose another  
7 cloud provider.

#### 8 **V. ORACLE DEFRAUDS INVESTORS**

9 22. The Class Period starts on May 10, 2017, the first trading day after Oracle presented  
10 at the Jefferies Technology Group Investor Conference. During the conference, which began after  
11 the market closed on May 9, 2017, Defendant Bond touted that Oracle's cloud business was  
12 growing, stating that "[t]he good news . . . growth in cloud is actually getting bigger." During the  
13 conference, an unidentified analyst questioned how much of Oracle's revenue growth was  
14 attributable to the Company's practice of auditing its customers. In response, Bond immediately  
15 deflected the question, stating that "[i]t's funny. This is one of those things where – gets talked  
16 about a lot. And I think this is one of those things where the story is a lot bigger than the realities."  
17 Bond further assured investors that the Company's auditing practices were not used to coerce  
18 customers into purchasing products and that Oracle approaches its audits in "as gracious [a] way  
19 as we can," and stated that "as we go to cloud . . . this conversation is going to go away."

20 23. The statements and omissions set forth in ¶22 were materially false and misleading.  
21 In truth, the growth in Oracle's cloud revenues were driven, at least in part, by improper, coercive  
22 sales practices, which include: (1) threatening existing customers with "audits" of their use of  
23 Oracle's non-cloud software licenses and levying expensive penalties against those customers,  
24 unless the customers agreed to shift their business to Oracle cloud programs; (2) decreasing  
25 customer support for certain Oracle on-premises or hardware systems, in an effort to drive  
26 customers away from such systems and into cloud-based systems; and (3) strong-arming customers  
27 by threatening to dramatically raise the cost of legacy database licenses if the customers choose  
28 another cloud provider. These tactics alienated and angered the Company's customers, which in

1 some cases have not only refused to purchase Oracle's cloud offerings but have also looked to  
2 terminate their existing business relationships.

3 24. On June 21, 2017, Oracle issued a press release announcing its financial results for  
4 the fiscal fourth quarter and fiscal year ended May 31, 2017.<sup>1</sup> In the press release, which was also  
5 filed with the SEC on Form 8-K, the Company reported that quarterly "cloud revenues were up  
6 58% to \$1.4 billion." The press release also quoted Defendant Catz stating that the Company was  
7 "experience[ing] rapid adoption of the Oracle Cloud." In the press release, Defendant Hurd is  
8 quoted stating that Oracle "sold \$855 million of new annually recurring cloud revenue (ARR) in  
9 Q4" and touting that "[n]ext year is going to be even better. We expect to sell a lot more than \$2  
10 billion in new cloud ARR in fiscal year 2018."

11 25. That same day, Oracle held a conference call with analysts and investors to discuss  
12 the Company's earnings and operations. During the conference call, Defendant Ellison told  
13 investors that the Company's cloud revenues would "accelerate into hyper-growth" as existing  
14 customers "begin to migrate their millions of Oracle databases" to Oracle's cloud-based offerings.  
15 Also, during the call, Defendant Catz attributed Oracle's cloud revenue growth to "the increasing  
16 preference of customers for cloud." During the call, an analyst questioned whether the Company's  
17 "phenomenal quarter around this aggressive cloud transition" was a "1-year phenom[enon]."  
18 Defendant Catz responded that "this is absolutely not a 1-year phenomena. In fact, what you  
19 should see, as this goes on, is we will have less drag from the [cloud] transition and the base will  
20 continue to grow."

21 26. The statements and omissions set forth in ¶¶24-25 were materially false and  
22 misleading. In truth, the growth in Oracle's cloud revenues were driven, at least in part, by  
23 improper, coercive sales practices, which include: (1) threatening existing customers with "audits"  
24 of their use of Oracle's non-cloud software licenses and levying expensive penalties against those  
25 customers, unless the customers agreed to shift their business to Oracle cloud programs; (2)  
26 decreasing customer support for certain Oracle on-premises or hardware systems, in an effort to  
27

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28 <sup>1</sup> Oracle's fiscal year ends on May 31.

1 drive customers away from such systems and into cloud-based systems; and (3) strong-arming  
2 customers by threatening to dramatically raise the cost of legacy database licenses if the customers  
3 choose another cloud provider. These tactics alienated and angered the Company's customers,  
4 which in some cases have not only refused to purchase Oracle's cloud offerings but have also  
5 looked to terminate their existing business relationships.

6 27. On September 14, 2017, Oracle issued a press release announcing its financial  
7 results for the fiscal first quarter ended August 31, 2017. In the press release, which was also filed  
8 with the SEC on Form 8-K, the Company reported that "Total Cloud Revenues were up 51% to  
9 \$1.5 billion." The press release also quotes Defendant Catz stating that the "sustained hyper-  
10 growth in our multi-billion dollar cloud business continues to drive Oracle's overall revenue and  
11 earnings higher and higher."

12 28. That same day, Oracle held a conference call with analysts and investors to discuss  
13 the Company's earnings and operations. During the conference call, Defendant Catz touted that  
14 "[c]ustomer adoption of our cloud products and services continue to be very, very strong."  
15 Similarly, Defendant Hurd stated that "cloud bookings were executing well on a very big and  
16 growing pipeline" and that the Company expected that fiscal year 2018 full year "cloud booking  
17 growth to be quite strong." Hurd attributed Oracle's cloud revenue growth to being better than the  
18 competition, noting specifically that "our products are better. Our sales force is better. Our ability  
19 to implement is better." Hurd further stated that Oracle's "ability to do all of these things has just  
20 continued to improve quarter by quarter by quarter, and it manifests itself in the type of results  
21 we're talking about this afternoon."

22 29. The statements and omissions set forth in ¶¶27-28 were materially false and  
23 misleading. In truth, the growth in Oracle's cloud revenues were driven, at least in part, by  
24 improper, coercive sales practices, which include: (1) threatening existing customers with "audits"  
25 of their use of Oracle's non-cloud software licenses and levying expensive penalties against those  
26 customers, unless the customers agreed to shift their business to Oracle cloud programs; (2)  
27 decreasing customer support for certain Oracle on-premises or hardware systems, in an effort to  
28 drive customers away from such systems and into cloud-based systems; and (3) strong-arming



1 customers by threatening to dramatically raise the cost of legacy database licenses if the customers  
2 choose another cloud provider. These tactics alienated and angered the Company's customers,  
3 which in some cases have not only refused to purchase Oracle's cloud offerings but have also  
4 looked to terminate their existing business relationships.

5 30. On September 18, 2017, Oracle filed with the SEC its Form 10-Q for the fiscal first  
6 quarter ended August 31, 2017, reiterating the financial results announced by the Company in its  
7 September 14 press release. The Form 10-Q was signed by Defendant Catz and contained  
8 certifications by Defendants Catz and Hurd that attested to the purported accuracy and  
9 completeness of the 10-Q. In the quarterly report, the Company touted "higher growth of our  
10 cloud SaaS and cloud PaaS and IaaS revenues as customer preferences have pivoted to the Oracle  
11 Cloud for new deployments and as customers migrate to and expand with the Oracle Cloud for  
12 their existing on-premise workloads." Oracle attributed its cloud revenue growth to "increased . .  
13 . investments in and focus on the development, marketing and sale of our cloud-based applications,  
14 platform and infrastructure technologies." The Company also touted the superior quality of its  
15 cloud products, stating that its products "provide a comprehensive and fully integrated stack of  
16 applications, platform, compute, storage and networking services in all three primary layers of the  
17 cloud."

18 31. The statements and omissions set forth in ¶30 were materially false and misleading.  
19 In truth, the growth in Oracle's cloud revenues were driven, at least in part, by improper, coercive  
20 sales practices, which include: (1) threatening existing customers with "audits" of their use of  
21 Oracle's non-cloud software licenses and levying expensive penalties against those customers,  
22 unless the customers agreed to shift their business to Oracle cloud programs; (2) decreasing  
23 customer support for certain Oracle on-premises or hardware systems, in an effort to drive  
24 customers away from such systems and into cloud-based systems; and (3) strong-arming customers  
25 by threatening to dramatically raise the cost of legacy database licenses if the customers choose  
26 another cloud provider. These tactics alienated and angered the Company's customers, which in  
27 some cases have not only refused to purchase Oracle's cloud offerings but have also looked to  
28 terminate their existing business relationships. Oracle had to rely on these coercive practices given

1 that its cloud-based offering is a “bare-bones minimum viable product,” not “a comprehensive and  
2 fully integrated stack of applications” as the Company had represented.

3 32. On October 5, 2017, Oracle presented at the OpenWorld Financial Analyst  
4 Meeting. During the meeting, Defendant Miranda touted that Oracle’s cloud business was  
5 experiencing rapid growth and attributed that growth to being more “customer-focused” and  
6 “much more intimate partners with our customer.”

7 33. The statements and omissions set forth in ¶32 were materially false and misleading.  
8 In truth, the growth in Oracle’s cloud revenues were driven, at least in part, by improper, coercive  
9 sales practices, which include: (1) threatening existing customers with “audits” of their use of  
10 Oracle’s non-cloud software licenses and levying expensive penalties against those customers,  
11 unless the customers agreed to shift their business to Oracle cloud programs; (2) decreasing  
12 customer support for certain Oracle on-premises or hardware systems, in an effort to drive  
13 customers away from such systems and into cloud-based systems; and (3) strong-arming customers  
14 by threatening to dramatically raise the cost of legacy database licenses if the customers choose  
15 another cloud provider. These tactics alienated and angered the Company’s customers, which in  
16 some cases have not only refused to purchase Oracle’s cloud offerings but have also looked to  
17 terminate their existing business relationships.

18 34. On December 14, 2017, Oracle issued a press release announcing its financial  
19 results for the fiscal second quarter ended November 30, 2017. In the press release, which was  
20 also filed with the SEC on Form 8-K, the Company reported that “Total Cloud Revenues were up  
21 44% to \$1.5 billion.” The press release attributes this revenue growth, at least in part, to “the  
22 increasing scale and the gathering momentum in our cloud business.”

23 35. That same day, Oracle held a conference call with analysts and investors to discuss  
24 the Company’s earnings and operations. During the conference call, Defendant Catz boasted that  
25 “[c]ustomer adoption of our cloud products and services continues to be very strong. . . . Bottom  
26 line, our transition to the cloud is going well.”

27 36. The statements and omissions set forth in ¶¶34-35 were materially false and  
28 misleading. In truth, the growth in Oracle’s cloud revenues were driven, at least in part, by

1 improper, coercive sales practices, which include: (1) threatening existing customers with “audits”  
2 of their use of Oracle’s non-cloud software licenses and levying expensive penalties against those  
3 customers, unless the customers agreed to shift their business to Oracle cloud programs; (2)  
4 decreasing customer support for certain Oracle on-premises or hardware systems, in an effort to  
5 drive customers away from such systems and into cloud-based systems; and (3) strong-arming  
6 customers by threatening to dramatically raise the cost of legacy database licenses if the customers  
7 choose another cloud provider. These tactics alienated and angered the Company’s customers,  
8 which in some cases have not only refused to purchase Oracle’s cloud offerings but have also  
9 looked to terminate their existing business relationships.

10 **VI. DISCLOSURES OF COMPANY’S MISCONDUCT**  
11 **CAUSE SIGNIFICANT INVESTOR LOSSES**

12 37. The truth about the Company’s practices and their impact on Oracle’s business was  
13 revealed on March 19, 2018, when the Company disclosed that cloud revenue growth had  
14 stagnated and forecasted significantly slower sales growth for its cloud business than its  
15 competitors. Specifically, the Company reported that quarterly cloud revenue rose only 32%, or  
16 just half the average reported quarterly growth over the past two years, and Oracle projected that  
17 cloud sales growth would decline even further to only 20% in the following quarter. As a result  
18 of these disclosures, Oracle shares declined by \$4.90 per share, or nearly 9.5%.

19 38. Following these disclosures, market researchers and the media connected Oracle’s  
20 poor financial performance to its aggressive sales tactics. Indeed, these recent disclosures suggest  
21 that the growth in Oracle’s cloud revenues were driven by improper, coercive sales practices. One  
22 market commentator—Gartner, Inc.—also observed that Oracle’s cloud offering “remains a bare-  
23 bones minimum viable product, and it is arguably too minimal to be viable for a broad range of  
24 common cloud . . . use cases.”

25 **VII. LOSS CAUSATION**

26 39. During the Class Period, as detailed herein, Defendants made materially false and  
27 misleading statements and omissions, and engaged in a scheme to deceive the market. This  
28 artificially inflated the price of Oracle stock and operated as a fraud or deceit on the Class (as

1 defined below). Later, when Defendants' prior misrepresentations and fraudulent conduct were  
2 disclosed to the market on March 19, 2018 the price of Oracle stock fell. As a result of their  
3 purchases of Oracle stock during the Class Period, Plaintiff and other members of the Class  
4 suffered harm.

#### 5 **VIII. CLASS ACTION ALLEGATIONS**

6 40. Plaintiff brings this action as a class action pursuant to Rule 23 of the Federal Rules  
7 of Civil Procedure on behalf of all persons who purchased Oracle stock during the Class Period  
8 (the "Class"). Excluded from the Class are Defendants and their families, directors, and officers  
9 of Oracle and their families and affiliates.

10 41. The members of the Class are so numerous that joinder of all members is  
11 impracticable. The disposition of their claims in a class action will provide substantial benefits to  
12 the parties and the Court. Oracle has approximately 5.16 billion shares of stock outstanding,  
13 owned by at least hundreds or thousands of investors.

14 42. Questions of law and fact common to the members of the Class which predominate  
15 over questions which may affect individual Class members include:

- 16 (a) Whether Defendants violated the Exchange Act;
- 17 (b) Whether Defendants omitted and/or misrepresented material facts;
- 18 (c) Whether Defendants' statements omitted material facts necessary in order  
19 to make the statements made, in light of the circumstances under which they were made, not  
20 misleading;
- 21 (d) Whether Defendants knew or recklessly disregarded that their statements  
22 and/or omissions were false and misleading;
- 23 (e) Whether Defendants' misconduct impacted the price of Oracle stock;
- 24 (f) Whether Defendants' conduct caused the members of the Class to sustain  
25 harm; and
- 26 (g) The extent of harm sustained by Class members and the appropriate  
27 measure of harm.
- 28

1 43. Plaintiff's claims are typical of those of the Class because Plaintiff and the Class  
2 sustained harm from Defendants' wrongful conduct.

3 44. Plaintiff will adequately protect the interests of the Class and has retained counsel  
4 experienced in class action securities litigation. Plaintiff has no interests which conflict with those  
5 of the Class.

6 45. A class action is superior to other available methods for the fair and efficient  
7 adjudication of this controversy.

8 **IX. INAPPLICABILITY OF STATUTORY SAFE HARBOR**

9 46. Oracle's "Safe Harbor" warnings accompanying its forward-looking statements  
10 issued during the Class Period were ineffective to shield those statements from liability.

11 47. Defendants are also liable for any false or misleading forward-looking statements  
12 pleaded herein because, at the time each such statement was made, the speaker knew the statement  
13 was false or misleading and the statement was authorized and/or approved by an executive officer  
14 of Oracle who knew that the statement was false. None of the historic or present tense statements  
15 made by Defendants were assumptions underlying or relating to any plan, projection, or statement  
16 of future economic performance, as they were not stated to be such assumptions underlying or  
17 relating to any projection or statement of future economic performance when made, nor were any  
18 of the projections or forecasts made by Defendants expressly related to, or stated to be dependent  
19 on, those historic or present tense statements when made.

20 **X. PRESUMPTION OF RELIANCE**

21 48. At all relevant times, the market for Oracle stock was an efficient market for the  
22 following reasons, among others:

23 (a) Oracle stock met the requirements for listing, and was listed and actively  
24 traded on NYSE, a highly efficient and automated market;

25 (b) As a regulated issuer, Oracle filed periodic public reports with the SEC and  
26 NYSE;

27 (c) Oracle regularly and publicly communicated with investors via established  
28 market communication mechanisms, including through regular disseminations of press releases on

1 the national circuits of major newswire services and through other wide-ranging public disclosures,  
2 such as communications with the financial press and other similar reporting services; and

3 (d) Oracle was followed by several securities analysts employed by major  
4 brokerage firm(s) who wrote reports which were distributed to the sales force and certain  
5 customers of their respective brokerage firm(s). Each of these reports was publicly available and  
6 entered the public marketplace.

7 49. As a result of the foregoing, the market for Oracle stock promptly digested current  
8 information regarding Oracle from all publicly available sources and reflected such information in  
9 the price of Oracle stock. Under these circumstances, all purchasers of Oracle stock during the  
10 Class Period suffered similar injury through their purchase of Oracle stock at artificially inflated  
11 prices and the presumption of reliance applies.

12 50. A Class-wide presumption of reliance is also appropriate in this action under the  
13 Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128 (1972),  
14 because the Class' claims are grounded on Defendants' material omissions. Because this action  
15 involves Defendants' failure to disclose material adverse information regarding revenue growth in  
16 Oracle's cloud segment—information that Defendants were obligated to disclose—positive proof  
17 of reliance is not a prerequisite to recovery. All that is necessary is that the facts withheld be  
18 material in the sense that a reasonable investor might have considered them important in making  
19 investment decisions. Given the importance of the Oracle's cloud business, as set forth above, that  
20 requirement is satisfied here.

## 21 COUNT I

### 22 For Violation of Section 10(b) of the Exchange Act and Rule 10b-5 Against All Defendants

23 51. Plaintiff repeats, incorporates, and realleges each and every allegation set forth  
24 above as if fully set forth herein.

25 52. During the Class Period, Defendants carried out a plan, scheme, and course of  
26 conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing  
27 public, including Plaintiff and other Class members, as alleged herein; and (ii) cause economic  
28 harm to Plaintiff and other members of the Class.

1 53. Defendants: (i) employed devices, schemes, and artifices to defraud; (ii) made  
2 untrue statements of material fact and/or omitted to state material facts necessary to make the  
3 statements not misleading; and (iii) engaged in acts, practices, and a course of business which  
4 operated as a fraud and deceit upon the purchasers of the Company's stock in violation of Section  
5 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

6 54. Defendants, individually and in concert, directly and indirectly, by the use, means  
7 or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a  
8 continuous course of conduct to conceal adverse material information about the Company's  
9 financial well-being, operations, and prospects.

10 55. During the Class Period, Defendants made the false statements specified above,  
11 which they knew or recklessly disregarded to be false or misleading in that they contained  
12 misrepresentations and failed to disclose material facts necessary in order to make the statements  
13 made, in light of the circumstances under which they were made, not misleading.

14 56. Defendants had actual knowledge of the misrepresentations and omissions of  
15 material facts set forth herein, or recklessly disregarded the true facts that were available to them.  
16 Defendants engaged in this misconduct to conceal Oracle's true condition from the investing  
17 public and to support the artificially inflated prices of the Company's stock.

18 57. Plaintiff and the Class have suffered damages in that, in reliance on the integrity of  
19 the market, they purchased Oracle stock and were harmed when the truth about Oracle negatively  
20 impacted the price of those securities. Plaintiff and the Class would not have purchased Oracle  
21 stock at the prices they paid, or at all, had they been aware of the truth about Oracle.

22 58. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the  
23 other members of the Class suffered harm in connection with their respective purchases of the  
24 Company's stock during the Class Period.

25 59. By virtue of the foregoing, Defendants violated Section 10(b) of the Exchange Act  
26 and Rule 10b-5 promulgated thereunder.

**COUNT II**

**For Violation of Section 20(a) of the Exchange Act Against the Individual Defendants**

60. Plaintiff repeats, incorporates, and realleges each and every allegation set forth above as if fully set forth herein.

61. The Individual Defendants acted as controlling persons of Oracle within the meaning of Section 20(a) of the Exchange Act. By virtue of their high-level positions, participation in and/or awareness of the Company’s operations, direct involvement in the day-to-day operations of the Company, and/or intimate knowledge of the Company’s actual performance, and their power to control public statements about Oracle, the Individual Defendants had the power and ability to control the actions of Oracle and its employees. By reason of such conduct, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act.

**XI. PRAYER FOR RELIEF**

WHEREFORE, Plaintiff prays for judgment as follows:

- A. Determining that this action is a proper class action under Rule 23 of the Federal Rules of Civil Procedure;
- B. Awarding compensation to Plaintiff and other Class members against all Defendants, jointly and severally, for all harm sustained as a result of Defendants’ wrongdoing, in an amount to be proven at trial, including interest thereon;
- C. Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including attorneys’ fees and expert fees; and
- D. Awarding such equitable/injunctive or other further relief as the Court may deem just and proper.

**XII. JURY DEMAND**

Plaintiff demands a trial by jury.



1 Dated: August 10, 2018

Respectfully submitted,

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*Attorneys for Plaintiff City of Sunrise Firefighters'  
Pension Fund*

CERTIFICATION PURSUANT TO  
THE FEDERAL SECURITIES LAWS

I, Frank Cagan, on behalf of City of Sunrise Firefighters' Pension Fund ("Sunrise Firefighters"), hereby certify, as to the claims asserted under the federal securities laws, that:

1. I am the Chairman of Sunrise Firefighters. I have reviewed the allegations of the complaint with counsel to Sunrise Firefighters and authorize its filing.
2. Sunrise Firefighters did not purchase the securities that are the subject of this action at the direction of counsel or in order to participate in any action arising under the federal securities laws.
3. Sunrise Firefighters is willing to serve as a representative party on behalf of the Class, including providing testimony at deposition and trial, if necessary.
4. Sunrise Firefighters' transactions in the Oracle Corporation securities that are the subject of this action are set forth in the chart attached hereto.
5. Sunrise Firefighters has not sought to serve as a lead plaintiff or representative party on behalf of a class in any action under the federal securities laws filed during the three-year period preceding the date of this Certification.
6. Sunrise Firefighters will not accept any payment for serving as a representative party on behalf of the Class beyond Sunrise Firefighters' pro rata share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the Class, as ordered or approved by the Court.

I declare under penalty of perjury that the foregoing is true and correct. Executed this \_\_\_ day of August, 2018.

  
\_\_\_\_\_  
Frank Cagan  
Chairman  
City of Sunrise Firefighters' Pension Fund

**City of Sunrise Firefighters' Pension Fund  
Transactions in Oracle Corporation**

<b><u>Transaction</u></b>	<b><u>Date</u></b>	<b><u>Shares</u></b>	<b><u>Price</u></b>
Purchase	6/29/2017	17,660	50.2846
Purchase	9/26/2017	516	47.9591
Purchase	9/27/2017	1,293	48.2207
Purchase	9/28/2017	328	48.1636
Purchase	10/12/2017	3,527	48.3776
Sale	7/25/2017	(507)	51.0700
Sale	7/26/2017	(1,480)	51.0769
Sale	8/23/2017	(2,900)	49.1819
Sale	9/22/2017	(3,790)	48.2240