UNITED STATES DISTRICT COURT
DISTRICT OF DELAWARE

RUSSELL DAVIE, Individually and on Behalf of All Others Similarly Situated, Plaintiff, v. CRAY INC., PETER J. UNGARO, PRITHVIRAJ BANERJEE, CATRIONA M. FALLON, STEPHEN E. GOLD, STEPHEN C. KIELY, SALLY G. NARODICK, DANIEL C. REGIS, MAX L. SCHIRESON, BRIAN V. TURNER, CANOPY MERGER SUB, INC., and HEWLETT PACKARD ENTERPRISE COMPANY, Defendants.	X))))))))))))))))	Civil Action No. ___________ **CLASS ACTION** **JURY TRIAL DEMAND**

CLASS ACTION COMPLAINT FOR VIOLATIONS OF SECTIONS 14(a) AND 20(a) OF THE SECURITIES EXCHANGE ACT OF 1934

Plaintiff Russell Davie ("Plaintiff"), individually and on behalf of all others similarly situated, alleges the following upon information and belief, including investigation of counsel and review of publicly-available information, except as to those allegations pertaining to Plaintiff, which are alleged upon personal knowledge:

NATURE OF THE ACTION

1. Plaintiff brings this class action on behalf of the public stockholders of Cray Inc. ("Cray" or the "Company") against Cray's Board of Directors (the "Board" or the "Individual Defendants") for their violations of Section 14(a) and 20(a) of the Securities Exchange Act of 1934, 15.U.S.C. §§ 78n(a), 78t(a), and SEC Rule 14a-9, 17 C.F.R. 240.14a-9, arising out of the Board's attempt to sell the Company to Hewlett Packard Enterprise Company, a Delaware corporation, through its wholly-owned subsidiary Canopy Merger Sub, Inc. (collectively, "HPE").

2. Defendants have violated the above-referenced Sections of the Exchange Act by causing a materially incomplete and misleading preliminary proxy statement (the "Proxy") to be filed with the Securities and Exchange Commission ("SEC") on June 12, 2019. The Proxy recommends that Cray stockholders vote in favor of a proposed transaction (the "Proposed Transaction") whereby Cray is acquired by HPE. The Proposed Transaction was first disclosed on May 17, 2019, when Cray and HPE announced that they had entered into a definitive merger agreement (the "Merger Agreement") pursuant to which HPE will acquire all of the outstanding shares of common stock of Cray for $35.00 per share (the "Merger Consideration"). The deal is valued at approximately $1.3 billion and is expected to close by the first quarter of HPE's fiscal year 2020.

3. The Proposed Transaction is tainted by significant conflicts of interest, namely continued employment for the Company's Chief Executive Officer ("CEO") with the combined company and the opportunity to invest in the combined company. In addition, the Merger Agreement contains constrictive provisions that prevent another bidder from coming forward. Most egregious is the materially incomplete Proxy, which contains misleading representations and information in violation of Sections 14(a) and 20(a) of the Exchange Act. Specifically, the Proxy contains materially incomplete and misleading information concerning the sales process, financial projections prepared by Cray management, and the financial analyses conducted by Morgan Stanley & Co. LLC ("Morgan Stanley"), Cray's financial advisor.

4. For these reasons, and as set forth in detail herein, Plaintiff seeks to enjoin Defendants from taking any steps to consummate the Proposed Transaction, including filing a definitive proxy statement ("Definitive Proxy") with the SEC or otherwise causing a Definitive Proxy to be disseminated to Cray's stockholders, unless and until the material information

discussed below is included in the Definitive Proxy or otherwise disseminated to Cray's stockholders. In the event the Proposed Transaction is consummated without the material omissions referenced below being remedied, Plaintiff seeks to recover damages resulting from the Defendants' violations.

PARTIES

5. Plaintiff is, and has been at all relevant times, the owner of shares of common stock of Cray.

6. Defendant Cray is a corporation organized and existing under the laws of the State of Washington. Cray common stock trades on NASDAQ under the ticker symbol "CRAY."

7. Defendant Peter J. Ungaro has been President, CEO and a director of the Company since 2005.

8. Defendant Prithviraj Banerjee has been a director of the Company since 2013.

9. Defendant Catriona M. Fallon has been a director of the Company since December 2017.

10. Defendant Stephen E. Gold has been a director of the Company since February 20, 2019.

11. Defendant Stephen C. Kiely has been a director of the Company since 1999 and non-executive Chairman of the Board since 2005.

12. Defendant Sally G. Narodick has been a director of the Company since 2004.

13. Defendant Daniel C. Regis has been a director of the Company since 2003.

14. Defendant Max L. Schireson has been a director of the Company since 2014.

15. Defendant Brian V. Turner has been a director of the Company since 2016.

16. Defendants Ungaro, Banerjee, Fallon, Gold, Kiely, Narodick, Regis, Schireson and Turner are collectively referred to herein as the "Board."

17. Defendant Hewlett Packard Enterprise Company is a Delaware corporation with its principal executive offices located at 6280 America Center Drive, San Jose, California 95002.

18. Defendant Canopy Merger Sub, Inc. is a Washington corporation and is a wholly owned subsidiary of Hewlett Packard Enterprise Company.

JURISDICTION AND VENUE

19. This Court has subject matter jurisdiction pursuant to Section 27 of the Exchange Act (15 U.S.C. § 78aa) and 28 U.S.C. § 1331 (federal question jurisdiction) as Plaintiff alleges violations of Section 14(a) and 20(a) of the Exchange Act and SEC Rule 14a-9.

20. Personal jurisdiction exists over each Defendant either because the Defendant conducts business in or maintains operations in this District, or is an individual who is either present in this District for jurisdictional purposes or has sufficient minimum contacts with this District as to render the exercise of jurisdiction over Defendant by this Court permissible under traditional notions of fair play and substantial justice.

21. Venue is proper in this District under Section 27 of the Exchange Act, 15 U.S.C. § 78aa, as well as under 28 U.S.C. § 1391, because: (i) a significant amount of the conduct at issue took place and had an effect in this District; and (ii) the buyer, Hewlett Packard Enterprise Company, is incorporated in this District.

CLASS ACTION ALLEGATIONS

22. Plaintiff brings this action on his own behalf and as a class action on behalf of all owners of Cray common stock and their successors in interest and/or their transferees, except

Defendants and any person, firm, trust, corporation or other entity related to or affiliated with the Defendants (the "Class").

23. This action is properly maintainable as a class action for the following reasons:

(a) The Class is so numerous that joinder of all members is impracticable. As of May 15, 2019, Cray had approximately 41.1 million shares outstanding.

(b) Questions of law and fact are common to the Class, including, inter alia, the following:

(i) Whether Defendants have violated Section 14(a) of the Exchange Act and Rule 14a-9 promulgated thereunder;

(ii) Whether the Individual Defendants have violated Section 20(a) of the Exchange Act;

(iii) Whether Plaintiff and other members of the Class would suffer irreparable injury were Defendants to file a Definitive Proxy with the SEC that does not contain the material information referenced above and the Proposed Transaction is consummated as presently anticipated;

(iv) Whether Plaintiff and the other members of the Class would be irreparably harmed were the transaction complained of herein consummated; and

(v) whether the Class is entitled to injunctive relief or damages as a result of Individual Defendants' wrongful conduct.

(c) Plaintiff is committed to prosecuting this action, is an adequate representative of the Class, and has retained competent counsel experienced in litigation of this nature.

(d) Plaintiff's claims are typical of those of the other members of the Class.

(e) Plaintiff has no interests that are adverse to the Class.

(f) The prosecution of separate actions by individual members of the Class would create the risk of inconsistent or varying adjudications for individual members of the Class and of establishing incompatible standards of conduct for the party opposing the Class.

(g) Conflicting adjudications for individual members of the Class might as a practical matter be dispositive of the interests of the other members not parties to the adjudications or substantially impair or impede their ability to protect their interests.

(h) Plaintiff anticipates that there will be no difficulty in the management of this litigation. A class action is superior to other available methods for the fair and efficient adjudication of this controversy.

SUBSTANTIVE ALLEGATIONS

A. Background of Company and Proposed Transaction

24. Cray began in 1972 as Cray Research, founded by the "father of supercomputing" Seymour Cray. The Company designs and builds supercomputers, software for supercomputers, and storage and data management products. Cray's products are used at national laboratories like Argonne National Laboratory, universities like the University of Western Australia, and corporations like GE.

25. On May 17, 2019, the Board entered into the Merger Agreement with Hewlett Packard Enterprise Company and Canopy Merger Sub, Inc.

26. According to the press release issued on May 17, 2019 announcing the Proposed Transaction:

> **San Jose, Calif., and Seattle, Wash., May 17, 2019 –** Hewlett Packard Enterprise (NYSE:HPE) and Cray Inc. (Nasdaq: CRAY), a global supercomputer leader, today announced that the companies have entered into a definitive agreement under which HPE will acquire Cray for $35.00 per share in cash, in a transaction valued at approximately $1.3 billion, net of cash.
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> "Answers to some of society's most pressing challenges are buried in massive amounts of data," said Antonio Neri, President and CEO, HPE. "Only by processing and analyzing this data will we be able to unlock the answers to critical challenges across medicine, climate change, space and more. Cray is a global technology leader in supercomputing and shares our deep commitment to innovation. By combining our world-class teams and technology, we will have the opportunity to drive the next generation of high performance computing and play an important part in advancing the way people live and work."
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> **The Explosion of Data is Driving Strong HPC Growth**
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> The explosion of data from artificial intelligence, machine learning, and big data analytics and evolving customer needs for data-intensive workloads are driving a significant expansion in HPC.
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> Over the next three years the HPC segment of the market and associated storage and services is expected to grow from approximately $28 billion in 2018 to approximately $35 billion in 2021, a compound annual growth rate[1] of approximately 9 percent. Exascale is a growing segment of overall HPC opportunities and more than $4 billion of Exascale opportunities are expected to be awarded over the next five years.
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> Addressing complex challenges and advancing critical academic research, including predicting future weather patterns, delivering breakthrough medical discoveries, and preventing cyber-attacks, requires significant computational capabilities, up to and through Exascale level architecture. Exascale capable systems enable solutions to these problems with much greater precision and insight.
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> "This is an amazing opportunity to bring together Cray's leading-edge technology and HPE's wide reach and deep product portfolio, providing customers of all sizes with integrated solutions and unique supercomputing technology to address the full spectrum of their data-intensive needs," said Peter Ungaro, President and CEO of Cray. "HPE and Cray share a commitment to customer-centric innovation and a vision to create the global leader for the future of high performance computing and AI. On behalf of the Cray Board of Directors, we are pleased to have reached an agreement that we believe maximizes value and are excited for the opportunities

that this unique combination will create for both our employees and our customers."

Cray is a Leading Innovator in Supercomputer Solutions

Cray is the premier provider of high-end supercomputing solutions that address customers' most challenging, data-intensive workloads for making critical decisions. Cray has a leadership position in the top 100 supercomputer installations around the globe. With a history tying back to Cray Research, which was founded in 1972, Cray is headquartered in Seattle, Washington, with US-based manufacturing, and approximately 1,300 employees worldwide. The company delivered revenue of $456 million in its most recent fiscal year, up 16 percent year over year.

Cray's supercomputing systems, delivered through their current generation XC and CS platforms, and next-generation Shasta series platform, have the ability to handle massive data sets, converged modeling, simulation, AI, and analytics workloads. In addition to supercomputers, they offer high-performance storage, low-latency high performance HPC interconnects, a full HPC system software stack and programming environment, data analytics, and AI solutions – all currently delivered through integrated systems.

Cray recently announced an Exascale supercomputer contract for over $600 million for the U.S. Department of Energy's Oak Ridge National Laboratory. The system, which is targeted to be the world's fastest system, will enable groundbreaking research and AI at unprecedented scale, using Cray's new Shasta system architecture and Slingshot interconnect. The company was also part of an award with Intel for the first U.S. Exascale contract from the U.S. Department of Energy's Argonne National Laboratory, with Cray's portion of the contract valued at over $100 million.

Cray Strengthens and Expands HPE's High Performance Computing Portfolio

High performance computing is a key component of HPE's vision and growth strategy and the company currently offers world-class HPC solutions, including HPE Apollo and SGI, to customers worldwide. This portfolio will be further strengthened by leveraging Cray's foundational technologies and adding complementary solutions. The combined company will also reach a broader set of end markets, offering enterprise, academic and government customers a broad range of solutions and deep expertise to solve their most complex problems. Together, HPE and Cray will have enhanced opportunities for growth and the integrated platform, scale and resources to lead the Exascale era of high performance computing.

The combination of HPE and Cray is expected to deliver significant customer benefits including:

- Future HPC-as-a-Service and AI / ML analytics through HPE GreenLake
- A comprehensive end-to-end portfolio of HPC infrastructure – compute, high-performance storage, system interconnects, software and services supplementing existing HPE capabilities to address the full spectrum of customers' data-intensive needs
- Differentiated next-generation technology addressing data intensive workloads
- Increased innovation and technological leadership from leveraging greater scale, combined talent and expanded technology capabilities
- Enhanced supply chain capabilities leveraging US-based manufacturing

Significant Economic Upside Expected to be Realized from the Combination

Bringing together HPE and Cray enables an enhanced financial profile for the combined company that includes several revenue growth opportunities and cost synergies.

The companies expect the combination to drive significant revenue growth opportunities by:

- Capitalizing on the growing HPC segment of the market and Exascale opportunities
- Enhancing HPE's customer base with a complementary footprint in federal business and academia and the company's ability to accelerate commercial supercomputing adoption
- Introducing new offerings in AI / ML and HPC-as-a-service with HPE GreenLake

We also expect to deliver significant cost synergies through efficiencies and by leveraging proprietary Cray technology, like the Slingshot interconnect, to lower costs and improve product performance.

Transaction Details

As a result of the enhanced financial profiles of the combined companies, the deal is expected to be accretive to HPE non-GAAP operating profit and earnings in the first full year following the close.

As part of the transaction, HPE expects to incur one-time integration costs that will be absorbed within HPE's FY20 free cash flow outlook of $1.9B to $2.1B that remains unchanged.

> The transaction is expected to close by the first quarter of HPE's fiscal year 2020, subject to regulatory approvals and other customary closing conditions.

B. The Proposed Transaction Is the Product of Conflicts of Interest

27. The sales process leading to the execution of the Merger Agreement was tainted by significant conflicts of interest. The Board selected Morgan Stanley as its financial advisor in considering a transaction with HPE. Yet Morgan Stanley is a lender to HPE, giving it a vested interest in a transaction expected to benefit HPE.

28. A more serious conflict involves Defendant Ungaro. Defendant Ungaro led the negotiations with HPE. According to the Proxy, just one week before the Merger Agreement was executed, HPE and Defendant Ungaro began negotiating an employment agreement. In his new position at HPE, Defendant Ungaro will receive an 11% raise. Also, the employment agreement calls for Defendant Ungaro to receive $1 million in HPE restricted stock units after the Proposed Transaction closes, and another $9 million in HPE restricted stock units over the next three years. Thus, Defendant Ungaro will have an investment in the combined company, while Cray stockholders lose their investment in the Company. While the Proxy is silent on whether Defendant Ungaro discussed post-transaction employment with HPE during the sales process, any such discussions would provide a powerful incentive for Defendant Ungaro to steer the Board to a transaction with HPE.

C. The Preclusive Deal Protection Devices

29. As part of the Merger Agreement, Defendants agreed to certain preclusive deal protection devices that ensure that no competing offers for the Company will emerge.

30. By way of example, Section 5.02(a) of the Merger Agreement includes a "no solicitation" provision barring the Company from soliciting or encouraging the submission of an acquisition proposal. Section 5.02(a) further demands that the Company cease and terminate all

solicitations, discussions or negotiations with any party concerning an acquisition proposal.

31. Despite already locking up the Proposed Transaction by agreeing not to solicit alternative bids, the Board consented to additional provisions in the Merger Agreement that further guarantee the Company's only suitor will be HPE. For example, pursuant to Section 5.02(c) of the Merger Agreement, the Company must notify HPE of any offer, indication of interest, or request for information made by an unsolicited bidder. Thereafter, should the Board determine that the unsolicited offer is superior, Section 5.02(e)(i) requires that the Board grant HPE four business days to negotiate the terms of the Merger Agreement to render the superior proposal no longer superior. HPE is able to match the unsolicited offer because, pursuant to Section 5.02(c) of the Merger Agreement, the Company must provide HPE with the identity of the party making the proposal and the material terms of the superior proposal, eliminating any leverage that the Company has in receiving the unsolicited offer.

32. In other words, the Merger Agreement gives HPE access to any rival bidder's information and allows HPE a free right to top any superior offer. Accordingly, no rival bidder is likely to emerge and act as a stalking horse for Cray because the Merger Agreement unfairly assures that any "auction" will favor HPE and allow HPE to piggy-back upon the due diligence of the foreclosed second bidder.

33. In addition, pursuant to Section 8.03(b) of the Merger Agreement, Cray must pay HPE a termination fee of $46 million if the Company decides to pursue another offer, thereby essentially requiring that the alternate bidder agree to pay a naked premium for the right to provide the stockholders with a superior offer.

34. Ultimately, these preclusive deal protection provisions restrain the Company's ability to solicit or engage in negotiations with any third party regarding a proposal to acquire all

or a significant interest in the Company. The circumstances under which the Board may respond to an unsolicited written bona fide proposal for an alternative acquisition that constitutes or would reasonably be expected to constitute a superior proposal are too narrowly circumscribed to provide an effective "fiduciary out" under the circumstances. Likewise, these provisions also foreclose any likely alternate bidder from providing the needed market check of HPE's inadequate offer price.

D. The Materially Incomplete and Misleading Proxy

35. The Individual Defendants must disclose all material information regarding the Proposed Transaction to Cray stockholders so that they can make a fully informed decision whether to vote in favor of the Proposed Transaction.

36. On June 12, 2019, Defendants filed the Proxy with the SEC. The purpose of the Proxy is, *inter alia*, to provide the Company's stockholders with all material information necessary for them to make an informed decision on whether to vote their shares in favor of the Proposed Transaction. However, significant and material facts were not provided to Plaintiff and the Class. Without such information, Cray stockholders cannot make a fully informed decision concerning whether or not to vote in favor of the Proposed Transaction.

Materially Misleading Statements/Omissions Regarding the Management-Prepared Financial Forecasts

37. The Proxy discloses management-prepared financial projections for the Company that are materially misleading. The Proxy indicates that in connection with the rendering of Morgan Stanley's fairness opinion, Morgan Stanley reviewed "certain financial projections prepared by the management of Cray." Accordingly, the Proxy should have, but failed to, provide certain information in the projections that Cray's management provided to the Board and Morgan Stanley.

38. Notably, Defendants failed to disclose the financial projections for Cray for fiscal years 2019 to 2024 for: (a) revenue by segment (product and service); (b) cost of revenue by segment (product and service); (c) research and development expense; (d) sales and marketing expense; (e) general and administrative expense; and (f) stock-based compensation expense for 2024 for both scenarios, for both normalized and non-normalized results. This omitted information is necessary for Cray stockholders to make an informed decision on whether to vote in favor of the Proposed Transaction.

Materially Incomplete and Misleading Disclosures Concerning Morgan Stanley's Financial Analyses

39. With respect to the *Public Trading Comparables Analysis*, the Proxy fails to disclose whether Morgan Stanley performed any type of benchmarking analysis for Cray in relation to the selected companies. The Proxy also fails to disclose the specific street case estimate of revenue for calendar year 2020, as used by Morgan Stanley in the analysis.

40. With respect to the *Discounted Equity Value Analysis*, the Proxy fails to disclose the specific underlying datasets used by Morgan Stanley to determine the ranges of 6.0x to 10.0x EBIT and 7.0x to 11.0x P/E multiples used in the analysis. The Proxy further fails to disclose the individual CAPM inputs and assumptions used to derive the discount rate of 9.7%. In addition, the Proxy fails to disclose the projected 2023 cash and debt amounts used to convert the resulting "aggregate value" from the application of EBIT multiples to equity value, as well as the projected 2023 number of shares outstanding used to calculate the resulting equity values per share that were discounted back to May 16, 2019.

41. With respect to the *Discounted Cash Flow Analysis*, the Proxy fails to disclose the individual inputs and assumptions utilized by Morgan Stanley to derive the discount rate range of 8.7% to 10.7%. The Proxy also fails to disclose the resulting range(s) of implied terminal

AV/revenue, AV/EBIT and/or P/E multiples from the analysis.

42. With respect to the *Selected Precedent Transactions Analysis*, the Proxy fails to disclose whether Morgan Stanley performed any type of benchmarking analysis for Cray in relation to the target companies. The Proxy also fails to disclose the specific street case estimates of LTM and NMT revenue used in the analysis, as well as the basis for using an estimate of LTM revenue (when that is an historically observed actual result).

Materially Incomplete and Misleading Disclosures Concerning the Flawed Process

43. The Proxy also fails to disclose material information concerning the sales process. For example, HPE and Cray entered into a confidentiality agreement in December 2017. Ten months later, after discussions ended and started again, Cray shared financial projections and non-public information with HPE. Yet the Proxy does not disclose whether the confidentiality agreement was still in effect at that time. Furthermore, the Proxy notes that the Company entered into a confidentiality agreement with Company A that contained a standstill agreement. The confidentiality agreement with HPE did not contain a standstill agreement. The Proxy fails to disclose the basis for the Company requiring a standstill agreement from Company A but not from HPE.

44. Throughout the sales process, Cray's management discussed or provided financial projections to the Board and HPE. Yet the Proxy does not disclose these projections, specifically: the financial projections through 2023 provided to HPE on October 18, 2018; the long-term financial projections under various scenarios discussed with the Board on November 7-8, 2018; the long-term financial projections discussed with the Board on November 25, 2018; the additional information provided to HPE on December 10, 2018, which included sales pipeline detail regarding potential Exascale contracts and a "low case" scenario for 2019; the updated long-term

financial projections discussed with the Board on December 24, 2018; the updated long-term financial projections discussed with the Board on April 10, 2019; and the financial projections through 2023 that were provided to HPE on April 30, 2019.

45. Morgan Stanley provided a number of financial analyses to the Board from November 2018 until the Merger Agreement was executed, yet the Proxy does not disclose those financial analyses, even in a summary form, such as Morgan Stanley's preliminary views on valuation. Specifically, the Proxy fails to disclose: Morgan Stanley's preliminary views on Cray's valuation as discussed with the Board on November 7-8, 2018; Morgan Stanley's preliminary views on Cray's valuation as discussed with the Board on November 25, 2018; Cray's valuation as discussed by Morgan Stanley and the Board on April 10, 2019; Morgan Stanley's preliminary views on Cray's valuation as discussed with the Board on April 19, 2019; Morgan Stanley's preliminary views on Cray's valuation as discussed with the Board on May 12, 2019; and Morgan Stanley's preliminary views on Cray's valuation as discussed with the Board on May 14, 2019.

46. In addition, Morgan Stanley notes in its fairness opinion that it is a lender to HPE. Yet the Proxy does not disclose if the Board was aware of this conflict before retaining Morgan Stanley as its financial advisor.

47. Similarly, on November 27, 2018, Morgan Stanley provided HPE with materials supporting the Board's view of Cray's valuation. The Proxy does not disclose the substance of those materials.

48. The Proxy notes that HPE received financial projections from Cray on October 18, 2018, December 10, 2018 and on April 30, 2019. Yet the Proxy does not disclose whether Company A was also provided Cray's financial projections.

49. On May 9, 2019, HPE sent Defendant Ungaro an employment agreement for his continued employment at HPE after the Proposed Transaction closes. It appears from the Proxy that the first time the Board learned of the employment agreement was on May 14, 2019, two days before the Merger Agreement was executed. The Proxy does not disclose whether Defendant Ungaro and HPE had discussions concerning his employment during the sales process, whether the Board was aware of any such discussions, when such discussions began and who initiated the discussions.

50. This information is necessary to provide Company stockholders a complete and accurate picture of the sales process and its fairness. Without this information, stockholders were not fully informed as to the Defendants' actions, including those that may have been taken in bad faith, and cannot fairly assess the process. Without all material information, Cray stockholders are unable to make a fully informed decision in connection with the Proposed Transaction and face irreparable harm, warranting the injunctive relief sought herein.

51. In addition, the Individual Defendants knew or recklessly disregarded that the Proxy omits the material information concerning the Proposed Transaction and contains the materially incomplete and misleading information discussed above.

52. Specifically, the Individual Defendants undoubtedly reviewed the contents of the Proxy before it was filed with the SEC. Indeed, as directors of the Company, they were required to do so. The Individual Defendants thus knew or recklessly disregarded that the Proxy omits the material information referenced above and contains the incomplete and misleading information referenced above.

53. Further, the Proxy indicates that on May 16, 2019, Morgan Stanley reviewed with the Board its financial analysis of the Merger Consideration and delivered to the Board an oral

opinion, which was confirmed by delivery of a written opinion of the same date, to the effect that the Merger Consideration was fair, from a financial point of view, to Cray stockholders. Accordingly, the Individual Defendants undoubtedly reviewed or were presented with the material information concerning Morgan Stanley's financial analyses which has been omitted from the Proxy, and thus knew or should have known that such information has been omitted.

54. Plaintiff and the other members of the Class are immediately threatened by the wrongs complained of herein, and lack an adequate remedy at law. Accordingly, Plaintiff seeks injunctive and other equitable relief to prevent the irreparable injury that the Company's stockholders will continue to suffer absent judicial intervention.

CLAIMS FOR RELIEF

COUNT I

On Behalf of Plaintiff and the Class Against All Defendants for Violations of Section 14(a) of the Exchange Act and Rule 14a-9

55. Plaintiff incorporates each and every allegation set forth above as if fully set forth herein.

56. Defendants have filed the Proxy with the SEC with the intention of soliciting Cray stockholder support for the Proposed Transaction. Each of the Individual Defendants reviewed and authorized the dissemination of the Proxy, which fails to provide the material information referenced above.

57. In so doing, Defendants made materially incomplete and misleading statements and/or omitted material information necessary to make the statements made not misleading. Each of the Individual Defendants, by virtue of their roles as officers and/or directors of Cray, were aware of the omitted information but failed to disclose such information, in violation of Section 14(a).

58. Rule 14a-9, promulgated by the SEC pursuant to Section 14(a) of the Exchange Act, provides that such communications with stockholders shall not contain "any statement which, at the time and in the light of the circumstances under which it is made, is false or misleading with respect to any material fact, or which omits to state any material fact necessary in order to make the statements therein not false or misleading." 17 C.F.R. § 240.14a-9.

59. Specifically, and as detailed above, the Proxy violates Section 14(a) and Rule 14a-9 because it omits material facts concerning: (i) management's financial projections; (ii) the value of Cray shares and the financial analyses performed by Morgan Stanley in support of its fairness opinion; and (iii) the sales process.

60. Moreover, in the exercise of reasonable care, the Individual Defendants knew or should have known that the Proxy is materially misleading and omits material information that is necessary to render it not misleading. The Individual Defendants undoubtedly reviewed and relied upon the omitted information identified above in connection with their decision to approve and recommend the Proposed Transaction; indeed, the Proxy states that Morgan Stanley reviewed and discussed its financial analyses with the Board during various meetings including on May 16, 2019, and further states that the Board relied upon Morgan Stanley's financial analyses and fairness opinion in connection with approving the Proposed Transaction. The Individual Defendants knew or should have known that the material information identified above has been omitted from the Proxy, rendering the sections of the Proxy identified above to be materially incomplete and misleading.

61. The misrepresentations and omissions in the Proxy are material to Plaintiff and the Class, who will be deprived of their right to cast an informed vote if such misrepresentations and omissions are not corrected prior to the vote on the Proposed Transaction. Plaintiff and the Class

have no adequate remedy at law. Only through the exercise of this Court's equitable powers can Plaintiff and the Class be fully protected from the immediate and irreparable injury that Defendants' actions threaten to inflict.

COUNT II

On Behalf of Plaintiff and the Class against the Individual Defendants for Violations of Section 20(a) of the Exchange Act

62. Plaintiff incorporates each and every allegation set forth above as if fully set forth herein.

63. The Individual Defendants acted as controlling persons of Cray within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their positions as officers and/or directors of Cray and participation in and/or awareness of the Company's operations and/or intimate knowledge of the incomplete and misleading statements contained in the Proxy filed with the SEC, they had the power to influence and control and did influence and control, directly or indirectly, the decision making of the Company, including the content and dissemination of the various statements that Plaintiff contends are materially incomplete and misleading.

64. Each of the Individual Defendants was provided with or had unlimited access to copies of the Proxy and other statements alleged by Plaintiff to be misleading prior to the time the Proxy was filed with the SEC and had the ability to prevent the issuance of the statements or cause the statements to be corrected.

65. In particular, each of the Individual Defendants had direct and supervisory involvement in the day-to-day operations of the Company, and, therefore, is presumed to have had the power to control or influence the particular transactions giving rise to the Exchange Act violations alleged herein, and exercised the same. The omitted information identified above was reviewed by the Board prior to voting on the Proposed Transaction. The Proxy at issue contains

the unanimous recommendation of each of the Individual Defendants to approve the Proposed Transaction. They were, thus, directly involved in the making of the Proxy.

66. In addition, as the Proxy sets forth at length, and as described herein, the Individual Defendants were involved in negotiating, reviewing, and approving the Merger Agreement. The Proxy purports to describe the various issues and information that the Individual Defendants reviewed and considered. The Individual Defendants participated in drafting and/or gave their input on the content of those descriptions.

67. By virtue of the foregoing, the Individual Defendants have violated Section 20(a) of the Exchange Act.

68. As set forth above, the Individual Defendants had the ability to exercise control over and did control a person or persons who have each violated Section 14(a) and Rule 14a-9, by their acts and omissions as alleged herein. By virtue of their positions as controlling persons, these defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of Individual Defendants' conduct, Plaintiff and the Class will be irreparably harmed.

RELIEF REQUESTED

WHEREFORE, Plaintiff demands injunctive relief in his favor and in favor of the Class and against the Defendants jointly and severally, as follows:

A. Declaring that this action is properly maintainable as a class action and certifying Plaintiff as class representative and his counsel as class counsel;

B. Preliminarily and permanently enjoining Defendants and their counsel, agents, employees and all persons acting under, in concert with, or for them, from filing a Definitive Proxy with the SEC or otherwise disseminating a Definitive Proxy to Cray stockholders unless and until Defendants agree to include the material information identified above in the Definitive Proxy;

C. Preliminarily and permanently enjoining Defendants and their counsel, agents, employees and all persons acting under, in concert with, or for them, from proceeding with, consummating, or closing the Proposed Transaction, unless and until Defendants disclose the material information identified above which has been omitted from the Proxy;

D. In the event that the transaction is consummated prior to the entry of this Court's final judgment, rescinding it or awarding Plaintiff and the Class rescissory damages;

E. Directing the Defendants to account to Plaintiff and the Class for all damages suffered as a result of their wrongdoing;

F. Awarding Plaintiff the costs and disbursements of this action, including reasonable attorneys' and expert fees and expenses; and

G. Granting such other and further equitable relief as this Court may deem just and proper.

JURY DEMAND

Plaintiff demands a trial by jury.

Dated: June 20, 2019

RIGRODSKY & LONG, P.A.

By: */s/ Gina M. Serra*

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