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12 **UNITED STATES DISTRICT COURT**  
13 **NORTHERN DISTRICT OF CALIFORNIA**

14 JOSEPH RODRIGUEZ, Individually and  
15 On Behalf of All Others Similarly Situated,

16 Plaintiff,

17 v.

18 GIGAMON INC., PAUL A. HOOPER,  
19 MICHAEL J. BURNS, and REX S.  
20 JACKSON,

21 Defendants.

Case No.:

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

**JURY TRIAL DEMANDED**

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1 Plaintiff Joseph Rodriguez (“Plaintiff”), by and through his attorneys, alleges the following  
2 upon information and belief, except as to those allegations concerning Plaintiff, which are alleged  
3 upon personal knowledge. Plaintiff’s information and belief is based upon, among other things, his  
4 counsel’s investigation, which includes without limitation: (a) review and analysis of regulatory  
5 filings made by Gigamon Inc., (“Gigamon” or the “Company”), with the United States (“U.S.”)  
6 Securities and Exchange Commission (“SEC”); (b) review and analysis of press releases and  
7 media reports issued by and disseminated by Gigamon; and (c) review of other publicly available  
8 information concerning Gigamon.

9 **NATURE OF THE ACTION AND OVERVIEW**

10 1. This is a class action on behalf of persons and entities that acquired Gigamon’s  
11 securities between October 27, 2016, and January 17, 2017, inclusive (the “Class Period”), against  
12 the Defendants,<sup>1</sup> seeking to pursue remedies under the Securities Exchange Act of 1934 (the  
13 “Exchange Act”).

14 2. Gigamon purportedly develops solutions that deliver “pervasive and dynamic  
15 intelligent visibility and control of traffic across networks.” The Company claims its “Visibility  
16 Fabric” enables visibility, modification, enhancement, and control of network traffic. The  
17 Company’s “GigaSECURE Security Delivery Platform” purportedly leverages its Visibility Fabric  
18 to streamline security operations by providing comprehensive visibility across the network to a  
19 variety of security tools including those typically used by enterprises. The Company claims its  
20 solutions enables security teams and IT personnel to gain advanced visibility into their IT  
21 infrastructure.

22 3. On October 27, 2016, the Company held a conference call with investors and  
23 analysts to discuss the Company’s third quarter 2016 financial results. On the call, Defendant  
24 Michael J. Burns (“Burns”) also announced the Company’s fourth quarter 2016 financial  
25 guidance, including “revenue in the range of \$91 million to \$93 million.”

26 4. Throughout the Class Period, Defendants made materially false and/or misleading  
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28 <sup>1</sup> “Defendants” refers to Gigamon, Paul A. Hooper, Michael J. Burns, and Rex S. Jackson, collectively.



1 Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts in furtherance of the  
2 alleged fraud or the effects of the fraud have occurred in this Judicial District. Many of the acts  
3 charged herein, including the dissemination of materially false and/or misleading information,  
4 occurred in substantial part in this Judicial District. In addition, the Company's principal  
5 executive offices are located in this Judicial District.

6 11. In connection with the acts, transactions, and conduct alleged herein, Defendants  
7 directly and indirectly used the means and instrumentalities of interstate commerce, including the  
8 United States mail, interstate telephone communications, and the facilities of a national securities  
9 exchange.

#### 10 **PARTIES**

11 12. Plaintiff Joseph Rodriguez, as set forth in the accompanying certification,  
12 incorporated by reference herein, purchased Gigamon common stock during the Class Period, and  
13 suffered damages as a result of the federal securities law violations and false and/or misleading  
14 statements and/or material omissions alleged herein.

15 13. Defendant Gigamon Inc. is a Delaware corporation headquartered in Santa Clara,  
16 California. Gigamon's common stock trades on the New York Stock Exchange ("NYSE") under  
17 the symbol "GIMO."

18 14. Defendant Paul A. Hooper was, at all relevant times, the Chief Executive Officer  
19 ("CEO") of Gigamon.

20 15. Defendant Michael J. Burns was the Chief Financial Officer ("CFO") of Gigamon  
21 at all relevant times until October 27, 2016. On November 9, 2016 Burns entered into a mutual  
22 separation and release agreement with the Company pursuant to which Burns will remain  
23 employed with the Company and provide "reasonable transition services" from October 27, 2016,  
24 until February 28, 2017.

25 16. Defendant Rex S. Jackson ("Jackson") was the CFO of Gigamon from October 27,  
26 2016, through the end of the Class Period.

27 17. Defendants Hooper, Burns, Jackson (collectively the "Individual Defendants"),  
28 because of their positions with the Company, possessed the power and authority to control the

1 contents of Gigamon’s reports to the SEC, press releases and presentations to securities analysts,  
2 money and portfolio managers and institutional investors, *i.e.*, the market. The Individual  
3 Defendants were provided with copies of the Company’s reports and press releases alleged herein  
4 to be misleading prior to, or shortly after, their issuance and had the ability and opportunity to  
5 prevent their issuance or cause them to be corrected. Because of their positions and access to  
6 material non-public information available to them, the Individual Defendants knew that the  
7 adverse facts specified herein had not been disclosed to, and were being concealed from, the  
8 public, and that the positive representations which were being made were then materially false  
9 and/or misleading. The Individual Defendants are liable for the false statements pleaded herein.

10 **SUBSTANTIVE ALLEGATIONS**

11 **Background**

12 18. Gigamon purportedly develops solutions that deliver “pervasive and dynamic  
13 intelligent visibility and control of traffic across networks.” The Company claims its “Visibility  
14 Fabric” enables visibility, modification, enhancement, and control of network traffic. The  
15 Company’s “GigaSECURE Security Delivery Platform” purportedly leverages its Visibility Fabric  
16 to streamline security operations by providing comprehensive visibility across the network to a  
17 variety of security tools including those typically used by enterprises. The Company claims its  
18 solutions enables security teams and IT personnel to gain advanced visibility into their IT  
19 infrastructure.

20 **Materially False and Misleading**  
21 **Statements Issued During the Class Period**

22 19. The Class Period begins on October 27, 2016, on that day, the Company issued a  
23 press release entitled “Gigamon Reports Third Quarter 2016 Financial Results.” Therein, the  
24 Company, in relevant part, stated:

25 Santa Clara, Calif., October 27, 2016 - Gigamon Inc. (NYSE:GIMO), the leader in  
26 traffic visibility solutions, today released financial results for the third quarter ended  
27 October 1, 2016.

28 **Third Quarter 2016 Financial Highlights:**

- Revenue of \$83.5 million, up 47% year-over-year.

- 1 • GAAP gross margin was 83%, compared to 80% in the third quarter of  
2 fiscal 2015.
- 3 • Non-GAAP gross margin was 83%, compared to 81% in the third quarter of  
4 fiscal 2015.
- 5 • GAAP net income was \$6.1 million, or \$0.16 per diluted share, compared to  
6 GAAP net income of \$4.3 million, or \$0.12 per diluted share, in the third  
7 quarter of fiscal 2015.
- 8 • Non-GAAP net income was \$14.0 million, or \$0.36 per diluted share,  
9 compared to non-GAAP net income of \$8.0 million, or \$0.22 per diluted  
10 share, in the third quarter of fiscal 2015.
- 11 • Cash and investments were \$245 million, up \$17 million from the second  
12 quarter of 2016, and up \$58 million from the third quarter of fiscal 2015.

13 “Gigamon posted another strong set of results for our third quarter, delivering  
14 record revenue with a growth rate of 47 percent year-over-year,” said Paul Hooper,  
15 Chief Executive Officer of Gigamon. “Our business continues to accelerate with Q3  
16 representing our third consecutive quarter of an increasing year-over-year revenue  
17 growth rate. We continue to invest in our platform and solutions resulting in our  
18 new GigaVUE-HC1 product, which extends our GigaSECURE Security Delivery  
19 Platform to mid-sized enterprises and out to the edge of large enterprises. With our  
20 increasingly strong leadership and momentum in the industry, our security-  
21 enabling, network visibility platform has become an essential component of modern  
22 IT infrastructure.”

23 20. On the same day, October 27, 2016, the Company held a conference call with  
24 investors and analysts to discuss the Company’s third quarter 2016 financial results. On the call,  
25 Defendant Burns also announced the Company’s fourth quarter 2016 financial guidance. Therein,  
26 Burns stated:

27 Now, for our Q4 outlook. We’re excited to provide the following guidance using  
28 our same disciplined guidance methodology for our fiscal fourth quarter ending  
December 31, 2016. It’s based on non-GAAP results and excludes any stock-based  
compensation and related expenses.

Our large deferred service, healthy product backlog and consistent quarterly  
linearity continue to provide good visibility on growth, profits and execution. We  
expect fourth quarter revenue in the range of \$91 million to \$93 million, 37% year-  
over-year growth at the midpoint. As we continue to execute on the profit drivers in  
all aspects of our business, we are confident that we will sustain gross margin at  
approximately the range of 82% to 83%.

We continue to believe that now is a great time for us to invest in our business.  
We’re investing with conviction to expand our security portfolio, deliver next-  
generation technology and increase sales capacity to ensure continued strong  
growth next year.

In the fourth quarter of 2016, we also expect to accrue accelerated year-end  
commissions due to our strong performance throughout the year. As a result, we are

1 forecasting fourth quarter operating expenses in the range of \$54.5 million to \$55.5  
2 million.

3 We expect to book a 32% non-GAAP tax provision and with the diluted share count  
4 of approximately \$39 million, we expect to deliver non-GAAP earnings per share in  
5 the range of \$0.36 to \$0.38.

6 Achieving the midpoint of our fourth guidance will bring our 2016 annual revenue  
7 growth to 43%, our second consecutive year of accelerating revenue growth. We  
8 will deliver annual EPS growth of 56% and would result in annual gross margin  
9 above 82% and annual operating margin of 22%.

10 21. The above statements identified in ¶¶19-20 were materially false and/or misleading,  
11 as well as failed to disclose material adverse facts about the Company's business, operations, and  
12 prospects. Specifically, Defendants failed to disclose: (1) that Gigamon was experiencing reduced  
13 product bookings in its North America West region; (2) that several of the Company's significant  
14 customers were deferring purchasing decisions into 2017; (3) that the Company failed to properly  
15 include these trends in its financial guidance; and (4) that, as a result of the foregoing, Defendants'  
16 statements about Gigamon's business, operations, and prospects, including statements about its  
17 revenue guidance, were false and misleading and/or lacked a reasonable basis.

18 **Disclosures at the End of the Class Period**

19 22. On January 17, 2017, the Company issued a press release entitled "Gigamon  
20 Announces Preliminary Fourth Quarter and Fiscal Year 2016 Results." Therein, the Company  
21 disclosed:

22 Santa Clara, CA - January 17, 2017 - Gigamon (NYSE: GIMO), the industry leader  
23 in traffic visibility solutions, today announced preliminary results for the fourth  
24 quarter and fiscal year ended December 31, 2016.

25 Gigamon currently expects:

26 **Fiscal Fourth Quarter 2016 Preliminary Results**

- 27 • Revenue of \$84.5 million to \$85.0 million, compared to the company's prior  
28 guidance of \$91 million to \$93 million.
- GAAP gross margin between 83 percent and 84 percent.
- Non-GAAP gross margin between 83 percent and 84 percent, compared to  
the company's prior guidance of 82 percent to 83 percent.
- GAAP earnings per share of \$0.18 to \$0.20.
- Non-GAAP earnings per share of \$0.35 to \$0.37 compared to the company's

1 prior guidance of \$0.36 to \$0.38.

2 Fiscal Year 2016 Preliminary Results

- 3 • Revenue of \$310.3 million to \$310.8 million, an increase of approximately  
4 40 percent year-over-year.
- 5 • GAAP gross margin between 81 percent and 82 percent, at the fourth  
6 quarter midpoint an approximate 280 basis point improvement year-over-  
7 year.
- 8 • Non-GAAP gross margin between 82 percent and 83 percent, at the fourth  
9 quarter midpoint an approximate 250 basis point improvement year-over-  
10 year.
- 11 • GAAP operating margin between 9 percent and 10 percent, at the fourth  
12 quarter midpoint an approximate 440 basis point expansion year-over-year.
- 13 • Non-GAAP operating margin between 22 percent and 23 percent, at the  
14 fourth quarter midpoint an approximate 340 basis point expansion year-  
over-year.
- 15 • GAAP earnings per share of \$1.32 to \$1.34, at the fourth quarter midpoint  
an approximate 680 percent year-over-year increase.
- 16 • Non-GAAP earnings per share of \$1.22 to \$1.25, at the fourth quarter  
midpoint an approximate 50 percent year-over-year increase.

15 “We are disappointed our fourth quarter revenue was below our prior guidance, but  
16 we are pleased with our overall financial performance in 2016, our second  
consecutive year of 40 percent year-over-year revenue growth,” said Paul Hooper,  
17 CEO of Gigamon. “Fourth quarter revenue fell short primarily due to lower than  
expected product bookings in our North America West region, as several significant  
18 existing customer accounts deferred purchasing decisions into 2017.”

19 23. On this news, the price of Gigamon common stock fell \$12.65 per share, or 28.7%,  
20 to close at \$31.40 per share on January 18, 2017, on unusually heavy trading volume.

21 **CLASS ACTION ALLEGATIONS**

22 24. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil  
23 Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and entities that acquired  
24 Gigamon’s securities between October 27, 2016, and January 17, 2017, inclusive, and who were  
25 damaged thereby (the “Class”). Excluded from the Class are Defendants, the officers and  
26 directors of the Company, at all relevant times, members of their immediate families and their  
27 legal representatives, heirs, successors, or assigns, and any entity in which Defendants have or had  
28 a controlling interest.



1           25. The members of the Class are so numerous that joinder of all members is  
2 impracticable. Throughout the Class Period, Gigamon's common stock actively traded on the  
3 NYSE. While the exact number of Class members is unknown to Plaintiff at this time and can  
4 only be ascertained through appropriate discovery, Plaintiff believes that there are at least  
5 hundreds or thousands of members in the proposed Class. Millions of Gigamon shares were  
6 traded publicly during the Class Period on the NYSE. As of October 31, 2016, Gigamon had  
7 36,127,054 shares of common stock outstanding. Record owners and other members of the Class  
8 may be identified from records maintained by Gigamon or its transfer agent and may be notified of  
9 the pendency of this action by mail, using the form of notice similar to that customarily used in  
10 securities class actions.

11           26. Plaintiff's claims are typical of the claims of the members of the Class as all  
12 members of the Class are similarly affected by Defendants' wrongful conduct in violation of  
13 federal law that is complained of herein.

14           27. Plaintiff will fairly and adequately protect the interests of the members of the Class  
15 and has retained counsel competent and experienced in class and securities litigation.

16           28. Common questions of law and fact exist as to all members of the Class and  
17 predominate over any questions solely affecting individual members of the Class. Among the  
18 questions of law and fact common to the Class are:

19           (a) whether the federal securities laws were violated by Defendants' acts as alleged  
20 herein;

21           (b) whether statements made by Defendants to the investing public during the Class  
22 Period omitted and/or misrepresented material facts about the business, operations, and prospects  
23 of Gigamon; and

24           (c) to what extent the members of the Class have sustained damages and the proper  
25 measure of damages.

26           29. A class action is superior to all other available methods for the fair and efficient  
27 adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the  
28 damages suffered by individual Class members may be relatively small, the expense and burden of

1 individual litigation makes it impossible for members of the Class to individually redress the  
2 wrongs done to them. There will be no difficulty in the management of this action as a class  
3 action.

4 **UNDISCLOSED ADVERSE FACTS**

5 30. The market for Gigamon's securities was open, well-developed and efficient at all  
6 relevant times. As a result of these materially false and/or misleading statements, and/or failures  
7 to disclose, Gigamon's securities traded at artificially inflated prices during the Class Period.  
8 Plaintiff and other members of the Class purchased or otherwise acquired Gigamon's securities  
9 relying upon the integrity of the market price of the Company's securities and market information  
10 relating to Gigamon, and have been damaged thereby.

11 31. During the Class Period, Defendants materially misled the investing public, thereby  
12 inflating the price of Gigamon's securities, by publicly issuing false and/or misleading statements  
13 and/or omitting to disclose material facts necessary to make Defendants' statements, as set forth  
14 herein, not false and/or misleading. The statements and omissions were materially false and/or  
15 misleading because they failed to disclose material adverse information and/or misrepresented the  
16 truth about Gigamon's business, operations, and prospects as alleged herein.

17 32. At all relevant times, the material misrepresentations and omissions particularized  
18 in this Complaint directly or proximately caused or were a substantial contributing cause of the  
19 damages sustained by Plaintiff and other members of the Class. As described herein, during the  
20 Class Period, Defendants made or caused to be made a series of materially false and/or misleading  
21 statements about Gigamon's financial well-being and prospects. These material misstatements  
22 and/or omissions had the cause and effect of creating in the market an unrealistically positive  
23 assessment of the Company and its financial well-being and prospects, thus causing the  
24 Company's securities to be overvalued and artificially inflated at all relevant times. Defendants'  
25 materially false and/or misleading statements during the Class Period resulted in Plaintiff and  
26 other members of the Class purchasing the Company's securities at artificially inflated prices, thus  
27 causing the damages complained of herein when the truth was revealed.

28

1 **LOSS CAUSATION**

2 33. Defendants' wrongful conduct, as alleged herein, directly and proximately caused  
3 the economic loss suffered by Plaintiff and the Class.

4 34. During the Class Period, Plaintiff and the Class purchased Gigamon's securities at  
5 artificially inflated prices and were damaged thereby. The price of the Company's securities  
6 significantly declined when the misrepresentations made to the market, and/or the information  
7 alleged herein to have been concealed from the market, and/or the effects thereof, were revealed,  
8 causing investors' losses.

9 **SCIENTER ALLEGATIONS**

10 35. As alleged herein, Defendants acted with scienter since Defendants knew that the  
11 public documents and statements issued or disseminated in the name of the Company were  
12 materially false and/or misleading; knew that such statements or documents would be issued or  
13 disseminated to the investing public; and knowingly and substantially participated or acquiesced  
14 in the issuance or dissemination of such statements or documents as primary violations of the  
15 federal securities laws. As set forth elsewhere herein in detail, the Individual Defendants, by  
16 virtue of their receipt of information reflecting the true facts regarding Gigamon, their control  
17 over, and/or receipt and/or modification of Gigamon's allegedly materially misleading  
18 misstatements and/or their associations with the Company which made them privy to confidential  
19 proprietary information concerning Gigamon, participated in the fraudulent scheme alleged herein.

20 **APPLICABILITY OF PRESUMPTION OF RELIANCE**  
21 **(FRAUD-ON-THE-MARKET DOCTRINE)**

22 36. The market for Gigamon's securities was open, well-developed and efficient at all  
23 relevant times. As a result of the materially false and/or misleading statements and/or failures to  
24 disclose, Gigamon's securities traded at artificially inflated prices during the Class Period. On  
25 November 25, 2016, the Company's stock price closed at a Class Period high of \$60.35 per share.  
26 Plaintiff and other members of the Class purchased or otherwise acquired the Company's  
27 securities relying upon the integrity of the market price of Gigamon's securities and market  
28 information relating to Gigamon, and have been damaged thereby.

1           37.     During the Class Period, the artificial inflation of Gigamon’s stock was caused by  
2 the material misrepresentations and/or omissions particularized in this Complaint causing the  
3 damages sustained by Plaintiff and other members of the Class. As described herein, during the  
4 Class Period, Defendants made or caused to be made a series of materially false and/or misleading  
5 statements about Gigamon’s business, prospects, and operations. These material misstatements  
6 and/or omissions created an unrealistically positive assessment of Gigamon and its business,  
7 operations, and prospects, thus causing the price of the Company’s securities to be artificially  
8 inflated at all relevant times, and when disclosed, negatively affected the value of the Company  
9 stock. Defendants’ materially false and/or misleading statements during the Class Period resulted  
10 in Plaintiff and other members of the Class purchasing the Company’s securities at such  
11 artificially inflated prices, and each of them has been damaged as a result.

12           38.     At all relevant times, the market for Gigamon’s securities was an efficient market  
13 for the following reasons, among others:

14           (a)     Gigamon stock met the requirements for listing, and was listed and actively traded  
15 on the NYSE, a highly efficient and automated market;

16           (b)     As a regulated issuer, Gigamon filed periodic public reports with the SEC and/or  
17 the NYSE;

18           (c)     Gigamon regularly communicated with public investors via established market  
19 communication mechanisms, including through regular dissemination of press releases on the  
20 national circuits of major newswire services and through other wide-ranging public disclosures,  
21 such as communications with the financial press and other similar reporting services; and/or

22           (d)     Gigamon was followed by securities analysts employed by brokerage firms who  
23 wrote reports about the Company, and these reports were distributed to the sales force and certain  
24 customers of their respective brokerage firms. Each of these reports was publicly available and  
25 entered the public marketplace.

26           39.     As a result of the foregoing, the market for Gigamon’s securities promptly digested  
27 current information regarding Gigamon from all publicly available sources and reflected such  
28 information in Gigamon’s stock price. Under these circumstances, all purchasers of Gigamon’s

1 securities during the Class Period suffered similar injury through their purchase of Gigamon's  
2 securities at artificially inflated prices and a presumption of reliance applies.

3 40. A Class-wide presumption of reliance is also appropriate in this action under the  
4 Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128 (1972),  
5 because the Class's claims are, in large part, grounded on Defendants' material misstatements  
6 and/or omissions. Because this action involves Defendants' failure to disclose material adverse  
7 information regarding the Company's business operations and financial prospects—information  
8 that Defendants were obligated to disclose—positive proof of reliance is not a prerequisite to  
9 recovery. All that is necessary is that the facts withheld be material in the sense that a reasonable  
10 investor might have considered them important in making investment decisions. Given the  
11 importance of the Class Period material misstatements and omissions set forth above, that  
12 requirement is satisfied here.

13 **NO SAFE HARBOR**

14 41. The statutory safe harbor provided for forward-looking statements under certain  
15 circumstances does not apply to any of the allegedly false statements pleaded in this Complaint.  
16 The statements alleged to be false and misleading herein all relate to then-existing facts and  
17 conditions. In addition, to the extent certain of the statements alleged to be false may be  
18 characterized as forward looking, they were not identified as "forward-looking statements" when  
19 made and there were no meaningful cautionary statements identifying important factors that could  
20 cause actual results to differ materially from those in the purportedly forward-looking statements.  
21 In the alternative, to the extent that the statutory safe harbor is determined to apply to any forward-  
22 looking statements pleaded herein, Defendants are liable for those false forward-looking  
23 statements because at the time each of those forward-looking statements was made, the speaker  
24 had actual knowledge that the forward-looking statement was materially false or misleading,  
25 and/or the forward-looking statement was authorized or approved by an executive officer of  
26 Gigamon who knew that the statement was false when made.

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**FIRST CLAIM**  
**Violation of Section 10(b) of The Exchange Act and**  
**Rule 10b-5 Promulgated Thereunder**  
**Against All Defendants**

42. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

43. During the Class Period, Defendants carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and other members of the Class to purchase Gigamon's securities at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, Defendants, and each defendant, took the actions set forth herein.

44. Defendants (i) employed devices, schemes, and artifices to defraud; (ii) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements not misleading; and (iii) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities in an effort to maintain artificially high market prices for Gigamon's securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5. All Defendants are sued either as primary participants in the wrongful and illegal conduct charged herein or as controlling persons as alleged below.

45. Defendants, individually and in concert, directly and indirectly, by the use, means or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a continuous course of conduct to conceal adverse material information about Gigamon's financial well-being and prospects, as specified herein.

46. Defendants employed devices, schemes and artifices to defraud, while in possession of material adverse non-public information and engaged in acts, practices, and a course of conduct as alleged herein in an effort to assure investors of Gigamon's value and performance and continued substantial growth, which included the making of, or the participation in the making of, untrue statements of material facts and/or omitting to state material facts necessary in order to make the statements made about Gigamon and its business operations and future prospects in light

1 of the circumstances under which they were made, not misleading, as set forth more particularly  
2 herein, and engaged in transactions, practices and a course of business which operated as a fraud  
3 and deceit upon the purchasers of the Company's securities during the Class Period.

4         47. Each of the Individual Defendants' primary liability and controlling person liability  
5 arises from the following facts: (i) the Individual Defendants were high-level executives and/or  
6 directors at the Company during the Class Period and members of the Company's management  
7 team or had control thereof; (ii) each of these defendants, by virtue of their responsibilities and  
8 activities as a senior officer and/or director of the Company, was privy to and participated in the  
9 creation, development and reporting of the Company's internal budgets, plans, projections and/or  
10 reports; (iii) each of these defendants enjoyed significant personal contact and familiarity with the  
11 other defendants and was advised of, and had access to, other members of the Company's  
12 management team, internal reports and other data and information about the Company's finances,  
13 operations, and sales at all relevant times; and (iv) each of these defendants was aware of the  
14 Company's dissemination of information to the investing public which they knew and/or  
15 recklessly disregarded was materially false and misleading.

16         48. Defendants had actual knowledge of the misrepresentations and/or omissions of  
17 material facts set forth herein, or acted with reckless disregard for the truth in that they failed to  
18 ascertain and to disclose such facts, even though such facts were available to them. Such  
19 defendants' material misrepresentations and/or omissions were done knowingly or recklessly and  
20 for the purpose and effect of concealing Gigamon's financial well-being and prospects from the  
21 investing public and supporting the artificially inflated price of its securities. As demonstrated by  
22 Defendants' overstatements and/or misstatements of the Company's business, operations, financial  
23 well-being, and prospects throughout the Class Period, Defendants, if they did not have actual  
24 knowledge of the misrepresentations and/or omissions alleged, were reckless in failing to obtain  
25 such knowledge by deliberately refraining from taking those steps necessary to discover whether  
26 those statements were false or misleading.

27         49. As a result of the dissemination of the materially false and/or misleading  
28 information and/or failure to disclose material facts, as set forth above, the market price of

1 Gigamon's securities was artificially inflated during the Class Period. In ignorance of the fact that  
2 market prices of the Company's securities were artificially inflated, and relying directly or  
3 indirectly on the false and misleading statements made by Defendants, or upon the integrity of the  
4 market in which the securities trades, and/or in the absence of material adverse information that  
5 was known to or recklessly disregarded by Defendants, but not disclosed in public statements by  
6 Defendants during the Class Period, Plaintiff and the other members of the Class acquired  
7 Gigamon's securities during the Class Period at artificially high prices and were damaged thereby.

8 50. At the time of said misrepresentations and/or omissions, Plaintiff and other  
9 members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff  
10 and the other members of the Class and the marketplace known the truth regarding the problems  
11 that Gigamon was experiencing, which were not disclosed by Defendants, Plaintiff and other  
12 members of the Class would not have purchased or otherwise acquired their Gigamon securities,  
13 or, if they had acquired such securities during the Class Period, they would not have done so at the  
14 artificially inflated prices which they paid.

15 51. By virtue of the foregoing, Defendants violated Section 10(b) of the Exchange Act  
16 and Rule 10b-5 promulgated thereunder.

17 52. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the  
18 other members of the Class suffered damages in connection with their respective purchases and  
19 sales of the Company's securities during the Class Period.

20 **SECOND CLAIM**  
21 **Violation of Section 20(a) of The Exchange Act**  
22 **Against the Individual Defendants**

23 53. Plaintiff repeats and realleges each and every allegation contained above as if fully  
24 set forth herein.

25 54. Individual Defendants acted as controlling persons of Gigamon within the meaning  
26 of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions and  
27 their ownership and contractual rights, participation in, and/or awareness of the Company's  
28 operations and intimate knowledge of the false financial statements filed by the Company with the  
SEC and disseminated to the investing public, Individual Defendants had the power to influence



1 and control and did influence and control, directly or indirectly, the decision-making of the  
2 Company, including the content and dissemination of the various statements which Plaintiff  
3 contends are false and misleading. Individual Defendants were provided with or had unlimited  
4 access to copies of the Company's reports, press releases, public filings, and other statements  
5 alleged by Plaintiff to be misleading prior to and/or shortly after these statements were issued and  
6 had the ability to prevent the issuance of the statements or cause the statements to be corrected.

7 55. In particular, Individual Defendants had direct and supervisory involvement in the  
8 day-to-day operations of the Company and, therefore, had the power to control or influence the  
9 particular transactions giving rise to the securities violations as alleged herein, and exercised the  
10 same.

11 56. As set forth above, Gigamon and Individual Defendants each violated Section  
12 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of their  
13 position as controlling persons, Individual Defendants are liable pursuant to Section 20(a) of the  
14 Exchange Act. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and  
15 other members of the Class suffered damages in connection with their purchases of the  
16 Company's securities during the Class Period.

17 **PRAYER FOR RELIEF**

18 WHEREFORE, Plaintiff prays for relief and judgment, as follows:

19 (a) Determining that this action is a proper class action under Rule 23 of the Federal  
20 Rules of Civil Procedure;

21 (b) Awarding compensatory damages in favor of Plaintiff and the other Class members  
22 against all defendants, jointly and severally, for all damages sustained as a result of Defendants'  
23 wrongdoing, in an amount to be proven at trial, including interest thereon;

24 (c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in  
25 this action, including counsel fees and expert fees; and

26 (d) Such other and further relief as the Court may deem just and proper.

27 **JURY TRIAL DEMANDED**

28 Plaintiff hereby demands a trial by jury.

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Dated: January 27, 2017

**GLANCY PRONGAY & MURRAY LLP**

By: *s/ Robert V. Prongay* \_\_\_\_\_  
Lionel Z. Glancy  
Robert V. Prongay  
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*Attorneys for Plaintiff*

**SWORN CERTIFICATION OF PLAINTIFF**

**GIGAMON INC. SECURITIES LITIGATION**

I, Joseph Rodriguez, individually, and/or in my capacity as trustee and/or principal for accounts listed on Schedule A, certify that:

1. I have reviewed the Complaint and authorize its filing and/or the filing of a Lead Plaintiff motion on my behalf.
2. I did not purchase **GIGAMON INC.**, the security that is the subject of this action, at the direction of plaintiff's counsel or in order to participate in any private action arising under this title.
3. I am willing to serve as a representative party on behalf of a class and will testify at deposition and trial, if necessary.
4. My transactions in **GIGAMON INC.** during the Class Period set forth in the Complaint are as follows:  
  
(See attached transactions)
5. I have not served as a representative party on behalf of a class under this title during the last three years, except for the following:
6. I will not accept any payment for serving as a representative party, except to receive my pro rata share of any recovery or as ordered or approved by the court, including the award to a representative plaintiff of reasonable costs and expenses (including lost wages) directly relating to the representation of the class.

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

1/23/2017

Date

DocuSigned by:



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Joseph Rodriguez

**Joseph Rodriguez's Transactions in  
Gigamon, Inc. (GIMO)**

<b>Date</b>	<b>Transaction Type</b>	<b>Quantity</b>	<b>Unit Price</b>
01/17/2017	Bought	1,000	\$44.2765

CIVIL COVER SHEET

The JS-CAND 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved in its original form by the Judicial Conference of the United States in September 1974, is required for the Clerk of Court to initiate the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

JOSEPH RODRIGUEZ, Individually and On Behalf of All Others Similarly Situated,

(b) County of Residence of First Listed Plaintiff Tulare Co., CA (EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

ROBERT V. PRONGAY (#270796), Glancy Prongay & Murray LLP 1925 Century Park East, Suite 2100, Los Angeles, CA 90067 (310) 201-9150

DEFENDANTS

GIGAMON INC., PAUL A. HOOPER, MICHAEL J. BURNS, and REX S. JACKSON,

County of Residence of First Listed Defendant Santa Clara, CA (IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED. Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff, 2 U.S. Government Defendant, 3 Federal Question (U.S. Government Not a Party), 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

Table with columns for Plaintiff (PTF) and Defendant (DEF) citizenship: Citizen of This State, Citizen of Another State, Citizen or Subject of a Foreign Country, Incorporated or Principal Place of Business in This State, Incorporated and Principal Place of Business in Another State, Foreign Nation.

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Large table with categories: CONTRACT, REAL PROPERTY, PERSONAL INJURY, CIVIL RIGHTS, PRISONER PETITIONS, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES.

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding, 2 Removed from State Court, 3 Remanded from Appellate Court, 4 Reinstated or Reopened, 5 Transferred from Another District, 6 Multidistrict Litigation-Transfer, 8 Multidistrict Litigation-Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): Private Securities Litigation Reform Act, 15 U.S.C. §§78j(b) and 78t(a); and 17 C.F.R. §240.10b-5. Brief description of cause: Securities Fraud - Violations of Sections 10(B) and 20(A) of the Exchange Act and SEC Rule 10B-5

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, Fed. R. Civ. P. DEMAND \$ CHECK YES only if demanded in complaint: JURY DEMAND: [X] Yes [ ] No

VIII. RELATED CASE(S), IF ANY (See instructions):

JUDGE DOCKET NUMBER

IX. DIVISIONAL ASSIGNMENT (Civil Local Rule 3-2)

(Place an "X" in One Box Only) [X] SAN FRANCISCO/OAKLAND [ ] SAN JOSE [ ] EUREKA-MCKINLEYVILLE

DATE: 01/27/2017

SIGNATURE OF ATTORNEY OF RECORD: s/ Robert V. Prongay

## INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS-CAND 44

**Authority For Civil Cover Sheet.** The JS-CAND 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved in its original form by the Judicial Conference of the United States in September 1974, is required for the Clerk of Court to initiate the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I. a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
- b) County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the “defendant” is the location of the tract of land involved.)
- c) Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section “(see attachment).”
- II. Jurisdiction.** The basis of jurisdiction is set forth under Federal Rule of Civil Procedure 8(a), which requires that jurisdictions be shown in pleadings. Place an “X” in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
- (1) United States plaintiff. Jurisdiction based on 28 USC §§ 1345 and 1348. Suits by agencies and officers of the United States are included here.
  - (2) United States defendant. When the plaintiff is suing the United States, its officers or agencies, place an “X” in this box.
  - (3) Federal question. This refers to suits under 28 USC § 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
  - (4) Diversity of citizenship. This refers to suits under 28 USC § 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. Residence (citizenship) of Principal Parties.** This section of the JS-CAND 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit.** Place an “X” in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerk(s) in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.
- V. Origin.** Place an “X” in one of the six boxes.
- (1) Original Proceedings. Cases originating in the United States district courts.
  - (2) Removed from State Court. Proceedings initiated in state courts may be removed to the district courts under Title 28 USC § 1441. When the petition for removal is granted, check this box.
  - (3) Remanded from Appellate Court. Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
  - (4) Reinstated or Reopened. Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
  - (5) Transferred from Another District. For cases transferred under Title 28 USC § 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
  - (6) Multidistrict Litigation Transfer. Check this box when a multidistrict case is transferred into the district under authority of Title 28 USC § 1407. When this box is checked, do not check (5) above.
  - (8) Multidistrict Litigation Direct File. Check this box when a multidistrict litigation case is filed in the same district as the Master MDL docket. Please note that there is no Origin Code 7. Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.
- VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC § 553. Brief Description: Unauthorized reception of cable service.
- VII. Requested in Complaint.** Class Action. Place an “X” in this box if you are filing a class action under Federal Rule of Civil Procedure 23. Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction. Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases.** This section of the JS-CAND 44 is used to identify related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.
- IX. Divisional Assignment.** If the Nature of Suit is under Property Rights or Prisoner Petitions or the matter is a Securities Class Action, leave this section blank. For all other cases, identify the divisional venue according to Civil Local Rule 3-2: “the county in which a substantial part of the events or omissions which give rise to the claim occurred or in which a substantial part of the property that is the subject of the action is situated.”
- Date and Attorney Signature.** Date and sign the civil cover sheet.

# ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Gigamon Inc., Three Execs Facing Securities Class Action](#)

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