

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI**

_____, Individually and On
Behalf of All Others Similarly Situated,

Plaintiff,

v.

AMDOCS LIMITED, ELI GELMAN, and
TAMAR RAPAPORT-DAGIM,

Defendants.

Case No.: DRAFT

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

JURY TRIAL DEMANDED

Law Offices of Howard G. Smith

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

NATURE OF THE ACTION AND OVERVIEW

1. This is a class action on behalf of persons and entities that purchased or otherwise acquired Amdocs securities between July 29, 2015 and January 23, 2019, inclusive (the “Class Period”), seeking to pursue remedies under the Securities Exchange Act of 1934 (the “Exchange Act”).

2. Amdocs purports to provide software and services solutions to communications and media companies.

3. On January 23, 2019, Spruce Point Capital Management published a report alleging that Amdocs “engineered superficial top and bottom-line growth” through “opaque M&A, aggressive percentage-of-completion accounting, software cost capitalization, and repeated one-off net tax benefits.”

4. On this news, the Company’s stock price fell \$5.41 per share, or nearly 9%, to close at \$55.06 per share on January 23, 2019, on unusually heavy trading volume.

5. Throughout the Class Period, Defendants made false and/or misleading statements, as well as failed to disclose material adverse facts about the Company’s business, operations, and prospects. Specifically, Defendants made false and/or misleading statements and/or failed to disclose: (1) that the Company engaged in aggressive accounting practices to inflate its financial results; (2) that the Company acquires businesses to disguise declining organic growth; and (3) that, as a result of the foregoing, Defendants’ positive statements about the Company’s business, operations, and prospects and prospects were materially misleading

and/or lacked a reasonable basis.

6. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiff and other Class members have suffered significant losses and damages.

JURISDICTION AND VENUE

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

8. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §1331 and Section 27 of the Exchange Act (15 U.S.C. § 78aa).

9. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts in furtherance of the alleged fraud or the effects of the fraud have occurred in this Judicial District. Many of the acts charged herein, including the dissemination of materially false and/or misleading information, occurred in substantial part in this Judicial District. In addition, the Company's principal executive offices are located in this Judicial District.

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

PARTIES

11. Plaintiff _____, as set forth in the accompanying certification, incorporated by reference herein, purchased Amdocs securities during the Class Period, and suffered damages as a result of the federal securities law violations and false and/or misleading statements and/or material omissions alleged herein.

12. Defendant Amdocs is incorporated under the laws of Island of Guernsey with its principal executive offices located in Chesterfield, Missouri. Amdocs's common stock trades on the NASDAQ exchange under the symbol "DOX."

13. Defendant Eli Gelman (“Gelman”) was the Chief Executive Officer (“CEO”) of the Company until October 1, 2018.

14. Defendant Tamar Rapaport-Dagim (“Rapaport-Dagim”) was the Chief Financial Officer (“CFO”) of the Company at all relevant times.

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

SUBSTANTIVE ALLEGATIONS

Background

16. Amdocs purports to provide software and services solutions to communications and media companies.

Materially False and Misleading Statements Issued During the Class Period

17. The Class Period begins on July 25, 2015. On that day, the Company announced third quarter 2015 financial results, stating in relevant part:

- Closed the previously announced acquisition of the Converse business support systems (BSS) assets on July 2, 2015, for \$273 million in cash
- Third fiscal quarter revenue of \$908 million, within the \$885-\$925 million guidance range. Revenue was in line with the midpoint of expectations, excluding foreign currency movements. Foreign currency movements positively affected revenue by approximately \$1 million relative to the second quarter of fiscal 2015
- Third fiscal quarter non-GAAP operating income of \$155 million; non-GAAP operating margin of 17.1%; GAAP operating income of \$127 million
- Third fiscal quarter diluted non-GAAP EPS of \$0.84, two cents above midpoint of the \$0.79-\$0.85 guidance range, excluding amortization of purchased intangible assets and other acquisition-related costs and equity-based compensation expense, net of related tax effects
- Diluted GAAP EPS of \$0.69 for the third fiscal quarter, within the \$0.65-\$0.73 guidance range

18. On November 15, 2015, the Company announced its fourth quarter 2015 financial results, stating in relevant part:

- Fourth fiscal quarter revenue of \$927 million, within the \$915-\$955 million guidance range. Revenue was slightly above the midpoint of expectations, excluding foreign currency movements. Foreign currency movements negatively affected revenue by approximately \$9 million relative to the third quarter of fiscal 2015
- Fourth fiscal quarter diluted non-GAAP EPS of \$0.84, in line with the high-end of the \$0.79-\$0.85 guidance range, excluding amortization of purchased intangible assets and other acquisition-related costs, nonrecurring restructuring charges associated with the acquisition of the Converse BSS assets, and equity-based compensation expense, net of related tax effects
- Fourth fiscal quarter non-GAAP operating income of \$157 million; non-GAAP operating margin of 16.9%; GAAP operating income of \$110 million
- Diluted GAAP EPS of \$0.59 for the fourth fiscal quarter, in line with the high-end of the \$0.49-\$0.59 guidance range

19. On November 6, 2016, the Company announced its fourth quarter 2016 financial results, stating in relevant part:

- Fourth fiscal quarter revenue of \$941 million, at the midpoint of the \$920-\$960 million guidance range. As we anticipated, foreign currency movements

negatively affected revenue by approximately \$2 million relative to the third quarter of fiscal 2016

- Diluted GAAP EPS of \$0.64 for the fourth fiscal quarter, below the \$0.66-\$0.74 guidance range due to higher acquisition-related costs in connection with the acquisitions of Pontis, Vindicia and Brite:Bill announced on September 14, 2016
- Fourth fiscal quarter diluted non-GAAP EPS of \$0.89, slightly above the mid-point of the \$0.85-\$0.91 guidance range (non-GAAP EPS excludes amortization of purchased intangible assets and other acquisition-related costs, and equity-based compensation expense, net of related tax effects)
- Fourth fiscal quarter GAAP operating income of \$118 million; non-GAAP operating income of \$161 million; non-GAAP operating margin of 17.1%

20. On November 8, 2017, the Company announced its fourth quarter 2017 financial results, stating in relevant part:

- Revenue of \$980 million, slightly above the midpoint of the \$955-\$995 million guidance range including a positive impact from foreign currency movements of approximately \$9 million relative to the third quarter of fiscal 2017
- GAAP diluted EPS of \$0.73, above the mid-point of the \$0.68-\$0.76 guidance range
- Non-GAAP diluted EPS of \$0.94, at the mid-point of the \$0.91-\$0.97 guidance range
- GAAP operating income of \$132 million; GAAP operating margin of 13.5%
- Non-GAAP operating income of \$168 million; non-GAAP operating margin of 17.2%

21. On November 8, 2018, the Company announced its fourth quarter 2018 financial results, stating in relevant part:

- Revenue of \$1 billion, slightly above the midpoint of the \$980-\$1,020 million guidance range including a negative impact from foreign currency movements of approximately \$5 million relative to the third quarter of fiscal 2018. Revenue guidance had included a negative sequential impact from foreign currency fluctuations of approximately \$5 million as compared to the third quarter of fiscal 2018
- GAAP diluted EPS of \$0.31, below the \$0.71-\$0.79 guidance range, primarily due to a non-recurring charge of \$0.36 per diluted share incurred to settle a

previously disclosed long-running legal dispute, and changes in certain acquisitions related liabilities measured at fair value of \$0.06 per diluted share, net of tax effect

- Non-GAAP diluted EPS of \$0.99, above the midpoint of the \$0.95-\$1.01 guidance range
- GAAP operating income of \$69 million; GAAP operating margin of 6.9%
- Non-GAAP operating income of \$173 million; non-GAAP operating margin of 17.2%

22. The above statements identified in ¶¶17-21 were materially false and/or misleading, as well as failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants made false and/or misleading statements and/or failed to disclose: (1) that the Company engaged in aggressive accounting practices to inflate its financial results; (2) that the Company acquires businesses to disguise declining organic growth; and (3) that, as a result of the foregoing, Defendants' positive statements about the Company's business, operations, and prospects and prospects were materially misleading and/or lacked a reasonable basis.

Disclosures at the End of the Class Period

23. On January 23, 2019, Spruce Point Capital Management published a report alleging that Amdocs "engineered superficial top and bottom-line growth" through "opaque M&A, aggressive percentage-of-completion accounting, software cost capitalization, and repeated one-off net tax benefits." According to the report:

- Amdocs (DOX or "the Company") is a cryptic entity based in the tax-dodge haven of Guernsey that provides revenue management, BPO and IT services primarily to telecoms. Industry forces have dragged on sales growth to the point that Amdocs appears to be in organic decline. We believe that DOX has engineered superficial top and bottom-line growth alongside unusually stable margins through opaque M&A, aggressive percentage-of-completion accounting, software cost capitalization, and repeated one-off net tax benefits. Challenged FCF growth, self-imposed minimum cash balances, and likely leverage limits will constrain DOX's ability to pursue growth via M&A going forward. We are also concerned that DOX is accelerating its earnings-inflating cost capitalization scheme by constructing a new Israeli campus. An obscured JV loan, receivable factoring, and capex statements which hide asset sales all

point to slowed underlying FCF growth. With insider ownership at an all-time low, evidence that management is milking DOX's cash through aggressive option comp schemes, and Board members tied to allegations of option back-dating and software cost capitalization, we believe that shareholders should keep a vigilant eye on management's accounting practices and compensation decisions.

- **Suspiciously Steady Margins:** Amdocs shows remarkably steady margins for a firm which frequently absorbs acquisitions (\$1.6B since 2012), which should have some degree of operating leverage, and whose business has come under pressure from its largest customer (AT&T). Peers and telcos show much more natural margin variability. Unusually steady margins support our suspicion that Amdocs engages in aggressive percentage-of-completion accounting.
- **Growing Divergence Between Adjusted And GAAP Metrics:** Amdocs' proprietary Adjusted EPS measure has grown steadily through the last 5 years, while GAAP EPS and cash flow have been flat to down over the same period despite the Company's M&A-fueled growth. Spruce Point has observed both of these patterns among numerous companies on which it has published research, and feels that they are strong indicators of impending financial strain.
- **Questionable One-Off Tax Items:** DOX claims up to \$60M of one-off net tax benefits on a yearly basis, with the specific sources of these benefits changing almost every year (it claimed \$28M in benefits related to its spending on its new campus in FY 2018). We do not believe that these benefits – worth 10% of EBT in FY 2018 – are a sustainable source of earnings. Excluding these items, Amdocs' tax rate looks much closer to that of most companies.
- **Struggles Generating Cash:** In Dec '18, DOX began to disclose that it factors accounts receivable (on non-transparent terms). It also obscured a loan issued via a recently-formed JV to finance its new HQ, despite saying previously that it could finance the project internally without material impact to results.
- **Who Signs DOX's 20-F And Credit Agreement:** We observe that DOX's Head of IR/Secretary signs its 20-F and Credit Agreement. Our research shows that this is a highly unusual practice: the CEO generally signs the 20-F, while the CFO and/or Treasurer normally signs Credit Agreements.
- **Closely Tied To A Low-Growth Industry:** As IT support for major telcos, Amdocs' organic growth is ultimately tied to a stagnant industry – AT&T in particular (~30% of sales). Management attempts to describe industry trends such as consolidation as a tailwind for the Company, but, in reality, slow growth among telcos translates into slow organic growth for Amdocs – particularly as elements of revenue management software become less complex.
- **Management Engages In Frequent M&A To Grow Sales:** Amdocs has purchased a jumble of IT and media businesses through the past decade to

support growth where it can't generate its own. Many of these businesses appear to be only tangentially relevant to Amdocs' core services, and are only partially integrated into Amdocs once acquired. Without these acquisitions, we estimate that Amdocs generates zero to negative organic growth.

- **Management Not Transparent About Inorganic Sales Contributions:** Management is frequently asked on earnings calls about the contribution of acquired businesses to total revenue. It often writes them off as "small" even when the announced purchase price is relatively sizable – and, when it does give more granular details, it appears to understate their likely contribution, thus inflating implied organic revenue growth.

24. On this news, the Company's stock price fell \$5.41 per share, or nearly 9%, to close at \$55.06 per share on January 23, 2019, on unusually heavy trading volume.

CLASS ACTION ALLEGATIONS

25. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and entities that purchased or otherwise acquired Amdocs securities between July 29, 2015 and January 23, 2019, inclusive (collectively, the "Class"). Excluded from the Class are Defendants, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.

26. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Amdocs's securities were actively traded on the NASDAQ exchange. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are hundreds or thousands of members in the proposed Class. Millions of Amdocs shares were traded publicly during the Class Period on the NASDAQ. Record owners and other members of the Class may be identified from records maintained by Amdocs or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

27. 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.

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

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

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

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

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

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

UNDISCLOSED ADVERSE FACTS

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

32. During the Class Period, Defendants materially misled the investing public,

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

33. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused or were a substantial contributing cause of the 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 and/or misleading statements about Amdocs's financial well-being and prospects. These material misstatements and/or omissions had the cause and effect of creating in the market an unrealistically positive assessment of the Company and its financial well-being and prospects, thus causing the Company's securities to be overvalued and artificially inflated at all relevant times. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at artificially inflated prices, thus causing the damages complained of herein.

LOSS CAUSATION

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

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

SCIENTER ALLEGATIONS

36. As alleged herein, Defendants acted with scienter in that Defendants knew that the public documents and statements issued or disseminated in the name of the Company were materially false and/or misleading; knew that such statements or documents would be issued or

disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws. As set forth elsewhere herein in detail, Defendants, by virtue of their receipt of information reflecting the true facts regarding Amdocs, his/her control over, and/or receipt and/or modification of Amdocs's allegedly materially misleading misstatements and/or their associations with the Company which made them privy to confidential proprietary information concerning Amdocs, participated in the fraudulent scheme alleged herein.

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

37. The market for Amdocs's securities was open, well-developed and efficient at all relevant times. As a result of the materially false and/or misleading statements and/or failures to disclose, Amdocs's securities traded at artificially inflated prices during the Class Period. On January 23, 2018, the Company's common stock closed at a Class Period high of \$70.30 per share. Plaintiff and other members of the Class purchased or otherwise acquired the Company's securities relying upon the integrity of the market price of Amdocs's securities and market information relating to Amdocs, and have been damaged thereby.

38. During the Class Period, the artificial inflation of Amdocs's stock was caused by the material misrepresentations and/or omissions particularized in this Complaint causing the 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 and/or misleading statements about Amdocs's business, prospects, and operations. These material misstatements and/or omissions created an unrealistically positive assessment of Amdocs and its business, operations, and prospects, thus causing the price of the Company's securities to be artificially inflated at all relevant times, and when disclosed, negatively affected the value of the Company stock. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at such artificially inflated prices, and each of them has been damaged as a result.

39. At all relevant times, the market for Amdocs's securities was an efficient market

for the following reasons, among others:

(a) Amdocs stock met the requirements for listing, and was listed and actively traded on the NASDAQ, a highly efficient and automated market;

(b) As a regulated issuer, Amdocs filed periodic public reports with the SEC and/or the NASDAQ;

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

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

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

41. A Class-wide presumption of reliance is also appropriate in this action under the Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128 (1972), because the Class's claims are, in large part, grounded on Defendants' material misstatements and/or omissions. Because this action involves Defendants' failure to disclose material adverse information regarding the Company's business operations and financial prospects—information that Defendants were obligated to disclose—positive proof of reliance is not a prerequisite to recovery. All that is necessary is that the facts withheld be material in the

sense that a reasonable investor might have considered them important in making investment decisions. Given the importance of the Class Period material misstatements and omissions set forth above, that requirement is satisfied here.

NO SAFE HARBOR

42. 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. The statements alleged to be false and misleading herein all relate to then-existing facts and conditions. In addition, to the extent certain of the statements alleged to be false may be characterized as forward looking, they were not identified as “forward-looking statements” when made and 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. In the alternative, to the extent that the statutory safe harbor is determined to apply to any forward-looking statements pleaded herein, Defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the speaker had actual knowledge that the forward-looking statement was materially false or misleading, and/or the forward-looking statement was authorized or approved by an executive officer of Amdocs who knew that the statement was false when made.

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

43. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

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

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

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

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

48. Each of the Individual Defendants' primary liability, and controlling person liability, arises from the following facts: (i) the Individual Defendants were high-level executives and/or directors at the Company during the Class Period and members of the Company's management team or had control thereof; (ii) each of these defendants, by virtue of their responsibilities and activities as a senior officer and/or director of the Company, was privy to and participated in the creation, development and reporting of the Company's internal budgets, plans,

projections and/or reports; (iii) each of these defendants enjoyed significant personal contact and familiarity with the other defendants and was advised of, and had access to, other members of the Company's management team, internal reports and other data and information about the Company's finances, operations, and sales at all relevant times; and (iv) each of these defendants was aware of the Company's dissemination of information to the investing public which they knew and/or recklessly disregarded was materially false and misleading.

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

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

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

52. By virtue of the foregoing, the Company and the Individual Defendants have violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

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

SECOND CLAIM
Violation of Section 20(a) of the Exchange Act
(Against the Individual Defendants)

54. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

55. The Individual Defendants acted as controlling persons of Amdocs within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions, and their ownership and contractual rights, participation in and/or awareness of the Company's operations and/or intimate knowledge of the false financial statements filed by the Company with the SEC and disseminated to the investing public, the Individual Defendants had the power to influence and control and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements which Plaintiff contends are false and misleading. The Individual Defendants were provided with or had unlimited access to copies of the Company's reports, press releases, public filings 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 statements or cause the statements to be corrected.

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

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

PRAYER FOR RELIEF

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

- (a) Determining that this action is a proper class action under Rule 23 of the Federal Rules of Civil Procedure;
- (b) Awarding compensatory damages in favor of Plaintiff and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;
- (c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and
- (d) Such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

Dated: _____, 2019

By: Draft

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