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13
14 UNITED STATES DISTRICT COURT

15 DISTRICT OF ARIZONA

16 Miguel Avila, Individually and on Behalf
17 of All Others Similarly Situated,

18 Plaintiff,

19 v.
20

21 LifeLock, Inc.; Todd Davis; and Chris
22 Power,

23 Defendants.

Case No.

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

JURY TRIAL DEMANDED

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

9 **NATURE OF THE ACTION AND OVERVIEW**

10 1. This is a class action on behalf of those who purchased or otherwise
11 acquired LifeLock’s securities between July 30, 2014 and July 20, 2015, inclusive (the
12 “Class Period”), seeking to pursue remedies under the Securities Exchange Act of 1934
13 (the “Exchange Act”).

14 2. LifeLock provides identity theft protection services for consumers and
15 fraud and risk solutions for enterprises. LifeLock's threat detection, proactive identity
16 alerts, and comprehensive remediation services purportedly provide peace of mind for
17 consumers amid the growing threat of identity theft. The LifeLock Wallet™ mobile app
18 helps consumers manage their identity and payment cards on the go and enables
19 LifeLock members to receive alerts and services on their digital device. Leveraging
20 data, science and patented technology from ID Analytics, Inc., a wholly-owned
21 subsidiary, LifeLock offers identity theft protection. To help fight identity theft,
22 LifeLock claims to work to train law enforcement and partners with a variety of non-
23 profit organizations to help consumers establish positive habits to combat this threat.

24 3. Throughout the Class Period, defendants represented that the Company
25 was in compliance with a 2010 settlement (“2010 Settlement”) it had entered into with
26 the Federal Trade Commission (“FTC”) regarding the Company’s advertising and other
27 representations about its business and services. Moreover, the Defendants maintained
28 that their settlement with the FTC was based on earlier practices and technology

1 employed by the Company and, therefore, only related to the earlier practices. The
2 Defendants gave the impression that the Company was in full compliance with the
3 settlement with the FTC and that its present technology and services supported the
4 representations made by the Company in its advertising.

5 4. In fact, during the Class Period, the Company was not in compliance with
6 its FTC settlement, nor did the technology employed by the Company support the
7 claims in the Company's advertising. Through selective misstatements and omissions,
8 the Defendants materially misrepresented to the market that it was in compliance with
9 the FTC settlement and that it had changed its practices to stay in compliance and offer
10 the protection against identity theft and identity fraud that the Company advertised.

11 5. On July 21, 2015, the FTC revealed in a press release that LifeLock
12 violated a 2010 settlement with the agency and 35 state attorneys general by continuing
13 to make deceptive claims about its identity theft protection services, and by failing to
14 take steps required to protect its users' data.

15 6. On this news, shares of LifeLock declined \$7.91 per share, nearly 50%, to
16 close on July 21, 2014, at \$8.15 per share, on unusually heavy volume.

17 7. Throughout the Class Period, Defendants made false and/or misleading
18 statements regarding the Company's services and compliance with the FTC settlement,
19 as well as failed to disclose material adverse facts about the Company's business,
20 operations, and prospects. Specifically, Defendants made false and/or misleading
21 statements and/or failed to disclose: (1) that the Company had failed to establish and
22 maintain a comprehensive information security program to protect its users' sensitive
23 personal data, including credit card, social security, and bank account numbers; (2) that
24 the Company falsely advertised that it protected consumers' sensitive data with the
25 same high-level safeguards as financial institutions; (3) that the Company failed to meet
26 the 2010 Settlement's recordkeeping requirements; and, (4) that, as a result of the
27 foregoing, the Company's statements about its business, operations, and prospects,
28 were false and misleading and/or lacked a reasonable basis.

1 Company's Chairman and Chief Executive Officer.

2 16. Defendant Chris Power ("Power") was, at all relevant times, the
3 Company's Chief Financial Officer.

4 17. Defendants Davis and Power are collectively referred to hereinafter as the
5 "Individual Defendants." The Individual Defendants, because of their positions with
6 the Company, possessed the power and authority to control the contents of LifeLock's
7 reports to the SEC, press releases and presentations to securities analysts, money and
8 portfolio managers and institutional investors, *i.e.*, the market. Each defendant was
9 provided with copies of the Company's reports and press releases alleged herein to be
10 misleading prior to, or shortly after, their issuance and had the ability and opportunity
11 to prevent their issuance or cause them to be corrected. Because of their positions and
12 access to material non-public information available to them, each of these defendants
13 knew that the adverse facts specified herein had not been disclosed to, and were being
14 concealed from, the public, and that the positive representations which were being
15 made were then materially false and/or misleading. The Individual Defendants are
16 liable for the false statements pleaded herein, as those statements were each "group-
17 published" information, the result of the collective actions of the Individual Defendants.

18 **SUBSTANTIVE ALLEGATIONS**

19 **Background**

20 18. LifeLock provides identity theft protection services for consumers and
21 fraud and risk solutions for enterprises. LifeLock's threat detection, proactive identity
22 alerts, and comprehensive remediation services purportedly provide peace of mind for
23 consumers amid the growing threat of identity theft. The LifeLock Wallet™ mobile app
24 helps consumers manage their identity and payment cards on the go and enables
25 LifeLock members to receive alerts and services on their digital device. Leveraging
26 data, science and patented technology from ID Analytics, Inc., a wholly-owned
27 subsidiary, LifeLock offers identity theft protection. To help fight identity theft,
28 LifeLock claims to works to train law enforcement and partners with a variety of non-

1 profit organizations to help consumers establish positive habits to combat this threat.

2 **Materially False and Misleading**
3 **Statements Issued During the Class Period**

4 19. The Class Period begins on July 30, 2014. On this day, the Company
5 issued a press release entitled, "LifeLock Announces 2014 Second Quarter Results."
6 Therein, the Company, in relevant part, stated:

7 LifeLock, Inc. (NYSE: LOCK), an industry leader in identity theft
8 protection, today announced financial results for the second quarter ended
9 June 30, 2014.

9 **Second Quarter 2014 Financial Highlights:**

10 • **Revenue:** Total revenue was \$115.7 million for the second
11 quarter of 2014, up 29% from \$89.5 million for the second quarter
12 of 2013. Consumer revenue was \$109.3 million for the second
13 quarter of 2014, up 32% from \$82.6 million for the second quarter
14 of 2013. Enterprise revenue was \$6.4 million for the second
15 quarter of 2014, compared with \$6.9 million for the second quarter
16 of 2013.

17 • **Net Loss:** Net loss was \$2.8 million for the second quarter of
18 2014, compared with net loss of \$2.1 million for the second quarter
19 of 2013. Net loss per diluted share was \$0.03 for the second
20 quarter of 2014 based on 92.5 million weighted-average shares
21 outstanding, compared with net loss per diluted share of \$0.02 for
22 the second quarter of 2013 based on 87.5 million weighted-average
23 shares outstanding.

24 • **Adjusted Net Income:** Adjusted net income was \$4.6 million for
25 the second quarter of 2014, compared with an adjusted net income
26 of \$3.2 million for the second quarter of 2013. Adjusted net
27 income per diluted share was \$0.05 for the second quarter of 2014
28 based on 97.9 million weighted-average shares outstanding,
compared with an adjusted net income of \$0.03 per diluted share
for the second quarter of 2013 based on 94.9 million weighted-
average shares outstanding.

• **Adjusted EBITDA:** Adjusted EBITDA was \$6.7 million for the
second quarter of 2014, compared with \$4.6 million for the second
quarter of 2013.

• **Cash Flow:** Cash flow from operations was \$27.7 million for the
second quarter of 2014, leading to free cash flow of \$24.0 million
after taking into consideration \$3.7 million of capital expenditures.
This compares with cash flow from operations of \$20.8 million
and free cash flow of \$18.4 million, after taking into consideration
\$2.4 million of capital expenditures, for the second quarter of
2013.

1 • **Balance Sheet:** Total cash and marketable securities at the end of
2 the second quarter of 2014 was \$216.0 million, up from \$191.2
3 million at the end of the first quarter of 2014.

4 “Our business performed strongly again in the second quarter,” said Todd
5 Davis, LifeLock’s Chairman and CEO. “In addition, we launched a
6 significant expansion of our product portfolio that we believe will provide
7 additional value for our members, further differentiating our products in
8 the market and expanding our lead versus our competitors in the legacy
9 credit monitoring space.”

10 **Second Quarter 2014 & Recent Business Highlights:**

11 • Launched the next evolution in our service suite with the release
12 of LifeLock Standard, LifeLock Advantage, and LifeLock
13 Ultimate Plus. With our LifeLock Ultimate Plus offering, LifeLock
14 is now the only identity theft company that can monitor across its
15 network to provide alerts across a more complete cross-section of
16 consumers’ financial lives including credit cards, checking,
17 savings, and investment accounts.

18 • Recorded the 37th consecutive quarter of sequential growth in
19 revenue and cumulative ending members.

20 • Added approximately 304,000 gross new members in the second
21 quarter of 2014 and ended the quarter with approximately 3.39
22 million members.

23 • Achieved a retention rate of 87.2% for the second quarter of
24 2014, compared with 87.4% for the second quarter of 2013.

25 • Increased monthly average revenue per member to \$10.99 for the
26 second quarter of 2014 from \$10.18 for the second quarter of 2013.

27 **Guidance:**

28 As of July 30, 2014, we are initiating guidance for our third quarter of
29 2014 as well as updating our guidance for the full year 2014.

30 • **Third Quarter 2014 Guidance:** Total revenue is expected to be
31 in the range of \$119 million to \$121 million. Adjusted net income
32 per share is expected to be in the range of \$0.14 to \$0.15 based on
33 approximately 100 million fully diluted weighted-average shares
34 outstanding. Adjusted EBITDA is expected to be in the range of
35 \$16 million to \$17 million.

36 • **Full Year 2014 Guidance:** Total revenue is expected to be in the
37 range of \$466 million to \$471 million. Adjusted net income per
38 share is expected to be in the range of \$0.44 to \$0.48 based on
39 approximately 99 million fully diluted weighted-average shares
40 outstanding and a cash tax rate of 5%. Adjusted EBITDA is
41 expected to be in the range of \$52 million to \$56 million. Free cash
42 flow is expected to be in the range of \$80 million to \$84 million.

1 20. On July 31, 2014 LifeLock filed its Quarterly Report with the SEC on
2 Form 10-Q for the 2014 fiscal second quarter. The Company's Form 10-Q was signed
3 by Defendants Davis and Power and reaffirmed the Company's statements previously
4 announced on July 30, 2014. The Form 10-Q also contained required Sarbanes-Oxley
5 certifications, signed by Defendants Davis and Power, who each certified:

- 6 1. I have reviewed this Quarterly Report on Form 10-Q of
7 LifeLock, Inc.;
- 8 2. Based on my knowledge, this report does not contain any
9 untrue statement of a material fact or omit to state a material
10 fact necessary to make the statements made, in light of the
11 circumstances under which such statements were made, not
12 misleading with respect to the period covered by this report;
- 13 3. Based on my knowledge, the financial statements, and other
14 financial information included in this report, fairly present
15 in all material respects the financial condition, results of
16 operations and cash flows of the registrant as of, and for, the
17 periods presented in this report;
- 18 4. The registrant's other certifying officer and I are responsible
19 for establishing and maintaining disclosure controls and
20 procedures (as defined in Exchange Act Rules 13a-15(e)
21 and 15d-15(e)) and internal control over financial reporting
22 (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f))
23 for the registrant and have:
 - 24 a. Designed such disclosure controls and procedures, or
25 caused such disclosure controls and procedures to be
26 designed under our supervision, to ensure that
27 material information relating to the registrant,
28 including its consolidated subsidiaries, is made
known to us by others within those entities,
particularly during the period in which this report is
being prepared;
 - b. Designed such internal control over financial
reporting, or caused such internal control over
financial reporting to be designed under our
supervision, to provide reasonable assurance
regarding the reliability of financial reporting and the
preparation of financial statements for external
purposes in accordance with generally accepted
accounting principles;
 - c. Evaluated the effectiveness of the registrant's
disclosure controls and procedures and presented in
this report our conclusions about the effectiveness of
the disclosure controls and procedures, as of the end
of the period covered by this report based on such

evaluation; and

1
2 d. Disclosed in this report any change in the registrant's
3 internal control over financial reporting that occurred
4 during the registrant's most recent fiscal quarter (the
5 registrant's fourth fiscal quarter in the case of an
6 annual report) that has materially affected, or is
7 reasonably likely to materially affect, the registrant's
8 internal control over financial reporting; and

9
10 5. The registrant's other certifying officer and I have
11 disclosed, based on our most recent evaluation of internal
12 control over financial reporting, to the registrant's auditors
13 and the audit committee of the registrant's board of
14 directors (or persons performing the equivalent functions):

15 a. All significant deficiencies and material weaknesses
16 in the design or operation of internal control over
17 financial reporting which are reasonably likely to
18 adversely affect the registrant's ability to record,
19 process, summarize and report financial information;
20 and

21 b. Any fraud, whether or not material, that involves
22 management or other employees who have a
23 significant role in the registrant's internal control
24 over financial reporting.

25 21. On October 30, 2014, the Company issued a press release entitled,
26 "LifeLock Announces 2014 Third Quarter Results." Therein, the Company, in relevant
27 part, stated:

28 LifeLock, Inc. (NYSE: LOCK), an industry leader in identity theft
protection, today announced financial results for the third quarter ended
September 30, 2014.

Third Quarter 2014 Financial Highlights:

• **Revenue:** Total revenue was \$123.0 million for the third quarter of 2014, up 29% from \$95.7 million for the third quarter of 2013. Consumer revenue was \$116.1 million for the third quarter of 2014, up 31% from \$88.4 million for the third quarter of 2013. Enterprise revenue was \$6.9 million for the third quarter of 2014, compared with \$7.4 million for the third quarter of 2013.

• **Net Income:** Net income was \$5.7 million for the third quarter of 2014, compared with net income of \$6.5 million for the third quarter of 2013. Net income per diluted share was \$0.06 for the third quarter of 2014 based on 98.4 million weighted-average shares outstanding, compared with net income per diluted share of \$0.07 for the third quarter of 2013 based on 96.4 million weighted-average shares outstanding.

1 • **Adjusted Net Income:** Adjusted net income was \$15.9 million
2 for the third quarter of 2014, compared with an adjusted net
3 income of \$11.6 million for the third quarter of 2013. Adjusted net
4 income per diluted share was \$0.16 for the third quarter of 2014
5 based on 98.4 million weighted-average shares outstanding,
6 compared with an adjusted net income per diluted share of \$0.12
7 for the third quarter of 2013 based on 96.4 million weighted-
8 average shares outstanding.

9 • **Adjusted EBITDA:** Adjusted EBITDA was \$17.9 million for
10 the third quarter of 2014, compared with \$12.8 million for the third
11 quarter of 2013.

12 • **Cash Flow:** Cash flow from operations was \$26.1 million for the
13 third quarter of 2014, leading to free cash flow of \$22.7 million
14 after taking into consideration \$3.5 million of capital expenditures.
15 This compares with cash flow from operations of \$18.2 million
16 and free cash flow of \$16.6 million, after taking into consideration
17 \$1.6 million of capital expenditures, for the third quarter of 2013.

18 • **Balance Sheet:** Total cash and marketable securities at the end of
19 the third quarter of 2014 was \$238.3 million, up from \$216.0
20 million at the end of the second quarter of 2014.

21 “LifeLock produced another strong set of results combining both growth
22 and profitability in the third quarter,” said Todd Davis, LifeLock’s
23 Chairman and CEO. “The launch of our new product portfolio was well
24 received, as we were pleased with the initial enrollment in the new
25 offerings. We believe that consumers are increasingly realizing the
26 superior value and functionality provided by our offerings compared with
27 those from the providers of legacy credit monitoring solutions.”

28 **Third Quarter 2014 & Recent Business Highlights:**

• Recorded the 38th consecutive quarter of sequential growth in revenue and cumulative ending members.

• Added approximately 264,000 gross new members in the third quarter of 2014 and ended the quarter with approximately 3.52 million members.

• Achieved a retention rate of 87.5% for the third quarter of 2014, compared with 87.6% for the third quarter of 2013.

• Increased monthly average revenue per member to \$11.22 for the third quarter of 2014 from \$10.48 for the third quarter of 2013.

• Announced a Beta version of LifeLock Privacy Monitor, a new offering designed to help consumers easily find their personal information online and take back control of this data in an effort to protect their identity.

• Supported the launch of the National PTA’s campaign #ShareAwesome, a program designed to celebrate the positive use of digital and social media and to empower families to make smart, safe decisions when using the Internet and mobile devices.

- Launched a new business relationship with national residential mortgage lender PrimeLending, a PlainsCapital Company and subsidiary of Hilltop Holdings (NYSE: HTH).

Guidance:

As of October 29, 2014, we are initiating guidance for our fourth quarter of 2014 as well as updating our guidance for the full year 2014.

- **Fourth Quarter 2014 Guidance:** Total revenue is expected to be in the range of \$127 million to \$129 million. Adjusted net income per diluted share is expected to be in the range of \$0.26 to \$0.27 based on approximately 100 million fully diluted weighted-average shares outstanding. Adjusted EBITDA is expected to be in the range of \$29 million to \$30 million.

- **Full Year 2014 Guidance:** Total revenue is expected to be in the range of \$473 million to \$475 million. Adjusted net income per diluted share is expected to be in the range of \$0.46 to \$0.47 based on approximately 99 million fully diluted weighted-average shares outstanding and a cash tax rate of 5%. Adjusted EBITDA is expected to be in the range of \$54 million to \$55 million. Free cash flow is expected to be in the range of \$82 million to \$86 million.

22. On November 10, 2014, LifeLock filed its Quarterly Report with the SEC on Form 10-Q for the 2014 fiscal third quarter. The Company’s Form 10-Q was signed by Defendants Davis and Power, and reaffirmed the Company’s statements previously announced on October 30, 2014. The Form 10-Q also contained required Sarbanes-Oxley certifications, signed by Defendants Davis and Power, substantially similar to the certifications contained in ¶20, *supra*.

23. On February 10, 2015, the Company issued a press release entitled, “LifeLock Announces 2014 Fourth Quarter and Year-End Results.” Therein, the Company, in relevant part, stated:

LifeLock, Inc. (NYSE: LOCK), an industry leader in identity theft protection, today announced financial results for the fourth quarter and full year ended December 31, 2014.

Fourth Quarter 2014 Financial Highlights:

- **Revenue:** Total revenue was \$129.7 million for the fourth quarter of 2014, up 27% from \$102.3 million for the fourth quarter of 2013. Consumer revenue was \$122.7 million for the fourth quarter of 2014, up 30% from \$94.1 million for the fourth quarter of 2013. Enterprise revenue was \$6.9 million for the fourth quarter of 2014,

1 compared with \$8.2 million for the fourth quarter of 2013.

2 • **Net Income:** Net income was \$2.8 million for the fourth quarter
3 of 2014, compared with net income of \$53.0 million for the fourth
4 quarter of 2013. Net income per diluted share was \$0.03 for the
5 fourth quarter of 2014 based on 99.6 million weighted-average
6 shares outstanding, compared with net income per diluted share of
7 \$0.54 for the fourth quarter of 2013 based on 98.0 million
8 weighted-average shares outstanding. Net income for the fourth
9 quarter of 2013 included an income tax benefit of \$37.8 million, or
10 \$0.39 per diluted share, resulting primarily from the release of the
11 valuation allowance associated with our deferred tax assets and net
12 income for the fourth quarter of 2014 was negatively impacted by
13 (\$15.0) million, or (\$0.15) per diluted share, for legal reserves and
14 settlements during the quarter, which represent a \$20.0 million
15 legal reserve for a possible settlement with the Federal Trade
16 Commission of their inquiry into our compliance with our 2010
17 FTC Consent Decree, which was partially offset by a \$5.0 million
18 legal settlement in our favor resulting from indemnification claims
19 we previously made with respect to our Lemon acquisition.

20 • **Adjusted Net Income:** Adjusted net income was \$27.7 million
21 for the fourth quarter of 2014, compared with an adjusted net
22 income of \$21.5 million for the fourth quarter of 2013. Adjusted
23 net income per diluted share was \$0.28 for the fourth quarter of
24 2014 based on 99.6 million weighted-average shares outstanding,
25 compared with an adjusted net income per diluted share of \$0.22
26 for the fourth quarter of 2013 based on 98.0 million weighted-
27 average shares outstanding.

28 • **Adjusted EBITDA:** Adjusted EBITDA was \$30.2 million for the
fourth quarter of 2014, compared with \$22.9 million for the fourth
quarter of 2013.

• **Cash Flow:** Cash flow from operations was \$37.0 million for the
fourth quarter of 2014, leading to free cash flow of \$28.6 million
after taking into consideration \$3.4 million of capital expenditures
and the \$5.0 million received from the legal settlement resulting
from indemnification claims we previously made with respect to
our Lemon acquisition. This compares with cash flow from
operations of \$25.5 million and free cash flow of \$20.4 million,
after taking into consideration \$5.2 million of capital expenditures,
for the fourth quarter of 2013.

• **Balance Sheet:** Total cash and marketable securities at the end of
the fourth quarter of 2014 was \$273.9 million, up from \$238.3
million at the end of the third quarter of 2014.

“We were pleased to report strong results on both the top and bottom line
in the fourth quarter, capping another successful year for the company,”
said Todd Davis, LifeLock’s Chairman and CEO. “We believe that our
leading brand and most comprehensive protection positions us well to
serve the needs of both consumers and enterprises in a world faced with
the continual threat of identity theft.”

1 **Fourth Quarter 2014 & Recent Business Highlights:**

- 2 • Recorded the 39th consecutive quarter of sequential growth in
3 revenue and cumulative ending members.
- 4 • Added approximately 252,000 gross new members in the fourth
5 quarter of 2014 and ended the quarter with approximately 3.63
6 million members.
- 7 • Achieved a retention rate of 87.7% for the fourth quarter of 2014,
8 compared with 87.8% for the fourth quarter of 2013.
- 9 • Increased monthly average revenue per member to \$11.43 for the
10 fourth quarter of 2014 from \$10.72 for the fourth quarter of 2013.
- 11 • Ranked 65th fastest growing company in the internet category of
12 Deloitte’s 2014 Technology Fast 500.
- 13 • Launched LifeLock Data Breach Service which enables
14 enterprise organizations to rapidly activate LifeLock’s proprietary
15 identity alerts to protect their consumers or employees as a quick
16 response to a data breach.

17 **Fiscal Year 2014 Financial Highlights:**

- 18 • **Revenue:** Total revenue was \$476.0 million for 2014, up 29%
19 from \$369.7 million for 2013. Consumer revenue was \$449.2
20 million for 2014, up 32% from \$340.1 million for 2013. Enterprise
21 revenue was \$26.8 million for 2014, compared with \$29.5 million
22 for 2013.
- 23 • **Net Income:** Net income was \$2.5 million for 2014, down from
24 \$54.5 million for 2013. Net income per diluted share was \$0.03 for
25 2014 based on 99.1 million weighted-average shares outstanding,
26 compared with net income per diluted share of \$0.57 for 2013
27 based on 96.0 million weighted-average shares outstanding. Net
28 income for 2013 included an income tax benefit of \$37.5 million,
or \$0.39 per diluted share, resulting primarily from the release of
the valuation allowance associated with our deferred tax assets and
net income for 2014 was negatively impacted by (\$15.0) million,
or (\$0.15) per diluted share, for legal reserves and settlements
during the year, which represent a \$20.0 million legal reserve for a
possible settlement with the Federal Trade Commission of their
inquiry into our compliance with our 2010 FTC Consent Decree,
which was partially offset by a \$5.0 million legal settlement in our
favor resulting from indemnification claims we previously made
with respect to our Lemon acquisition.
- **Adjusted Net Income:** Adjusted net income was \$47.1 million
for 2014, up from \$36.9 million for 2013. Adjusted net income per
diluted share was \$0.48 for 2014 based on 99.1 million weighted-
average shares outstanding, compared with \$0.39 per diluted share
for 2013 based on 96.0 million weighted-average shares
outstanding.

1 • **Adjusted EBITDA:** Adjusted EBITDA was \$55.5 million for
2014, up from \$42.2 million for 2013.

2 • **Cash Flow:** Cash flow from operations was \$109.2 million for
3 2014, leading to free cash flow of \$89.6 million after taking into
4 consideration \$14.6 million of capital expenditures and the \$5.0
5 million received from the legal settlement resulting from
6 indemnification claims we previously made with respect to our
Lemon acquisition. This compares with cash flow from operations
of \$77.4 million and free cash flow of \$67.0 million, after taking
into consideration \$10.4 million of capital expenditures, for 2013.

7 **Guidance:**

8 As of February 10, 2015, we are initiating guidance for our first quarter of
2015 as well for the full year 2015.

9 • **First Quarter 2015 Guidance:** Total revenue is expected to be
10 in the range of \$133 million to \$134 million. Adjusted net loss per
11 share is expected to be in the range of (\$0.07) to (\$0.06) based on
approximately 95 million basic weighted-average shares
12 outstanding. Adjusted EBITDA is expected to be in the range of
(\$5) million to (\$4) million.

13 • **Full Year 2015 Guidance:** Total revenue is expected to be in the
14 range of \$580 million to \$588 million. Adjusted net income per
15 diluted share is expected to be in the range of \$0.63 to \$0.67 based
on approximately 103 million fully diluted weighted-average
16 shares outstanding and a cash tax rate of 5%. Adjusted EBITDA is
expected to be in the range of \$76 million to \$80 million. Free cash
flow is expected to be in the range of \$105 million to \$110 million.

17 24. On February 20, 2015, LifeLock filed its Annual Report with the SEC on
18 Form 10-K for the 2014 fiscal year. The Company's Form 10-K was signed by
19 Defendants Davis and Power, and reaffirmed the Company's statements previously
20 announced on February 10, 2015. The Form 10-K also contained required Sarbanes-
21 Oxley certifications, signed by Defendants Davis and Power, substantially similar to the
22 certifications contained in ¶20, *supra*.

23 25. On April 29, 2015, LifeLock issued a press release entitled, "LifeLock
24 Reports First Quarter 2015 Financial Results." Therein, the Company, in relevant part,
25 stated:

26 LifeLock, Inc. (NYSE: LOCK), an industry leader in identity theft
27 protection, today announced financial results for the first quarter ended
28 March 31, 2015.

1 **First Quarter 2015 Financial Highlights:**

2 • **Revenue:** Total revenue was \$134.4 million for the first quarter
3 of 2015, up 25% from \$107.6 million for the first quarter of 2014.
4 Consumer revenue was \$128.2 million for the first quarter of 2015,
5 up 27% from \$101.0 million for the first quarter of 2014.
6 Enterprise revenue was \$6.2 million for the first quarter of 2015,
7 compared with \$6.6 million for the first quarter of 2014.

8 • **Net loss:** Net loss was \$9.2 million for the first quarter of 2015,
9 compared with a net loss of \$4.3 million for the first quarter of
10 2014. Net loss per diluted share was \$0.10 for the first quarter of
11 2015 based on 94.0 million weighted-average shares outstanding,
12 compared with a net loss per diluted share of \$0.05 for the first
13 quarter of 2014 based on 91.9 million weighted-average shares
14 outstanding.

15 • **Adjusted Net Loss:** Adjusted net loss was \$5.2 million for the
16 first quarter of 2015, compared with an adjusted net loss of \$1.0
17 million for the first quarter of 2014. Adjusted net loss per diluted
18 share was \$0.06 for the first quarter of 2015 based on 94.0 million
19 weighted-average shares outstanding, compared with an adjusted
20 net loss per diluted share of \$0.01 for the first quarter of 2014
21 based on 91.9 million weighted-average shares outstanding.

22 • **Adjusted EBITDA:** Adjusted EBITDA was \$(3.0) million for
23 the first quarter of 2015, compared with \$0.7 million for the first
24 quarter of 2014.

25 • **Cash Flow:** Cash flow from operations was \$20.5 million for the
26 first quarter of 2015, leading to free cash flow of \$17.7 million
27 after taking into consideration \$2.8 million of capital expenditures.
28 This compares with cash flow from operations of \$18.3 million
 and free cash flow of \$14.4 million, after taking into consideration
 \$3.9 million of capital expenditures, for the first quarter of 2014.

 • **Balance Sheet:** Total cash and marketable securities at the end of
 the first quarter of 2015 was \$293.4 million, up from \$273.9
 million at the end of the fourth quarter of 2014.

 “Against a backdrop of continued data breaches, we produced the best
 quarter of gross new member additions in the history of the company.”
 said Todd Davis, LifeLock’s Chairman and CEO. “We believe this
 performance is indicative of the power of our brand and the growing
 recognition of the differentiated nature of our offerings.”

24 **First Quarter 2015 & Recent Business Highlights:**

25 • Recorded the 40th consecutive quarter of sequential growth in
26 revenue and cumulative ending members.

27 • Added approximately 421,000 gross new members in the first
28 quarter of 2015 and ended the quarter with approximately 3.89
 million members.

- 1 • Achieved a retention rate of 87.8% for the first quarter of 2015, compared with 87.5% for the first quarter of 2014.
- 2 • Increased monthly average revenue per member to \$11.38 for the first quarter of 2015 from \$10.81 for the first quarter of 2014.
- 3 • Announced a partnership with Sam's Club, a division of Wal-Mart Stores, to offer LifeLock services to Sam's Club members on-line and in a pilot store program.
- 4 • Welcomed two new executives to LifeLock by adding Ignacio Martinez as Chief Risk Officer and Peter Levinson as SVP of Product & Technology.
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- 7

8 **Guidance:**

9 As of April 29, 2015, we are initiating guidance for our second quarter of 2015 as well for the full year 2015.

10 • **Second Quarter 2015 Guidance:** Total revenue is expected to be in the range of \$143 million to \$144 million. Adjusted net income per share is expected to be in the range of \$0.08 to \$0.09 based on approximately 100 million fully diluted weighted-average shares outstanding. Adjusted EBITDA is expected to be in the range of \$11 million to \$12 million.

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14 • **Full Year 2015 Guidance:** Total revenue is expected to be in the range of \$584 million to \$590 million. Adjusted net income per diluted share is expected to be in the range of \$0.64 to \$0.67 based on approximately 102 million fully diluted weighted-average shares outstanding and a cash tax rate of 5%. Adjusted EBITDA is expected to be in the range of \$77 million to \$80 million. Free cash flow is expected to be in the range of \$107 million to \$112 million.

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18 26. On April 30, 2015, LifeLock filed its Quarterly Report with the SEC on

19 Form 10-Q for the 2015 fiscal first quarter. The Company's Form 10-Q was signed by

20 Defendants Davis and Power, and reaffirmed the Company's statements previously

21 announced on April 29, 2015. The Form 10-Q also contained required Sarbanes-Oxley

22 certifications, signed by Defendants Davis and Power, substantially similar to the

23 certifications contained in ¶20, *supra*.

24 27. The statements contained in ¶¶19-26 were materially false and/or

25 misleading regarding the Company's services and compliance with the FTC settlement

26 when made because defendants failed to disclose or indicate the following: (1) that the

27 Company had failed to establish and maintain a comprehensive information security

28 program to protect its users' sensitive personal data, including credit card, social

1 security, and bank account numbers; (2) that the Company falsely advertised that it
2 protected consumers' sensitive data with the same high-level safeguards as financial
3 institutions; (3) that the Company failed to meet the 2010 Settlement's recordkeeping
4 requirements; and, (4) that, as a result of the foregoing, the Company's statements
5 about its business, operations, and prospects, were false and misleading and/or lacked a
6 reasonable basis.

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

8 28. On July 21, 2015, the FTC issued a press release entitled, "FTC Takes
9 Action Against LifeLock for Alleged Violations of 2010 Order." Therein, the FTC, in
10 relevant part, stated:

11 The Federal Trade Commission today asserted that LifeLock violated a
12 2010 settlement with the agency and 35 state attorneys general by
13 continuing to make deceptive claims about its identity theft protection
14 services, and by failing to take steps required to protect its users' data.

14 In documents filed with the U.S. District Court for the District of Arizona,
15 the FTC charged that LifeLock failed to live up to its obligations under
16 the 2010 settlement, and asked the court to impose an order requiring
17 LifeLock to provide full redress to all consumers affected by the
18 company's order violations.

17 "It is essential that companies live up to their obligations under orders
18 obtained by the FTC," said Jessica Rich, Director of the FTC's Bureau of
19 Consumer Protection. "If a company continues with practices that violate
20 orders and harm consumers, we will act."

19 The 2010 settlement stemmed from previous FTC allegations that
20 LifeLock used false claims to promote its identity theft protection
21 services. The settlement barred the company and its principals from
22 making any further deceptive claims; required LifeLock to take more
23 stringent measures to safeguard the personal information it collects from
24 customers; and required LifeLock to pay \$12 million for consumer
25 refunds.

23 The FTC charged today that in spite of these promises, from at least
24 October 2012 through March 2014, LifeLock violated the 2010 Order by:
25 1) failing to establish and maintain a comprehensive information security
26 program to protect its users' sensitive personal data, including credit card,
27 social security, and bank account numbers; 2) falsely advertising that it
28 protected consumers' sensitive data with the same high-level safeguards
as financial institutions; and 3) failing to meet the 2010 order's
recordkeeping requirements.

27 The FTC also asserts that from at least January 2012 through December
28 2014, LifeLock falsely claimed it protected consumers' identity 24/7/365

1 by providing alerts “as soon as” it received any indication there was a
2 problem.

3 Details of the FTC’s action against the company were filed under seal.
4 The court will determine which portions of the case will be unsealed.

5 The Commission vote to file the application for a show cause order was
6 4-1, with Commissioner Maureen K. Ohlhausen voting no.

7 29. On this news, shares of LifeLock declined \$7.91 per share, nearly 50%, to
8 close on July 21, 2014, at \$8.15 per share, on unusually heavy volume.

9 **CLASS ACTION ALLEGATIONS**

10 28. Plaintiff brings this action as a class action pursuant to Federal Rule of
11 Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all those who
12 purchased or otherwise acquired LifeLock’s securities between July 30, 2014 and July
13 20, 2015, inclusive and who were damaged thereby (the “Class”). Excluded from the
14 Class are Defendants, the officers and directors of the Company, at all relevant times,
15 members of their immediate families and their legal representatives, heirs, successors or
16 assigns and any entity in which Defendants have or had a controlling interest.

17 29. The members of the Class are so numerous that joinder of all members is
18 impracticable. Throughout the Class Period, LifeLock’s securities were actively traded
19 on the New York Stock Exchange (“NYSE”). While the exact number of Class
20 members is unknown to Plaintiff at this time and can only be ascertained through
21 appropriate discovery, Plaintiff believes that there are hundreds or thousands of
22 members in the proposed Class. Millions of LifeLock shares were traded publicly
23 during the Class Period on the NYSE. As of July 20, 2015, LifeLock had 94,370,253
24 shares of common stock outstanding. Record owners and other members of the Class
25 may be identified from records maintained by LifeLock or its transfer agent and may be
26 notified of the pendency of this action by mail, using the form of notice similar to that
27 customarily used in securities class actions.

28 30. Plaintiff’s claims are typical of the claims of the members of the Class as
all members of the Class are similarly affected by Defendants’ wrongful conduct in
violation of federal law that is complained of herein.

1 31. Plaintiff will fairly and adequately protect the interests of the members of
2 the Class and has retained counsel competent and experienced in class and securities
3 litigation.

4 32. Common questions of law and fact exist as to all members of the Class
5 and predominate over any questions solely affecting individual members of the Class.
6 Among the questions of law and fact common to the Class are:

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

9 (b) whether statements made by Defendants to the investing public
10 during the Class Period omitted and/or misrepresented material facts about the business,
11 operations, and prospects of LifeLock; and

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

14 33. A class action is superior to all other available methods for the fair and
15 efficient adjudication of this controversy since joinder of all members is impracticable.
16 Furthermore, as the damages suffered by individual Class members may be relatively
17 small, the expense and burden of individual litigation makes it impossible for members
18 of the Class to individually redress the wrongs done to them. There will be no
19 difficulty in the management of this action as a class action.

20 **UNDISCLOSED ADVERSE FACTS**

21 34. The market for LifeLock's securities was open, well-developed and
22 efficient at all relevant times. As a result of these materially false and/or misleading
23 statements, and/or failures to disclose, LifeLock's securities traded at artificially
24 inflated prices during the Class Period. Plaintiff and other members of the Class
25 purchased or otherwise acquired LifeLock's securities relying upon the integrity of the
26 market price of the Company's securities and market information relating to LifeLock,
27 and have been damaged thereby.

28 35. During the Class Period, Defendants materially misled the investing

1 public, thereby inflating the price of LifeLock's securities, by publicly issuing false
2 and/or misleading statements and/or omitting to disclose material facts necessary to
3 make Defendants' statements, as set forth herein, not false and/or misleading. Said
4 statements and omissions were materially false and/or misleading in that they failed to
5 disclose material adverse information and/or misrepresented the truth about LifeLock's
6 business, operations, and prospects as alleged herein.

7 36. At all relevant times, the material misrepresentations and omissions
8 particularized in this Complaint directly or proximately caused or were a substantial
9 contributing cause of the damages sustained by Plaintiff and other members of the
10 Class. As described herein, during the Class Period, Defendants made or caused to be
11 made a series of materially false and/or misleading statements about LifeLock's
12 financial well-being and prospects. These material misstatements and/or omissions had
13 the cause and effect of creating in the market an unrealistically positive assessment of
14 the Company and its financial well-being and prospects, thus causing the Company's
15 securities to be overvalued and artificially inflated at all relevant times. Defendants'
16 materially false and/or misleading statements during the Class Period resulted in
17 Plaintiff and other members of the Class purchasing the Company's securities at
18 artificially inflated prices, thus causing the damages complained of herein.

19 **LOSS CAUSATION**

20 37. Defendants' wrongful conduct, as alleged herein, directly and proximately
21 caused the economic loss suffered by Plaintiff and the Class.

22 38. During the Class Period, Plaintiff and the Class purchased LifeLock's
23 securities at artificially inflated prices and were damaged thereby. The price of the
24 Company's securities significantly declined when the misrepresentations made to the
25 market, and/or the information alleged herein to have been concealed from the market,
26 and/or the effects thereof, were revealed, causing investors' losses.

27 **SCIENTER ALLEGATIONS**

28 39. As alleged herein, Defendants acted with scienter in that Defendants

1 knew that the public documents and statements issued or disseminated in the name of
2 the Company were materially false and/or misleading; knew that such statements or
3 documents would be issued or disseminated to the investing public; and knowingly and
4 substantially participated or acquiesced in the issuance or dissemination of such
5 statements or documents as primary violations of the federal securities laws. As set
6 forth elsewhere herein in detail, Defendants, by virtue of their receipt of information
7 reflecting the true facts regarding LifeLock, his/her control over, and/or receipt and/or
8 modification of LifeLock's allegedly materially misleading misstatements and/or their
9 associations with the Company which made them privy to confidential proprietary
10 information concerning LifeLock, participated in the fraudulent scheme alleged herein.

11 **APPLICABILITY OF PRESUMPTION OF RELIANCE**
12 **(FRAUD-ON-THE-MARKET DOCTRINE)**

13 40. The market for LifeLock's securities was open, well-developed and
14 efficient at all relevant times. As a result of the materially false and/or misleading
15 statements and/or failures to disclose, LifeLock's securities traded at artificially inflated
16 prices during the Class Period. On December 30, 2014, the Company's stock closed at
17 a Class Period high of \$18.23 per share. Plaintiff and other members of the Class
18 purchased or otherwise acquired the Company's securities relying upon the integrity of
19 the market price of LifeLock's securities and market information relating to LifeLock,
20 and have been damaged thereby.

21 41. During the Class Period, the artificial inflation of LifeLock's stock was
22 caused by the material misrepresentations and/or omissions particularized in this
23 Complaint causing the damages sustained by Plaintiff and other members of the Class.
24 As described herein, during the Class Period, Defendants made or caused to be made a
25 series of materially false and/or misleading statements about LifeLock's business,
26 prospects, and operations. These material misstatements and/or omissions created an
27 unrealistically positive assessment of LifeLock and its business, operations, and
28 prospects, thus causing the price of the Company's securities to be artificially inflated

1 at all relevant times, and when disclosed, negatively affected the value of the Company
2 stock. Defendants' materially false and/or misleading statements during the Class
3 Period resulted in Plaintiff and other members of the Class purchasing the Company's
4 securities at such artificially inflated prices, and each of them has been damaged as a
5 result.

6 42. At all relevant times, the market for LifeLock's securities was an efficient
7 market for the following reasons, among others:

8 (a) LifeLock stock met the requirements for listing, and was listed and
9 actively traded on the NYSE, a highly efficient and automated market;

10 (b) as a regulated issuer, LifeLock filed periodic public reports with
11 the SEC and/or the NYSE;

12 (c) LifeLock regularly communicated with public investors *via*
13 established market communication mechanisms, including through regular
14 dissemination of press releases on the national circuits of major newswire services and
15 through other wide-ranging public disclosures, such as communications with the
16 financial press and other similar reporting services; and/or

17 (d) LifeLock was followed by securities analysts employed by
18 brokerage firms who wrote reports about the Company, and these reports were
19 distributed to the sales force and certain customers of their respective brokerage firms.
20 Each of these reports was publicly available and entered the public marketplace.

21 43. As a result of the foregoing, the market for LifeLock's securities promptly
22 digested current information regarding LifeLock from all publicly available sources and
23 reflected such information in LifeLock's stock price. Under these circumstances, all
24 purchasers of LifeLock's securities during the Class Period suffered similar injury
25 through their purchase of LifeLock's securities at artificially inflated prices and a
26 presumption of reliance applies.

27 **NO SAFE HARBOR**

28 44. The statutory safe harbor provided for forward-looking statements under

1 certain circumstances does not apply to any of the allegedly false statements pleaded in
2 this Complaint. The statements alleged to be false and misleading herein all relate to
3 then-existing facts and conditions. In addition, to the extent certain of the statements
4 alleged to be false may be characterized as forward looking, they were not identified as
5 “forward-looking statements” when made and there were no meaningful cautionary
6 statements identifying important factors that could cause actual results to differ
7 materially from those in the purportedly forward-looking statements. In the alternative,
8 to the extent that the statutory safe harbor is determined to apply to any forward-
9 looking statements pleaded herein, Defendants are liable for those false forward-
10 looking statements because at the time each of those forward-looking statements was
11 made, the speaker had actual knowledge that the forward-looking statement was
12 materially false or misleading, and/or the forward-looking statement was authorized or
13 approved by an executive officer of LifeLock who knew that the statement was false
14 when made.

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

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

21 46. During the Class Period, Defendants carried out a plan, scheme and
22 course of conduct which was intended to and, throughout the Class Period, did: (i)
23 deceive the investing public, including Plaintiff and other Class members, as alleged
24 herein; and (ii) cause Plaintiff and other members of the Class to purchase LifeLock’s
25 securities at artificially inflated prices. In furtherance of this unlawful scheme, plan and
26 course of conduct, defendants, and each of them, took the actions set forth herein.

27 47. Defendants (i) employed devices, schemes, and artifices to defraud; (ii)
28 made untrue statements of material fact and/or omitted to state material facts necessary
to make the statements not misleading; and (iii) engaged in acts, practices, and a course

1 of business which operated as a fraud and deceit upon the purchasers of the Company's
2 securities in an effort to maintain artificially high market prices for LifeLock's
3 securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5. All
4 Defendants are sued either as primary participants in the wrongful and illegal conduct
5 charged herein or as controlling persons as alleged below.

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

10 49. These defendants employed devices, schemes and artifices to defraud,
11 while in possession of material adverse non-public information and engaged in acts,
12 practices, and a course of conduct as alleged herein in an effort to assure investors of
13 LifeLock's value and performance and continued substantial growth, which included
14 the making of, or the participation in the making of, untrue statements of material facts
15 and/or omitting to state material facts necessary in order to make the statements made
16 about LifeLock and its business operations and future prospects in light of the
17 circumstances under which they were made, not misleading, as set forth more
18 particularly herein, and engaged in transactions, practices and a course of business
19 which operated as a fraud and deceit upon the purchasers of the Company's securities
20 during the Class Period.

21 50. Each of the Individual Defendants' primary liability, and controlling
22 person liability, arises from the following facts: (i) the Individual Defendants were
23 high-level executives and/or directors at the Company during the Class Period and
24 members of the Company's management team or had control thereof; (ii) each of these
25 defendants, by virtue of their responsibilities and activities as a senior officer and/or
26 director of the Company, was privy to and participated in the creation, development and
27 reporting of the Company's internal budgets, plans, projections and/or reports; (iii) each
28 of these defendants enjoyed significant personal contact and familiarity with the other

1 defendants and was advised of, and had access to, other members of the Company's
2 management team, internal reports and other data and information about the Company's
3 finances, operations, and sales at all relevant times; and (iv) each of these defendants
4 was aware of the Company's dissemination of information to the investing public
5 which they knew and/or recklessly disregarded was materially false and misleading.

6 51. The defendants had actual knowledge of the misrepresentations and/or
7 omissions of material facts set forth herein, or acted with reckless disregard for the truth
8 in that they failed to ascertain and to disclose such facts, even though such facts were
9 available to them. Such defendants' material misrepresentations and/or omissions were
10 done knowingly or recklessly and for the purpose and effect of concealing LifeLock's
11 financial well-being and prospects from the investing public and supporting the
12 artificially inflated price of its securities. As demonstrated by Defendants'
13 overstatements and/or misstatements of the Company's business, operations, financial
14 well-being, and prospects throughout the Class Period, Defendants, if they did not have
15 actual knowledge of the misrepresentations and/or omissions alleged, were reckless in
16 failing to obtain such knowledge by deliberately refraining from taking those steps
17 necessary to discover whether those statements were false or misleading.

18 52. As a result of the dissemination of the materially false and/or misleading
19 information and/or failure to disclose material facts, as set forth above, the market price
20 of LifeLock's securities was artificially inflated during the Class Period. In ignorance
21 of the fact that market prices of the Company's securities were artificially inflated, and
22 relying directly or indirectly on the false and misleading statements made by
23 Defendants, or upon the integrity of the market in which the securities trades, and/or in
24 the absence of material adverse information that was known to or recklessly
25 disregarded by Defendants, but not disclosed in public statements by Defendants during
26 the Class Period, Plaintiff and the other members of the Class acquired LifeLock's
27 securities during the Class Period at artificially high prices and were damaged thereby.

28 53. At the time of said misrepresentations and/or omissions, Plaintiff and

1 other members of the Class were ignorant of their falsity, and believed them to be true.
2 Had Plaintiff and the other members of the Class and the marketplace known the truth
3 regarding the problems that LifeLock was experiencing, which were not disclosed by
4 Defendants, Plaintiff and other members of the Class would not have purchased or
5 otherwise acquired their LifeLock securities, or, if they had acquired such securities
6 during the Class Period, they would not have done so at the artificially inflated prices
7 which they paid.

8 54. By virtue of the foregoing, Defendants have violated Section 10(b) of the
9 Exchange Act and Rule 10b-5 promulgated thereunder.

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

13 **SECOND CLAIM**
14 **Violation of Section 20(a) of**
15 **The Exchange Act Against the Individual Defendants**

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

18 57. The Individual Defendants acted as controlling persons of LifeLock
19 within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue
20 of their high-level positions, and their ownership and contractual rights, participation in
21 and/or awareness of the Company's operations and/or intimate knowledge of the false
22 financial statements filed by the Company with the SEC and disseminated to the
23 investing public, the Individual Defendants had the power to influence and control and
24 did influence and control, directly or indirectly, the decision-making of the Company,
25 including the content and dissemination of the various statements which Plaintiff
26 contends are false and misleading. The Individual Defendants were provided with or
27 had unlimited access to copies of the Company's reports, press releases, public filings
28 and other statements alleged by Plaintiff to be misleading prior to and/or shortly after
these statements were issued and had the ability to prevent the issuance of the

1 statements or cause the statements to be corrected.

2 58. In particular, each of these Defendants had direct and supervisory
3 involvement in the day-to-day operations of the Company and, therefore, is presumed
4 to have had the power to control or influence the particular transactions giving rise to
5 the securities violations as alleged herein, and exercised the same.

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

13 **PRAYER FOR RELIEF**

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

15 (a) determining that this action is a proper class action under Rule 23 of the
16 Federal Rules of Civil Procedure;

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

21 (c) awarding Plaintiff and the Class their reasonable costs and expenses
22 incurred in this action, including counsel fees and expert fees; and

23 (d) such other and further relief as the Court may deem just and proper.

24 **JURY TRIAL DEMANDED**

25 Plaintiff hereby demands a trial by jury.

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Dated: July 22, 2015.

TIFFANY & BOSCO, P.A.

By: /s/ Richard G. Himelrick
Richard G. Himelrick
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Attorneys for Plaintiff

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CERTIFICATE OF SERVICE

I hereby certify that on July 22, 2015, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the e-mail addresses denoted on the Electronic Mail notice list, and I hereby certify that I have mailed the foregoing document or paper via the United States Postal Service to the non-CM/ECF participants indicated on the Manual Notice list.

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

/s/ Shelley Boettge
Shelley Boettge

SWORN CERTIFICATION OF PLAINTIFF

LIFELOCK, INC. SECURITIES LITIGATION

I, Miguel Avila, certify that:

1. I have reviewed the Complaint and authorize its filing and/or the filing of a Lead Plaintiff motion on my behalf.
2. I did not purchase LifeLock, Inc., the security that is the subject of this action, at the direction of plaintiff's counsel or in order to participate in any private action arising under this title.
3. I am willing to serve as a representative party on behalf of a class and will testify at deposition and trial, if necessary.
4. My transactions in LifeLock, Inc. during the Class Period set forth in the Complaint are as follows:

(See Attached Transactions)
5. I have not served as a representative party on behalf of a class under this title during the last three years, except for the following:
6. I will not accept any payment for serving as a representative party, except to receive my pro rata share of any recovery or as ordered or approved by the court, including the award to a representative plaintiff of reasonable costs and expenses (including lost wages) directly relating to the representation of the class.

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

Dated: 7/22/2015

DocuSigned by:
Miguel Avila
E4A03C6FA698476...

**Miguel Avila's Transactions in
LifeLock, Inc (LOCK)**

Date	Transaction Type	Shares	Unit Price
1/15/2015	SOLD	-1,500	\$13.8811
4/14/2015	BOUGHT	500	\$14.8502
4/16/2015	SOLD	-500	\$14.9230
4/22/2015	BOUGHT	500	\$15.0500
4/29/2015	BOUGHT	1,000	\$14.6194
5/7/2015	SOLD	-1,500	\$15.2001
6/5/2015	BOUGHT	2,500	\$15.8288
6/9/2015	BOUGHT	2,500	\$16.6751

**UNITED STATES DISTRICT COURT
DISTRICT OF ARIZONA**

Civil Cover Sheet

This automated JS-44 conforms generally to the manual JS-44 approved by the Judicial Conference of the United States in September 1974. The data is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. The information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is authorized for use only in the District of Arizona.

**The completed cover sheet must be printed directly to PDF and filed as an attachment
to the Complaint or Notice of Removal.**

Plaintiff(s): Miguel Avila

**Defendant(s): LifeLock, Inc. ; Todd Davis ;
Chris Power**

County of Residence: Outside the State of Arizona County of Residence: Maricopa

County Where Claim For Relief Arose: Maricopa

Plaintiff's Atty(s):

Defendant's Atty(s):

**Richard G. Himelrick
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602-255-6000**

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310-201-9150**

II. Basis of Jurisdiction:

3. Federal Question (U.S. not a party)

III. Citizenship of Principal
Parties (Diversity Cases Only)

Plaintiff: - N/A

Defendant:- N/A

IV. Origin : **1. Original Proceeding**

V. Nature of Suit: **850 Securities/Commodities/Exchange**

VI.Cause of Action: **Securities Exchange Act of 1934 §§ 10(b) and 20(a) and Rule 10b-5 thereunder**

VII. Requested in Complaint

Class Action: **Yes**

Dollar Demand:

Jury Demand: **Yes**

VIII. This case is not related to another case.

Signature: s/Richard G. Himelrick

Date: 07/22/15

If any of this information is incorrect, please go back to the Civil Cover Sheet Input form using the *Back* button in your browser and change it. Once correct, save this form as a PDF and include it as an attachment to your case opening documents.

Revised: 01/2014