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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

KAREN L. FOX, IRA, derivatively on behalf
of Nominal Defendant DOCUSIGN, INC.,

Plaintiff,

v.

DANIEL D. SPRINGER, MAGGIE
WILDEROTTER, BLAKE J. IRVING,
TERESA BRIGGS, ENRIQUE T. SALEM,
JAMES BEER, PETER SOLVIK, CYNTHIA
GAYLOR, SCOTT OLRICH, MICHAEL J.
SHERIDAN and LOREN ALHADEFF,

Defendants,

-and-

DOCUSIGN, INC.,

Nominal Defendant.

Case No. _____

JURY TRIAL DEMANDED

VERIFIED SHAREHOLDER DERIVATIVE COMPLAINT

Plaintiff Karen L. Fox, IRA (“Plaintiff”), by and through its undersigned attorneys, brings this derivative complaint for the benefit of Nominal Defendant DocuSign, Inc. (“DocuSign” or the “Company”), against: (1) most of its Board of Directors (the “Board”) consisting of Daniel Springer (“Springer”), Maggie Wilderotter (“Wilderotter”), Blake J. Irving (“Irving”), Teresa Briggs (“Briggs”), Enrique T. Salem (“Salem”), James Beer (“Beer”) and Peter Solvik (“Solvik”, together with Springer, Wilderotter, Irving, Briggs, Salem, and Beer (the “Director Defendants”),

seeking to remedy and recover damages for Director Defendants' breaches of fiduciary duties and damages to DocuSign, including the Board's wrongful rejection of Plaintiff's demand for action made by letter dated February 17, 2022 (the "Demand") (attached as Exhibit 1 hereto) by letter dated May 20, 2022 (the "Rejection") (attached as Exhibit 2 hereto); their role in the dissemination of materially false and misleading statements; and omissions of material fact, by Springer ("Springer"), Michael J. Sheridan ("Sheridan"), and Cynthia Gaylor ("Gaylor", with Springer and Sheridan, (the "Securities Defendants")), and (2) against Springer, Gaylor, Sheridan, Salem, Solvik, Scott V. Olrich ("Olrich"), and Loren Alhadeff ("Alhadeff", together with Springer, Gaylor, Sheridan, Salem, and Olrich, (the "Insider-Trading Defendants")), and together with the Director Defendants and the Securities Defendants, (the "Defendants" or "Individual Defendants") for insider trading. Plaintiff alleges the following based upon personal knowledge as to itself and its own acts, and information and belief as to all other matters, based upon, *inter alia*, the investigation conducted by and through Plaintiff's attorneys, which included, but was not limited to review and analysis of, among other things: (1) Defendants' publicly available documents and press releases published by and regarding DocuSign; (2) United States Securities and Exchange Commission ("SEC") filings; (3) the Amended Class Action Complaint (the "Securities Complaint") filed July 8, 2022, asserting claims for violations of the federal securities laws filed, pending in the action entitled *Weston v. DocuSign, et al.*, No. 3:22-cv-00824 (N.D. Cal.) ("Weston" or the "Securities Action"); and (4) news reports and other publicly available information, including the relevant insider-trading information that is publicly available.

NATURE OF THE ACTION

1. This shareholder derivative action is brought on behalf of Nominal Defendant DocuSign against its Board of Directors and the Insider-Selling Defendants (defined below) for breaches of their fiduciary duties, including as to the Insider-Trading Defendants, for their misappropriation of the Company's non-public proprietary information.

1 2. DocuSign is a Delaware corporation that offers software to facilitate electronic
2 signatures and agreements. In addition to DocuSign's eSignature services, the DocuSign
3 Agreement Cloud software suite enables users to generate, distribute, and sign agreements, and
4 further offers technological support for, among other things, negotiating agreements and collecting
5 payments after signatures. DocuSign's eSignature solution, which was brought to the market in
6 2003, allowed customers for the first time to sign and send documents without the need for papers
7 and actual physical (or "wet") signatures. Since 2003 and through today, the eSignature product is
8 the largest single contributor to the Company's revenues.

9 3. As set forth herein, certain of the Securities Defendants repeatedly assured
10 investors that DocuSign would continue to experience sustained growth in demand for its software
11 even after COVID-19 pandemic restrictions were lifted. These assurances proved to be false. These
12 assurances contained misrepresentations and/or failures to disclose: (i) that much of DocuSign's
13 accelerated growth in 2020 and early 2021 was attributable to COVID-19 pandemic restrictions
14 rather than a sustainable shift in demand for the Company's services; and (ii) demand for
15 DocuSign's services was, in fact, waning as COVID-19 pandemic restrictions were being lifted.
16 As a result, the Securities Defendants' statements, over which the Director Defendants had
17 oversight, about the Company's business, operations, and prospects lacked a reasonable basis and
18 were materially false. As noted in the Securities Complaint, the Securities Defendants knew from
19 early June 2020 or from June 9, 2020 through and including June 9, 2022 (the "Class or Relevant
20 Period"), that, *inter alia*, much of the new business influx was due to one-time COVID-19 uses
21 and that, in fact, customers informed DocuSign that they would stop using DocuSign's eSignature
22 once they returned to the office. This was confirmed by key internal performance metrics to which
23 the Director Defendants were privy and closely tracked, such as customer usage and retention
24 rates, which declined significantly during the Class Period. At the same time and while DocuSign's
25 share price was artificially inflated by false and misleading statements or material omissions, the
26 Insider-Trading Defendants sold massive amounts of their shareholdings of Company stock at
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1 artificially inflated prices, while in possession of non-public material adverse information about
2 the Company.

3 4. On December 2, 2021, the partial truth was disclosed when the Company revealed
4 that billings of \$565 million for the third quarter of fiscal 2022¹ “fell short of [DocuSign’s] billings
5 guidance, coming in at 28%-year over-year growth”—or roughly half of the prior quarter’s year-
6 over-year growth rate. Additionally, the Company’s fourth quarter fiscal 2022 financial guidance
7 missed analysts’ expectations. The Securities Defendants explained that “[w]ith the boost from
8 COVID-19 over the past year and a half, we experienced exceptionally high growth rates” but,
9 “[a]s we move through Q3 and into the second half of the year, we saw demand slow and the
10 urgency of customers’ buying patterns temper.”

11 5. On this news, the price of DocuSign common stock plummeted \$98.73 per share,
12 or more than 42%, from a close of \$233.82 per share on December 2, 2021, to close at \$135.09
13 per share on December 3, 2021.

14 6. On June 9, 2022, the truth was concerning the temporary nature of the demand for
15 DocuSign’s products during the COVID-19 pandemic was finally revealed. Specifically, after the
16 market closed, DocuSign released its financial results for the first quarter 2023. The Company
17 revealed that its year-over-year billings growth was only **16%** for the quarter—the lowest increase
18 in billings growth DocuSign had ever experienced as a public Company. DocuSign also lowered
19 its billings guidance for the 2023 fiscal year by an astounding \$185 million.

20 7. On this news, the price of DocuSign’s stock fell a further \$21.43 per share, or **over**
21 **24.5%**, to close at \$65.93 on June 10, 2022, the first trading day after the Company’s earnings
22 announcement.

23 8. Plaintiff brings this action derivatively on behalf of DocuSign, for the damage the
24 Company has suffered and will continue to suffer because of the corporate malfeasance described
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26 ¹ DocuSign’s fiscal year begins on February 1 and ends on January 31. The Company
27 identifies each fiscal year based on the year in which it ends. For instance, DocuSign’s fiscal year
28 2022 ended on January 31, 2022.

herein, including but not limited: (1) the damage, including legal fees, payments, settlements and judgments, and the impact on its goodwill that will result from the Securities Action as a consequence of the actions of the Securities Defendants and the failure of the Director Defendants to exercise their fiduciary duties of oversight, among other things to ensure that materially false and misleading statements were not publicly disseminated, (2) to the misuse of non-public, proprietary information, an asset of DocuSign, by the Insider-Trading Defendants, and (3) the failure of the Director Defendants to take appropriate actions against them pursuant to the Demand; and the breach of their fiduciary duties in wrongfully rejecting the Demand.

9. Prior to bringing this action, Plaintiff made a pre-suit Demand for action on the Board to investigate and take action against the Insider-Trading Defendants, and the Securities Defendants².

10. The Director Defendants took over three months to respond to the Demand by sending the Rejection. In the Rejection, the Director Defendants failed to state that they had considered the Demand, undertaken an investigation of the facts, formed a committee, done a report or a cost benefit analysis of proceeding with an investigation now versus deferring any investigation until resolution of the Securities or any other action.³ In its five short paragraphs, the Rejection stated that the Board would not even consider the Plaintiff's demand because the Securities Action was in its early stages. Despite relying on that litigation being in its early stages, the Board did not do the reasonable thing and commit to do an investigation after the amended complaint has been tested, because as is apparent, the Board is more interested in delaying any investigation of its own actions than in discovering the truth.

11. Significantly, the Securities Action only names as defendants Springer, Gaylor, Sheridan, and Alhadeff, and does not allege federal insider-trading claims against any of those defendants-much less cover the same ground as the Demand and now this complaint, undercutting

² See copy of letter dated February 17, 2022, from Lynda J. Grant and Howard T. Longman to the Board of Directors of DocuSign, Inc., attached hereto as Exhibit A.

³ See copy of letter dated May 20, 2022, from Dean S. Kristy to Lynda J. Grant and Howard T. Longman, purportedly on behalf of the Board, attached hereto as Exhibit B.

1 any legitimate claim that because the *Weston* case is in the early stages, that excuses the Board's
2 utter failure to act here. Moreover, any claim that an investigation and the institution of tolling
3 agreements should be deferred is similarly frivolous as in *Weston*, the Securities Defendants have
4 just agreed to stay any further litigation other than briefing on a motion to dismiss, which is not to
5 be completed until January 2023. The statute of limitations on certain of the derivative claims
6 asserted here start expiring in June of 2023, giving the Court in the Securities Action little time to
7 rule, and allowing for the possibility that the statute could expire on some of the earlier breach of
8 fiduciary duty claims before any ruling in *Weston* occurs.

9 12. The Rejection further alluded to two demand futile derivative cases (now three)
10 that had been filed. With respect to those two cases, the Rejection stated that they covered the same
11 subject matters, although the Board did not believe that the demand-futility allegations had any
12 merit. However, the Director Defendants and the plaintiff in those demand-futile cases have agreed
13 to stay those cases pending the outcome of *Weston*—which could be years from now, well after
14 the expiration of any statute of limitations period for the breach-of-fiduciary-duty claims asserted
15 here.

16 13. In any event, as even the Director Defendants recognize, those cases are demand-
17 futile cases and may well fail to survive a failure-to-plead-demand-futility motion. There is little
18 doubt that the Director Defendants will move to dismiss those cases after the expiration of the stay
19 now in place, leaving the Company with no recourse and the statute of limitations running.

20 14. In light of the Board's patent unwillingness to undertake an investigation and
21 recoup damages to the Company, an action is necessary for the Company to recoup damage caused
22 to it by the wrongful conduct of the Director Defendants, the Insider-Trading Defendants, and the
23 Securities Defendants.

24 15. Further, the Response does not address the insider-trading claims specifically
25 raised in the Demand, regarding sales of DocuSign securities by Company insiders which were
26 substantial in amount and suspicious in timing. Although a colorable *Brophy* claim (*see Brophy v.*
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Cities Services, 70 A.2d 5 (Del. Ch. 1949)) for disgorgement of profits reaped by Company insiders for selling DocuSign shares while in possession of adverse information could be pursued by or on behalf of the Company which could result in a substantial recovery for DocuSign,⁴ the Response did not even refer to such a possibility.

16. Making any third-party investigation even more difficult, in March 2022, the Director Defendants adopted a “Confidentiality Amendment” to the Company’s Amended and Restated Bylaws, pursuant to which a DocuSign director is prevented from sharing any non-public information learned in their capacities as directors, including communications between members of the Board, with any third party, unless subject to a specific written agreement with the Company – a provision which could conflict with Delaware’s books and records statute and which could thwart any third-party investigation of the wrongdoing alleged here.⁵

JURISDICTION AND VENUE

17. This Court has subject-matter jurisdiction pursuant to 28 U.S.C. §1332 because there is complete diversity between Plaintiff and each of the Defendants, and the amount in controversy is more than \$75,000.

18. Venue is proper in this District pursuant to 28 U.S.C. § 1391 (b) because Nominal Defendant DocuSign is incorporated in this District; the Individual Defendants, as defined below, do business in this District and the wrongdoing occurred in this District.

PARTIES

Plaintiff

19. Plaintiff is a resident of Florida, and has been at all relevant times, a shareholder of DocuSign.

⁴ See *Kahn v. Kolberg Kravis & Roberts & Co., LP.*, 23 A.3d 831 (Del. Sup. Ct. 2011).

⁵ Article IV, Section 28 of the Amended and Restated Bylaws of DocuSign, Inc., certified on March 4, 2022.

1 ***Nominal Defendant***

2 20. Nominal Defendant DocuSign is incorporated under the laws of Delaware with its
3 principal executive offices located in San Francisco, California. DocuSign's common stock trades
4 on the NASDAQ under the ticker symbol "DOCU."

5 ***The Director Defendants***

6 21. Defendant Springer served as DocuSign's Chief Executive Officer ("CEO") and
7 President from January 2017 until June 20, 2022. He has also been a member of the Board from
8 January 2017 to the present. According to the Company's public filings, Springer received
9 \$20,701,048 in the fiscal year ended January 31, 2022, and \$19,799,168 in the fiscal year ended
10 January 31, 2021, in compensation from the Company. According to a Form 8-K filed by the
11 Company on June 22, 2022, on June 20, 2022, the Board accepted the resignation of Defendant
12 Springer from his position as the Company's President and CEO, effective June 20, 2022. Between
13 September 15, 2020 and June 15, 2021, while the stock price of DocuSign was artificially inflated
14 by the Securities Defendants' false and misleading statements, Defendant Springer, trading on the
15 Company's proprietary non-public inside information, sold 356,479 shares of DocuSign in open-
16 market transactions for proceeds of \$81,850,879. Also, Springer sold 366,351 shares of DocuSign
17 through "F" shares which are dispositions of stock for the purpose of paying the exercise price of
18 certain options or to satisfy tax obligations, reaping proceeds of \$72,406,116. In total, during the
19 Class Period, Springer sold 722,830 shares of stock for proceeds of more than \$154 million.
20 Defendant Springer is a resident of California.

21 22. Defendant Wilderotter has served as a director of DocuSign since March 2018 and
22 as Board Chair since January 2019, and currently serves as Interim CEO and President, which she
23 has done since Defendant Springer's departure. According to the Company's public filings,
24 Wilderotter received \$307,639 in the fiscal year ended January 31, 2022, and \$289,091 in the fiscal
25 year ended January 31, 2021, in compensation from the Company. Defendant Wilderotter is a
26 resident of California.

23. Defendant Irving has served as a director of DocuSign since August 2018. Irving also currently serves as the Chair of the Board' Compensation Committee and as a member of the Nominating & Corporate Governance Committee. According to the Company's public filings, Irving received \$279,566 in the fiscal year ended January 31, 2022, and \$247,800 in the fiscal year ended January 31, 2021, in compensation from the Company. Defendant Irving is a resident of California.

24. Defendant Briggs has served as a director of DocuSign since May 2020. Briggs also currently serves as the Chair of the Board' Audit Committee. According to the Company's public filings, Briggs received \$283,212 in the fiscal year ended January 31, 2022, and \$433,517 in the fiscal year ended January 31, 2021, in compensation from the Company. Defendant Briggs is a resident of California.

25. Defendant Salem has served as a director of DocuSign since August 2013. Salem also currently serves as a member of the Board' Audit Committee. According to the Company's public filings, Salem received \$272,146 in the fiscal year ended January 31, 2022, and \$243,468 in the fiscal year ended January 31, 2021, in compensation from the Company. Between March 30, 2020 and July 1, 2021, while the stock price of DocuSign was artificially inflated by Defendants' false and misleading statements, Defendant Salem, trading on the Company's proprietary non-public inside information, sold 614,772 shares for total proceeds of \$83,158,554. Defendant Salem is a resident of California.

26. Defendant Beer has served as a director of DocuSign since August 2020. Beer also currently serves as a member of the Board' Audit Committee. According to the Company's public filings, Beer received \$272,146 in the fiscal year ended January 31, 2022, and \$418,474 in the fiscal year ended January 31, 2021, in compensation from the Company. Defendant Beer is a resident of Nevada.

27. Defendant Solvik has served as a director of DocuSign since 2006. Solvik also currently serves as the Chair of the Board's Nominating & Corporate Governance Committee and

1 as a member of the Compensation Committee. According to the Company's public filings, Solvik
2 received \$277,442 in the fiscal year ended January 31, 2022, and \$249,582 in the fiscal year ended
3 January 31, 2021, in compensation from the Company. Between June 22, 2020 and October 7,
4 2021, while the stock price of DocuSign was artificially inflated by Defendants' false and
5 misleading statements, Defendant Solvik, trading on the Company's proprietary non-public inside
6 information, sold 75,606 shares for total proceeds of \$16,659,370. Defendant Solvik is a resident
7 of California.

8 28. Defendant Olrich served as the Company's Chief Operating Officer since
9 December 2018, until his departure as of June 20, 2022 and served as DocuSign's Chief Strategy
10 and Marketing Officer from April 2017 to December 2018. As of the date of the Company Proxy
11 according to Form 14(A) dated April 22, 2022, Defendant Olrich beneficially owned 752,661
12 shares of DocuSign. According to a Form 8-K filed by the Company on June 22, 2022, on June
13 20, 2022, the Board of DocuSign accepted the resignation of Olrich, the Company's Chief
14 Operating Officer, effective June 20, 2022. Between April 8, 2020 and November 9, 2021, while
15 the stock price of DocuSign was artificially inflated by the Securities Defendants' false and
16 misleading statements, Defendant Olrich, trading on the Company's proprietary non-public inside
17 information, sold 266,223 shares on the open market for total proceeds of \$52,272,472. Including
18 "F" share transactions, Defendant Olrich sold 344,115 shares for \$66,923,057. Defendant Olrich
19 is a resident of California.

20 29. Defendant Gaylor has served as the Company's Chief Financial Officer since
21 September 2020. Between November 29, 2020 and November 8, 2021, while the stock price of
22 DocuSign was artificially inflated by the Securities Defendants' false and misleading statements,
23 Defendant Gaylor, trading on the Company's proprietary non-public inside information, sold 5,983
24 shares in open-market transactions for total proceeds of \$1,634,298. In addition, during the Class
25 Period, Gaylor sold 10,572 shares through "F" share transactions, reaping proceeds of \$2,244,827.

1 In total, during the Class Period, Gaylor sold 16,555 shares for nearly \$4 million in proceeds.
2 Defendant Gaylor is a resident of California.

3 30. Defendant Sheridan served as DocuSign's CFO from August 2015 to September
4 2020, the beginning of the relevant period and as President of International at DocuSign from
5 September 2020 to December 2021. In his role as CFO of DocuSign, Sheridan participated in
6 earnings calls and conferences with securities analysts, during which he made false and misleading
7 statements and omissions of material fact relating to the DocuSign's ability to sustain the demand
8 generated during the COVID-19 pandemic. According to the 2021 Proxy Statement, Defendant
9 Sheridan beneficially owned 513,929 shares of the Company's stock. According to the 2021 Proxy
10 Statement, Defendant Sheridan beneficially owned 513,929 shares of the Company's stock. Based
11 upon the August 9, 2022 closing price of DocuSign common stock which was \$69.99, Defendant
12 Sheridan's shares are worth \$35,969,890.70. Defendant Sheridan is a resident of California.

13 31. Defendant Alhadeff has been the Chief Revenue Officer ("CRO") of DocuSign
14 since February 2019 and has been with the Company since 2008 when she was Director of Sales.
15 According to the Company's public filings, Alhadeff received \$5,553,455 in the fiscal year ended
16 January 31, 2022, and \$5,048,315 in the fiscal year ended January 31, 2021, in compensation from
17 the Company. On March 7, 2022, DocuSign announced Alhadeff's intended resignation,
18 explaining that the effective date of his resignation has not been finalized but is expected to occur
19 before the end of fiscal year 2023, as the Company searches for his replacement. As CRO,
20 Alhadeff has been primarily responsible for leading the Company's sales and customer success
21 functions. In his role as CRO of DocuSign, Alhadeff participated in earnings calls and conferences
22 with securities analysts, during which he made false and misleading statements and omissions of
23 material fact relating to the DocuSign's ability to sustain the demand generated during the COVID-
24 19 pandemic. Between May 12, 2020 and October 7, 2021, while the stock price of DocuSign was
25 artificially inflated by the Securities Defendants' false and misleading statements, Defendant
26 Alhadeff, trading on the Company's proprietary non-public inside information, sold 157,696
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1 shares on the open market for \$33,824,676. Including “F” share transactions, Defendant Alhadeff
2 sold 187,379 shares for total proceeds of \$40,010,181. Defendant Alhadeff is a resident of the state
3 of Washington.

4 **FIDUCIARY DUTIES OF THE INDIVIDUAL DEFENDANTS**

5 32. By reason of their positions as officers and/or directors of DocuSign, and because
6 of their ability to control the business and corporate affairs of DocuSign, the Individual Defendants
7 owed DocuSign and its shareholders fiduciary obligations of trust, loyalty, good faith, and due
8 care, and were and are required to use their utmost ability to control and manage DocuSign in a
9 fair, just, honest, and equitable manner. The Individual Defendants were and are required to act in
10 furtherance of the best interests of DocuSign and its shareholders to benefit all shareholders
11 equally.

12 33. Each director and officer of the Company owes to DocuSign and its shareholders
13 the fiduciary duty to exercise good faith and diligence in the administration of the Company and
14 in the use and preservation of its property and assets and the highest obligation of fair dealing.

15 34. The Individual Defendants, because of their positions of control and authority as
16 directors and/or officers of DocuSign, were able to and did, directly and/or indirectly, exercise
17 control over the wrongful acts complained of herein.

18 35. To discharge their duties, the officers and directors of DocuSign were required to
19 exercise reasonable and prudent supervision over the management, policies, controls, and
20 operations of the Company.

21 36. Each Individual Defendant, by virtue of his or her position as a director and/or
22 officer, owed to the Company and to its shareholders the highest fiduciary duties of loyalty, good
23 faith, and the exercise of due care and diligence in the management and administration of the
24 affairs of the Company, as well as in the use and preservation of its property and assets. The
25 conduct of the Individual Defendants complained of herein involves a knowing and culpable
26 violation of their obligations as directors and/or officers of DocuSign, the absence of good faith
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1 on their part, or a reckless disregard for their duties to the Company and its shareholders that the
2 Individual Defendants were aware or should have been aware posed a risk of serious injury to the
3 Company.

4 37. As senior executive officer and directors of a publicly traded company whose
5 common stock was registered with the SEC pursuant to the Exchange Act and traded on
6 NASDAQ, the Individual Defendants had a duty to prevent and not to effect the dissemination of
7 inaccurate and untruthful information with respect to the Company's financial condition,
8 performance, growth, financial statements, products, management, internal controls, earnings, and
9 present and future business prospects, including the dissemination of false and/or materially
10 misleading information regarding the Company's business, prospects, and operations, and had a
11 duty to cause the Company to disclose in its SEC regulatory filings all those facts described in
12 this Complaint that it failed to disclose, so that the market price of the Company's common stock
13 would be based upon truthful, accurate, and fairly presented information.

14 38. To discharge their duties, the officers and directors of DocuSign were required to
15 exercise reasonable and prudent supervision over the management, policies, practices, and internal
16 controls of the Company. By virtue of such duties, the officers and directors of DocuSign were
17 required to, among other things:

18 a. ensure that the Company was operated in a diligent, honest, and prudent manner in
19 accordance with the laws and regulations of Delaware and the United States, and pursuant to
20 DocuSign's own Code of Business Conduct & Ethics (the "Code of Conduct");

21 b. conduct the affairs of the Company in an efficient, business-like manner so as to
22 make it possible to provide the highest quality performance of its business, to avoid wasting the
23 Company's assets, and to maximize the value of the Company's stock;

24 c. remain informed as to how DocuSign conducted its operations, and, upon receipt
25 of notice or information of imprudent or unsound conditions or practices, to make reasonable
26 inquiry in connection therewith, and to take steps to correct such conditions or practices;

1 d. establish and maintain systematic and accurate records and reports of the business
2 and internal affairs of DocuSign and procedures for the reporting of the business and internal
3 affairs to the Board, and to periodically investigate, or cause independent investigation to be made
4 of said reports and records.

5 e. maintain and implement an adequate and functioning system of internal legal,
6 financial, and management controls, such that DocuSign's operations would comply with all
7 applicable laws and DocuSign's financial statements and regulatory filings filed with the SEC and
8 disseminated to the public and the Company's shareholders would be accurate;

9 f. exercise reasonable control and supervision over the public statements made by the
10 Company's officers and employees and any other reports or information that the Company was
11 required by law to disseminate;

12 g. refrain from unduly benefiting themselves and other Company insiders at the
13 expense of the Company by improperly using proprietary information which is property of the
14 Company; and

15 h. examine and evaluate any reports of examinations, audits, or other financial
16 information concerning the financial affairs of the Company and to make full and accurate
17 disclosure of all material facts concerning, inter alia, each of the subjects and duties set forth above.

18 39. Each of the Individual Defendants further owed to DocuSign and the shareholders
19 the duty of loyalty requiring that each favor DocuSign's interest and that of its shareholders over
20 their own while conducting the affairs of the Company and refrain from using their position,
21 influence, or knowledge of the affairs of the Company, to gain personal advantage.

22 40. At all times relevant hereto, the Individual Defendants were the agents of each other
23 and of DocuSign and were at all times acting within the course and scope of such agency.

24 41. Because of their advisory, executive, managerial, and directorial positions with
25 DocuSign, each of the Individual Defendants had access to adverse, non-public information about
26 the Company.

42. The Individual Defendants, because of their positions of control and authority, were able to and did, directly or indirectly, exercise control over the wrongful acts complained of herein, as well as the contents of the various public statements issued by DocuSign.

DOCUSIGN'S CODE OF BUSINESS CONDUCT AND ETHICS

43. DocuSign's Code of Conduct explicitly applies to all officers, directors, and employees of the Company. The Code of Conduct "sets forth the fundamental principles and some of the key policies and procedures that govern DocuSign's business."

44. In a section titled "Financial Integrity," the Code of Conduct states, among other things:

- No employee may take or authorize any action that would cause our financial records or financial disclosure to fail to comply with generally accepted accounting principles, the rules and regulations of the SEC or other applicable laws, rules and regulations;
- All employees must cooperate fully with our finance department, as well as our independent public accountants and counsel, respond to their questions with candor and provide them with complete and accurate information to help ensure that our books and records, as well as our reports filed with the SEC are accurate and complete; and
- No employee should knowingly make (or cause or encourage any other person to make) any false or misleading statement in any of our reports filed with the SEC or knowingly omit (or cause or encourage any other person to omit) any information necessary to make the disclosure in any of such reports accurate in all material respects.

45. The Code of Conduct further addresses all officers, directors, and employees of the Company with respect to their duty to report potential disclosure issues, stating, "[i]f you become aware that our public disclosures are not full, fair and accurate, or if you become aware of a transaction or development that you believe may require disclosure, you should report the matter immediately to your supervisor or the Compliance Officer."

DOCUSIGN'S AUDIT COMMITTEE CHARTER

46. DocuSign's Audit Committee Charter states that the Committee "shall oversee the integrity of the Company's financial reporting process on behalf of the Board. . . ."

47. With respect to the Audit Committee's responsibilities relating to financial statements and disclosures, the Audit Committee Charter states:

1. **Annual Audit Results.** The Committee shall review with management and the Auditor, the results of the annual audit, including the Auditor's assessment of the quality of the Company's accounting principles and practices, the Auditor's views about qualitative aspects of the Company's significant accounting practices, the reasonableness of significant judgments and estimates (including material changes in estimates), any "critical audit matters" (as that term is defined in AS 3101 of the Public Company Accounting Oversight Board (the "PCAOB")), any significant financial reporting issues identified during the audit, the adequacy of the disclosures in the financial statements, and any other matters that the Auditor must communicate to the Committee under applicable accounting or auditing standards.
2. **Audited Financial Statement Review.** The Committee shall review, upon completion of the audit, the financial statements proposed to be included in the Company's Annual Report on Form 10-K to be filed with the SEC and shall recommend whether or not such financial statements should be so included.
3. **Management's Discussion and Analysis.** The Committee shall review with management and the Auditor, the Company's disclosures contained under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" in its periodic reports to be filed with the SEC.
4. **Quarterly Results.** The Committee shall review with management and the Auditor, as appropriate, the Company's quarterly financial statements prior to public disclosure of quarterly financial information, if practicable, or filing with the SEC of the Company's Quarterly Report on Form 10-Q, and any other matters required to be communicated to the Committee by the Auditor.
5. **Earnings Releases and Guidance.** The Committee shall review and discuss with management and the Auditor, as appropriate, earnings press releases as well as the substance of financial information and earnings guidance provided to analysts and rating agencies, which discussions may be general discussions of the type of information (such as financial information that does not conform to generally accepted accounting principles ("GAAP")) to be disclosed and the type of presentation to be made.
6. **Accounting and Securities Principles and Policies.** The Committee shall review with management and the Auditor, as appropriate, significant issues that arise regarding accounting and securities policies and practices, alternative accounting policies available under GAAP related to material items discussed with management, the potential impact on the Company's financial statements of off-balance sheet structures and any other significant reporting issues and judgments, significant regulatory, legal and accounting initiatives or developments that may have a material impact on the Company's financial statements, compliance programs or policies.

1 7. **Management and Auditor Analyses.** The Committee shall review any
2 analyses prepared by management or the Auditor setting forth significant
3 financial reporting issues and judgments made in connection with the
4 preparation of the financial statements, including analyses of the effects of
5 alternative GAAP methods on the financial statements.

6 8. **Proxy Report.** The Committee shall prepare the audit committee report
7 required by the rules of the SEC to be included in the Company's annual proxy
8 statement.

9 48. With respect to the Audit Committee's responsibilities relating to internal auditing,
10 the Audit Committee Charter states, in part:

11 **Internal Control Over Financial Reporting.** The Committee shall oversee the
12 appointment or replacement of the lead person responsible for the internal audit
13 function, and will discuss with such person (and management and the Auditor, as
14 appropriate) the scope, adequacy and effectiveness of internal control over financial
15 reporting in compliance with Section 404 of the Sarbanes-Oxley Act, including any
16 significant deficiencies and material weaknesses in their design or operation; the
17 internal audit plan, responsibilities, budget, staff and planned scope of work of the
18 internal audit function; and any special audit steps adopted in the event of material
19 control deficiencies. The Committee shall review and discuss with the internal audit
20 function the progress and results of executing the internal audit plan, and shall
21 receive periodic reports on the status of any issues encountered, significant findings
22 and recommendations.

23 49. In a section outlining the Audit Committee's responsibilities relating to risk and
24 compliance, the Audit Committee Charter states, in part:

25 **Other Legal and Finance Matters.** The Committee shall review with
26 management, legal and regulatory compliance and any actual, pending or
27 threatened legal or financial matters that could significantly affect the Company's
28 business or financial statements or as otherwise deemed appropriate by the
Committee. The Committee shall review the Company's compliance with
applicable laws and regulations and to review and oversee the Company's policies,
procedures and programs designed to promote and monitor legal and regulatory
compliance.

SUBSTANTIVE ALLEGATIONS

Background

50. DocuSign offers software that facilitates electronic signatures and agreements.

51. In addition to DocuSign's eSignature services, the DocuSign Agreement Cloud
software suite enables users to generate, distribute, and sign agreements, and further offers
technological support for, among other things, negotiating agreements and collecting payments
after signatures.

52. Since its founding in 2003, and continuing to the present, DocuSign's eSignature solution has been DocuSign's core product as its sales are the largest single contributor to the Company's revenues. Indeed, DocuSign generates revenues from two segments: (1) subscriptions; and (2) professional services. The subscriptions segment accounted for over 94 percent of the Company's revenues for the past three fiscal years. Significantly, DocuSign's eSignature product accounts for substantially all its subscriptions segment revenue and is the primary source of its professional services segment revenue.

53. As the pioneer in the eSignature market, DocuSign was able to grow exponentially over its first fifteen years in operation. Indeed, immediately after DocuSign's IPO on April 27, 2018, the Company was valued at \$4.41 billion and ended that fiscal year on January 31, 2019 ("FY 2019") with revenues totaling over \$700 million. In the next year, DocuSign's revenues increased dramatically. For the fiscal year ending January 31, 2020 ("FY 2020"), DocuSign's revenues grew to over \$970 million, an almost \$300 million improvement over the previous year.

54. However, even with these large and growing revenues, DocuSign was not, and has never been, profitable; in fact, for each year of the Company's operations, including to the present, DocuSign has reported a net loss. Indeed, though DocuSign touts that its core eSignature solution has better functionality than other less-expensive products, particularly when it comes to document security, most customers consider eSignature as a commodity and do not want, nor care, about added features at a higher price.

55. DocuSign customers saw its eSignature solution as a commodity that was interchangeable with other competitors' cheaper eSignature products, particularly Adobe's. Accordingly, during the Class Period, DocuSign faced significant pricing pressure from key competitors like Adobe, which constrained the Company's ability to charge even higher prices. Because of this pricing constraint, along with the fact that DocuSign has significant expenses related to sales and marketing, the Company has never turned a profit. According to the Company's

Form 2021 10-K, DocuSign generated a net loss of \$426.5 million for FY 2019 and a net loss of \$208.4 million for FY 20.

56. As a result, both before and during the Class Period, the Securities Defendants needed to convince the market that the Company's revenues would be able to cover the cash flows necessary to remain viable, as well as to show investors that DocuSign had a path toward profitability. The Securities Defendants assuaged the markets' concerns about DocuSign's lack of profitability by stating that the Company's future financial success depended on substantial sales and billings growth. Indeed, as Citi explained in a February 27, 2020 analyst report, DocuSign's *"hyper-growth status (>30% revenue growth at DocuSign's scale) is likely the most important driver of [its stock price] valuation[.]"*

Defendants' False and Misleading Statements

57. In a June 4, 2020 press release announcing its quarterly results, DocuSign reported quarterly revenue of \$297 million—a 39% year-over-year increase. The press release included comments from Defendant Springer who explained that the Company's strong results "reflect our ability to help organizations accelerate their digital transformation as they adapt to the changing business environment, magnified by COVID-19." Defendant Springer further assured investors that "our Agreement Cloud offerings are not only helping customers carry on with business in this time of crisis, but will continue to deliver value as the world emerges from it."

58. During DocuSign's quarterly earnings call that same day, Defendant Springer observed that "[m]uch of the strong Q1 performance was driven by increased demand for eSignature from organizations that suddenly needed a way to sign and manage agreements from wherever they were" due to pandemic restrictions, and opined "from a financial point of view, we believe this surge in eSignature adoption bodes well for future Agreement Cloud expansion."

59. During the earnings call, Defendant Springer went on to describe a permanent shift to remote work as a driver of DocuSign's growth:

Let me speak briefly about where we see things going from here. **While no one is 100% sure what the world will look like, it's clear that the ways of doing**

business are changing. Remote work is here to stay. Core business processes will only become more digital and agreements will need to be completed from anywhere, at any time on almost any device. As a result, for organizations that hadn't already embraced DocuSign for eSignature, that were only using us for a few select use cases, the pandemic has been a catalyst for the greater digital transformation of their end-to-end agreement processes. We always believed this transformation will happen and that a unifying platform for agreements will be needed. COVID-19 is just happening faster.

That said, **even when the COVID-19 situation is behind us, we don't anticipate customers returning to paper or manual-based processes. Once they take their first digital transformation steps with us and they realize the time, cost and customer experience benefits, they rarely go back. So, in short, we expect the adoption of our core eSignature offering by new customers and the expansion of use cases by existing ones to continue.** This also acts as the on-ramp for the adoption of other Agreement Cloud products, sometimes at the same time, sometimes as follow-on.

Yeah, **I don't think we've seen anything particularly from COVID that would accelerate that move where we work with one or two divisions and now we get more of an enterprise solution** other than the same macro piece we talked about, which is, **as companies are increasingly seeing the need to drive the digital transformation, that's accelerating. It probably, at the same rate, would accelerate those expansions from divisional projects to broader enterprisewide solutions.** But I think, at this point, we'd say, that phenomenon is occurring. It's always been a big growth opportunity for us and I think **it's the same big growth opportunity for us going forward, but I don't think COVID acceleration of digital transformation is going to change that phenomenon or that rate at which we see that going, other than just making everything go a little bit faster.**⁶

60. On September 3, 2020, the Company issued a press release announcing its second quarter fiscal 2021 results, reporting enormous growth in the Company's billings, with Defendant Springer stating that "the need to agree electronically and remotely has never been stronger." Defendant Springer also claimed that "[w]e are just scratching the surface of our Agreement Cloud opportunity and believe we are increasingly becoming an essential cloud-software platform for organizations of all sizes."

61. During the Company's September 3, 2020 earnings call for the second quarter fiscal 2021, Defendant Springer reiterated that consumer demand for the Company's services would be durable:

This is a great example of COVID-accelerated demand that we see as durable. Now telehealth will remain after COVID-19, but the paperless processes that came

⁶ Unless otherwise indicated, all emphasis is added.

1 with it will likely end up getting implemented for in-person clinic visits too because
 2 the electronic way is more efficient and a better experience than paper and
 3 clipboards.

4 This illustrates a pattern we're seeing where established customers are no bringing
 5 eSignature to new divisions, departments, and regions.

6 62. During the same earnings call, Defendant Sheridan, the Company's then-Chief
 7 Financial Officer, stated:

8 And so we are endeavoring to stay ahead of the trends that we're seeing. We're
 9 looking at the demand data very carefully to try to forecast the trends and get ahead
 10 of that with capacity across the business. In terms of what will we anticipate post-
 11 COVID, I don't know that anybody has a great answer for that. It is our view that
 12 as we work through these difficult times, though, **there's a greater awareness of
 13 need to digitize the business. And we believe that that's going to be sustained
 14 even after things return to whatever normal looks like in the future. So we do
 15 believe that we're entering into a period of a "new normal."** It doesn't
 16 necessarily mean that the highs of any particular quarter are going to be sustained
 17 forever. But at the same time, **we don't see trends that things are going to return
 18 to the way they looked and trended pre-COVID.**

19 63. On that same call, Defendant Springer further represented that the shift to digital
 20 signature and agreement software was natural acceleration of growth rather than an acute response
 21 to pandemic restrictions:

22 One thing that's always hard in answering a question around sort of more tectonic
 23 shifts like that is what's behind it? Is it a maturation of our business? Is it related to
 24 COVID, etc.? *My view is from a COVID standpoint, was the nature of your
 25 question, is we went through a period of time where people just got very focused
 26 6 months ago -- we just need to get things up and going quickly. We need to
 27 work in a remote environment.*

28 *And I think the number of people that are rushing to us saying, "I need to make
 a quick adjustment to be able to deal with it like that," if they haven't got it done
 by now, I think they missed that window. What we are seeing now is people
 saying, "Wow, this is fantastic. There are more places where I could leverage this
 in my business." And we're looking at expansion, as we talked about, of use cases
 within our base to more and more places that as I said before, we think they would
 have gotten there eventually. It just accelerated those, and we're continuing to see
 that acceleration of those workflows into DocuSign because they realize how
 beneficial they are to their business. From a standpoint of that more platform
 thinking, I don't know that I would say I've seen that increase. And I don't know
 if I'd say this increase would be due to COVID. The natural maturation for a lot
 of folks with us around the Agreement Cloud opportunity is as they start hearing
 us describe the future, they say, "You know what, I could see you as a more
 strategic part of my sort of IT infrastructure and my business process
 infrastructure." And so I think that's occurring more and more, but I think that's
 more to do with the fact that we're just getting bigger and having larger*

1 *relationships with companies as we scale.* You look at that number of customers
 2 above \$300,000, it's just sort of, one minute, that keeps growing, right,
 3 substantially. And so I think *that's driving it more than a COVID reaction.* But
 again, it's hard to sort of separate out each of those components, but that would be
 my view.

4 64. On December 3, 2020, DocuSign held an earnings conference call for its third
 5 quarter fiscal 2021. During the call, Defendant Springer again projected sustained demand for
 6 DocuSign's services that would continue even after pandemic restrictions were lifted, stating:

7 As COVID-19 has accelerated the digital transformation of key business and
 8 agreement processes, DocuSign has become an increasingly essential cloud
 9 software platform. The last few quarters of heightened demand have offered a
 glimpse into the long-term growth opportunity we have.

10 When customers go from paper-based processes to digital agreement processes,
 11 *they do not go back. We believe that trend will hold when the pandemic subsides,
 and the DocuSign's value will persist no matter how the future of work unfolds.*

12 65. On March 11, 2021, during the Company's quarterly earnings call for the fourth
 13 quarter fiscal 2021, Defendant Springer further explained:

14 As a team, DocuSign was honored to play a role supporting people all over the
 15 world as they responded to the pandemic. We gained new customers, we expanded
 our relationship with others and we saw a surge in adoption of our products as
 16 accelerating a trend already under way, the digital transformation of agreements.

17 *As a result, we don't believe our new or expanded customers will be going back
 to paper even after the pandemic recedes.* We also don't believe life will go back
 18 to the way it was before. Of course, many in-person activities will be welcomed
 back. *But when people found better ways during the pandemic, we believe those
 will continue and flourish, whether it's total or partial work from home, virtual
 19 visits to medical professionals or getting a document notarized remotely.*

20 66. During the same call, on the question of whether demand would decrease as
 21 COVID-19 pandemic restrictions were lifted, Defendant Springer represented:

22 People aren't going back to paper. They're not going back to manual processing.
 23 So the real question, I think, is interesting in your question is, will that rate of new
 24 people coming to us change with -- as we start to move into some sort of return to
 "normalcy". *We haven't seen any change yet.*

25 67. During DocuSign's first-ever analyst day on March 24, 2021, the Securities
 26 Defendants repeatedly refuted the idea that DocuSign was merely a "work-from-home stock" that
 27

would only temporarily benefit from unique pandemic circumstances. For example, Gaylor, the Company's Chief Financial Officer, assured investors that "the permanence of the trends we've been seeing across the business look like they're really here to stay," and that the Company "expect[ed] to continue to see strong growth rates" even as pandemic mitigation efforts changed and ended.

68. Similarly, in response to a question from Annie Leschin, the Company's Vice President of Investor Relations, about "how investors should think about DocuSign postpandemic," Defendant Springer explained that "the transformation that our customers are undergoing and leveraging DocuSign to drive . . . is not a short-term thing," and that "we have a significant amount of time ahead of us for this kind of very aggressive growth."

69. On its June 3, 2021, earnings call announcing financial results for the first quarter of its 2022 fiscal year, Defendant Springer predicted that the trend toward digital signature platforms would "accelerate":

What began as an urgent need has now transformed into a strategic priority. And as a result, DocuSign has become an indispensable part of many organizations' business processes. Put another way, once businesses digitally transform their agreement processes, they simply don't go back. *We believe this trend will only accelerate as the anywhere economy continues to emerge.*

We're seeing that the phenomenon of that strong customer growth is why you see the net retention rate so high.

So the phenomenon that people, once they see the benefits of the digital transformation, and particularly around the Agreement Cloud from having opportunity to grow their business with us, they don't go back. In fact, they look for additional opportunities to expand. So I don't think -- *we don't talk about the Q1 pull forward like it was some fixed amount to pull forward that pays Peter and takes in Paul.* We look at it as just an increasing demand We are still in the early days, even of just the eSignature business. Our penetration is so low that it's a very, very large ocean from which we're pulling forward that continued strong customer demand.

And quite frankly, if you think about during COVID, we didn't see the nature of the signature transactions different. They just were faster, right? And so we saw again that acceleration occurred. And as Cynthia pointed out, you know, as we're kind of rounding those quarters, and in many ways, *I think starting to move into whatever the new normal will be, we're still seeing sort of an accelerated rate of that customer demand.* But I wouldn't say it's the size of the transactions are bigger.

70. During the same call, when analyst Alex Zukin from Wolfe Research stated that DocuSign was not “just the COVID stock,” and that the Company is “very well positioned to actually . . . grow right through this and be even better positioned on the other side,” Defendant Springer agreed, stating that “I think you nailed it,” and that “that’s exactly what we’re seeing.” Defendant Springer emphasized that “[w]e look at it as just an increasing demand.”

71. Similarly, during the Bank of America Securities Global Technology Conference on June 9, 2021, in response to a question from Brad Sills of Bank of America about anticipated demand for DocuSign’s services as the economy reopens, Gaylor stated while “we wouldn’t expect these accelerated growth rates to last forever . . . because we’re so early in that addressable market and there’s so much paper, to not use on the planet. We think that this will just continue for a long time to come, and we’ll continue to grow at very strong growth rates.”

72. On a September 2, 2021, earnings call for the second quarter of fiscal 2022, Defendant Springer stated, in relevant part:

We are helping organizations of all sizes leverage the power of the Agreement Cloud to digitize the foundation of doing business, the agreement process. ***Not only do customers see DocuSign as a vital part of their response to COVID. Many have also seen a better way of doing business from anywhere. And we believe that will become their new normal.***

73. Responding to a question from Wolfe Research analyst Alex Zukin about changes in the marketplace, Defendant Springer stated that “we feel good. We feel like we’re seeing a lot of demand I do think we’re going to continue to have strong growth rates . . . we’re not seeing any differences in churn rates in any meaningful way” and “customers very rarely leave us.”

74. Defendant Springer further explained that the Company’s guidance for the third quarter of fiscal year 2022, which indicated slightly slower growth than in the previous few quarters, was “[not] indicative of any sort of significant slowing in the business,” as “the numbers are strong” and “[w]e’re continuing to add a large number of new customers each quarter.”

75. The Securities Defendants continued to reassure investors about the sustainability of DocuSign’s growth during several analyst conferences in September 2021. First, on September

8, 2021, during Wolfe Research’s Inaugural TMT Conference, Gaylor explained that customers “who came to us for a specific COVID use case that they no longer have” are “the vast minority” of users.

76. Similarly, during Citi’s 2020 Global Technology Virtual Conference on September 13, 2021, Defendant Springer highlighted that “we think this is going to be a high-growth software company, [in] e-signature for years and years to come.” Likewise, during the Piper Sandler 2021 Virtual Global Technology Conference that same day, Gaylor represented that while the Company did not expect its COVID-era growth rates to persist forever, “there is still a lot of runway” across “a \$50 billion market opportunity.”

77. During the Jefferies Software Conference held the following day, Gaylor emphasized that “we don’t expect that level of growth at this scale to continue, but that doesn’t mean that we won’t have strong growth kind of for the foreseeable future.”

78. The above statements were materially false and misleading, and failed to disclose material adverse facts, about the Company’s business and operations. Specifically, the Securities Defendants misrepresented and/or failed to disclose that: (i) much of DocuSign’s accelerated growth in 2020 and early 2021 was attributable to COVID-19 pandemic restrictions rather than a sustainable shift in demand for the Company’s services; (ii) demand for DocuSign’s services was, in fact, waning as COVID-19 pandemic restrictions were being lifted; and (iii) as a result, Defendants’ statements about the Company’s business, operations, and prospects lacked a reasonable basis.

The Truth Emerges

79. The public began to learn the truth about the Company’s prospects on December 2, 2021, when DocuSign announced its third quarter fiscal 2022 financial results and provided guidance for the fourth quarter of fiscal 2022. Specifically, DocuSign reported third quarter fiscal 2022 billings of just \$565.2 million, short of previous third-quarter fiscal 2022 guidance for between \$585 million and \$597 million. The Company’s fourth-quarter fiscal 2022 guidance

provided, in pertinent part, midpoint revenue guidance of \$560 million, missing analysts' consensus estimates of \$573.8 million, and billings guidance of \$653 million, missing consensus estimates of \$705.4 million.

80. During DocuSign's third-quarter fiscal 2022 earnings call that same day, Defendants explained that billings growth for the third quarter of fiscal 2022 was lower than expected, explaining that "we fell short of our billings guidance, coming in at 28% year-over-year growth."

81. Defendant Springer explained that the slowdown was occurring because the growth boost from the COVID-19 pandemic had dissipated earlier than expected:

The market dynamics that we saw in the third quarter were markedly different from what we experienced in the first half of this year. ***With the boost from COVID-19 over the past year and a half, we experienced exceptionally high growth rates at scale as we captured customer demand at an unprecedented pace.*** As we move through Q3 and into the second half of the year, ***we saw demand slow and the urgency of customers' buying patterns temper. While we had expected an eventual step-down from the peak levels of growth achieved during the height of the pandemic, the environment shifted more quickly than we anticipated, and these were the primary contributors to our billing results in Q3 and our outlook for Q4.***

[W]e actually expected to see more of that impact coming out of the kind of the COVID extra demand we had experienced. And we didn't, right? And so, we ended up outperforming in the first half by probably more than we expected. ***But in the second half, we saw this now come in much more dramatically in terms of that impact of the removal of that tailwind, if you will.*** And I think there's sort of two components to it. One, that there is just sort of a change in the buying urgency we've seen from customers. And throughout the COVID era, we had a lot of folks who really needed to get things in place, particularly if they had a large part of their employee base working from home and needed to leverage the benefits of the work-from-anywhere solutions that we have at DocuSign.

82. Defendant Springer further admitted: "we always expected there to be a reduction of that really heightened COVID buying, which drove our growth rates dramatically higher than they had ever been even as we got bigger. So we expected that."

83. Defendant Gaylor also explained that the Company had seen "customers shift their buying patterns in the third quarter" and that Defendants "had expected this to happen more gradually" but experienced "more notable shift . . . than anticipated[.]"

84. In response to this news, the price of DocuSign common stock declined \$98.73 per share, or more than 42%, from a close of \$233.82 per share on December 2, 2021, to close at \$135.09 per share on December 3, 2021.

85. However, even after the Company's December 2, 2021 disclosures, DocuSign's stock price remained artificially inflated as the Securities Defendants continued to reassure the market that demand for the Company's eSignature and CLM products would continue to drive future growth. In particular, during the December 2, 2021 Earnings Call, Defendant Springer assured investors that "*even as the pandemic subsides and people begin to return to the office, they are not returning to paper. eSignature and the broader Agreement Cloud are clearly here to stay*, and DocuSign's value will persist no matter how the future of work unfolds."

86. On March 10, 2022, the relevant truth concerning the temporary, COVID-fueled nature of DocuSign's prior record billings growth was further partially revealed. Specifically, on March 10, 2022, after the market closed, DocuSign released its financial results for the fourth quarter 2022 wherein the Company revealed that its year-over-year billings growth had decreased to 25% for the quarter—the lowest billings growth DocuSign had ever experienced as a public Company and a 21% decrease from the same quarter a year prior. Moreover, DocuSign disclosed that its billings guidance for the fiscal year ending January 31, 2023, would be between \$2.71 billion and \$2.73 billion, representing a substantial slowdown in billings growth. Additionally, the Company announced the planned resignation of Defendant Alhadeff, whose responsibilities as CRO primarily included driving sales within the Company.

87. Also on March 10, 2022, DocuSign held an earnings call, discussing the Company's fourth-quarter 2022 financial results. During that call, Defendant Springer attributed the Company's poor billings growth and lower billings guidance to waning demand for the Company's product as companies returned to in-person work environments. Specifically, Defendant Springer stated "[i]n the second half of the year, there were more challenging macro conditions impacting our customers' priorities. *We saw a diminished level of urgency in their*

buying patterns” and “[a]s we saw urgent demand wane, we have just begun to shift in our sales motion, back to a demand generation mode of cross-sell, upsell and departmental expansion.” On this news, on March 11, 2022, the first trading day following the release of DocuSign’s 25% billings growth rate, DocuSign’s stock price dropped precipitously, falling \$18.87 per share, or **over 20%**, to close at \$75.01—the lowest price per share for DocuSign stock since March 2020, thereby erasing the entirety of DocuSign’s stock price gains during the COVID-19 pandemic.

88. On June 9, 2022, the whole truth was revealed concerning the temporary nature of the demand for DocuSign’s products during the COVID-19 pandemic. Specifically, after the market closed, DocuSign released its financial results for the first quarter 2023. The Company revealed that its year-over-year billings growth had only increased **16%** for the quarter—the lowest billings growth DocuSign had ever experienced as a public Company. Moreover, DocuSign lowered its billings guidance for the second quarter of 2023 by approximately \$200 million, representing even lower growth moving forward into the third quarter of 2023.

89. On this news, the price of DocuSign’s stock fell further or \$21.43 per share, or **over 24.5%**, to close at \$65.93 on June 10, 2022, the first trading day after the Company’s earnings announcement.

Insider Trading By The Inside-Trading Defendants

90. Between March 27, 2020 and June 8, 2022, while the stock price of DocuSign was artificially inflated by Defendants’ false and misleading statements, the Insider-Trading Defendants sold:⁷

a. Defendant Springer

Date of Sale	Transaction Code	Shares Sold	Share Price	Total Proceeds
6/15/2020	F - Taxes	90,497	\$162.69	\$14,722,957
9/15/2020	F - Taxes	74,657	\$202.95	\$15,151,638
12/15/2020	F - Taxes	74,659	\$228.33	\$17,046,889
2/1/2021	S - Sale	800	\$233.46	\$186,765

⁷ The information in the below charts comes from the website Fintel, where it is publicly available. <https://fintel.io/>, last visited August 10, 2022.

2/1/2021	S - Sale	12,285	\$232.53	\$2,856,681
2/1/2021	S - Sale	34,076	\$231.51	\$7,888,850
2/1/2021	S - Sale	91,972	\$230.73	\$21,220,286
2/1/2021	S - Sale	115,742	\$229.75	\$26,591,759
2/1/2021	S - Sale	31,364	\$228.67	\$7,172,103
2/1/2021	S - Sale	29,738	\$227.83	\$6,775,194
2/1/2021	S - Sale	26,802	\$226.50	\$6,070,535
2/1/2021	S - Sale	13,700	\$225.42	\$3,088,207
3/15/2021	F - Taxes	74,658	\$210.34	\$15,703,564
6/15/2021	F - Taxes	12,655	\$257.26	\$3,255,625
9/15/2021	F - Taxes	13,735	\$267.98	\$3,680,705
12/15/2021	F - Taxes	13,737	\$144.46	\$1,984,447
3/15/2022	F - Taxes	11,753	\$73.24	\$860,790
Total		722,830		\$154,256,995

b. Defendant Gaylord

Date of Sale	Transaction Code	Shares Sold	Share Price	Total Proceeds
11/29/2020	F - Taxes	66	\$226.87	\$14,973
12/5/2020	F - Taxes	40	\$243.22	\$9,729
2/28/2021	F - Taxes	93	\$226.87	\$21,099
3/5/2021	F - Taxes	66	\$210.62	\$13,901
5/28/2021	F - Taxes	90	\$199.40	\$17,946
6/5/2021	F - Taxes	83	\$233.24	\$19,359
9/5/2021	F - Taxes	101	\$310.05	\$31,315
9/15/2021	F - Taxes	6,274	\$267.98	\$1,681,307
11/8/2021	S - Sale	1,326	\$275.22	\$364,942
11/8/2021	S - Sale	2,209	\$274.30	\$605,925
11/8/2021	S - Sale	1,200	\$273.28	\$327,935
11/8/2021	S - Sale	389	\$272.16	\$105,871
11/8/2021	S - Sale	202	\$269.42	\$54,423
11/8/2021	S - Sale	657	\$267.72	\$175,894
12/5/2021	F - Taxes	165	\$135.09	\$22,290
12/15/2021	F - Taxes	2,092	\$144.46	\$302,210
3/15/2022	F - Taxes	1,502	\$73.24	\$110,006
Total		16,555		\$3,879,125

c. Defendant Olrich

Date of Sale	Transaction Code	Shares Sold	Share Price	Total Proceeds
3/16/2020	F - Taxes	12,017	\$77.32	\$929,154
4/8/2020	S - Sale	121	\$90.16	\$10,909
4/8/2020	S - Sale	586	\$89.68	\$52,552
4/8/2020	S - Sale	803	\$88.59	\$71,138

1	4/8/2020	S - Sale	202	\$87.43	\$17,661
	4/8/2020	S - Sale	288	\$86.41	\$24,886
2	5/8/2020	S - Sale	1,835	\$119.91	\$220,035
	5/8/2020	S - Sale	1,500	\$118.98	\$178,470
3	5/8/2020	S - Sale	1,500	\$117.83	\$176,745
	5/8/2020	S - Sale	2,165	\$116.83	\$252,937
4	5/13/2020	S - Sale	900	\$123.48	\$111,132
5	5/13/2020	S - Sale	801	\$122.05	\$97,762
	5/13/2020	S - Sale	1,107	\$121.16	\$134,124
6	5/13/2020	S - Sale	1,200	\$119.46	\$143,352
	5/13/2020	S - Sale	2,592	\$118.62	\$307,463
7	5/13/2020	S - Sale	200	\$117.24	\$23,448
8	5/13/2020	S - Sale	200	\$116.28	\$23,256
	5/20/2020	S - Sale	700	\$134.03	\$93,821
9	5/20/2020	S - Sale	1,200	\$133.19	\$159,828
	5/20/2020	S - Sale	1,200	\$132.19	\$158,628
10	5/20/2020	S - Sale	500	\$131.07	\$65,535
	5/20/2020	S - Sale	1,311	\$129.97	\$170,391
11	5/20/2020	S - Sale	1,289	\$128.84	\$166,075
12	5/20/2020	S - Sale	800	\$127.95	\$102,360
	5/27/2020	S - Sale	500	\$126.58	\$63,290
13	5/27/2020	S - Sale	1,300	\$125.73	\$163,449
	5/27/2020	S - Sale	1,900	\$124.69	\$236,911
14	5/27/2020	S - Sale	1,000	\$123.83	\$123,829
15	5/27/2020	S - Sale	700	\$122.31	\$85,617
	5/27/2020	S - Sale	800	\$121.49	\$97,192
16	5/27/2020	S - Sale	600	\$120.32	\$72,192
	5/27/2020	S - Sale	200	\$118.83	\$23,766
17	6/3/2020	S - Sale	559	\$149.40	\$83,515
18	6/3/2020	S - Sale	1,700	\$148.69	\$252,773
	6/3/2020	S - Sale	2,128	\$147.33	\$313,518
19	6/3/2020	S - Sale	2,613	\$146.53	\$382,883
20	6/10/2020	S - Sale	600	\$149.26	\$89,556
	6/10/2020	S - Sale	3,211	\$148.27	\$476,095
21	6/10/2020	S - Sale	1,619	\$147.33	\$238,527
	6/10/2020	S - Sale	1,000	\$146.20	\$146,200
22	6/10/2020	S - Sale	570	\$144.98	\$82,639
23	6/15/2020	F - Taxes	13,918	\$162.69	\$2,264,319
	7/8/2020	S - Sale	186	\$206.43	\$38,396
24	7/8/2020	S - Sale	400	\$205.56	\$82,224
	7/8/2020	S - Sale	1,600	\$204.34	\$326,944
25	7/8/2020	S - Sale	2,300	\$203.66	\$468,418
	7/8/2020	S - Sale	800	\$202.59	\$162,072
26	7/8/2020	S - Sale	514	\$201.16	\$103,396
27	8/12/2020	S - Sale	100	\$196.59	\$19,659

1	8/12/2020	S - Sale	600	\$195.18	\$117,108
	8/12/2020	S - Sale	800	\$194.31	\$155,448
2	8/12/2020	S - Sale	1,186	\$193.48	\$229,467
	8/12/2020	S - Sale	2,000	\$192.47	\$384,940
3	8/12/2020	S - Sale	914	\$191.67	\$175,186
	8/12/2020	S - Sale	200	\$190.32	\$38,064
4	9/9/2020	S - Sale	200	\$214.40	\$42,880
	9/9/2020	S - Sale	900	\$213.50	\$192,150
5	9/9/2020	S - Sale	956	\$212.49	\$203,140
	9/9/2020	S - Sale	1,600	\$211.43	\$338,288
6	9/9/2020	S - Sale	744	\$210.27	\$156,441
	9/9/2020	S - Sale	500	\$209.04	\$104,520
7	9/9/2020	S - Sale	500	\$207.99	\$103,995
	9/9/2020	S - Sale	400	\$206.89	\$82,756
8	10/7/2020	S - Sale	200	\$226.42	\$45,284
	10/7/2020	S - Sale	1,000	\$225.78	\$225,780
9	10/7/2020	S - Sale	1,557	\$224.70	\$349,858
	10/7/2020	S - Sale	2,543	\$223.88	\$569,327
10	10/7/2020	S - Sale	500	\$222.66	\$111,330
	11/11/2020	S - Sale	1,002	\$208.33	\$208,747
11	11/11/2020	S - Sale	1,500	\$207.44	\$311,160
	11/11/2020	S - Sale	800	\$206.51	\$165,208
12	11/11/2020	S - Sale	600	\$205.29	\$123,174
	11/11/2020	S - Sale	1,400	\$204.23	\$285,922
13	11/11/2020	S - Sale	498	\$202.53	\$100,860
	12/9/2020	S - Sale	270	\$233.01	\$62,913
14	12/9/2020	S - Sale	100	\$230.96	\$23,096
	12/9/2020	S - Sale	900	\$229.64	\$206,677
15	12/9/2020	S - Sale	1,300	\$228.44	\$296,970
	12/9/2020	S - Sale	200	\$226.96	\$45,392
16	12/9/2020	S - Sale	200	\$225.86	\$45,172
	12/9/2020	S - Sale	300	\$224.92	\$67,475
17	12/9/2020	S - Sale	500	\$223.56	\$111,778
	12/9/2020	S - Sale	800	\$222.68	\$178,146
18	12/9/2020	S - Sale	930	\$221.35	\$205,857
	12/9/2020	S - Sale	300	\$220.39	\$66,116
19	12/15/2020	F - Taxes	14,648	\$228.33	\$3,344,578
	1/6/2021	S - Sale	600	\$227.82	\$136,689
20	1/6/2021	S - Sale	1,100	\$227.00	\$249,696
	1/6/2021	S - Sale	1,207	\$225.82	\$272,565
21	1/6/2021	S - Sale	900	\$224.96	\$202,468
	1/6/2021	S - Sale	806	\$223.66	\$180,268
22	1/6/2021	S - Sale	387	\$222.36	\$86,054
	1/6/2021	S - Sale	500	\$221.27	\$110,634
23	1/6/2021	S - Sale	300	\$219.59	\$65,878

1	2/10/2021	S - Sale	100	\$261.42	\$26,142
	2/10/2021	S - Sale	500	\$260.24	\$130,118
2	2/10/2021	S - Sale	700	\$259.29	\$181,504
	2/10/2021	S - Sale	800	\$258.11	\$206,484
3	2/10/2021	S - Sale	1,104	\$256.77	\$283,479
	2/10/2021	S - Sale	1,596	\$255.57	\$407,889
4	2/10/2021	S - Sale	400	\$254.42	\$101,768
	2/10/2021	S - Sale	200	\$253.20	\$50,639
5	2/10/2021	S - Sale	400	\$251.96	\$100,782
	3/10/2021	S - Sale	182	\$220.42	\$40,116
6	3/10/2021	S - Sale	200	\$219.44	\$43,888
	3/10/2021	S - Sale	400	\$218.21	\$87,285
7	3/10/2021	S - Sale	400	\$216.83	\$86,732
	3/10/2021	S - Sale	700	\$214.35	\$150,046
8	3/10/2021	S - Sale	1,700	\$213.56	\$363,059
	3/10/2021	S - Sale	1,818	\$212.66	\$386,611
9	3/10/2021	S - Sale	400	\$211.36	\$84,545
	3/15/2021	F - Taxes	13,956	\$210.34	\$2,935,505
10	4/7/2021	S - Sale	1,000	\$207.53	\$207,533
	4/7/2021	S - Sale	1,941	\$206.17	\$400,184
11	4/7/2021	S - Sale	2,859	\$205.48	\$587,462
	5/11/2021	S - Sale	370	\$195.92	\$72,489
12	5/11/2021	S - Sale	139	\$194.59	\$27,048
	5/11/2021	S - Sale	20	\$193.06	\$3,861
13	5/11/2021	S - Sale	44	\$190.23	\$8,370
	5/11/2021	S - Sale	38	\$188.90	\$7,178
14	5/11/2021	S - Sale	66	\$188.11	\$12,415
	5/11/2021	S - Sale	88	\$187.17	\$16,471
15	5/11/2021	S - Sale	23	\$183.39	\$4,218
	5/11/2021	S - Sale	47	\$181.44	\$8,528
16	5/11/2021	S - Sale	3,044	\$196.17	\$597,144
	5/11/2021	S - Sale	3,200	\$195.48	\$625,527
17	5/11/2021	S - Sale	1,700	\$194.41	\$330,501
	5/11/2021	S - Sale	100	\$192.85	\$19,285
18	5/11/2021	S - Sale	200	\$191.81	\$38,362
	5/11/2021	S - Sale	401	\$190.21	\$76,273
19	5/11/2021	S - Sale	500	\$189.36	\$94,680
	5/11/2021	S - Sale	1,000	\$188.12	\$188,117
20	5/11/2021	S - Sale	1,300	\$187.23	\$243,399
	5/11/2021	S - Sale	300	\$185.84	\$55,751
21	5/11/2021	S - Sale	300	\$182.93	\$54,880
	5/11/2021	S - Sale	455	\$181.49	\$82,578
22	5/11/2021	S - Sale	3,262	\$196.17	\$639,892
	5/11/2021	S - Sale	3,395	\$195.48	\$663,655
23	5/11/2021	S - Sale	1,796	\$194.41	\$349,162

1	5/11/2021	S - Sale	120	\$192.89	\$23,146
	5/11/2021	S - Sale	200	\$191.81	\$38,362
2	5/11/2021	S - Sale	445	\$190.21	\$84,643
	5/11/2021	S - Sale	538	\$189.33	\$101,858
3	5/11/2021	S - Sale	1,066	\$188.12	\$200,532
	5/11/2021	S - Sale	1,388	\$187.23	\$259,870
4	5/11/2021	S - Sale	300	\$185.84	\$55,751
	5/11/2021	S - Sale	323	\$182.97	\$59,098
5	5/11/2021	S - Sale	502	\$181.49	\$91,105
	6/8/2021	S - Sale	38	\$246.29	\$9,359
6	6/8/2021	S - Sale	29	\$244.80	\$7,099
	6/8/2021	S - Sale	125	\$243.54	\$30,443
7	6/8/2021	S - Sale	433	\$242.67	\$105,077
	6/8/2021	S - Sale	178	\$241.67	\$43,018
8	6/8/2021	S - Sale	32	\$240.32	\$7,690
	6/8/2021	S - Sale	100	\$246.52	\$24,652
9	6/8/2021	S - Sale	400	\$245.70	\$98,279
	6/8/2021	S - Sale	600	\$244.68	\$146,809
10	6/8/2021	S - Sale	2,700	\$243.52	\$657,508
	6/8/2021	S - Sale	5,559	\$242.63	\$1,348,767
11	6/8/2021	S - Sale	2,619	\$241.65	\$632,880
	6/8/2021	S - Sale	522	\$240.33	\$125,452
12	6/15/2021	F - Taxes	14,647	\$257.26	\$3,768,087
	7/13/2021	S - Sale	62	\$287.94	\$17,852
13	7/13/2021	S - Sale	182	\$287.05	\$52,243
	7/13/2021	S - Sale	216	\$286.13	\$61,805
14	7/13/2021	S - Sale	86	\$285.13	\$24,521
	7/13/2021	S - Sale	241	\$284.16	\$68,481
15	7/13/2021	S - Sale	48	\$282.92	\$13,580
	7/13/2021	S - Sale	1,537	\$287.70	\$442,189
16	7/13/2021	S - Sale	3,599	\$286.73	\$1,031,955
	7/13/2021	S - Sale	2,100	\$285.84	\$600,254
17	7/13/2021	S - Sale	3,300	\$284.52	\$938,926
	7/13/2021	S - Sale	1,964	\$283.51	\$556,821
18	8/10/2021	S - Sale	40	\$313.28	\$12,531
	8/10/2021	S - Sale	68	\$311.98	\$21,215
19	8/10/2021	S - Sale	126	\$310.79	\$39,160
	8/10/2021	S - Sale	24	\$308.74	\$7,410
20	8/10/2021	S - Sale	16	\$307.97	\$4,927
	8/10/2021	S - Sale	108	\$307.20	\$33,178
21	8/10/2021	S - Sale	132	\$305.80	\$40,365
	8/10/2021	S - Sale	72	\$304.59	\$21,931
22	8/10/2021	S - Sale	112	\$302.52	\$33,882
	8/10/2021	S - Sale	137	\$301.48	\$41,302
23	8/10/2021	S - Sale	297	\$314.11	\$93,292

1	8/10/2021	S - Sale	500	\$312.76	\$156,378
	8/10/2021	S - Sale	1,200	\$312.04	\$374,452
2	8/10/2021	S - Sale	1,600	\$311.03	\$497,652
	8/10/2021	S - Sale	200	\$309.72	\$61,944
3	8/10/2021	S - Sale	200	\$308.57	\$61,713
	8/10/2021	S - Sale	705	\$307.68	\$216,914
4	8/10/2021	S - Sale	1,500	\$306.68	\$460,026
	8/10/2021	S - Sale	1,500	\$305.33	\$457,988
5	8/10/2021	S - Sale	1,142	\$304.35	\$347,568
	8/10/2021	S - Sale	381	\$302.95	\$115,425
6	8/10/2021	S - Sale	1,900	\$302.26	\$574,296
	8/10/2021	S - Sale	1,375	\$301.24	\$414,208
7	9/14/2021	S - Sale	95	\$272.08	\$25,847
	9/14/2021	S - Sale	220	\$271.29	\$59,684
8	9/14/2021	S - Sale	157	\$270.19	\$42,421
	9/14/2021	S - Sale	174	\$269.14	\$46,830
9	9/14/2021	S - Sale	189	\$267.78	\$50,610
	9/14/2021	S - Sale	2,214	\$271.75	\$601,662
10	9/14/2021	S - Sale	2,824	\$270.92	\$765,084
	9/14/2021	S - Sale	2,400	\$269.95	\$647,886
11	9/14/2021	S - Sale	2,404	\$268.97	\$646,608
	9/14/2021	S - Sale	2,658	\$267.74	\$711,653
12	9/15/2021	F - Taxes	2,902	\$267.98	\$777,678
	10/12/2021	S - Sale	10	\$261.95	\$2,620
13	10/12/2021	S - Sale	24	\$260.34	\$6,248
	10/12/2021	S - Sale	28	\$259.25	\$7,259
14	10/12/2021	S - Sale	59	\$258.45	\$15,249
	10/12/2021	S - Sale	93	\$256.98	\$23,899
15	10/12/2021	S - Sale	49	\$255.83	\$12,536
	10/12/2021	S - Sale	244	\$254.18	\$62,021
16	10/12/2021	S - Sale	162	\$253.00	\$40,986
	10/12/2021	S - Sale	100	\$252.24	\$25,224
17	10/12/2021	S - Sale	66	\$251.03	\$16,568
	10/12/2021	S - Sale	157	\$261.95	\$41,126
18	10/12/2021	S - Sale	200	\$260.19	\$52,038
	10/12/2021	S - Sale	500	\$259.21	\$129,605
19	10/12/2021	S - Sale	600	\$258.65	\$155,190
	10/12/2021	S - Sale	1,400	\$257.27	\$360,176
20	10/12/2021	S - Sale	900	\$255.93	\$230,341
	10/12/2021	S - Sale	766	\$254.69	\$195,094
21	10/12/2021	S - Sale	3,477	\$254.08	\$883,450
	10/12/2021	S - Sale	1,600	\$252.93	\$404,694
22	10/12/2021	S - Sale	1,800	\$252.07	\$453,720
	10/12/2021	S - Sale	1,100	\$250.96	\$276,056
23	11/9/2021	S - Sale	41	\$278.90	\$11,435

1	11/9/2021	S - Sale	42	\$277.33	\$11,648
	11/9/2021	S - Sale	204	\$276.47	\$56,399
2	11/9/2021	S - Sale	374	\$275.35	\$102,980
	11/9/2021	S - Sale	174	\$274.63	\$47,785
3	11/9/2021	S - Sale	157	\$261.95	\$41,126
	11/9/2021	S - Sale	200	\$260.19	\$52,038
4	11/9/2021	S - Sale	500	\$259.21	\$129,605
	11/9/2021	S - Sale	600	\$258.65	\$155,190
5	11/9/2021	S - Sale	1,400	\$257.27	\$360,176
	11/9/2021	S - Sale	900	\$255.93	\$230,341
6	11/9/2021	S - Sale	766	\$254.69	\$195,094
	11/9/2021	S - Sale	3,477	\$254.08	\$883,450
7	11/9/2021	S - Sale	1,600	\$252.93	\$404,694
	11/9/2021	S - Sale	1,800	\$252.07	\$453,720
8	11/9/2021	S - Sale	1,100	\$250.96	\$276,056
	12/14/2021	S - Sale	60	\$145.87	\$8,752
9	12/14/2021	S - Sale	55	\$144.98	\$7,974
	12/14/2021	S - Sale	266	\$144.06	\$38,320
10	12/14/2021	S - Sale	280	\$142.98	\$40,033
	12/14/2021	S - Sale	44	\$141.79	\$6,239
11	12/14/2021	S - Sale	40	\$140.64	\$5,625
	12/14/2021	S - Sale	43	\$139.13	\$5,982
12	12/14/2021	S - Sale	47	\$138.23	\$6,497
	12/14/2021	S - Sale	1,300	\$145.50	\$189,154
13	12/14/2021	S - Sale	3,160	\$144.52	\$456,687
	12/14/2021	S - Sale	2,888	\$143.52	\$414,475
14	12/14/2021	S - Sale	2,811	\$142.72	\$401,179
	12/14/2021	S - Sale	600	\$141.33	\$84,799
15	12/14/2021	S - Sale	900	\$140.21	\$126,189
	12/14/2021	S - Sale	400	\$139.11	\$55,644
16	12/14/2021	S - Sale	441	\$137.76	\$60,752
	12/15/2021	F - Taxes	2,901	\$144.46	\$419,078
17	1/11/2022	S - Sale	38	\$145.47	\$5,528
	1/11/2022	S - Sale	53	\$144.50	\$7,658
18	1/11/2022	S - Sale	57	\$143.39	\$8,173
	1/11/2022	S - Sale	551	\$142.39	\$78,459
19	1/11/2022	S - Sale	61	\$141.15	\$8,610
	1/11/2022	S - Sale	75	\$139.08	\$10,431
20	1/11/2022	S - Sale	900	\$145.20	\$130,683
	1/11/2022	S - Sale	1,000	\$144.16	\$144,155
21	1/11/2022	S - Sale	1,700	\$142.84	\$242,826
	1/11/2022	S - Sale	7,258	\$142.24	\$1,032,355
22	1/11/2022	S - Sale	500	\$140.99	\$70,493
	1/11/2022	S - Sale	700	\$139.02	\$97,311
23	1/11/2022	S - Sale	442	\$138.43	\$61,185

1	2/8/2022	S - Sale	137	\$121.92	\$16,703
2	2/8/2022	S - Sale	365	\$121.30	\$44,275
3	2/8/2022	S - Sale	123	\$119.91	\$14,749
4	2/8/2022	S - Sale	133	\$118.61	\$15,774
5	2/8/2022	S - Sale	77	\$117.36	\$9,037
6	2/8/2022	S - Sale	1,300	\$122.05	\$158,665
7	2/8/2022	S - Sale	5,246	\$121.45	\$637,141
8	2/8/2022	S - Sale	2,000	\$120.57	\$241,134
9	2/8/2022	S - Sale	1,600	\$119.41	\$191,053
10	2/8/2022	S - Sale	1,400	\$118.35	\$165,683
11	2/8/2022	S - Sale	954	\$117.21	\$111,819
12	3/15/2022	F - Taxes	2,903	\$73.24	\$212,616
13	3/29/2022	S - Sale	88	\$110.61	\$9,734
14	3/29/2022	S - Sale	747	\$109.92	\$82,110
15	3/29/2022	S - Sale	10,000	\$110.33	\$1,103,291
16	3/29/2022	S - Sale	2,500	\$109.42	\$273,555
17	4/5/2022	S - Sale	49	\$111.72	\$5,474
18	4/5/2022	S - Sale	86	\$110.76	\$9,525
19	4/5/2022	S - Sale	120	\$109.41	\$13,129
20	4/5/2022	S - Sale	293	\$111.75	\$32,744
21	4/5/2022	S - Sale	1,300	\$110.86	\$144,117
22	4/5/2022	S - Sale	2,355	\$109.45	\$257,762
23	Total		344,115		\$66,923,057

d. Defendant Salem

Date of Sale	Transaction Code	Shares Sold	Share Price	Total Proceeds
3/30/2020	S - Sale	350,000	\$85.50	\$29,925,000
7/2/2020	S - Sale	100	\$194.98	\$19,498
7/2/2020	S - Sale	1,941	\$194.33	\$377,204
7/2/2020	S - Sale	1,500	\$193.47	\$290,198
7/2/2020	S - Sale	2,000	\$192.29	\$384,573
7/2/2020	S - Sale	3,735	\$191.01	\$713,434
7/2/2020	S - Sale	4,647	\$189.78	\$881,922
7/2/2020	S - Sale	4,784	\$189.17	\$905,000
7/2/2020	S - Sale	5,700	\$188.00	\$1,071,584
7/2/2020	S - Sale	4,810	\$187.10	\$899,966
7/2/2020	S - Sale	6,003	\$185.94	\$1,116,195
7/2/2020	S - Sale	4,805	\$185.15	\$889,657
7/2/2020	S - Sale	3,200	\$183.88	\$588,419
7/2/2020	S - Sale	2,100	\$182.67	\$383,616
7/2/2020	S - Sale	2,920	\$182.01	\$531,481
7/2/2020	S - Sale	1,000	\$180.26	\$180,257
7/6/2020	S - Sale	15,000	\$197.69	\$2,965,382

1	9/18/2020	S - Sale	11,715	\$194.97	\$2,284,102
2	9/18/2020	S - Sale	1,700	\$193.77	\$329,414
3	9/18/2020	S - Sale	4,897	\$192.67	\$943,524
4	9/18/2020	S - Sale	7,300	\$191.72	\$1,399,548
5	9/18/2020	S - Sale	8,263	\$190.71	\$1,575,857
6	9/18/2020	S - Sale	9,616	\$189.80	\$1,825,102
7	9/18/2020	S - Sale	5,808	\$188.87	\$1,096,937
8	9/29/2020	S - Sale	7,500	\$215.75	\$1,618,125
9	9/29/2020	S - Sale	7,500	\$212.95	\$1,597,125
10	4/7/2021	S - Sale	7,500	\$205.49	\$1,541,175
11	4/8/2021	S - Sale	7,500	\$212.30	\$1,592,250
12	6/17/2021	S - Sale	1,336	\$261.09	\$348,820
13	6/17/2021	S - Sale	16,164	\$260.48	\$4,210,468
14	6/17/2021	S - Sale	1,704	\$260.07	\$443,156
15	6/17/2021	S - Sale	35,760	\$259.56	\$9,281,758
16	7/1/2021	S - Sale	10,000	\$277.40	\$2,773,976
17	12/21/2021	S - Sale	500	\$150.50	\$75,250
18	12/21/2021	S - Sale	4,400	\$149.57	\$658,098
19	12/21/2021	S - Sale	20,721	\$148.59	\$3,078,915
20	12/21/2021	S - Sale	12,143	\$147.82	\$1,794,996
21	1/6/2022	S - Sale	5,000	\$145.06	\$725,300
22	1/7/2022	S - Sale	13,500	\$136.39	\$1,841,272
23	Total		614,772		\$83,158,554

e. Defendant Solvik

Date of Sale	Transaction Code	Shares Sold	Share Price	Total Proceeds
6/22/2020	S - Sale	600	\$169.16	\$101,496
6/22/2020	S - Sale	1,258	\$168.23	\$211,633
6/22/2020	S - Sale	1,298	\$167.31	\$217,168
6/22/2020	S - Sale	1,010	\$166.46	\$168,125
6/22/2020	S - Sale	400	\$164.15	\$65,660
6/22/2020	S - Sale	800	\$169.41	\$135,530
6/22/2020	S - Sale	2,989	\$168.58	\$503,872
6/22/2020	S - Sale	4,630	\$167.64	\$776,172
6/22/2020	S - Sale	2,867	\$166.54	\$477,456
6/22/2020	S - Sale	200	\$165.40	\$33,080
6/22/2020	S - Sale	400	\$164.06	\$65,622
9/21/2020	S - Sale	371	\$205.00	\$76,055
9/21/2020	S - Sale	507	\$203.99	\$103,421
9/21/2020	S - Sale	1,000	\$202.67	\$202,668
9/21/2020	S - Sale	900	\$201.48	\$181,335
9/21/2020	S - Sale	588	\$199.32	\$117,200
9/21/2020	S - Sale	600	\$197.52	\$118,514

1	9/21/2020	S - Sale	200	\$195.11	\$39,021
2	9/21/2020	S - Sale	200	\$193.84	\$38,767
3	9/21/2020	S - Sale	200	\$191.05	\$38,210
4	9/21/2020	S - Sale	1,133	\$204.86	\$232,111
5	9/21/2020	S - Sale	1,200	\$204.14	\$244,965
6	9/21/2020	S - Sale	1,423	\$203.08	\$288,982
7	9/21/2020	S - Sale	2,544	\$202.23	\$514,485
8	9/21/2020	S - Sale	1,361	\$201.02	\$273,592
9	9/21/2020	S - Sale	505	\$199.71	\$100,855
10	9/21/2020	S - Sale	860	\$198.70	\$170,883
11	9/21/2020	S - Sale	1,100	\$197.76	\$217,533
12	9/21/2020	S - Sale	300	\$196.46	\$58,938
13	9/21/2020	S - Sale	860	\$195.52	\$168,147
14	9/21/2020	S - Sale	200	\$193.76	\$38,752
15	9/21/2020	S - Sale	200	\$192.67	\$38,533
16	9/21/2020	S - Sale	200	\$191.04	\$38,208
17	12/21/2020	S - Sale	336	\$249.36	\$83,786
18	12/21/2020	S - Sale	904	\$248.51	\$224,652
19	12/21/2020	S - Sale	1,375	\$247.44	\$340,236
20	12/21/2020	S - Sale	300	\$245.67	\$73,700
21	12/21/2020	S - Sale	499	\$244.17	\$121,840
22	12/21/2020	S - Sale	400	\$241.96	\$96,784
23	12/21/2020	S - Sale	752	\$241.21	\$181,389
24	12/21/2020	S - Sale	1,072	\$249.37	\$267,327
25	12/21/2020	S - Sale	2,606	\$248.38	\$647,289
26	12/21/2020	S - Sale	3,218	\$247.50	\$796,459
27	12/21/2020	S - Sale	725	\$246.23	\$178,517
28	12/21/2020	S - Sale	500	\$245.10	\$122,548
	12/21/2020	S - Sale	1,170	\$244.02	\$285,502
	12/21/2020	S - Sale	400	\$242.70	\$97,079
	12/21/2020	S - Sale	900	\$241.82	\$217,635
	12/21/2020	S - Sale	1,295	\$240.96	\$312,037
	6/8/2021	S - Sale	69	\$241.69	\$16,677
	6/8/2021	S - Sale	4,931	\$240.98	\$1,188,277
	6/8/2021	S - Sale	2,000	\$241.63	\$483,261
	6/8/2021	S - Sale	10,500	\$241.14	\$2,531,923
	10/7/2021	S - Sale	2,500	\$266.91	\$667,275
	10/7/2021	S - Sale	6,250	\$266.91	\$1,668,188
	Total		75,606		\$16,659,370

f. Defendant Alhadeff

Date of Sale	Transaction Code	Shares Sold	Share Price	Total Proceeds
5/12/2020	S - Sale	300	\$123.67	\$37,102

1	5/12/2020	S - Sale	10,410	\$123.02	\$1,280,609
2	5/12/2020	S - Sale	17,897	\$122.05	\$2,184,388
3	5/12/2020	S - Sale	5,084	\$121.21	\$616,237
4	5/12/2020	S - Sale	7,019	\$120.31	\$844,443
5	5/12/2020	S - Sale	804	\$119.12	\$95,773
6	6/5/2020	S - Sale	300	\$144.70	\$43,410
7	6/5/2020	S - Sale	200	\$143.76	\$28,752
8	6/5/2020	S - Sale	700	\$142.68	\$99,873
9	6/5/2020	S - Sale	500	\$141.67	\$70,835
10	6/5/2020	S - Sale	700	\$140.64	\$98,448
11	6/5/2020	S - Sale	1,679	\$139.55	\$234,302
12	6/5/2020	S - Sale	2,300	\$138.41	\$318,353
13	6/5/2020	S - Sale	3,400	\$137.66	\$468,043
14	6/5/2020	S - Sale	700	\$136.23	\$95,358
15	6/5/2020	S - Sale	100	\$134.69	\$13,469
16	6/15/2020	F - Taxes	7,024	\$162.69	\$1,142,735
17	6/18/2020	S - Sale	2,343	\$162.65	\$381,096
18	6/18/2020	S - Sale	7,301	\$162.12	\$1,183,641
19	6/18/2020	S - Sale	1,177	\$161.27	\$189,815
20	8/12/2020	S - Sale	100	\$196.55	\$19,655
21	8/12/2020	S - Sale	600	\$195.03	\$117,018
22	8/12/2020	S - Sale	900	\$193.93	\$174,537
23	8/12/2020	S - Sale	1,274	\$193.05	\$245,946
24	8/12/2020	S - Sale	1,926	\$192.06	\$369,908
25	8/12/2020	S - Sale	200	\$190.16	\$38,032
26	9/17/2020	S - Sale	4,071	\$193.53	\$787,861
27	9/17/2020	S - Sale	2,876	\$192.52	\$553,688
28	9/17/2020	S - Sale	1,600	\$191.49	\$306,384
29	11/12/2020	S - Sale	100	\$214.16	\$21,416
30	11/12/2020	S - Sale	700	\$213.09	\$149,160
31	11/12/2020	S - Sale	2,214	\$212.31	\$470,055
32	11/12/2020	S - Sale	1,586	\$211.35	\$335,198
33	11/12/2020	S - Sale	400	\$210.22	\$84,088
34	12/15/2020	F - Taxes	4,788	\$228.33	\$1,093,244
35	12/17/2020	S - Sale	967	\$247.04	\$238,891
36	12/17/2020	S - Sale	1,965	\$246.32	\$484,021
37	12/17/2020	S - Sale	1,255	\$245.40	\$307,977
38	12/17/2020	S - Sale	831	\$244.07	\$202,823
39	12/17/2020	S - Sale	706	\$243.15	\$171,661
40	12/17/2020	S - Sale	236	\$241.84	\$57,074
41	12/17/2020	S - Sale	402	\$240.53	\$96,695
42	12/17/2020	S - Sale	290	\$239.02	\$69,316
43	2/12/2021	S - Sale	409	\$262.37	\$107,310
44	2/12/2021	S - Sale	1,100	\$261.34	\$287,471
45	2/12/2021	S - Sale	955	\$260.16	\$248,456

1	2/12/2021	S - Sale	500	\$258.66	\$129,332
2	2/12/2021	S - Sale	700	\$257.56	\$180,294
3	2/12/2021	S - Sale	601	\$256.59	\$154,209
4	2/12/2021	S - Sale	435	\$255.51	\$111,146
5	2/12/2021	S - Sale	200	\$254.20	\$50,839
6	2/12/2021	S - Sale	100	\$252.11	\$25,211
7	3/15/2021	F - Taxes	4,788	\$210.34	\$1,007,108
8	3/17/2021	S - Sale	303	\$214.97	\$65,135
9	3/17/2021	S - Sale	657	\$213.88	\$140,519
10	3/17/2021	S - Sale	882	\$212.79	\$187,685
11	3/17/2021	S - Sale	564	\$211.93	\$119,527
12	3/17/2021	S - Sale	447	\$210.66	\$94,165
13	3/17/2021	S - Sale	940	\$209.65	\$197,067
14	3/17/2021	S - Sale	368	\$208.60	\$76,764
15	3/17/2021	S - Sale	648	\$207.39	\$134,389
16	3/17/2021	S - Sale	1,482	\$206.62	\$306,216
17	3/17/2021	S - Sale	361	\$205.51	\$74,187
18	6/15/2021	F - Taxes	4,788	\$257.26	\$1,231,761
19	7/26/2021	S - Sale	692	\$308.05	\$213,168
20	7/26/2021	S - Sale	11,219	\$307.27	\$3,447,309
21	7/26/2021	S - Sale	24,763	\$306.45	\$7,588,706
22	7/26/2021	S - Sale	9,529	\$305.42	\$2,910,301
23	7/26/2021	S - Sale	3,501	\$304.49	\$1,066,005
24	7/26/2021	S - Sale	1,840	\$303.41	\$558,266
25	9/15/2021	F - Taxes	4,148	\$267.98	\$1,111,581
26	9/17/2021	S - Sale	63	\$278.43	\$17,541
27	9/17/2021	S - Sale	1,725	\$277.58	\$478,828
28	9/17/2021	S - Sale	2,050	\$276.76	\$567,351
	9/17/2021	S - Sale	1,541	\$275.82	\$425,040
	9/17/2021	S - Sale	1,008	\$274.69	\$276,888
	12/15/2021	F - Taxes	4,147	\$144.46	\$599,076
	Total		187,379		\$40,010,181

91. As executives of DocuSign and/or members of the Board, each of the above Defendants possessed non-public information concerning the impact of the COVID-19 pandemic on DocuSign's business growth and knowledge that the false and misleading statements described above at paragraphs 57 through 78, and 85 were false and misleading, and traded at high volume on the basis of such information and knowledge which was proprietary information which was an asset of the Company.

DERIVATIVE ALLEGATIONS

92. Plaintiff brings this action derivatively in the right and for the benefit of the Company to redress injuries suffered and to be suffered as a direct and proximate result of the breaches of fiduciary duties by the Individual Defendants.

93. DocuSign is named solely as a nominal party in this action. This is not a collusive action to confer jurisdiction on this Court that it would otherwise not have.

94. Plaintiff is a current shareholder of DocuSign and was a continuous shareholder of the Company during the period of the Individual Defendants' wrongdoing alleged herein. Plaintiff will adequately and fairly represent the interests of the Company in enforcing and prosecuting its rights and retained counsel competent and experienced in derivative litigation.

95. The Director Defendants and Insider-Trading Defendants either knew or should have known of the false and misleading statements that were issued on the Company's behalf and took no steps in a good faith effort to prevent or remedy that situation.

96. Each of the Director Defendants approved and/or permitted the wrongs alleged herein to have occurred and participated in efforts to conceal or disguise those wrongs from the Company's stockholders or recklessly and/or with gross negligence disregarded the wrongs complained of herein and are therefore not disinterested parties.

97. Each of the Director Defendants authorized and/or permitted the false statements to be disseminated directly to the public and made available and distributed to shareholders, authorized and/or permitted the issuance of various false and misleading statements, and are principal beneficiaries of the wrongdoing alleged herein, and thus, could not fairly and fully prosecute such a suit even if they instituted it.

98. Additionally, each of the Director Defendants received payments, benefits, stock options, and other emoluments by virtue of their membership on the Board and their control of the Company.

WRONGFUL DEMAND REFUSAL ALLEGATIONS

99. Prior to bringing this action, Plaintiff made a pre-suit Demand for action on the Board to investigate and take action against the Insider-Trading Defendants, and the Securities Defendants.

100. The Director Defendants took over three months to respond to the Demand sending the Rejection. In the Rejection, the Director Defendants failed to state that they had considered the Demand, undertaken an investigation of the facts, formed a committee, done a report or a cost benefit analysis of proceeding with an investigation now versus deferring any investigation until resolution of the Securities or any other action. In its five short paragraphs, the Rejection stated that the Board would not even consider the Plaintiff's demand because the Securities Action was in its early stages. Despite relying on that litigation being in its early stages, the Board did not do the reasonable thing and commit to do an investigation after the amended complaint has been tested, because as is apparent, the Board is more interested in delaying any investigation of its own actions than in discovering the truth.

101. Significantly, the Securities Action only names as defendants Springer, Gaylor, Sheridan, and Alhadeff, and does not allege federal insider-trading claims against any of those defendants-much less cover the same ground as the Demand and now this complaint, undercutting any legitimate claim that the early stages of the *Weston* case excuse the Board's utter failure to act here. Moreover, any claim that an investigation and the institution of tolling agreements should be deferred is similarly frivolous as in *Weston*, the Securities Defendants have just agreed to stay any further litigation other than briefing on a motion to dismiss, which is not to be completed until January 2023. The statute of limitations on certain of the derivative claims asserted here start expiring in June of 2023, giving the Securities Court little time to rule, and allowing for the possibility that the statute could expire on some of the earlier breach-of-fiduciary-duty claims before any ruling in *Weston* occurs.

1 102. The Rejection further alluded to two demand-futile derivative cases (now three)
2 that had been filed. With respect to those two cases, the Rejection stated that they covered the same
3 subject matters, although the Board did not believe that the demand-futility allegations had any
4 merit. However, the Director Defendants and the plaintiff in those demand-futile cases have agreed
5 to stay those cases pending the outcome of *Weston*—which could be years from now, well after
6 the expiration of any statute of limitations period for the breach-of-fiduciary-duty claims asserted
7 here.

8 103. In any event, as even the Director Defendants recognize, those cases are demand-
9 futile cases, which have little merit. There is little doubt that the Director Defendants will move to
10 dismiss those cases after the expiration of the stay now in place, leaving the Company with no
11 recourse and the statute of limitations running.

12 104. In light of the Board's patent unwillingness to undertake an investigation and
13 recoup damages to the Company, an action is necessary for the Company to recoup damage caused
14 to it by the wrongful conduct of the Director Defendants, the Insider-Trading Defendants, and the
15 Securities Defendants.

16 105. Further, the Response does not address the insider- trading claims specifically
17 raised in the Demand, regarding sales of DocuSign securities by Company insiders which were
18 substantial in amount and suspicious in timing. Although a colorable *Brophy* claim (*Brophy v.*
19 *Cities Services*, 70 A.2d 5 (Del. Ch. 1949)) for disgorgement of profits reaped by Company
20 insiders for selling DocuSign shares while in possession of adverse information, could be pursued
21 by or on behalf of the Company which could result in a substantial recovery for DocuSign,⁸ the
22 Response did not even refer to such a possibility.

23 106. According to the Proxy, the board met six times in FY 2022 (1/13/21 – 1/31/22),
24 which suggests that in the three months from the time of Plaintiff's demand to the demand refusal,
25 the board likely met only once or at the most twice. During that time, it had other things on the
26

27 ⁸ See *Kahn v. Kolberg Kravis & Roberts & Co., LP.*, 23 A.3d 831 (Del. Sup. Ct., 2011).

1 agenda, and therefore could likely have given only a very limited time to consideration of the
2 demand. The refusal, which is only five short paragraphs and contains very little thoughtful
3 reasoning, suggests that no more than cursory attention was given to the demand.

4 107. Only about two weeks after the Demand was sent, the Board adopted a
5 “Confidentiality Amendment” as further discussed in paragraph 16 above.

6 108. While the Board is refusing to consider the allegations in the Demand, it is also
7 actively forcing the Company to expend vast sums of money in defense of the very wrongdoers
8 responsible for causing harm to the Company in the above-state cases, thereby further damaging
9 the Company. There might be an additional benefit of pursuing an investigation about the
10 wrongdoing of Defendants that could result in the Company being able to access any Directors
11 and Officers’ liability insurance policies.

12 109. Thus, the Board’s unwarranted and egregious deferral of its consideration of the
13 Demand will unduly prejudice Plaintiff and the Company and is therefore a violation of Delaware
14 law. The Board’s actions thus constitute a wrongful refusal of the Demand. Accordingly, Plaintiff
15 has satisfied Delaware’s demand requirement and may pursue this action on behalf of the
16 Company.

17 110. Plaintiff incorporates by reference and realleges each and every allegation
18 contained above, as though fully set forth herein.

19 **COUNT I**

20 **Against The Director Defendants for Breach of Fiduciary Duty**

21 111. The Director Defendants owed the Company fiduciary obligations. By reason of
22 their fiduciary relationships, the Individual Defendants owed the Company the highest obligation
23 of good faith, fair dealing, loyalty, and due care, including in their response to the Demand.

24 112. The Director Defendants violated and breached their fiduciary duties of care,
25 loyalty, reasonable inquiry, and good faith.

1 113. The Director Defendants engaged in a sustained and systematic failure to properly
2 exercise their fiduciary duties. Among other things, the Director Defendants breached their
3 fiduciary duties of loyalty and good faith by permitting the use of inadequate practices and
4 procedures to guide the truthful dissemination of Company news to the investing public and to the
5 Company's shareholders, allowing or permitting false and misleading statements to be
6 disseminated in the Company's SEC filings and other disclosures and, otherwise failing to ensure
7 that adequate internal controls were in place regarding the serious business reporting issues and
8 deficiencies described above. These actions could not have been a good faith exercise of prudent
9 business judgment to protect and promote the Company's corporate interests.

10 114. The Director Defendants further failed to undertake a proper investigation, form a
11 committee, draft a report, or do a cost benefit analysis of proceeding with an investigation and an
12 action on behalf of the Company during the pendency of the *Weston* Action.

13 115. The Director Defendants further failed to obtain necessary tolling agreement
14 despite the fact that the statute of limitations is running on valuable claims for the Company which
15 may well expire before the determination of the motion to dismiss in *Weston*.

16 116. Allowing the expiration of the statute of limitation is a breach of the business
17 judgment and a basis for a claim for breach of fiduciary duty.

18 117. Moreover, the Director Defendants adopted the Confidentiality Provision to the By-
19 laws which will prevent or hinder any third-party investigation and may well conflict with
20 Delaware's books and records statute.

21 118. As a direct and proximate result of the Individual Defendants' failure to fulfill their
22 fiduciary obligations, the Company has sustained significant damages and will continue to sustain
23 damages.

24 119. As a result of the misconduct alleged herein, the Director Defendants are liable to
25 the Company. As a direct and proximate result of the Director Defendants' breach of their fiduciary
26 duties, the Company has suffered damage, not only monetarily, but also to its corporate image and
27

1 goodwill. Such damage includes, among other things, costs incurred in defending itself in the
2 Securities Action, exposing the Company to millions of dollars in potential class-wide damages in
3 the Securities Action, and damage to the share price of the Company's stock, resulting in an
4 increased cost of capital, and reputational harm.

5 **COUNT II**

6 **Against The Director Defendants for Aiding and Abetting Breach of Fiduciary Duty**

7 120. Plaintiff incorporates by reference and realleges each and every allegation
8 contained above, as though fully set forth herein.

9 121. By encouraging and accomplishing the illegal and improper transactions alleged
10 herein and concealing them from the public, the Director Defendants have each encouraged,
11 facilitated, and advanced their breaches of their fiduciary duties. In so doing, the Individual
12 Defendants have each aided and abetted, conspired, and schemed with one another to breach their
13 fiduciary duties, waste the Company's corporate assets, and engage in the *ultra vires* and illegal
14 conduct complained of herein.

15 122. Plaintiff on behalf of DocuSign has no adequate remedy at law.

16 **COUNT III**

17 **Against The Insider-Trading Defendants for Unjust Enrichment**

18 123. Plaintiff incorporates by reference and realleges each and every allegation
19 contained above, as though fully set forth herein.

20 124. By their wrongful acts, violations of law, and false and misleading statements and
21 omissions of material fact that they made and/or caused to be made, the Insider-Trading
22 Defendants were unjustly enriched at the expense of, and to the detriment of, DocuSign.

23 125. The Insider-Trading Defendants either benefitted financially from the improper
24 conduct, or received bonuses, stock options, or similar compensation from DocuSign that was tied
25 to the performance or artificially inflated valuation of DocuSign or received compensation that
26 was unjust in light of the Individual Defendants' bad-faith conduct.

1 operations, and prospects. It was an asset belonging to the Company which the Insider-Trading
2 Defendants used for their own benefit when they sold DocuSign stock.

3 135. Since the use of the Company's non-public information for the Insider-Trading
4 Defendants' own gain constitutes a breach of fiduciary duty, the Company is entitled to the
5 imposition of a constructive trust on the money they acquired through such insider trades.

6 136. Plaintiff, on behalf of DocuSign, has no adequate remedy at law.

7 **PRAYER FOR RELIEF**

8 WHEREFORE, Plaintiff demands judgment as follows:

9 A. Awarding money damages against the Director Defendants and Insider Trading
10 Defendants, jointly and severally, for all losses and damages suffered as a result of the acts and
11 transactions complained of herein, together with pre-judgment interest, molded in a fashion to
12 ensure the Individual Defendants do not participate therein or benefit thereby;

13 B. Directing all Director Defendants and Insider-Trading Defendants to account for
14 all damages caused by them and all profits and special benefits and unjust enrichment they have
15 obtained as a result of their unlawful conduct, including all salaries, bonuses, fees, stock awards,
16 options and common stock sale proceeds, and imposing a constructive trust thereon;

17 C. Directing all Insider-Trading Defendants to disgorge all profits wrongfully
18 obtained by using proprietary information of the Company to profit through insider sales of
19 DocuSign shares;

20 D. Awarding punitive damages.

21 E. Awarding costs and disbursements of this action, including reasonable attorneys'
22 fees, accountants' and experts' fees, costs, and expenses; and

23 F. Granting such other and further relief as the Court deems just and proper.

JURY DEMAND

Plaintiff hereby demands a trial by jury.

Date: September 20, 2022

WEISS LAW

Joel E. Elkins

By: /s/ Joel E. Elkins

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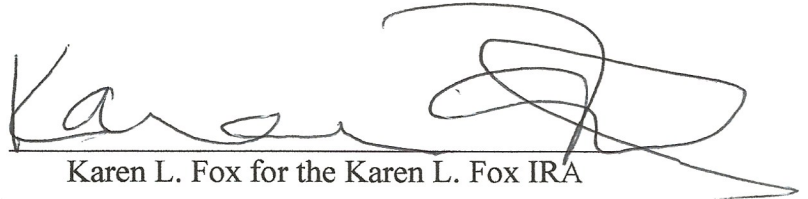
Attorneys for Plaintiff

VERIFICATION

Karen L Fox on behalf of the Karen L. Fox IRA affirms under penalty of perjury:

I hereby verify that I have read the foregoing Verified Derivative Complaint. I have held shares of DocuSign at all relevant times. I purchased my shares in January 2019. All factual allegations in the Complaint are true and correct to the best of my knowledge.

I affirm the foregoing statement this 14th day of September 2022.


Karen L. Fox for the Karen L. Fox IRA