

1 ROBBINS GELLER RUDMAN  
& DOWD LLP  
2 SHAWN A. WILLIAMS (213113)  
3 Post Montgomery Center  
One Montgomery Street, Suite 1800  
4 San Francisco, CA 94104  
Telephone: 415/288-4545  
5 415/288-4534 (fax)  
shawnw@rgrdlaw.com  
6

7 Attorneys for Plaintiff

8 [Additional counsel appear on signature page.]

9 UNITED STATES DISTRICT COURT  
10 NORTHERN DISTRICT OF CALIFORNIA

11	TIM MAUTER, Individually and on Behalf of )	Case No.
	All Others Similarly Situated, )	
12		<u>CLASS ACTION</u>
	Plaintiff, )	
13		COMPLAINT FOR VIOLATIONS OF THE
	vs. )	FEDERAL SECURITIES LAWS
14	NUTANIX, INC., DHEERAJ PANDEY and )	
15	DUSTON M. WILLIAMS, )	
	Defendants. )	
16	_____ )	<u>DEMAND FOR JURY TRIAL</u>

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1 Plaintiff Tim Mauter (“plaintiff”), individually and on behalf of all others similarly situated,  
2 alleges the following based upon the investigation of plaintiff’s counsel, which included a review of  
3 U.S. Securities and Exchange Commission (“SEC”) filings by Nutanix, Inc. (“Nutanix” or “the  
4 Company”), as well as regulatory filings and reports, securities analysts’ reports and advisories about  
5 the Company, press releases and other public statements issued by the Company, and media reports  
6 about the Company. Plaintiff believes that substantial additional evidentiary support will exist for  
7 the allegations set forth herein after a reasonable opportunity for discovery.

8 **NATURE OF THE ACTION**

9 1. This is a securities class action on behalf of all purchasers of Nutanix common stock  
10 between March 2, 2018 and February 28, 2019, inclusive (the “Class Period”), seeking remedies  
11 under the Securities Exchange Act of 1934 (the “Exchange Act”).

12 **JURISDICTION AND VENUE**

13 2. The claims asserted herein arise under and pursuant to §§10(b) and 20(a) of the  
14 Exchange Act [15 U.S.C. §§78j(b) and 78t(a)] and Rule 10b-5 promulgated thereunder by the SEC  
15 [17 C.F.R. §240.10b-5].

16 3. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C.  
17 §1331 and §27 of the Exchange Act [15 U.S.C. §78aa].

18 4. Venue is proper in this District pursuant to §27 of the Exchange Act, and 28 U.S.C.  
19 §1391(b). Nutanix maintains its headquarters in this District and many of the acts and conduct that  
20 constitute the violations of the law complained of herein occurred in this District.

21 5. In connection with the acts alleged in this complaint, defendants, directly or  
22 indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to,  
23 the mails, interstate telephone communications and the facilities of the national securities markets.

24 **PARTIES**

25 6. Plaintiff Tim Mauter purchased Nutanix common stock during the Class Period, as  
26 set forth in the accompanying certification incorporated by reference herein, and has been damaged  
27 thereby.

1           7. Defendant Nutanix, Inc. is an enterprise cloud platform provider. Nutanix common  
2 stock trades under the ticker “NTNX” on the NASDAQ, an efficient market.

3           8. Defendant Dheeraj Pandey (“Pandey”) is, and was during the Class Period, Chief  
4 Executive Officer (“CEO”) and Chairman of the Board of Nutanix.

5           9. Defendant Duston M. Williams (“Williams”) is, and was during the Class Period,  
6 Chief Financial Officer (“CFO”) of Nutanix.

7           10. Defendants Pandey and Williams are collectively referred to herein as the “Individual  
8 Defendants.”

9           11. The Individual Defendants, because of their positions with the Company, possessed  
10 the power and authority to control the contents of Nutanix’s quarterly reports, shareholder letters,  
11 press releases and presentations to securities analysts, money and portfolio managers and  
12 institutional investors, *i.e.*, the market. They were provided with copies of the Company’s reports  
13 and press releases alleged herein to be misleading prior to or shortly after their issuance and had the  
14 ability and opportunity to prevent their issuance or cause them to be corrected. Because of their  
15 positions with the Company and their access to material non-public information available to them  
16 but not to the public, the Individual Defendants knew that the adverse facts specified herein had not  
17 been disclosed to and were being concealed from the public and that the positive representations  
18 being made were then materially false and misleading. The Individual Defendants are liable for the  
19 false and misleading statements pleaded herein.

20           12. Defendants are liable for: (i) making false statements; or (ii) failing to disclose  
21 adverse facts known to them about Nutanix. Defendants’ fraudulent scheme and course of business  
22 that operated as a fraud or deceit on purchasers of Nutanix stock was a success, as it: (i) deceived the  
23 investing public regarding Nutanix’s prospects and business; (ii) enabled defendant Williams and  
24 other Nutanix insiders to collectively sell more than \$156 million worth of their personally held  
25 Nutanix stock at artificially inflated prices; and (iii) caused plaintiff and other members of the Class  
26 to purchase Nutanix common stock at artificially inflated prices.

**BACKGROUND**

1  
2 13. Defendant Nutanix provides a leading enterprise cloud platform that powers many of  
3 the world’s business applications and end-user services by providing software solutions that digitize  
4 traditional silos of enterprise computing, converging compute, virtualization, storage, networking,  
5 desktop, governance and security services into one integrated solution. Nutanix primarily sells its  
6 products and services to end customers through distributors, resellers and original equipment  
7 manufacturers (“OEMs”).

8 14. Customers have the choice to buy Nutanix enterprise cloud software and deploy the  
9 software on a variety of qualified hardware platforms or to purchase the software pre-installed onto  
10 hardware through one of their OEM partners or other channel partners, including on the Nutanix-  
11 branded NX hardware line. The Company’s OEM partners, Dell Technologies, Lenovo Group Ltd.,  
12 International Business Machines Corporation, and Fujitsu Technology Solutions GmbH license  
13 Nutanix’s software and package it with their hardware in the Dell XC Series, Lenovo Converged HX  
14 Series, IBM CS Series, and Fujitsu XF Series appliances, respectively. Super Micro Computer, Inc.  
15 and Flextronics Systems Ltd. license Nutanix’s software and package it with Nutanix-branded NX  
16 appliances. The OEM partners offer these appliances in a range of configurations and also sell  
17 associated support offerings, which Nutanix jointly supports.

18 15. Nutanix also delivers certain of its cloud and platform solutions, such as Beam and  
19 Frame, and is continuing to develop additional cloud services, such as Nutanix Xi Cloud Services  
20 and Nutanix Era, all of which are intended to be delivered as a hosted service that can be purchased  
21 on a subscription basis.

22 16. The Nutanix platform is primarily sold through channel partners, including  
23 distributors and resellers, thus the distributor is typically considered the direct purchaser in a  
24 transaction.

25 17. On September 18, 2017, Nutanix filed a Form 10-K for the fiscal year ending July 31,  
26 2017 with the SEC. The Form 10-K described the Company’s sales and marketing efforts in  
27 pertinent part as follows:  
28

1 We have invested heavily in the growth of our business, including the  
2 development of our solutions, build-out of our global sales force and the acquisitions  
3 of Calm.io Pte. Ltd., or Calm, and PernixData, Inc., or PernixData, during the first  
4 quarter of fiscal 2017. The number of our full-time employees increased from 1,980  
5 as of July 31, 2016 to 2,813 as of July 31, 2017. We have recruited an engineering  
6 team focused on distributed systems and IT infrastructure technologies at our San  
7 Jose, California headquarters and at our research and development centers in  
8 Bangalore, India, Durham, North Carolina and Seattle, Washington. We have also  
9 expanded our international sales and marketing presence by continuing to build out  
10 our global teams. We intend to continue to invest in our global engineering team to  
11 enhance the functionality of our operating system, introduce new products and  
12 features and build upon our technology leadership, as well as continue to expand our  
13 global sales and marketing teams.

14 \* \* \*

15 We plan to continue to invest in sales and marketing so that we can capitalize  
16 on our market opportunity, and as part of this, we intend to specifically expand our  
17 focus on opportunities with major accounts and large deals, which we define as  
18 transactions over \$500,000 in committed value. We have significantly increased our  
19 sales and marketing personnel, which grew by 42% from July 31, 2016 to July 31,  
20 2017. . . . We intend to continue to grow our global sales and marketing team to  
21 acquire new end-customers and to increase sales to existing end-customers.

22 \* \* \*

23 We expect sales and marketing expense to continue to increase in absolute dollars as  
24 we increase the size of our global sales and marketing organizations.

25 \* \* \*

26 Sales and marketing expense increased year-over-year both for fiscal 2016  
27 and 2017 primarily due to higher personnel costs and sales commissions, as our sales  
28 and marketing headcount increased year-over-year by 70% in fiscal 2016 and 42% in  
fiscal 2017. The year-over-year increase in fiscal 2017 in sales and marketing  
personnel costs includes a \$70.1 million increase in stock-based compensation  
expense as a result of our IPO. Additionally, as part of our efforts to penetrate and  
expand in global markets, we have continually increased our marketing activities  
related to brand awareness, promotions, trade shows and partner programs.

18 18. On November 30, 2017, Nutanix held a conference call with analysts and investors to  
19 discuss their earnings and operations for the fiscal quarter ending October 31, 2017. During the call,  
20 defendants described the Company's transition to what Pandey described as Nutanix's new  
21 "software-centric approach to go-to-market and financial reporting," reassuring investors that the  
22

1 transition would result in higher profit margins with minimal disruption. Defendant Williams stated,  
2 in pertinent part:

3 All things being equal, the direct impact of this specific change would result  
4 in significantly higher software content and significantly higher gross margins with  
5 no change to our growth in gross profit dollars. Probably the most important point to  
6 make here is that this change will have absolutely no impact to our future growth  
7 rates of our software and support billings, that being the portion of our business  
today that represents 74% of our billings. Over time, we would also hope to gain  
additional selling leverage that naturally comes from focusing on software-only  
transactions.

8 19. On December 13, 2017, Nutanix filed a Form 10-Q with the SEC for the first quarter  
9 of fiscal 2018, ended October 31, 2017, which was signed by defendant Williams. With respect to  
10 sales and marketing, the Form 10-Q made the same representations as the Company's Form 10-K  
11 filed on September 19, 2017 described in ¶17 above.

#### 12 **SUBSTANTIVE ALLEGATIONS**

13 20. On March 1, 2018, after the market closed, Nutanix issued a press release announcing  
14 its financial results for the second quarter of fiscal 2018, ended January 31, 2018. For the second  
15 quarter of fiscal 2018, Nutanix reported a record number of new customers and a growing number of  
16 large deals. Defendant Pandey commented on the results, stating in pertinent part:

17 "Our continued success with Global 2000 customers, the strength of our large deal  
18 execution and record number of new customers prove that we are reducing friction  
19 for our customers and providing them with a consumer-grade experience that is  
unmatched."

20 Defendant Williams also stated, in pertinent part:

21 "Our 57% billings growth year-over-year and our 45% increase in non-GAAP gross  
22 profit year-over-year drove a better than expected bottom line . . . . Our software and  
23 support billings also rose significantly during the quarter, demonstrating our progress  
24 as we transition to a software-centric business model. Our strong execution on our  
strategic initiatives, together with our successful convertible debt offering, put us in a  
strong position for the future."

25 21. On March 15, 2018, Nutanix filed its Form 10-Q with the SEC for the second quarter  
26 of fiscal 2018, ended January 31, 2018, which was signed by defendant Williams. With respect to  
27 sales and marketing, the Form 10-Q stated in pertinent part as follows:

1 We continue to invest heavily in the growth of our business, including the  
2 development of our solutions and build-out of our global sales force. . . . We have  
3 also expanded our international sales and marketing presence by continuing to build  
4 out our global teams. We intend to continue to invest in our global engineering team  
5 to enhance the functionality of our operating system, introduce new products and  
6 features and build upon our technology leadership, as well as continue to expand our  
7 global sales and marketing teams.

8 \* \* \*

9 We plan to continue to invest in sales and marketing so that we can capitalize  
10 on our market opportunity, and as part of this, we intend to specifically expand our  
11 focus on opportunities with major accounts and large deals, which we define as  
12 transactions over \$500,000 in committed value. We have significantly increased our  
13 sales and marketing personnel, which grew by approximately 30% from January 31,  
14 2017 to January 31, 2018. . . . We intend to continue to grow our global sales and  
15 marketing team to acquire new end-customers and to increase sales to existing end-  
16 customers.

17 \* \* \*

18 We expect sales and marketing expense to continue to increase in absolute dollars as  
19 we increase the size of our global sales and marketing organizations. Our sales and  
20 marketing expense may fluctuate as a percentage of total revenue.

21 \* \* \*

22 The increase in product revenue for the three and six months ended January  
23 31, 2018 reflects increased domestic and international demand for our solutions as  
24 we continued to penetrate and expand in global markets through increased sales and  
25 marketing activities.

26 \* \* \*

27 Sales and marketing expense increased in the three and six months ended  
28 January 31, 2018 compared to the same prior year periods primarily due to higher  
personnel costs and sales commissions, as our sales and marketing headcount  
increased by 30% from January 31, 2017 to January 31, 2018. Additionally, as part  
of our efforts to penetrate and expand in global markets, we have continually  
increased our marketing activities related to brand awareness, promotions, trade  
shows and partner programs.

22. The statements referenced above in ¶¶20-21 were materially false and misleading, as they failed to disclose the following adverse facts that were known to defendants or recklessly disregarded by them:

1 (a) that Nutanix had reallocated lead generation spending to other priorities,  
2 which represented a significant strategy shift from how the Company had historically conducted its  
3 sales efforts;

4 (b) that Nutanix's decision to reallocate lead generation spending had caused a  
5 large disruption in the Company's sales execution, thereby negatively impacting Nutanix's sales  
6 pipeline and slowing the Company's sales growth; and

7 (c) as a result of the foregoing, defendants lacked a reasonable basis for their  
8 positive statements about Nutanix, its revenues, earnings and prospects.

9 23. On May 24, 2018, Nutanix issued a press release announcing its financial results for  
10 the third quarter of fiscal 2018, ended April 30, 2018. For the third quarter of fiscal 2018, Nutanix  
11 reported software and support billings growth of 67% year over year. The Company further reported  
12 that it had expanded gross margins while executing on its transition to a software-centric business  
13 model. Defendant Pandey commented on the results, stating in pertinent part:

14 "Investment in our innovation engine is delivering strong results. . . . Our  
15 continued industry-leading Net Promoter Score proves that a relentless focus on our  
customers drives our continued success."

16 Defendant Williams also added,

17 "Demand for our solutions remains strong as we saw 67 percent growth in  
18 software and support billings and 55 percent growth in software and support revenue.  
19 We had strong success in our hiring in the quarter that positions us to deliver on our  
20 future growth plans, as we outlined at our March Investor Day. . . . The continued  
21 growth in our software and support billings and gross margin expansion in the  
quarter demonstrates we are successfully executing on our transition to a software-  
defined business model."

22 24. On the same day, Nutanix held a conference call with analysts and investors to  
23 discuss the Company's earnings and operations. During the call, Pandey reported "accelerated  
24 growth," "strong across the board, with billings, revenue and gross margins all ahead of consensus."  
25 In regard to the transition to a software-centric business model, Pandey added that "we have  
26 managed change immensely well." During the conference call, defendant Williams stated that "we  
27 were pleased with our results that reflected continued strong growth" and highlighted the Company's  
28 hiring performance, stating in pertinent part:

1 During the quarter, we added over 60 new sales teams, which is critical to our  
2 planned growth for future periods. We were very pleased with our hiring  
3 performance in the quarter. And although not yet at our planned headcount, we did  
4 significantly exceed what we thought was possible when guiding Q3, including, the  
5 addition of almost 85 employees from our 2 recent acquisitions, Netsil and Minjar.  
6 This strong hiring performance drove expenses to \$232 million in Q3, exceeding the  
7 high end of our guidance by \$12 million.

8 25. On June 12, 2018, Nutanix filed a Form 10-Q with the SEC for the third quarter of  
9 fiscal 2018, ended April 30, 2018, which was signed by defendant Williams. With respect to sales  
10 and marketing, the Form 10-Q stated in pertinent part as follows:

11 We continue to invest heavily in the growth of our business, including the  
12 development of our solutions and build-out of our global sales force. The number of  
13 our full-time employees increased from 2,672 as of April 30, 2017 to 3,709 as of  
14 April 30, 2018. . . . We have also expanded our international sales and marketing  
15 presence by continuing to build out our global teams. We intend to continue to  
16 invest in our global engineering team to enhance the functionality of our operating  
17 system, introduce new products and features and build upon our technology  
18 leadership, as well as continue to expand our global sales and marketing teams.

19 \* \* \*

20 We plan to continue to invest in sales and marketing so that we can capitalize  
21 on our market opportunity, and as part of this, we intend to specifically expand our  
22 focus on opportunities with major accounts and large deals, which we define as  
23 transactions over \$500,000 in committed value. We have significantly increased our  
24 sales and marketing personnel, which grew by approximately 40% from April 30,  
25 2017 to April 30, 2018. . . . We intend to continue to grow our global sales and  
26 marketing team to acquire new end customers and to increase sales to existing end  
27 customers.

28 \* \* \*

We expect sales and marketing expense to continue to increase in absolute dollars as  
we increase the size of our global sales and marketing organizations. Our sales and  
marketing expense may fluctuate as a percentage of total revenue.

\* \* \*

The increase in product revenue for the three and six months ended April 30,  
2018 reflects increased domestic and international demand for our solutions as we  
continued to penetrate and expand in global markets through increased sales and  
marketing activities.

\* \* \*

1 Sales and marketing expense increased for the three and nine months ended  
2 April 30, 2018, as compared to the prior year periods, due primarily to higher  
3 personnel costs and sales commissions, as our sales and marketing headcount  
4 increased by 40% from April 30, 2017 to April 30, 2018. Additionally, as part of our  
5 efforts to penetrate and expand in global markets, we continue to increase our  
6 marketing activities related to brand awareness, promotions, trade shows, and partner  
7 programs.

8 26. On August 30, 2018, Nutanix issued a press release announcing its financial results  
9 for the fourth quarter of fiscal 2018, ended July 31, 2018. For the fourth quarter of fiscal 2018,  
10 Nutanix reported 66% year-over-year growth in software and support billings and 78% Non-GAAP  
11 gross margins, as the Company continued its successful shift to a software-centric business model.  
12 Defendant Pandey commented on the results, stating in pertinent part as follows:

13 “We ended the year on a high note with a record quarter on many fronts,  
14 positioning us extremely well for the future. We will continue to invest in talent and  
15 hybrid cloud technology while incubating strategic multi-cloud investments such as  
16 Netsil, Beam, and now Frame.”

17 Defendant Williams added:

18 “The company’s strong achievement of 78 percent non-GAAP gross margin,  
19 the best in our history, is the direct result of our successful execution toward a  
20 software-defined business model . . . . We’re also tracking above our target  
21 performance we set using the ‘Rule of 40’ framework, demonstrating our ability to  
22 balance growth and cash flow.”

23 27. On the same day, Nutanix held a conference call with analysts and investors to  
24 discuss the Company’s earnings and operations. During this call, defendant Pandey reiterated the  
25 positive results for the fourth quarter, stating in pertinent part as follows:

26 Q4 was another fantastic quarter and a great bookend to our fiscal 2018. We grew  
27 our software and subscription business steadily throughout the year, with Q4 year-  
28 over-year billings growth of 66% and Q4 year-over-year revenue growth of 49%.  
We delivered record performance in several areas, including delivering non-GAAP  
gross margins of nearly 78% and growing our deferred revenue balance by 71% for  
the – from the prior year.

\* \* \*

1 In fiscal '18, we delivered close to \$1.2 billion in software and support  
2 billings, growing 54% year-over-year and added over 3,600 new customers.

3 Defendant Pandey also highlighted the Company's large amount of new customers and large deals,  
4 stating in pertinent part as follows:

5 Coming to some color in Q4, this quarter, we added approximately 1,000 new  
6 customers, bringing our total number to 10,610. In this last fiscal year, we added  
7 nearly as many customers as we had when we IPO-ed 2 years ago. We now count  
8 710 Global 2000 companies as customers, adding approximately 40 in Q4 2018 and  
9 140 overall in fiscal '18. Q4 also brought continued momentum in large deals with  
10 46 deals worth more than \$1 million; 9 of which were worth more than \$3 million  
11 and 2 of which were worth more than \$5 million. We closed 201 deals worth more  
12 than \$1 million in fiscal '18, up from 144 in fiscal '17, and now have 26 customers  
13 with a lifetime spend of more than \$10 million, up from 11 in fiscal '17.

14 During the conference call, when asked about the pipeline composition going forward, defendants  
15 did not express any concerns about the pipeline, as evidenced in the following exchange:

16 **Mark Ronald Murphy** – JP Morgan Chase & Co, Research Division – MD

17 Duston, if I may, I had a follow-up. The billings result in the billings guidance are  
18 obviously quite robust. And I was just wondering if you – could you just clarify  
19 whether all of that large U.S. DoD deal win is reflected in the result this quarter?

20 And then when you look at the pipeline composition, does it seem fairly diversified  
21 and predictable? Or would you say that there are more of these large discrete deals  
22 along the lines of the DoD win that might be a little harder to predict the timing?

23 **Duston M. Williams** – Nutanix, Inc. – CFO

24 Yes. So on the big deal that we referenced greater than \$20 million, it was all  
25 billed in Q4. Although that's one of the reasons our bill-to-revenue ratio went up a  
26 little bit is that – just the nature of the support piece on that. Only about 40% of that  
27 deal was actually recognized in revenue in the quarter and the rest will be over the  
28 support period. So that's the first piece there. And on the second piece, I think just  
the business in general, as Dheeraj talked about extensively earlier, is that we're  
seeing bigger deals and we will continue to get larger and larger deals. Now Q1 has  
the additional variable of federal, of course. With the year-end we've always had a  
pretty good Q1 for federal we're assuming it's going to be okay this quarter also, a  
decent performance there. And any time you're talking federal, you have some  
lumpiness in there. So we'll have some bigger deals that will appear in the quarter.  
We've assumed some will, some won't, so we've taken – hope a pretty good  
balanced approach from a federal perspective.

29 28. On September 24, 2018, Nutanix filed a Form 10-K with the SEC for the fourth  
30 quarter and full year fiscal 2018, ended July 31, 2018, which was signed by defendants Pandey and

1 Williams, among others. With respect to sales and marketing, the Form 10-K stated in pertinent part  
2 as follows:

3 We continue to invest heavily in the growth of our business, including the  
4 development of our solutions and build-out of our global sales force. . . . We have  
5 also expanded our international sales and marketing presence by continuing to build  
6 out our global teams. We intend to continue to invest in our global engineering team  
7 to enhance the functionality of our platform, introduce new products and features and  
8 build upon our technology leadership, as well as continue to expand our global sales  
9 and marketing teams.

10 \* \* \*

11 We plan to continue to invest in sales and marketing so that we can capitalize  
12 on our market opportunity and as part of this, we intend to specifically expand our  
13 focus on opportunities with major accounts and large deals, which we define as  
14 transactions over \$500,000. . . . We intend to continue to grow our global sales and  
15 marketing team to acquire new end customers and to increase sales to existing end  
16 customers.

17 \* \* \*

18 We expect sales and marketing expense to continue to increase in absolute dollars as  
19 we increase the size of our global sales and marketing organizations. Our sales and  
20 marketing expense may fluctuate as a percentage of total revenue.

21 \* \* \*

22 The increase in product revenue reflects increased domestic and international  
23 demand for our solutions as we continued to penetrate and expand in global markets  
24 through increased sales and marketing activities.

25 \* \* \*

26 Sales and marketing expense increased year-over-year both for fiscal 2017  
27 and fiscal 2018 due primarily to higher personnel-related costs and sales  
28 commissions, as our sales and marketing headcount increased by 42% year-over-year  
in both fiscal 2017 and 2018. . . . Additionally, as part of our efforts to penetrate and  
expand in global markets, we continue to increase our marketing activities related to  
brand awareness, promotions, trade shows, and partner programs.

29 29. On November 27, 2018, Nutanix issued a press release announcing its financial  
30 results for the first quarter of fiscal 2019, ended October 31, 2018. For the first quarter of fiscal  
31 2019, Nutanix reported revenue of \$313.3 million, up from \$275.6 million in the first quarter of  
32 fiscal 2018, and \$383.6 million in billings, up from \$315.3 million in the first quarter of fiscal 2018.  
33 Further, the Company reported an increase in GAAP gross margins to 76.3% from 60.6% and non-

1 GAAP gross margins to 78.6% from 61.9%. Defendant Pandey commented on the results, stating in  
2 pertinent part as follows:

3 “Our results this quarter prove that our core business continues to grow  
4 strongly and put us on a solid path to meet our goal of at least \$3 billion in software  
5 and support billings by 2021 . . . . 51% of our billings in our first quarter were  
6 derived from subscriptions, up from 31% in the same quarter last year, and our  
7 subscription revenue grew 104% year-over-year. As we look ahead, we expect to  
8 continue this shift towards subscription, driving a cloud-like, pay-as-you-grow  
9 business model.”

10 30. On the same day, Nutanix held a conference call with analysts and investors to  
11 discuss the Company’s earnings and operations. In his opening remarks, defendant Pandey  
12 represented that the Company had had a great start to 2019, highlighting the “higher-than-guided  
13 revenue, better gross margins and lower operating expenses,” and stating, in pertinent part, as  
14 follows:

15 Now on to our Q1 results. We had a great start to fiscal 2019, delivering  
16 another strong quarter, growing software and support billings by 50% year-over-year  
17 to \$351 million and software and support revenue by 44% to \$281 million. Notably,  
18 subscription revenue increased 104% year-over-year, as we shift our business to an  
19 increasingly subscription-based consumption. The combination of higher-than-  
20 guided revenue, better gross margins and lower operating expenses drove our net loss  
21 per share to \$0.13 per share, significantly better than our guidance of a loss between  
22 \$0.26 and \$0.28. Duston will share more on our financial metrics and outlook later  
23 in the call.

24 31. In his opening remarks on the call, defendant Williams reiterated the Company’s  
25 improvement in gross margins, stating that “our non-GAAP gross margins grew in Q1 to 78.6%, up  
26 from 61.9% in the year-ago quarter and 77.7% in the prior quarter.” Further, he stated he expected  
27 gross margins to be “between 78% and 79%” in the second quarter.

28 32. During the question-and-answer session of the conference call, defendants were asked  
about whether their pipeline was growing because competitors were affirming their strategies. In his  
response, defendant Pandey made no mention of having made a reduction in lead generation  
spending that was affecting the pipeline. The following exchange took place:

1 **Kathryn Lynn Huberty** – Morgan Stanley, Research Division – MD and Research  
2 Analyst

3 Question for . . . Dheeraj first. You mentioned that hybrid multicloud is  
4 becoming a buzzword, and we've certainly heard it from just about every  
5 infrastructure hardware, software company this quarter. So curious how you think it  
6 impacts your business. Are you seeing your pipeline growing customers, coming to  
7 you because competitors are affirming your strategy? Do your salespeople have to  
8 spend more time explaining the difference between your strategy and some of the  
9 others? Just how this evolves as more players follow your lead.

10 **Dheeraj Pandey** – Nutanix, Inc. – Co-Founder, Chairman & CEO

11 Yes, thanks, Katy. Yes, I think we definitely go and talk from the position of  
12 our strength as opposed to a position of someone else's strength. And many of the  
13 customers, we go and talk about their adjacency and our adjacency. Their adjacency  
14 is on-prem right now. And our adjacency is on-prem, which is software-defined  
15 infrastructure. And then we go talk about disaster recovery as a service, like, hey,  
16 about the first crawl piece of this multicloud journey where we can do one-click  
17 failover and testing and failback and fix that, then all of a sudden, the app is mobile  
18 because we did all the hard work with runbook automation and shipping data and  
19 things like that. So we basically start with our adjacencies and then, there's all these  
20 multicloud services that are very adjacent to Nutanix like desktops, it's very adjacent  
21 to what we have really understood and embraced in the last 7, 8 years. We probably  
22 are one of the strongest companies to understand end user computing experiences  
23 across Citrix and VMware and now with Frame itself. And now people are asking  
24 about Frame to be extremely multicloud, used by AWS credits, used by Azure  
25 credits. I talked about one of our experiences with co-selling with Google G Suite  
26 itself. So I think we are going and navigating this multicloud buzzword around our  
27 adjacencies so we don't talk fluff, I think, because most of the money is still coming  
28 from computed storage and networking and security and some of these workloads  
around that, like files, like databases, like desktops. So I think we asked our sellers  
and – to actually go and focus on workloads because workloads and applications is  
where most journeys actually begin.

33. When asked about the fact that software and support billings had come down in the  
quarter, defendant Williams asserted that it was expected, as reflected in the following exchange:

34 **Kathryn Lynn Huberty** – Morgan Stanley, Research Division - MD and Research  
35 Analyst

36 Understood. And Duston, software and support billings came down a bit this  
37 quarter. Is that just new seasonality as the business scales? Or was there some  
38 impact of the subscription transition in the quarter? If so, how much?

1 **Duston M. Williams** – Nutanix, Inc. – CFO

2 Yes – no, there really wasn't any impact to say on the subscription piece.  
3 Actually, when you look at the length of these new licenses, the \$20 million, it's  
4 slightly higher than the 3.6 average. So there really wasn't any tilt to one year or  
5 anything like that in that. But we had – and just looking and addressing billings in  
6 total, we had the guided billings down actually in Q1. We came off a really strong  
7 Q3, a really strong Q4 into a seasonally soft Q1 so that we had guided \$370 million  
8 to \$390 million of total billings. And obviously, we came in at roughly \$384 million,  
9 so close to the top end of that range. So it was kind of as expected there and the  
10 pieces kind of fell out as they did.

11 34. On December 10, 2018, Nutanix filed its Form 10-Q with the SEC for the first quarter  
12 of fiscal 2019, ended October 31, 2018, which was signed by defendant Williams. With respect to  
13 sales and marketing, the Form 10-Q stated in pertinent part as follows:

14 We continue to invest heavily in the growth of our business, including the  
15 development of our solutions and build-out of our global sales force. The number of  
16 our full-time employees increased from approximately 3,010 as of October 31, 2017  
17 to approximately 4,380 as of October 31, 2018. . . . We have also expanded our  
18 international sales and marketing presence by continuing to build out our global  
19 teams. We intend to continue to invest in our global engineering team to enhance the  
20 functionality of our platform, introduce new products and features and build upon  
21 our technology leadership, as well as continue to expand our global sales and  
22 marketing teams.

23 \* \* \*

24 We plan to continue to invest in sales and marketing so that we can capitalize  
25 on our market opportunity, and as part of this, we intend to specifically expand our  
26 focus on opportunities with major accounts and large deals, which we define as  
27 transactions over \$500,000. We have significantly increased our sales and marketing  
28 personnel, which grew by approximately 40% from October 31, 2017 to October 31,  
2018. . . . We intend to continue to grow our global sales and marketing team to  
acquire new end customers and to increase sales to existing end customers.

\* \* \*

We expect sales and marketing expense to continue to increase in absolute dollars as  
we increase the size of our global sales and marketing organizations. Sales and  
marketing expense may fluctuate as a percentage of total revenue.

\* \* \*



1 up from \$355.9 million in the second quarter of fiscal 2018. Despite being pleased with the  
2 Company's large deal activity and progress in moving toward a subscription model, defendant  
3 Williams surprised the market by revealing the repercussions of inadequate marketing spending and  
4 slow sales hiring, stating in pertinent part as follows:

5 "Looking ahead, our third quarter guidance reflects the impact of inadequate  
6 marketing spending for pipeline generation and slower than expected sales hiring.  
7 We took a critical look at these areas and have taken actions to address them."

8 37. On the same day, Nutanix held a conference call with analysts and investors to  
9 discuss the Company's earnings and operations. During the conference call, defendant Pandey  
10 revealed that imbalances in lead generation spending were impacting the Company's sales pipeline  
11 and that the Company's failure to keep pace with sales hiring goals had had a negative effect on  
12 sales pipeline development. Defendant Pandey stated in pertinent part as follows:

13 In that way, I'd like to take you through 3 key areas of our business where  
14 we're making adjustments to maximize our strong market opportunity. First, we  
15 recently identified some imbalances in our lead generation spending that were  
16 beginning to impact our sales pipeline. We recognize these imbalances in Q2 and  
17 have adjusted our lead generation spend accordingly. Despite these, these actions  
18 will take some time to take effect and therefore, our Q3 guidance reflects the short  
19 term impact of these imbalances. The changes we implemented are already showing  
20 early positive signs at the top of the funnel, and we expect to see increasing traction  
21 in our sales pipeline over the coming quarters. Duston will provide more details on  
22 these imbalances and our actions taken later in the call.

23 Second, over the past few quarters, we have not kept pace with our bullish  
24 sales hiring goals. This plays a role in our sales pipeline development. Hiring at this  
25 scale is an art and there's an ebb and flow to the process. We've been putting more  
26 focus on this aspect of our execution as we don't foresee any macro weakness in the  
27 horizon.

28 38. During the conference call, defendant Williams also acknowledged disappointment at  
missing the Company's pipeline targets, stating in pertinent part as follows:

Now turning to the guidance for the third quarter. And before getting into the  
line item detail, let me step back a bit and provide some additional context for our Q2  
performance and our third quarter guidance.

In Q2, while we were pleased with our progress with moving to a recurring  
subscription business as well as with our large deals and EMEA performance, we  
were disappointed to miss our pipeline targets. Generally speaking, our Q2 quarter,  
that should afford us to build backlog and that did not happen this year.

1 As Dheeraj discussed at the beginning of the call, we recently identified some  
2 imbalances in our lead generation spending that were beginning to impact our sales  
3 pipeline. Lead generation spending is a key component to building pipeline, which  
4 ultimately, significantly impacts bookings, billings and revenue. In fiscal '18 – I'm  
5 sorry in fiscal '17, we had increased lead generation spend by 75% over the prior  
6 year. This increase drove strong pipeline generation in fiscal '17 and fiscal '18 as  
7 well as improved efficiencies within the lead generation spend during fiscal '18.

8 Encouraged by our overall company performance, in fiscal '18, we  
9 reallocated some of our lead generation spending to other priorities. As a result,  
10 there was a 4 quarter period from Q4 '17 to Q3 '18 that we basically kept lead  
11 generation spend flat, all while the company continued to perform quite well. Based  
12 on lead generation spend efficiencies we experienced in FY '18, we assumed further  
13 efficiencies would take place in FY '19 and we again reallocated capital away from  
14 lead generation spend during our planning process.

15 In Q2, we noticed a pattern that some of our lead generation efficiencies that  
16 we had planned for were not being realized. We began taking actions to reallocate  
17 capital back to lead generation spending, while at the same time dialing back on non-  
18 sales hiring. We have continued these actions into Q3.

19 Our quota-carrying sales reps also contribute to pipeline build, and our  
20 pipeline targets were further impacted by a shortage of sales reps in the first half of  
21 the fiscal year, resulting in an underspend by several million dollars.

22 It's important to note that all this shifting of spend back to lead generation is  
23 not an insignificant amount, the magnitude of the shift is in a few tens of millions.  
24 Although we started making this adjustment in Q2, we expect it to take a couple of  
25 quarters to show meaningful results.

26 In the meantime, we will double down on driving further business from  
27 within our large existing Enterprise customer base, while the augmented lead  
28 generation spending works its way into the pipeline.

This brings us to our guidance for Q3, where we expect significant impact  
from an imbalance in lead generation spending earlier in the year and slower-than-  
expected sales hiring. However, we believe that our actions to address these factors,  
combined with better sales execution, will drive improved pipeline build into Q4,  
which we expect to leave us in a solid position as we enter FY '20.

Now turning to specific details of the guidance. On a non-GAAP basis, we  
expect – for Q3, we expect the following: billings between \$360 million and  
\$370 million; revenue between \$290 million and \$300 million; gross margins  
between 75% and 76%; operating expenses between \$330 million and \$340 million;  
and a per-share loss of approximately \$0.60, using weighted average shares  
outstanding of \$183 million.

1 39. These revelations shocked the market and the analysts who cover the stock. Virtually  
2 every analyst question during the conference call concerned the lead generation issue. Defendants  
3 also admitted that in 2016 they had made the same mistake – reducing demand spending, which led  
4 to sales issues in 2017.

5 40. Additionally, during the call, defendants acknowledged that, despite their assertions  
6 to the contrary in early 2018, Nutanix’s product portfolio was in “chaos,” which had caused  
7 problems in the Company’s pipeline and with its sales force by moving too quickly on big  
8 transformations and introducing too many new products in 2018. The following exchange took  
9 place during the call:

10 **Jason Noah Ader** – William Blair & Company L.L.C., Research Division – Partner  
11 & Co-Group Head of Technology, Media and Communications

12 Guys, I wanted to – I know that Allegiant is going to dominate the  
13 conversation here, but I wanted to understand a little bit more about whether you  
14 think, number one, you may have over-rotated a little bit much to the – too much to  
15 the large Enterprise, and also whether you think you took too much on in terms of  
16 new products in 2018, which may have affected the demand gen just from the  
17 standpoint of maybe the sales force and the channel being a little bit confused with  
18 all of these new products.

19 **Dheeraj Pandey** – Nutanix, Inc. – Co-Founder, Chairman & CEO

20 Yes, I think on the – thanks, Jason, for the questions. On the first one, it does  
21 camouflage stuff, and the fact that we had large deals and large customers, it does  
22 come in the way of thinking. So now looking back, running at high velocity, I wish  
23 we didn’t have to think about this as an afterthought, but it does come up. And I  
24 think how we go and really segment commercial select and look at the top 12,000  
25 customers of America, not just the top 3,000, 5,000, I think those things have been  
26 things that we have looked at in the last 3 to 6 months. But before I get to the  
27 product, there’s – people also probably will realize that in the last 18 months, this  
28 company has gone through 2 big transformations. And our sales force has gone  
through the transformation, has been the people that have really gone through this,  
which is software-only and in subscription now. So in the last 18 months, we’ve had  
a big payload of transformation and it probably does count towards simple things like  
hiring and stuff like that, they’re like, man, it’s a big change. So I think how we do a  
better job of absorbing all the stuff while we become a software company, while we  
become a subscription company, while we become a cloud company, I think does  
come up. On the product portfolio, yes, I mean, obviously I’m a big fan of Andy  
Grove and the way he wrote the 2 chapters in the book, Let Chaos Reign, and Then  
Rein in Chaos (sic) [Let Chaos Reign, Then Rein In Chaos]. So we let chaos reign in  
the first half of ‘18 with the product portfolio in terms of lack of Chris messaging and  
then obviously when we realize that we had to do a better job of messaging and

1 classification and things of that nature, I think, the core Essentials Enterprise has  
2 been a great sort of storytelling methodology for everybody. And people need to  
3 realize that we can't just sell things because Beam is a thing and IoT is a thing and  
4 Calm is a thing, but they have to really think about the customer journey and really  
5 empathize on behalf of the customer, say, "Look, start with Core, then Essentials,  
6 then Enterprise." So I think it's helped a lot in the last 4, 5 months. But yes, it comes  
7 up, we are a high-velocity company and sometimes we let chaos reign, and then we  
8 go and rein in the chaos. But I think the most important sort of, at least in my head,  
9 is how our sales force has actually gone through 2 big transformations in the last 18,  
10 24 months.

11 41. In response to the above revelations, the price of Nutanix common stock declined  
12 from a close of \$50.09 per share on February 28, 2019, to a close of \$33.70 per share on March 1,  
13 2019, on unusually high trading volume.

14 42. The market for Nutanix common stock was open, well-developed and efficient at all  
15 relevant times. As a result of these materially false and misleading statements and failures to  
16 disclose, Nutanix common stock traded at artificially inflated prices during the Class Period.  
17 Plaintiff and other members of the Class purchased Nutanix common stock relying upon the integrity  
18 of the market price of Nutanix common stock and market information relating to Nutanix and have  
19 been damaged thereby.

20 43. During the Class Period, defendants misled the investing public, thereby inflating the  
21 price of Nutanix common stock by publicly issuing false and misleading statements and omitting to  
22 disclose material facts necessary to make defendants' statements, as set forth herein, not false and  
23 misleading. Said statements and omissions were materially false and misleading in that they failed  
24 to disclose material adverse information and misrepresented the truth about the Company's business,  
25 operations and prospects, as alleged herein.

26 44. At all relevant times, the material misrepresentations and omissions particularized in  
27 this complaint directly or proximately caused or were a substantial contributing cause of the  
28 damages sustained by plaintiff and other members of the Class. As described herein, during the  
Class Period, defendants made or caused to be made a series of materially false or misleading  
statements about Nutanix's business, prospects and operations. These material misstatements and  
omissions had the cause and effect of creating in the market an unrealistically positive assessment of

1 Nutanix and its business, prospects and operations, thus causing the price of Nutanix common stock  
 2 to be overvalued and artificially inflated at all relevant times. Defendants' materially false and  
 3 misleading statements during the Class Period resulted in plaintiff and other members of the Class  
 4 purchasing Nutanix common stock at artificially inflated prices, thus causing the damages  
 5 complained of herein. When the true facts about the Company were revealed to the market, the  
 6 artificial inflation in the price of Nutanix stock was removed and the price declined dramatically,  
 7 causing losses to plaintiff and the other members of the Class.

#### 8 **ADDITIONAL SCIENTER ALLEGATIONS**

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

19 46. Defendants were further motivated to misrepresent the Company's business metrics  
 20 and financial prospects in order to profit from selling Nutanix common stock. Indeed, during the  
 21 Class Period, Nutanix senior executives and directors, including defendant Williams, collectively  
 22 sold 3,057,257 of their personally held Nutanix shares, reaping *more than \$156 million* in gross  
 23 proceeds, as follows:

24 Seller	25 Date	26 Shares	27 Price	28 Proceeds
Duston M. Williams (CFO)	05/31/2018- 06/01/2018	300,000	\$53.56- \$55.18	\$16,238,292
Louis J. Attanasio (Officer)	12/19/2018	134,499	\$41.20- \$41.68	\$5,560,168

1	Steven J. Gomo (Director)	09/14/2018	5,312	\$52.51	\$278,933
2	Kenneth W. Long III (Officer)	03/14/2018-	92,002	\$50.22-	\$5,147,329
3		06/13/2018		\$63.37	
4	John McAdam (Director)	09/10/2018-	30,000	\$44.52-	\$1,441,265
5		12/03/2018		\$51.83	
6	Jeffrey T. Parks (Director)	03/02/2018-	1,867,264	\$37.94-	\$70,860,539
7		2/17/2018		\$39.93	
8	David Sangster (Officer)	03/12/2018-	224,036	\$40.12-	\$36,083,787
9		02/01/2019		\$62.95	
10	Michael P. Scarpelli (Director)	06/20/2018	50,000	\$60.99	\$3,049,500
11					
12	Sudheesh Nair Vadakkedath (President)	03/05/2018-	320,000	\$38.73-	\$16,638,400
13		07/06/2018		\$60.66	
14	Tyler Wall (Officer)	12/28/2018	34,144	\$40.36	\$1,378,052
15					
16		Total:	3,057,257		\$156,676,265

### LOSS CAUSATION/ECONOMIC LOSS

47. During the Class Period, as detailed herein, defendants made false and misleading statements by misrepresenting the Company's business and prospects and engaged in a scheme to deceive the market and a course of conduct that artificially inflated the price of Nutanix common stock and operated as a fraud on Class Period purchasers of Nutanix common stock. Later, when defendants' prior misrepresentations and fraudulent conduct became apparent to the market, the price of Nutanix common stock fell precipitously, as the prior artificial inflation came out. As a result of their purchases of Nutanix common stock during the Class Period, plaintiff and other members of the Class suffered economic loss, *i.e.*, damages, under the federal securities laws.

### NO SAFE HARBOR

48. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this complaint. Many of the specific statements pleaded herein were not identified as "forward-looking statements" when made. To the extent there were any forward-looking statements, there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. Alternatively, to the extent that the

1 statutory safe harbor does apply to any forward-looking statements pleaded herein, defendants are  
2 liable for those false forward-looking statements because, at the time each of those forward-looking  
3 statements was made, the particular speaker knew that the particular forward-looking statement was  
4 false and/or the forward-looking statement was authorized and/or approved by an executive officer  
5 of Nutanix who knew that those statements were false when made.

6 **APPLICABILITY OF THE PRESUMPTION OF RELIANCE**  
7 **AND FRAUD ON THE MARKET**

8 49. Plaintiff will rely upon the presumption of reliance established by the fraud-on-the-  
9 market doctrine in that, among other things:

10 (a) Defendants made public misrepresentations or failed to disclose material facts  
11 during the Class Period;

12 (b) The omissions and misrepresentations were material;

13 (c) Nutanix stock traded in an efficient market;

14 (d) The misrepresentations alleged would tend to induce a reasonable investor to  
15 misjudge the value of Nutanix stock; and

16 (e) Plaintiff and other members of the Class purchased Nutanix common stock  
17 between the time defendants misrepresented or failed to disclose material facts and the time the true  
18 facts were disclosed, without knowledge of the misrepresented or omitted facts.

19 50. At all relevant times, the market for Nutanix common stock was efficient for the  
20 following reasons, among others:

21 (a) As a regulated issuer, Nutanix filed periodic public reports with the SEC; and

22 (b) Nutanix regularly communicated with public investors via established market  
23 communication mechanisms, including through the regular disseminations of press releases on major  
24 news wire services and through other wide-ranging public disclosures, such as communications with  
25 the financial press, securities analysts and other similar reporting services.

26 **CLASS ACTION ALLEGATIONS**

27 51. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil  
28 Procedure 23(a) and (b)(3) on behalf of a class consisting of all those who purchased the common

1 stock of Nutanix during the Class Period and who were damaged thereby (the “Class”). Excluded  
2 from the Class are defendants and their immediate families, the officers and directors of the  
3 Company, at all relevant times, and members of their immediate families, and their legal  
4 representatives, heirs, successors or assigns and any entity in which defendants have or had a  
5 controlling interest.

6 52. The members of the Class are so numerous that joinder of all members is  
7 impracticable. Throughout the Class Period, Nutanix stock was actively traded on the NASDAQ.  
8 While the exact number of Class members is unknown to plaintiff at this time and can only be  
9 ascertained through appropriate discovery, plaintiff believes that there are hundreds or thousands of  
10 members in the proposed Class. Record owners and other members of the Class may be identified  
11 from records maintained by Nutanix or its transfer agent and may be notified of the pendency of this  
12 action by mail, using the form of notice similar to that customarily used in securities class actions.

13 53. Plaintiff’s claims are typical of the claims of the members of the Class, as all  
14 members of the Class are similarly affected by defendants’ wrongful conduct in violation of federal  
15 law that is complained of herein.

16 54. Plaintiff will fairly and adequately protect the interests of the members of the Class  
17 and has retained counsel competent and experienced in class and securities litigation.

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

21 (a) whether the federal securities laws were violated by defendants’ acts as  
22 alleged herein;

23 (b) whether statements made by defendants to the investing public during the  
24 Class Period misrepresented material facts about the Company’s business, operations and prospects;  
25 and

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

28

1 56. A class action is superior to all other available methods for the fair and efficient  
2 adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the  
3 damages suffered by individual Class members may be relatively small, the expense and burden of  
4 individual litigation make it impossible for members of the Class to individually redress the wrongs  
5 done to them. There will be no difficulty in the management of this action as a class action.

6 **COUNT I**

7 **For Violation of §10(b) of the Exchange Act**  
8 **and Rule 10b-5 Promulgated Thereunder**  
9 **Against All Defendants**

10 57. Plaintiff incorporates ¶¶1-56 by reference as if fully set forth herein.

11 58. During the Class Period, defendants disseminated or approved the false statements  
12 specified above, which they knew or deliberately disregarded were misleading in that they contained  
13 misrepresentations and failed to disclose material facts necessary in order to make the statements  
14 made, in light of the circumstances under which they were made, not misleading.

15 59. Defendants violated §10(b) of the Exchange Act and Rule 10b-5 in that they:

16 (a) employed devices, schemes and artifices to defraud;

17 (b) made untrue statements of material fact or omitted to state material facts  
18 necessary in order to make the statements made, in light of the circumstances under which they were  
19 made, not misleading; or

20 (c) engaged in acts, practices, and a course of business that operated as a fraud or  
21 deceit upon plaintiff and others similarly situated in connection with their purchases of Nutanix  
22 common stock during the Class Period.

23 60. Plaintiff and the Class have suffered damages in that, in reliance on the integrity of  
24 the market, they paid artificially inflated prices for Nutanix common stock. Plaintiff and the Class  
25 would not have purchased Nutanix common stock at the prices they paid, or at all, if they had been  
26 aware that the market prices had been artificially and falsely inflated by defendants' misleading  
27 statements.  
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**JURY DEMAND**

Plaintiff hereby demands a trial by jury.

DATED: May 6, 2019

ROBBINS GELLER RUDMAN  
& DOWD LLP  
SHAWN A. WILLIAMS

*s/ Shawn A. Williams*  
SHAWN A. WILLIAMS

Post Montgomery Center  
One Montgomery Street, Suite 1800  
San Francisco, CA 94104  
Telephone: 415/288-4545  
415/288-4534 (fax)  
shawnw@rgrdlaw.com

ROBBINS GELLER RUDMAN  
& DOWD LLP  
SAMUEL H. RUDMAN  
VICKI M. DIAMOND  
58 South Service Road, Suite 200  
Melville, NY 11747  
Telephone: 631-367-7100  
631/367-1173 (fax)  
srudman@rgrdlaw.com  
vdiamond@rgrdlaw.com

JOHNSON FISTEL, LLP  
FRANK J. JOHNSON  
655 West Broadway, Suite 1400  
San Diego, CA 92101  
Telephone: 619/230-0063  
619/255-1856 (fax)  
frankj@johnsonfistel.com

Attorneys for Plaintiff

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**CERTIFICATION OF PLAINTIFF PURSUANT  
TO THE FEDERAL SECURITIES LAWS**

I, Tim Mauter, declare the following as to the claims asserted, or to be asserted, under the federal securities laws:

1. I have reviewed the complaint and authorize its filing.
2. I did not acquire the securities that are the subject of this action at the direction of plaintiff's counsel or in order to participate in any private action or any other litigation under the federal securities laws.
3. I am willing to serve as a representative party on behalf of the class, including testifying at deposition or trial, if necessary.
4. I made the following transactions during the Class Period in the securities that are the subject of this action.

**Acquisitions:**

Date Acquired	Number of Shares Acquired	Acquisition Price Per Share
2/28/19	2300	50.079

**Sales:**

Date Sold	Number of Shares Sold	Selling Price Per Share

5. I will not accept any payment for serving as a representative party beyond my pro-rata share of any recovery, except reasonable costs and expenses – such as lost wages and travel expenses – directly related to the class representation, as ordered or approved by the Court pursuant to law.

6. I have not sought to serve or served as a representative party for a class in an action under the federal securities laws within the past three years, except if detailed below:

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 4<sup>th</sup> day May 2019.

DocuSigned by:  
  
99C429DE8CAB497...  
Tim Mauter

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CIVIL COVER SHEET

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

I. (a) PLAINTIFFS

TIM MAUTER, Individually and on Behalf of All Others Similarly Situated,

(b) County of Residence of First Listed Plaintiff New Albany, Ohio (EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number) Shawn A. Williams, Robbins Geller Rudman & Dowd LLP One Montgomery Street, Suite 1800 San Francisco, CA 94104 415/288-4545

DEFENDANTS

NUTANIX, INC., DHEERAJ PANDEY and DUSTON M. WILLIAMS,

County of Residence of First Listed Defendant (IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

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

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

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

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

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

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

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

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

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): 15 U.S.C. §§78j(b) and 78t(a) Private Securities Litigation Reform Act (PSLRA)

Brief description of cause:

COMPLAINT FOR VIOLATIONS OF THE FEDERAL SECURITIES LAWS

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, Fed. R. Civ. P. DEMAND \$

CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

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

JUDGE William H. Orrick

DOCKET NUMBER 3:19-cv-01651

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

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

DATE 05/06/2019

SIGNATURE OF ATTORNEY OF RECORD

/s/ Shawn A. Williams

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

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

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