

MICHAEL K. JEANES
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CIVIL NEW COMPLAINT	319.00
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1 Michael C. McKay (023354)
SCHNEIDER WALLACE COTTRELL
2 **KONECKY WOTKYNS LLP**
3 8501 N. Scottsdale Road, Suite 270
4 Scottsdale, Arizona 85253
5 Telephone: (480) 428-0145
6 Facsimile: (866) 505-8036
7 mmckay@schneiderwallace.com

8 *Counsel for Plaintiff*

9 [Additional counsel appear on signature page]

10 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**
11 **IN AND FOR THE COUNTY OF MARICOPA**

12 SHOSHANA MINZER, On Behalf of)
13 Herself and All Others Similarly Situated,)

14 Plaintiff,)

15 vs.)

16 LIFELOCK, INC., HILARY A.)
17 SCHNEIDER, ROY A. GUTHRIE, TODD)
18 DAVIS, GARY BRIGGS, DAVID)
19 COWAN, ALBERT A. PIMENTEL,)
20 THOMAS J. RIDGE, JAYNIE MILLER)
21 STUDENMUND, SYMANTEC)
CORPORATION and L1116 MERGER)
SUB, INC.,)

22 Defendants.)

Case No. CV 2016-053742

VERIFIED STOCKHOLDER CLASS ACTION COMPLAINT

Eligible for Commercial Court

23 **VERIFIED STOCKHOLDER CLASS ACTION COMPLAINT**

24 Plaintiff Shoshana Minzer ("Plaintiff"), by and through her undersigned counsel, for her
25 complaint against defendants, alleges upon personal knowledge with respect to herself, and upon
26 information and belief based upon, *inter alia*, the investigation of counsel as to all other allegations
27 herein, as follows:
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1 INTRODUCTION AND OVERVIEW

2 1. This is a class action brought on behalf of the public stockholders of LifeLock, Inc.
3 (“LifeLock” or the “Company”) against LifeLock and its Board of Directors (the “Board” or the
4 “Individual Defendants”), to enjoin the vote on a proposed transaction, pursuant to which LifeLock
5 will be acquired by Symantec Corporation (“Symantec” or “Parent”), through its wholly-owned
6 subsidiary L1116 Merger Sub, Inc. (“Merger Sub”) (the “Proposed Transaction”).
7

8 2. The Proposed Transaction comes on the heels of a tumultuous year for the Company.
9 In July 2015, the U.S. Federal Trade Commission (“FTC”) asserted claims that the Company had
10 violated a 2010 settlement by continuing to make deceptive claims about its identity theft protection
11 services. Although the Company denied the allegations and posted promising earnings, beating analyst
12 estimates for the second quarter of 2015, LifeLock’s stock tanked, falling approximately 60% on the
13 year by August 2015. Despite a December 2015 settlement with the FTC, a January 2016 management
14 shakeup, and continued strong financial results, LifeLock’s stock price was slow to recover.
15

16 3. Unfortunately, the Individual Defendants are attempting to prevent Plaintiff and the
17 Class (defined herein) from realizing the benefits of the Company’s strong financial results and bright
18 future. Between June and August activist investor Elliott Associates, L.P. and certain affiliates
19 (together, “Elliott”) began accumulating a significant stake in the Company, accumulating
20 approximately 8.4% of LifeLock’s shares at a cost of just over \$13 per share. In pursuit of short-term
21 gains for its significant holdings, Elliott bullied the Board into an unnecessary and ill-timed sale process
22 in order to monetize its investment in LifeLock. Faced with an activist investor and the threat of public
23 scrutiny, the Board acquiesced to Elliott and commenced a flawed sale process which led up to the sale
24 of the Company to Symantec for merely \$2.3 billion. On November 20, 2016, LifeLock and Symantec
25 issued a joint press release announcing that they entered into an Agreement and Plan of Merger (the
26 “Merger Agreement”) to sell LifeLock to Symantec for \$24.00 per share (the “Merger Consideration”).
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1 4. As such, the Proposed Transaction stems not from the Board's concern for the best
2 interests of its stockholders, but rather from the Board's desire to avoid an embarrassing proxy contest
3 and potential ouster from their positions. The Board has breached their fiduciary duties by agreeing to
4 the Proposed Transaction for inadequate consideration. As described in more detail below, the Merger
5 Consideration stockholders will receive is inadequate and undervalues the Company.

6 5. Notably, LifeLock insiders stand to gain handsomely from the Proposed
7 Transaction. In addition to gaining liquidity for their otherwise illiquid shares and options, certain
8 LifeLock named executive officers stand to receive substantial benefits in connection with the Proposed
9 Transaction. For example, LifeLock President and Chief Executive Officer ("CEO") Hilary A.
10 Schneider ("Schneider") stands to receive over \$21.7 million in golden parachute compensation upon
11 consummation of the merger.
12

13 6. Moreover, while the Company's public stockholders will be cashed out for an unfair
14 price and foreclosed from participating in the future growth of the Company, Elliott made a quick profit
15 of approximately \$100 million, a 75% return on its investment. Additionally, as one of Symantec's
16 largest stockholders, Elliott stands to benefit on both sides of the deal.
17

18 7. Further, the Board agreed to lock up the deal with a number of coercive deal
19 protection devices in the Merger Agreement, including: (i) a "no-solicitation" clause that prevents the
20 Company from soliciting, and subject to minimal exceptions, from providing non-public information
21 to potential alternate bidders; (ii) an "information rights" provision that requires the Company to
22 promptly advise Symantec of any proposal or inquiries received from other parties, including the
23 material terms and conditions of the proposal and the identity of the party making the proposal; (iii)
24 "matching rights" that allow Symantec five (5) business days to match any superior offer, plus an
25 additional three (3) business day period following a material amendment to the terms and conditions
26 of a superior offer or the submission of a new offer; and (iv) a provision requiring LifeLock to pay a
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1 termination fee of \$87.5 million if the Company decides to pursue a competing offer. The collective
2 effect of these provisions is to chill any potential post-deal market check.

3 8. Finally, compounding the unfairness of the Proposed Transaction, on December 6,
4 2016, LifeLock filed materially incomplete and misleading disclosures in a Preliminary Proxy
5 Statement on Schedule 14A (the "Proxy") with the U.S. Securities and Exchange Commission ("SEC").
6 The Proxy, which recommends that LifeLock stockholders vote in favor of the Proposed Transaction,
7 omits or misrepresents material information concerning, among other things: (i) LifeLock
8 management's projections, utilized by Goldman Sachs & Co. ("Goldman Sachs") in its financial
9 analyses; (ii) the valuation analyses prepared by Goldman Sachs in connection with the rendering of
10 its fairness opinion; and (iii) material information concerning the sale process leading up to the
11 Proposed Transaction.
12

13 9. Plaintiff seeks enjoinder of the Proposed Transaction or, alternatively, rescission
14 of the Proposed Transaction in the event defendants are able to consummate it.
15

16 JURISDICTION AND VENUE

17 10. This Court has jurisdiction over the defendants because they conduct business in
18 Arizona and/or are citizens of Arizona.

19 11. The Court has jurisdiction over this action because the amount in controversy
20 exceeds the Court's minimum jurisdictional requirements.

21 12. Venue is proper in this Court because the conduct at issue took place and had an
22 effect in this County. Additionally, the Individual Defendants reside in Arizona and/or, as directors
23 and officers of LifeLock, have sufficient minimum contacts with Arizona to render the exercise of
24 jurisdiction by the Arizona courts permissible under traditional notions of fair play and substantial
25 justice.
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INDIVIDUAL DEFENDANTS' FIDUCIARY DUTIES

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2 13. By reason of the Individual Defendants' positions as officers and/or directors of the
3 Company, they are in a fiduciary relationship with Plaintiff and the other public stockholders of
4 LifeLock and owe them, as well as the Company, the duties of care, loyalty, and good faith.

5 14. Pursuant to Delaware law, where the directors of a publicly traded corporation
6 undertake a transaction that will result in either a change in corporate control or a break-up of the
7 corporation's assets, the directors have an affirmative fiduciary obligation to obtain the highest value
8 reasonably available for the corporation's stockholders and, if such transaction will result in a change
9 of corporate control, the stockholders are entitled to receive a significant premium. To comply with
10 their fiduciary duties, the Individual Defendants may not take any action that:
11

12 (a) favors themselves or will discourage or inhibit alternative offers to purchase control
13 of the corporation or its assets;

14 (b) adversely affects their duty to search and secure the best value reasonably available
15 under the circumstances for the corporation's stockholders; and/or
16

17 (c) will provide the Individual Defendants with preferential treatment at the expense of,
18 or separate from, the public stockholders.

19 15. In accordance with their duties of loyalty and good faith, the Individual Defendants
20 are obligated to refrain from:

21 (a) participating in any transaction where the Individual Defendants' loyalties are
22 divided;

23 (b) participating in any transaction where the Individual Defendants receive, or are
24 entitled to receive, a personal financial benefit not equally shared by the public stockholders of the
25 corporation; and
26

27 (c) unjustly enriching themselves at the expense of, or to the detriment of, the public
28

1 stockholders.

2 16. Plaintiff alleges herein that the Individual Defendants, separately and together, in
3 connection with the Proposed Transaction, are knowingly or recklessly violating their fiduciary duties,
4 including their duties of care, loyalty, and good faith owed to Plaintiff and other public stockholders of
5 LifeLock.

6 **CLASS ACTION ALLEGATIONS**

7
8 17. Plaintiff brings this action as a class action pursuant to Rule 23 of the Rules of Civil
9 Procedure for the Superior Courts of Arizona on behalf of all persons and entities that own LifeLock
10 common stock (the "Class"). Excluded from the Class are defendants and their affiliates, immediate
11 families, legal representatives, heirs, successors or assigns and any entity in which defendants have or
12 had a controlling interest.

13 18. Plaintiff's claims are properly maintainable as a class action under Rule 23 of Rules
14 of Civil Procedure for the Superior Courts of Arizona.

15
16 19. The Class is so numerous that joinder of all members is impracticable. While the
17 exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through
18 discovery, Plaintiff believes that there are thousands of members in the Class scattered throughout the
19 country. As of November 15, 2016, there were approximately 94,374,286 shares of Company common
20 stock issued and outstanding.

21 20. Questions of law and fact exist that are common to the Class, including, among
22 others: (i) whether defendants have breached their fiduciary duties owed to Plaintiff and the Class
23 and/or aided and abetted such breaches; and (ii) whether defendants will irreparably harm Plaintiff and
24 the other members of the Class if defendants' conduct complained of herein continues.

25
26 21. Plaintiff will fairly and adequately protect the interests of the Class, and has no
27 interests contrary to or in conflict with those of the Class that Plaintiff seeks to represent. Plaintiff has
28

1 retained competent counsel experienced in litigation of this nature.

2 22. A class action is superior to all other available methods for the fair and efficient
3 adjudication of this controversy. Plaintiff knows of no difficulty to be encountered in the management
4 of this action that would preclude its maintenance as a class action.

5 23. Defendants have acted on grounds generally applicable to the Class with respect to
6 the matters complained of herein, thereby making appropriate the relief sought herein with respect to
7 the Class as a whole.

8
9 **PARTIES**

10 24. Plaintiff is, and has been at all times relevant hereto, a continuous stockholder of
11 LifeLock.

12 25. Defendant LifeLock is a Delaware corporation with its principal executive offices
13 located at 60 East Rio Salado Parkway, Suite 400, Tempe, Arizona 85281. The Company is a provider
14 of proactive identity theft protection services for consumers and identity risk and credit worthiness
15 assessment for enterprises. LifeLock's common stock is traded on the New York Stock Exchange
16 under the ticker symbol "LOCK."

17
18 26. Defendant Schneider has been President of the Company since 2012, and CEO and
19 a director of the Company since March 2016.

20 27. Defendant Roy A. Guthrie ("Guthrie") has been Chairman of the Board since
21 November 2008 and a director of the Company since 2013. Defendant Guthrie previously served as
22 the Company's CEO from November 2008 to March 2016. Defendant Guthrie is Chair of the Audit
23 Committee and a member of the Compensation Committee and the Nominating and Corporate
24 Governance Committee.

25
26 28. Defendant Todd Davis ("Davis") has been Executive Vice Chairman of the Board
27 since March 2016 and a director of the Company since 2005.

1 29. Defendant Gary Briggs (“Briggs”) has been a director of the Company since 2014.
2 Defendant Briggs is a member of the Compensation Committee and the Nominating and Corporate
3 Governance Committee.

4 30. Defendant David Cowan (“Cowan”) has been a director of the Company since 2007.

5 31. Defendant Albert A. Pimentel (“Pimentel”) has been a director of the Company
6 since 2012. Defendant Pimentel is a member of the Audit Committee.
7

8 32. Defendant Governor Thomas J. Ridge (“Ridge”) has been a director of the Company
9 since 2010. Defendant Ridge is Chair of the Nominating and Corporate Governance Committee.

10 33. Defendant Jaynie Miller Studenmund (“Studenmund”) has been a director of the
11 Company since May 2015. Defendant Studenmund is Chair of the Compensation Committee and a
12 member of the Audit Committee.

13 34. Defendants Schneider, Guthrie, Davis, Briggs, Cowan, Pimentel, Ridge and
14 Studenmund are collectively referred to herein as the “Board” or the “Individual Defendants.”

15 35. Symantec is a Fortune 500 company, operating one of the world’s largest cyber
16 intelligence networks. The Company produces software and offers services for security, storage,
17 backup and availability, and is headquartered in Mountain View, California.
18

19 36. Merger Sub is a Delaware corporation and a wholly-owned subsidiary of Parent.

20 **OTHER RELEVANT ENTITIES**

21 37. Elliott was founded in 1977 and is a hedge fund managed by Elliott Management
22 Corporation (“Elliott Management”). Elliott Management manages more than \$17 billion, and is
23 headquartered in New York City.
24

25 **LifeLock Had a Bright Future as a Standalone Company**

26 38. LifeLock is a leading provider of identity theft protection services based in Tempe,
27 Arizona. The Company was founded in 2005 and began providing services such as identity protection,
28

1 identity threat detection, proactive identity alerts, and comprehensive remediation services. LifeLock
2 has more than 4.4 million members and trains law enforcement and collaborates with non-profit
3 organizations to help combat identity theft.

4 39. The Company's recent financial results underscore its promising prospects.
5 Following several difficult quarters, the Company has enjoyed impressive financial results. On April
6 27, 2016, the Company issued a press release announcing its financial results for the first quarter of
7 2016. For the first quarter, LifeLock reported total revenue of \$159.3 million, an increase of 18% year
8 over year. Consumer revenue was \$151.9 million and enterprise revenue was \$7.3 million, increases
9 of 19% and 18%, respectively, from the first quarter of 2015. Commenting on the quarter's results,
10 defendant Schneider remarked:
11

12 We're pleased with our results for the first quarter, driven by strength in direct to consumer
13 efforts and within our enterprise business, which posted the highest growth rates since we acquired ID
14 Analytics in 2012. We continue to make progress on key objectives including enhancing our position
15 as the leader in identity theft protection, delivering innovative new products, reinforcing best in class
policies and practices, and executing at the highest standards.

16 40. On August 2, 2016, the Company issued a press release announcing its financial
17 results for the second quarter of 2016. For the second quarter, LifeLock reported total revenue of
18 \$164.4 million, an increase of 13% year over year. Both, consumer revenue and enterprise revenue
19 showed increases of 13% and 17%, respectively, year over year. Commenting on the quarter's financial
20 results, defendant Schneider stated:

21 We are pleased with our revenue and profits results, which exceeded our guidance in the
22 quarter, driven by strong new member acquisition, solid retention, increased adoption of premium
23 products and continued growth of our ID Analytics business. We are focused on capitalizing on the
24 opportunities in the growing employee benefits channel and fostering performance in our co-marketing
25 channel. We added to our leadership team in each of these areas as we pursue a strategic focus on larger
26 opportunities. Our ability to meaningfully differentiate our products through our technology platform,
27 our superior brand awareness and our outstanding service to our members provide a strong foundation
28 for increasing shareholder value.

41. On November 1, 2016, the Company issued a press release announcing its financial
results for the third quarter of 2016. LifeLock recorded its 46th consecutive quarter of sequential growth

1 in revenue and cumulative ending members. Total revenue was \$170.3 million, a 12% increase year
2 over year. The Company reported net income of \$14.4 million, compared with a net loss of \$65.1
3 million for the third quarter of 2015. Adjusted net income was \$33.5 million, compared with \$27.6
4 million year over year. Adjusted EBITDA was \$36.5 million, compared with \$29.8 million for the
5 third quarter of 2015. Commenting on the improved financial results, defendant Schneider noted:

6
7 LifeLock delivered solid financial results in our third quarter with strong annual retention
8 rates, continued adoption of our premium products and strength in our enterprise business. We also
9 reached a number of important strategic milestones that provide the foundation for continued and
10 meaningful product differentiation including the completion of our flexible and extensible Identity
11 Theft Protection or ITPS platform, the launch of our new LifeLock mobile app and our IDENTITY
12 mobile app that helps consumers simplify the management of their digital identity.

13 The Flawed and Self-Serving Sale Process

14 42. The Proposed Transaction is one of Elliott's latest efforts to force a sale of a public
15 company by utilizing its now well-worn playbook. Elliott's pattern is to: (i) acquire a position in a
16 publicly traded company slightly above the threshold requiring the public disclosure of its holdings;
17 (ii) pressure the company about its management or performance, and demand action or a sale of the
18 company; (iii) threaten the replacement of the company's directors and/or officers; (iv) submit an
19 undervalued offer and/or manipulate the company from the inside in order to initiate a sales process;
20 and (v) combine with private equity investors to promote an acquisition bid. If Elliott's bid wins out,
21 then it acquires the balance of the equity with its investment partners at a bargain price. If a competing
22 bid is accepted, then Elliott liquidates its stake for a quick profit.

23 43. This playbook has been standard for Elliott, and has been used to some degree in the
24 following public company sales in the past eight years: BMC Software Inc., Novell, Inc., Blue Coat
25 Systems, Inc. (which was acquired by Symantec earlier this year), MSC Software Corp., Metrologic
26 Instruments, Inc., Epicor Software Corporation, Riverbed Technology, Inc., Compuware Corporation,
27 Qlik Technologies, Inc. and American Capital, Ltd.
28

1 44. Each time, Elliott increased its holdings in the target's common stock, met with
2 management and boards of directors, and successfully pushed the company to sell itself, as it has done
3 in this instance. Elliott has used a combination of publicly disseminated letters and presentations to
4 apply pressure to advocate for a sale in many of these instances. Having staked out a powerful niche
5 in the technology and software market, Elliott's influence is two-fold where, as here, Elliott stands on
6 both sides of the deal as one of Symantec's largest stockholders. In sum, Elliott pushes its agenda, to
7 the detriment of public stockholders when the target's board of directors succumbs to a quick sale at
8 Elliott's behest.
9

10 45. On June 16, 2016, Elliott filed a Schedule 13D with the SEC disclosing that Elliott
11 had acquired 7.6% of LifeLock's common stock, as well as a position in derivative instruments
12 increasing Elliott's economic exposure by an additional 1.2% of LifeLock common stock. In the
13 Schedule 13D, Elliott stated that it had "initiated a dialogue" with Company management and the Board
14 "on opportunities to enhance stockholder value."
15

16 46. Under pressure from Elliott and in fear of having their reputations tainted as a result
17 of an imminent review of their actions, the Board capitulated to Elliott. In pursuit of their own personal
18 interests and to the detriment of LifeLock stockholders, the Board rushed to commence a flawed sale
19 process, which resulted in the inadequate Merger Agreement with Symantec.
20

21 47. On June 24, 2016, Schneider, then-Chief Financial Officer ("CFO") Chris Power
22 ("Power"), then-Chief Administrative Officer and current CFO Douglas Jefferies and an unnamed
23 member of Company management met with representatives of Elliott and a private equity fund
24 affiliated with Elliott (together with Elliott, "Sponsor A"). Sponsor A requested that LifeLock enter
25 into a confidentiality agreement in order to explore a potential strategic transaction.
26

27 48. On June 27, 2016, the Board held a meeting during which it approved the
28 engagement of Goldman Sachs and discussed Elliott's interest in a transaction.

1 49. The next day, Elliott sent a letter to the Board advancing Elliott's view that LifeLock
2 would enjoy advantages operating as a private company. On June 29, 2016, Elliott filed an amended
3 Schedule 13D disclosing ownership of 7.6% of LifeLock common stock, and a position in derivative
4 instruments increasing its economic exposure in LifeLock by an additional 2.3% of Company common
5 stock.

6 50. On July 13, 2016, LifeLock formally engaged Goldman Sachs to assist LifeLock
7 with stockholder activism and, if requested by the Board, the exploration of strategic alternatives.
8

9 51. On July 14, 2016, the Board held a meeting during which it discussed Sponsor A's
10 interest in a potential acquisition of LifeLock, as well as discussions with significant stockholders and
11 management's forecasts of the Company's standalone plan. The forecasts were prepared as a part of
12 LifeLock's internal strategic planning review process, but were accelerated in light of Elliott's Schedule
13 13D filing. Following discussion, the LifeLock Board determined that LifeLock should privately solicit
14 interest in a potential acquisition from a group of potential acquirors for a potential acquisition, which
15 included both financial sponsors and strategic acquirors. The Board authorized Goldman Sachs to
16 contact the various parties that might have an interest in acquiring LifeLock. These parties included
17 Sponsor A and parties that had previously expressed interest. The Board also created a committee
18 authorized to advise, direct, consider and negotiate strategic alternatives, facilitate negotiation and
19 report to the Board on a regular basis (the "Strategic Committee"). The Board appointed Guthrie and
20 Pimentel to the Strategic Committee.
21

22 52. On July 19, 2016, the Strategic Committee held a meeting during which it authorized
23 its legal counsel to negotiate the terms of confidentiality agreements with the parties identified by the
24 Board at its July 14, 2016 meeting, including with Sponsor A.
25

26 53. Beginning late July 2016, Goldman Sachs contacted a total of 30 potential strategic
27 acquirors and 16 potential financial sponsors, of which two potential strategic acquirors, in addition to
28

1 Symantec, and seven financial sponsors, in addition to Sponsor A, executed confidentiality agreements
2 with LifeLock containing standstill provisions. LifeLock ultimately received acquisition proposals
3 from five financial sponsors and Symantec.

4 54. Elliott continued to increase its stake in the Company, disclosing in an August 12,
5 2016 amended Schedule 13D, that its beneficial ownership had increased to 8.4% of LifeLock common
6 stock, and its position in derivative instruments increased its economic exposure in LifeLock to an
7 additional 2.5% of LifeLock common stock. The amended Schedule 13D also stated that Elliott had
8 communicated with members of LifeLock management and had encouraged LifeLock to undertake a
9 strategic review process.
10

11 55. On August 13, 2016, LifeLock and Sponsor A signed a confidentiality agreement,
12 which provided that prior to January 20, 2017, the Company's confidential information could only be
13 used in connection with a negotiated transaction.
14

15 56. On August 19, 2016, Symantec informed Goldman Sachs that it was interested in
16 exploring a potential acquisition of LifeLock, and Goldman Sachs reported the interest to the Strategic
17 Committee.

18 57. From August 29 to August 31, 2016, representatives of LifeLock management and
19 Goldman Sachs met with representatives of one strategic acquiror and two financial sponsors to provide
20 preliminary due diligence information with respect to a potential acquisition.

21 58. Throughout September 2016, in addition to the meetings with two financial sponsors
22 and one strategic acquiror that occurred in August 2016, representatives of each of LifeLock
23 management and Goldman Sachs met with representatives of each of Symantec and two other strategic
24 acquirors and six financial sponsors, including Sponsor A and Sponsor B together, to provide due
25 diligence information regarding LifeLock. The meeting with Symantec occurred on September 16,
26 2016.
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1 59. Between September 17 and September 26, 2016, as authorized by the Special
2 Committee, Goldman Sachs delivered to the nine remaining interested parties a process letter
3 requesting that parties interested in exploring a transaction with LifeLock submit preliminary
4 indications of interest by October 5, 2016.

5 60. On October 5, 2016, LifeLock received indications of interest from five financial
6 sponsors: (i) Sponsor A and Sponsor B together submitted a non-binding indication of interest to
7 acquire LifeLock for a price between \$20.00 to \$22.00 in cash per share of common stock; (ii) a
8 financial sponsor referred to in the Proxy as "Sponsor C" submitted a non-binding indication of interest
9 to acquire LifeLock for a price between \$18.50 to \$19.50 in cash per share of common stock; (iii) a
10 consortium of financial sponsors referred to in the Proxy as "Sponsor D" submitted a non-binding
11 indication of interest to acquire LifeLock for a price between \$20.00 to \$22.00 in cash per share of
12 common stock; (iv) a financial sponsor referred to in the Proxy as "Sponsor E" submitted a non-binding
13 indication of interest to acquire LifeLock for a price between \$20.00 to \$22.00 in cash per share of
14 common stock; and (v) a financial sponsor referred to in the Proxy as "Sponsor F" orally provided a
15 non-binding indication of interest to acquire LifeLock for a price between \$20.00 to \$22.00 in cash per
16 share of common stock and stated that it was interested in partnering with another financial sponsor.
17

18 61. On October 7, 2016, the Strategic Committee held a meeting during which it
19 discussed the five indications of interest received and noted that Symantec indicated it expected to
20 submit a preliminary indication of interest soon shortly thereafter. Goldman Sachs also noted that one
21 of the strategic acquirors with whom LifeLock had previously had discussions was not interested in
22 acquiring the Company, but remained interested in a potential commercial agreement—which the
23 Strategic Committee concluded to revisit if the sale process did not result in an acquisition of LifeLock.
24

25 62. Also on October 7, 2016, Symantec submitted a non-binding indication of interest
26 to acquire LifeLock for a price of \$20.00 in cash per share of common stock. Sponsor F also indicated
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28

1 that it was no longer pursuing an acquisition of LifeLock, but would be interested in being part of a
2 consortium led by another financial sponsor.

3 63. On October 10, 2016, the Board held a meeting during which it discussed the
4 indications of interest and noted that Sponsor C's proposal was below the other proposals. The Board
5 authorized the distribution of draft merger agreements to Sponsors A, B, C, D and E and Symantec.
6 Sponsor C increased its indication of interest to \$20.00 in cash per share later that day, and stated its
7 desire to partner with Sponsor D going forward.

8
9 64. On October 14, 2016, the Strategic Committee held a meeting during which it
10 discussed allowing pairings of financial sponsors to facilitate stronger proposals. The Strategic
11 Committee directed Goldman Sachs to facilitate the pairings, and Sponsors E and F partnered to
12 evaluate a potential acquisition of LifeLock.

13 65. On November 7, 2016, Goldman Sachs distributed second-round process letters to
14 the three groups that remained interested an acquisition of LifeLock, which were: (i) Sponsor A and
15 Sponsor B, (ii) Sponsor C and Sponsor D, and (iii) Symantec. Interested parties were requested to
16 submit revised drafts of a merger agreement and financing documents, as well as, in the case of financial
17 sponsors, a revised guarantee, with their final proposal by November 15, 2016.

18
19 66. On November 11, 2016, prior to the close of the New York Stock Exchange, media
20 sources reported that LifeLock was pursuing a potential sale. Three days later, a company referred to
21 in the Proxy as "Strategic A" contacted Goldman Sachs to indicate that it might be interested in
22 participating in a process to acquire LifeLock. The Board had previously determined not to contact
23 Strategic A.

24
25 67. On November 15, 2016, the Strategic Committee held a meeting during which
26 Goldman Sachs noted Strategic A's outreach. The Strategic Committee directed Goldman Sachs to
27 provide and negotiate a confidentiality agreement with Strategic A.

28

1 68. On November 15, 2016, Sponsor D, who had been conducting due diligence and
2 was working with Sponsor C on a combined proposal to acquire LifeLock, communicated to Goldman
3 Sachs that it was no longer pursuing an acquisition

4 69. On November 15, 2016, Sponsor A and Sponsor B together submitted a final written
5 proposal to acquire LifeLock for \$22.50 per share of common stock in cash. Sponsor C also submitted
6 a final written proposal to acquire LifeLock for \$17.50 per share of common stock in cash.

7 70. On November 16, 2016, Symantec submitted a final written proposal to acquire
8 LifeLock for \$22.05 per share of common stock in cash. Symantec's proposal requested that LifeLock
9 agree to negotiate on an exclusive basis through the morning of November 21, 2016.

10 71. Later on November 16, 2016, representatives of Goldman Sachs responded to
11 Strategic A and advised that Strategic A would need to enter into a confidentiality agreement with
12 LifeLock in order to discuss a potential acquisition of LifeLock. The representatives of Goldman Sachs
13 then sent Strategic A a draft confidentiality agreement. Strategic A never responded to that agreement.

14 72. Also on November 16, 2016, the Strategic Committee held a meeting during which
15 it reviewed and discussed the proposals to date. The Strategic Committee instructed Goldman Sachs
16 to inform Sponsor C that its proposal was well below the other offers and that LifeLock was no longer
17 considering Sponsor C's proposal. The Strategic Committee also instructed Goldman Sachs to
18 communicate to Symantec that it would need to increase its proposal price, and to encourage Sponsor
19 A-Sponsor B to increase their offer. The remaining parties were instructed to submit their revised best
20 and final proposals the next day.

21 73. On November 17, 2016, Sponsor A-Sponsor B submitted a revised joint proposal to
22 acquire LifeLock for \$23.15 in cash per share. Symantec submitted a revised proposal to acquire
23 LifeLock for \$23.80 in cash per share. Upon reviewing the revised proposals, it was discovered that
24 the number of fully diluted shares supplied to bidders in due diligence materials may have been
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1 interpreted by interested parties to be overstated. Upon disclosing this information to the remaining
2 bidders, Symantec did not alter its \$23.80 per share proposal, and the proposal by Sponsor A-Sponsor
3 B increased to \$23.31 per share—reflecting the same enterprise value as their previous proposal of
4 \$23.15 per share.

5 74. Later on November 17, 2016, the Board held a meeting during which it reviewed the
6 revised proposals. The Board authorized Goldman Sachs to inform Symantec that if it increased its
7 proposal to \$24.00 per share in cash, that LifeLock would agree to negotiate exclusively through the
8 morning of November 21, 2016. The Board also authorized Goldman Sachs to indicate to Sponsor A-
9 Sponsor B that LifeLock was planning on entering into exclusive negotiations with another party.

10 75. Later on November 17, 2016, Goldman Sachs informed Sponsor A-Sponsor B that
11 LifeLock was pursuing a transaction with another party. Symantec notified Goldman Sachs that it
12 would increase its proposal to \$24.00 per share if LifeLock would enter exclusivity that evening and
13 work to execute a definitive agreement by November 20, 2016. The parties subsequently executed the
14 exclusivity agreement through the morning of November 21, 2016.

15 76. From November 18, 2016, to November 20, 2016, LifeLock and Symantec
16 representatives negotiated terms of the merger agreement, disclosure letter and the proposed support
17 agreements.

18 77. On November 20, 2016, the Board held a meeting during which Goldman Sachs and
19 LifeLock's legal counsel reviewed the terms of the Merger Agreement and Symantec's proposal to
20 acquire the Company for \$24.00 in cash per share. Goldman Sachs rendered its oral fairness opinion
21 to the Board, which was later confirmed in writing. After further discussion, the Board adopted the
22 Merger Agreement and recommended that LifeLock stockholders vote in favor of the Proposed
23 Transaction.
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1 78. Later on November 20, 2016, LifeLock, Merger Sub and Symantec signed the
2 Merger Agreement, and each of Schneider, Davis, Cowan and Bessemer Venture Partners signed
3 support agreements with Symantec. LifeLock and Symantec then issued a joint press release
4 announcing the entry into the merger agreement.

5 79. On December 8, 2016, the Board held a meeting during which Goldman Sachs
6 advised the Board that a stock price used in two of its analyses was not correct, but that had Goldman
7 Sachs performed its financial analyses as of November 20, 2016, using the correct stock price and it
8 did not change the conclusion set forth in Goldman Sachs' fairness opinion. The Board then
9 unanimously determined to authorize the filing of the preliminary proxy statement, including the
10 recommendation to the stockholders to adopt the Merger Agreement.
11

12 **The Proposed Transaction is Inadequate**

13 50. On November 20, 2016, LifeLock and Symantec issued a joint press release stating,
14 in relevant part:
15

16 MOUNTAIN VIEW, Calif. and TEMPE, Ariz.—November 20, 2016 — Symantec Corp.
17 (NASDAQ: SYMC) and LifeLock, Inc. (NYSE: LOCK) today announced that they have entered into
18 a definitive agreement for Symantec to acquire LifeLock for \$24 per share or \$2.3 billion in enterprise
19 value. The deal, which was approved by the boards of directors of both companies, is expected to close
in the first calendar quarter of 2017, subject to customary closing conditions including LifeLock
stockholder approval.

20 In the last year, one third of American citizens and over 650 million people globally were
21 the victims of cybercrime. Consequently, more and more consumers are concerned about digital safety,
22 an estimated \$10 billion market growing in the high single digits. In the United States alone, the
estimated total addressable market is 80 million people.

23 “As we all know, consumer cybercrime has reached crisis levels. LifeLock is a leading
24 provider of identity and fraud protection services, with over 4.4 million highly-satisfied members and
25 growing. With the combination of Norton and LifeLock, we will be able to deliver comprehensive
26 cyber defense for consumers,” said Greg Clark, Symantec’s CEO. “This acquisition marks the
transformation of the consumer security industry from malware protection to the broader category of
Digital Safety for consumers.”

27 Symantec’s acquisition of LifeLock brings together the #1 leader in consumer security with
28 a leading provider of identity protection and remediation services. The combination will create the

1 world's largest consumer security business with over \$2.2 billion* in annual revenue based on last
2 fiscal year revenues for both companies.

3 51. The Merger Consideration fails to recognize the value of LifeLock to Symantec. In
4 the joint press release, Symantec Chairman Dan Schulman detailed the benefits Symantec will enjoy
5 as a result of the Proposed Transaction:

6 People's identity and data are prime targets of cybercrime. The security industry must step
7 up and defend through innovation and vigilance. With the acquisition of LifeLock, Symantec adds a
8 new dimension to its protection capabilities to address the expanding needs of the consumer
9 marketplace.

10 52. Moreover, during an all-employee Symantec phone call after issuing the joint press
11 release, Gregory S. Clark ("Clark"), CEO of Symantec, explained the benefits Symantec will enjoy as
12 a result of the Proposed Transaction:

13 With this acquisition, Symantec accelerates its consumer business' return to growth by
14 offering a digital safety platform to protect information, devices, networks, and identity of consumers.
15 This powerful combination of the leading consumer security and identity protection providers *is*
16 *financially compelling for our shareholders*. With this acquisition, we now expect our consumer
17 business will enjoy sustainable organic revenue growth and increased profits.

18 * * *

19 ... *I want to reemphasize how financially attractive this combination is for Symantec.*
20 With the acquisition of LifeLock, we expect Symantec's Consumer Security business to return to
21 sustainable top line revenue growth with non-GAAP operating margins of at least 40%.

22 By entering the growing identity protection space, we increase the total addressable market
23 for Symantec, and we believe that combining LifeLock's identity protection solutions with Norton
24 cyber security offerings provides exciting opportunities for additional revenue, which include offering
25 Norton's U.S. customers a market-leading identify protection solution, offering LifeLock's customers
26 the added benefit of Norton's cyber security protection, and offering the most comprehensive digital
27 safety solution to an entirely new set of customers, growing our market share.

28 Emphasis added.

53. A November 16, 2016 *Zacks Investment Research* article entitled "Is Symantec
(SYMC) Mulling Over the Buyout of LifeLock?" elaborates on the benefits Symantec stands to receive
as a result of the Proposed Transaction, stating:

In our opinion, the acquisition will be a strategic fit for Symantec, which is trying hard to

1 expand its business in the high growth areas of next-generation cybersecurity space. The acquisition
2 will help Symantec enhance its capabilities in the identity protection services which is currently a major
concern for almost every sector, be it financial institutions, retailers, technology companies, etc.

3 Apart from this, the acquisition will broaden Symantec's customer base. The company has
4 an existing customer base of over 65 million. Therefore, we consider that the buyout will not only
5 enhance the value of Symantec's identity management platform but will also be immediately accretive
to its top- and bottom-line results.

6 Furthermore, Symantec has huge available cash to undertake the acquisition. At second-
7 quarter fiscal 2017 end, the company had cash, cash equivalents and short-term investments of \$5.619
billion. Therefore, it need not borrow from outside to fund the acquisition.

8 54. A November 20, 2016 *Reuters* article entitled "Symantec to acquire LifeLock for
9 \$2.3 billion" noted that the Proposed Transaction is "in line with [Symantec's] efforts to diversify its
10 offerings. In August, Symantec acquired Blue Coat Inc., which helps firms maintain security over the
11 internet. The article quoted Clark as stating: "(Norton) had been declining with the declines in PC
12 market share. This acquisition brings \$660 million in revenue to the consumer business and returns it
13 to longer sustainable growth."

15 55. In a November 21, 2016 *Reuters* article, the Executive Vice President of Symantec's
16 Norton Business Unit is quoted as stating that Symantec had dabbled in identity security but had
17 nowhere near LifeLock's 4.4 million members. Addressing the Proposed Transaction, the executive
18 stated: "We had to extend our value proposition. It was a no brainer for us to get back to growth."

20 56. Also on November 21, 2016, the *Wall Street Journal* published an article entitled
21 "Symantec Sees Consumer Promise in LifeLock Deal." The article explained that the combined
22 LifeLock and Norton product lines represent \$2.3 billion in annual revenue, and defendant Clark
23 believes the Proposed Transaction will reverse recent revenue declines. The article quotes defendant
24 Clark as stating: "We did a lot of work on assessing the many millions of Norton customers and their
25 affinity with LifeLock. We feel really good about our ability to go into the very large Norton customer
26 base and cross-sell them identity protection."
27
28

1 **The Board Impermissibly Locked Up the Proposed Transaction**

2 57. The Merger Agreement contains deal protection devices which substantially
3 increase the likelihood that the Proposed Transaction will be consummated, leaving LifeLock's public
4 stockholders with no meaningful change of control premium for their shares. When viewed
5 collectively, these provisions, which are detailed below, further the interests of Symantec, certain
6 Individual Defendants and other LifeLock insiders to the detriment of LifeLock's public stockholders
7 and cannot represent a justified, appropriate or proportionate response to any threat posed by a potential
8 third party bidder.
9

10 58. The Individual Defendants have agreed to the following unreasonable deal
11 protection devices:

12 • A "no-solicitation" clause that prevents LifeLock from soliciting, or its directors and
13 officers from even participating in discussions which may lead to a superior proposal from any bidder
14 (Merger Agreement, Section 5.3(a));

15 • An "information rights" provision that requires the Company to promptly advise
16 Parent of any proposal or inquiries received from other parties, including the material terms and
17 conditions of the proposal and the identity of the party making the proposal (Merger Agreement,
18 Section 5.3(e));

19 • A "matching rights" provision that allows Symantec five (5) business days to re-
20 negotiate with the Board after it is provided with written notice of the Board's intention to make a
21 change of recommendation, plus an additional three (3) business day period following a material
22 amendment to the terms and conditions of a superior offer or the submission of a new offer (Merger
23 Agreement, Section 5.3(d)); and
24

25 • A termination fee of \$87.5 million payable by the Company to Symantec if LifeLock
26 decides to pursue a competing bid (Merger Agreement, Section 8.3(b)).
27
28

1 59. The “no-solicitation” clause, the “information rights” provision, the “matching
2 rights” provision, and the termination fee unfairly restrain the Individual Defendants’ ability to solicit
3 or engage in negotiations with any third party regarding a proposal to acquire all or a significant interest
4 in the Company. The circumstances under which the Board may respond to a third party’s written bona
5 fide proposal for an alternative acquisition that constitutes or would reasonably be expected to
6 constitute a superior proposal are too narrowly circumscribed to provide an effective “fiduciary out”
7 under the circumstances.
8

9 60. The reason behind these deal protection devices is clear: the absence of a meaningful
10 premium for stockholders creates the very real potential that a third party bidder will attempt to usurp
11 Symantec and submit a higher bid for LifeLock. The possibility that a third-party bidder will emerge
12 motivated Symantec to “lock-up” the Proposed Transaction by co-opting the Board and forcing them
13 to adopt unreasonable deal protection devices that would ensure that Symantec could purchase the
14 Company for less than would otherwise be possible.
15

16 61. Additionally, certain LifeLock directors, executive officers and large stockholders
17 entered into voting agreements with Symantec agreeing to, among other things, vote their LifeLock
18 shares constituting approximately 9.4% of the outstanding Company shares in favor of the Proposed
19 Transaction. Accordingly, such shares are already locked up in favor of the Proposed Transaction.
20

21 62. Taken as a whole, the foregoing deal protection devices essentially foreclose the
22 possibility that a third-party “white knight” could step forward to provide LifeLock stockholders with
23 a premium for their shares, instead of the opportunistic and inadequate compensation offered by the
24 Proposed Transaction.
25

Insiders’ Interests in the Proposed Transaction

26 63. Symantec and LifeLock insiders are the primary beneficiaries of the Proposed
27 Transaction, not the Company’s public stockholders. The Board and the Company’s executive officers
28

are conflicted because they will have secured unique benefits for themselves from the Proposed Transaction not available to Plaintiff and the public stockholders of LifeLock.

64. While LifeLock's public stockholders are receiving inadequate consideration for their valuable LifeLock holdings, the Company's directors and officers will achieve a substantial payday. Pursuant to the Merger Agreement, upon consummation of the Proposed Transaction, LifeLock's non-employee directors will receive cash payments from the immediate vesting of their company common stock options and restricted stock units, whether or not vested - an opportunity that would not otherwise be available. In total, defendants Schneider and Davis stand to receive over **\$47.44 million** and **\$34.31 million**, respectively, for their equity interests in LifeLock upon consummation of the Proposed Transaction. The following table sets forth the number of shares of common stock and equity awards held by each of LifeLock's executive officers and non-employee directors, as well as the value of these shares and equity awards based on the Merger Consideration:

Equity Interests of LifeLock's Executive Officers and Non-employee Directors

Name	Number of Shares (\$)(1)	Value of Shares (\$)	Number of Shares Subject to Vested Options (\$)(2)	Value of Vested Options (\$)	Number of Shares Subject to Unvested Options (\$)(3)	Value of Unvested Options (\$)	Number of Shares Subject to RSUs (\$)(4)	Value of RSUs (\$)	Number of RSAs (including PRSA) (\$)(5)	Value of RSAs (including PRSA) (\$)	Total Value (\$)
Non-Employee Directors											
Gary Briggs	20,336	488,064	47,000	552,720	0	0	13,275	318,600	0	0	1,359,384
David Cowan	578,802	13,891,248	47,000	705,000	0	0	13,275	318,600	0	0	14,914,848
Roy Gutaric	36,086	866,064	47,000	705,000	0	0	13,275	318,600	0	0	1,889,664
Albert Pincusci	36,086	866,064	100,000	1,903,000	0	0	13,275	318,600	0	0	3,087,664
Gov. Tom Ridge	32,274	773,376	83,111	1,546,165	0	0	6,637	159,288	0	0	2,478,829
Jaymie Miller Stodemann	10,578	253,872	20,840	178,807	29,160	250,193	13,275	318,600	0	0	1,001,472
Executive Officers											
Todd Davis	753,353	18,080,472	1,375,082	22,838,550	161,918	1,386,015	201,231	4,829,544	13,020	312,480	47,447,061
Hilary Schneider	120,306	2,887,344	810,247	10,657,352	666,705	8,550,064	169,731	4,073,544	339,418	8,146,032	34,314,336
Deog Jeffries	5,000	120,000	0	0	222,532	2,031,557	0	0	106,351	2,552,424	4,703,981
Sharon Segev	0	0	0	0	123,342	1,398,651	0	0	64,949	1,558,776	2,957,427
Ty Shay	62,976	1,511,424	58,835	876,042	136,702	2,013,395	112,500	2,700,000	29,666	711,984	7,612,845
Chris Power	436,170	10,516,080	0	0	0	0	0	0	0	0	10,516,080
Schwartz Satyavola	73,332	1,759,968	0	0	0	0	0	0	0	0	1,759,968

65. Further, if they are terminated in connection with the Proposed Transaction, LifeLock's named executive officers are set to receive substantial cash payments in the form of golden parachute compensation. Defendants Schneider and Davis stand to receive over **\$21.78 million** and **\$7.27 million**, respectively, in severance benefits if they are not retained after consummation of the Proposed Transaction, as detailed in the chart below:

Golden Parachute Compensation

Name	Cash \$(1)	Equity (2)(3)(4)	Perquisites / Benefits (5)	Total \$(6)
Todd Davis	700,000	6,528,039	50,275	7,278,314
Hilary Schneider	1,250,000	20,488,864	50,275	21,789,139
Doug Jeffries	660,000	4,583,981	13,242	5,257,223
Ty Shay	579,375	5,425,379	37,393	6,042,147
Chris Power(7)	0	0	0	0
Schwark Satyavolu(8)	0	0	0	0

66. Therefore, while LifeLock's public stockholders will lose control of the Company for an unfair price, certain Company insiders will substantially benefit if the Proposed Transaction is consummated.

The Proxy Contains Numerous Material Misstatements or Omissions

67. Defendants filed a materially incomplete and misleading Proxy with the SEC and disseminated it to LifeLock's stockholders. The Proxy misrepresents or omits material information that is necessary for the Company's stockholders to make an informed decision whether to vote in favor of the Proposed Transaction.

68. Specifically, as set forth below, the Proxy fails to provide Company stockholders with material information or provides them with materially misleading information concerning: (i) LifeLock management's projections, utilized by Goldman Sachs in its financial analyses; (ii) the valuation analyses prepared by Goldman Sachs in connection with the rendering of its fairness opinion; and (iii) material information concerning the sale process leading up to the Proposed Transaction. Accordingly, LifeLock stockholders are being asked to vote for the Proposed Transaction without all material information at their disposal.

Material Omissions Concerning LifeLock's Financial Projections

69. The Proxy is materially deficient because it fails to disclose material information relating to the Company's intrinsic value and prospects going forward.

70. The Proxy sets forth that in connection with rendering its fairness opinion Goldman Sachs reviewed, "certain internal financial analyses and forecasts for LifeLock, inclusive of estimated net present value of standalone net operating losses, prepared by its management, summarized below in the section of this proxy statement captioned "—Financial Forecasts," as approved for Goldman Sachs' use by LifeLock, which are referred to in such section as the "Five-Year Forecasts." The Five-Year Forecasts were used by Goldman Sachs to perform its *Illustrative Discounted Cash Flow*

1 (“DCF”) Analysis. Specifically, in its *Illustrative DCF Analysis*, Goldman Sachs discounted to present
 2 value as of September 30, 2016 (1) estimates of unlevered free cash flow for LifeLock for the fourth
 3 calendar quarter of 2016 and the fiscal years 2017 through 2021 as reflected in the Five-Year Forecasts.
 4 While the Five-Year Forecasts disclose the unlevered free cash flow for the fourth calendar quarter of
 5 2016 and the fiscal years 2017 through 2021, it does not disclose the definition of unlevered free cash
 6 flow. This information is material to shareholders as the unlevered free cash flow figures for the
 7 projection period are significantly reduced from the free cash flow figures disclosed in the Proxy as set
 8 forth in the following table:

9 **Forecasts**

10 *Forecasts*

(In millions)	July	October	2017E	2018E	2019E	2020E	2021E
	Forecasts	Revisions					
	2016E	2016E					
Revenue	\$ 666	\$ 668	\$ 743	\$ 832	\$ 938	\$ 1,060	\$ 1,200
Gross Profit	\$ 516	\$ 517(1)	\$ 589	\$ 664	\$ 754	\$ 862	\$ 986
Adjusted EBITDA	\$ 86	\$ 90	\$ 100	\$ 118	\$ 152	\$ 200	\$ 264
Free Cash Flow	\$ 87	\$ 86	\$ 113	\$ 133	\$ 153	\$ 171	\$ 216
Unlevered Free Cash Flow(2)	\$ 39	\$ 14	\$ 61	\$ 71	\$ 90	\$ 116	\$ 155

11 71. This information is critical for LifeLock stockholders to be able to critically assess
 12 the Company’s standalone prospects and the financial analyses performed by Goldman Sachs to derive
 13 standalone per share values for the Company as compared to the Merger Consideration. Clarity with
 14 respect to the key inputs and assumptions relied upon by Goldman Sachs in its DCF analysis as
 15 provided by LifeLock management takes on added importance considering that the high end of
 16 Goldman Sachs’ DCF range, \$26.38, is above the Merger Consideration.

17 72. The Proxy describes Goldman Sachs’ fairness opinion and the various valuation
 18 analyses it performed in support of its opinion. However, the Proxy fails to disclose key inputs to
 19 Goldman Sachs’ *Illustrative DCF Analysis*, each having a direct relationship to the implied per share
 20 values generated from the analysis. The Proxy fails to disclose the terminal year estimate of the free
 21 cash flow to be generated for LifeLock that Goldman Sachs applied perpetuity growth rates ranging
 22 from 2.50% to 3.50% to, in order to calculate a range of illustrative terminal values for LifeLock. The
 23 terminal year estimate is a key input in deriving the terminal value and must be disclosed due to the
 24 terminal value accounting for a large percentage of the Company’s value in the DCF analysis. The
 25 Proxy fails further to disclose the amount by which LifeLock’s indebtedness exceeded its cash as of
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1 September 30, 2016, as provided by the management of LifeLock and subtracted from the range of
2 illustrative enterprise values Goldman Sachs derived for LifeLock.

3 73. Without such undisclosed information, LifeLock stockholders cannot evaluate for
4 themselves whether the financial analyses performed by Goldman Sachs were based on reliable inputs
5 and assumptions or whether they were prepared with an eye toward ensuring that a positive fairness
6 opinion could be rendered in connection with the Proposed Transaction. In other words, full disclosure
7 of the omissions identified above is required in order to ensure that stockholders can fully evaluate the
8 extent to which Goldman Sachs' opinion and analyses should factor into their decision whether to vote
9 in favor of or against the Proposed Transaction.
10

11 74. The Proxy also fails to disclose or misstates material information relating to the sale
12 process leading up to the Proposed Transaction, including:

13 (a) The Proxy states that the "Board also authorized Goldman Sachs to indicate to
14 Sponsor A-Sponsor B that LifeLock was planning to enter into exclusive negotiations with another
15 party." The Proxy then sets forth that "[l]ater on November 17, 2016, representatives of Goldman
16 Sachs informed Sponsor A-Sponsor B that LifeLock was pursuing a transaction with another party."
17 The Proxy, however, omits whether Goldman Sachs, when informing Sponsor A-Sponsor B that
18 LifeLock was pursuing a transaction with another party, prefaced this statement by first indicating to
19 Sponsor A-Sponsor B that LifeLock was planning to enter into exclusive negotiations with another
20 party. While seemingly innocuous at first blush, the importance of what was conveyed to Sponsor A-
21 Sponsor B cannot be overstated. The Board set forth specific instructions to Goldman Sachs to relay to
22 Sponsor A-Sponsor B that it was planning to enter into exclusive negotiations, because the Board
23 correctly determined that by conveying this information it could potentially cause Sponsor A-Sponsor
24 B to increase its bid for the Company knowing that if it did not, the Company was going to go exclusive
25 with another bidder. If Goldman Sachs simply stated that LifeLock was pursuing a transaction with
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1 another party, this message would have taken on a different meaning for Sponsor A-Sponsor B, namely
2 that the Board had already made its decision with respect to the other bidder and that the sale process
3 had concluded for Sponsor A-Sponsor B. The Proxy must set forth whether Goldman Sachs complied
4 with the Board's clear directive to inform Sponsor A-Sponsor B that LifeLock was planning to enter
5 into exclusive negotiations with another party; and

6 (b) With respect to the confidentiality agreements that the Company entered into with
7 interested parties during the sale process, the Proxy states "[t]hese confidentiality agreements contained
8 customary standstill provisions that restricted the potential acquirors from making unsolicited proposals
9 to LifeLock stockholders for a period of nine to 18 months. The standstill provisions did not restrict the
10 potential acquirors from making confidential proposals and requests to waive the standstill to the
11 LifeLock Board." The Proxy fails, however, to disclose whether any potential acquirors made
12 confidential proposals and requests to waive the standstill to the Board, after the Company's entry into
13 the Merger Agreement and, if so, whether the Board granted these proposals and requests.

14 75. As a result of the Individual Defendants' breaches of fiduciary duties, Plaintiff and
15 the Class will suffer irreparable injury in that they have not and will not receive their fair portion of the
16 value of LifeLock's assets and business and will be prevented from obtaining the intrinsic value of their
17 equity ownership of the Company.

18 76. Unless enjoined by this Court, the Individual Defendants will continue to breach
19 their fiduciary duties owed to Plaintiff and the Class, and may consummate the Proposed Transaction,
20 to the irreparable harm of the Class.

21 77. Plaintiff and the other members of the Class are immediately threatened by the
22 wrongs complained of herein, and lack an adequate remedy at law.
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FIRST CAUSE OF ACTION

Breach of Fiduciary Duties Against the Individual Defendants

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2
3 78. Plaintiff repeats all previous allegations as if set forth in full herein.

4 79. The Individual Defendants have knowingly, recklessly, and in bad faith violated the
5 fiduciary duties owed to the public stockholders of LifeLock and have acted to put their personal
6 interests ahead of the interests of LifeLock stockholders.

7
8 80. The Individual Defendants' recommendation of the Proposed Transaction will result
9 in a change of control of the Company that imposes heightened fiduciary responsibilities to maximize
10 LifeLock's value for the benefit of the stockholders and requires enhanced scrutiny by the Court.

11 81. The Individual Defendants have breached their fiduciary duties of care, loyalty, and
12 good faith owed to the stockholders of LifeLock because, among other reasons, they have failed to take
13 steps to maximize the value of LifeLock to its public stockholders and/or are attempting to improperly
14 put their personal interests ahead of the interests of LifeLock stockholders.

15
16 82. The Individual Defendants dominate and control the business and corporate affairs
17 of LifeLock both through their positions within the Company and on the Board, and are in possession
18 of private corporate information concerning LifeLock's assets, business, and future prospects. Thus,
19 there exists an imbalance and disparity of knowledge and economic power between them and the public
20 stockholders of LifeLock, which makes it inherently unfair for them to benefit their own interests to
21 the exclusion of maximizing stockholder value.

22
23 83. The Individual Defendants have also violated their fiduciary duties by causing
24 materially misleading and incomplete information to be disseminated to the Company's public
25 stockholders in the Proxy.

26 84. By reason of the foregoing acts, practices, and course of conduct, the Individual
27 Defendants have failed to exercise ordinary care and diligence in the exercise of their fiduciary
28

1 obligations toward Plaintiff and the other members of the Class.

2 85. As a result of the Individual Defendants' breaches of their fiduciary duties, Plaintiff
3 and the Class will suffer irreparable injury in that they will not receive their fair portion of the value of
4 LifeLock's assets and will be prevented from benefiting from a value-maximizing transaction.

5 86. Unless enjoined by this Court, the Individual Defendants will continue to breach
6 their fiduciary duties owed to Plaintiff and the Class, and may consummate the Proposed Transaction,
7 to the irreparable harm of the Class.

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

11
12 **SECOND CAUSE OF ACTION**

13 **Aiding and Abetting the Individual Defendants'**
14 **Breaches of Fiduciary Duties Against Symantec and Merger Sub**

15 88. Plaintiff repeats all previous allegations as if set forth in full herein.

16 89. Defendants Symantec and Merger Sub have acted and are acting with knowledge of,
17 or with reckless disregard of, the fact that the Individual Defendants are in breach of their fiduciary
18 duties to LifeLock's stockholders, and have participated in such breaches of fiduciary duties in
19 connection with the Proposed Transaction, which, without such aid, would not have occurred.

20 90. Symantec and Merger Sub knowingly aided and abetted the Individual Defendants'
21 wrongdoing alleged herein. In so doing, Symantec and Merger Sub rendered substantial assistance in
22 order to effectuate the Individual Defendants' plan to consummate the Proposed Transaction in breach
23 of their fiduciary duties.

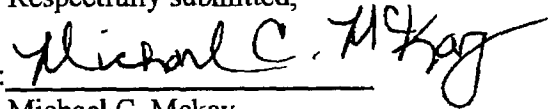
24 91. As a result of this conduct, Plaintiff and the other members of the Class have been
25 and will be damaged in that they have been and will be prevented from obtaining a fair price for their
26 LifeLock shares.
27
28

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

Dated: December 15, 2016

Respectfully submitted,

By: 

Michael C. McKay
**SCHNEIDER WALLACE COTTRELL
KONECKY WOTKYNS LLP**
8501 N. Scottsdale Road, Suite 270
Scottsdale, Arizona 85253
Telephone: (480) 428-0145
Facsimile: (866) 505-8036

Richard A. Acocelli*
Michael A. Rogovin*
Kelly C. Keenan*
Seth M. Rosenstein*
WEISSLAW LLP
1500 Broadway, 16th Floor
New York, New York 10036
Telephone: (212) 682-3025
Facsimile: (212) 682-3010
racocelli@weisslawllp.com
mrogovin@weisslawllp.com
kkeenana@weisslawllp.com
srosenstein@weisslawllp.com

Counsel for Plaintiff

**(Pro Hac Vice applications forthcoming)*

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VERIFICATION

I, Shoshana Minzer, hereby declare as follows:

I am the Plaintiff in the within entitled action and have read the Verified Shareholder Class Action Complaint. Based upon discussions with and reliance upon my counsel, and as to those facts of which I have personal knowledge, the Complaint is true and correct to the best of my knowledge, information, and belief.

I declare under penalty of perjury that the foregoing is true and correct.

Signed and Accepted:

Dec 13, 2016

Date


Shoshana Minzer (Dec 13, 2016)

Shoshana Minzer