

UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS

\_\_\_\_\_, Individually and On Behalf  
of All Others Similarly Situated,

Plaintiff,

v.

CASA SYSTEMS, INC., JERRY GUO,  
GARY HALL, LUCY XIE, WEIDONG  
CHEN, BRUCE R. EVANS, BILL  
STYSLINGER, JOE TIBBETTS,  
MORGAN STANLEY & CO. LLC,  
BARCLAYS CAPITAL INC., RAYMOND  
JAMES & ASSOCIATES, INC., STIFEL,  
NICOLAUS & COMPANY,  
INCORPORATED, MACQUARIE  
CAPITAL (USA) INC., NORTHLAND  
SECURITIES, INC., and WILLIAM  
BLAIR & COMPANY, L.L.C.,

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”), individually and on behalf of all others similarly situated, 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 Casa Systems, Inc. (“Casa Systems” 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 Casa Systems; and (c) review of other publicly available information concerning Casa Systems.

### **NATURE OF THE ACTION AND OVERVIEW**

1. This is a class action on behalf of persons and entities that purchased or otherwise acquired Casa Systems securities pursuant and/or traceable to the registration statement and prospectus (collectively, the “Registration Statement”) issued in connection with the Company’s December 2017 initial public offering (“IPO” or the “Offering”). Plaintiff pursues claims against the Defendants, under the Securities Act of 1933 (the “Securities Act”).

2. Casa Systems offers products for next-generation, centralized, distributed, and virtualized architectures for cable broadband, fixed-line broadband, and wireless networks.

3. On December 15, 2017, the Company filed its prospectus on Form 424B4 with the SEC, which forms part of the Registration Statement. In the IPO, the Company sold 6,900,000 shares of common stock at a price of \$13.00 per share. The Company received proceeds of approximately \$79.8 million from the Offering, net of underwriting discounts and commissions. The proceeds from the IPO were purportedly to be used for working capital and general corporate purposes.

4. On August 14, 2018, Casa announced disappointing financial results and lowered its revenue guidance for the year by \$50 million.

5. On this news, the Company’s stock price fell \$3.52, or nearly 23%, to close at \$12.08 per share on August 15, 2018, on unusually heavy trading volume.

6. On February 21, 2019, the Company announced disappointing full year 2018 financial results, reporting full year revenue of \$297.1 million and net income of \$73.0 million, because its customers were shifting toward more software-based capacity expansions as part of a multi-year upgrade.

7. On this news, the Company's share price fell \$1.61, or more than 13%, to close at \$10.35 per share on February 22, 2019, on unusually heavy trading volume

8. By the commencement of this action, Casa Systems stock was trading as low as \$5.62 per share, a nearly 57% decline from the \$13 per share IPO price.

9. The Registration Statement was false and misleading and omitted to state material adverse facts. Specifically, Defendants failed to disclose to investors: (1) that the Company's key customers were in a "digestive" mode implementing technology solutions they had already purchased; (2) that, as a result, these customers would significantly cut their spending on initiatives that were key to the Company's success; (3) that the Company's customers delayed spending decisions while they waited for availability of second generation nodes as part of a multi-year upgrade process to distributed access architecture, *i.e.* DAA; (4) that the Company's customers delayed high capacity hardware purchases pending their strategic decisions on next-generation systems; (5) that the Company's key customers had shifted from hardware to software-based capacity expansions and wireless solutions; (6) that, as a result, the Company expected fewer hardware purchases by certain customers; (7) that, as a result, the Company would increase its research and development spending to shift its products; (8) that, as a result of the foregoing, Defendants' positive statements about the Company's business, operations, and prospects, were materially misleading and/or lacked a reasonable basis.

10. 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**

11. The claims asserted herein arise under and pursuant to Sections 11, 12, and 15 of the Securities Act (15 U.S.C. §§ 77k and 77o).

12. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331, Section 22 of the Securities Act (15 U.S.C. § 77v).

13. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b). The Company's principal executive offices are in this district.

14. 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**

15. Plaintiff \_\_\_\_\_, as set forth in the accompanying certification, incorporated by reference herein, purchased or otherwise acquired Casa Systems securities pursuant and/or traceable to the Registration Statement issued in connection with the Company's IPO, and suffered damages as a result of the federal securities law violations and false and/or misleading statements and/or material omissions alleged herein.

16. Defendant Casa Systems is incorporated under the laws of Delaware with its principal executive offices located in Andover, Massachusetts. Casa Systems' common stock trades on the NASDAQ under the symbol "CASA."

17. Defendant Jerry Guo ("Guo") was, at all relevant times, the Chief Executive Officer, President, and Chairman of the Board of Directors of the Company, and signed or authorized the signing of the Company's Registration Statement filed with the SEC.

18. Defendant Gary Hall ("Hall") was, at all relevant times, the Chief Financial Officer of the Company, and signed or authorized the signing of the Company's Registration Statement filed with the SEC.

19. Defendant Lucy Xie ("Xie") was a director of the Company and signed or

authorized the signing of the Company's Registration Statement filed with the SEC.

20. Defendant Weidong Chen ("Chen") was a director of the Company and signed or authorized the signing of the Company's Registration Statement filed with the SEC.

21. Defendant Bruce R. Evans ("Evans") was a director of the Company and signed or authorized the signing of the Company's Registration Statement filed with the SEC.

22. Defendant Bill Styslinger ("Styslinger") was a director of the Company and signed or authorized the signing of the Company's Registration Statement filed with the SEC.

23. Defendant Joe Tibbetts ("Tibbetts") was a director of the Company and signed or authorized the signing of the Company's Registration Statement filed with the SEC.

24. Defendants Guo, Hall, Xie, Chen, Evans, Styslinger, and Tibbetts are collectively referred to hereinafter as the "Individual Defendants."

25. Defendant Morgan Stanley & Co. LLC ("Morgan Stanley") served as an underwriter for the Company's IPO.

26. Defendant Barclays Capital Inc. ("Barclays") served as an underwriter for the Company's IPO.

27. Defendant Raymond James & Associates, Inc. ("Raymond James") served as an underwriter for the Company's IPO.

28. Defendant Stifel, Nicolaus & Company, Incorporated ("Stifel") served as an underwriter for the Company's IPO.

29. Defendant Macquarie Capital (USA) Inc. ("Macquarie") served as an underwriter for the Company's IPO.

30. Defendant Northland Securities, Inc. ("Northland") served as an underwriter for the Company's IPO.

31. Defendant William Blair & Company, L.L.C. ("William Blair") served as an underwriter for the Company's IPO.

32. Defendants Morgan Stanley, Barclays, Raymond James, Stifel, Macquarie, Northland, and William Blair are collectively referred to hereinafter as the "Underwriter

Defendants.”

### **CLASS ACTION ALLEGATIONS**

33. 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 Casa Systems securities issued in connection with the Company’s IPO. 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.

34. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Casa Systems’ shares actively traded on the NASDAQ. 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 at least hundreds or thousands of members in the proposed Class. Millions of Casa Systems 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 Casa Systems 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.

35. 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.

36. 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.

37. 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 Casa Systems; and

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

38. 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.

## **SUBSTANTIVE ALLEGATIONS**

### **Background**

39. Casa Systems offers products for next-generation, centralized, distributed, and virtualized architectures for cable broadband, fixed-line broadband, and wireless networks.

### **The Company's False and/or Misleading Registration Statement and Prospectus**

40. On December 14, 2017, the Company filed its final amendment to the Registration Statement with the SEC on Form S-1/A, which forms part of the Registration Statement. The Registration Statement was declared effective the same day.

41. On December 15, 2017, the Company filed its prospectus on Form 424B4 with the SEC, which forms part of the Registration Statement. In the IPO, the Company sold 6,900,000 shares of common stock at a price of \$13.00 per share. The Company received proceeds of approximately \$79.8 million from the Offering, net of underwriting discounts and

commissions. The proceeds from the IPO were purportedly to be used for working capital and general corporate purposes.

42. The Registration Statement was negligently prepared and, as a result, contained untrue statements of material facts or omitted to state other facts necessary to make the statements made not misleading, and was not prepared in accordance with the rules and regulations governing its preparation.

43. Under applicable SEC rules and regulations, the Registration Statement was required to disclose known trends, events or uncertainties that were having, and were reasonably likely to have, an impact on the Company's continuing operations.

44. According to the Registration Statement, the Company experienced significant growth, stating in relevant part:

***We have achieved significant growth and profitability. For the year ended December 31, 2015, we generated revenue of \$272.5 million, net income of \$67.9 million and adjusted EBITDA of \$115.5 million, representing increases of 29.0%, 13.8% and 22.1%, respectively, from the corresponding amounts for the year ended December 31, 2014. For the year ended December 31, 2016, we generated revenue of \$316.1 million, net income of \$88.7 million and adjusted EBITDA of \$129.1 million, representing increases of 16.0%, 30.5% and 11.7%, respectively, from the corresponding amounts for the year ended December 31, 2015. For the nine months ended September 30, 2017, we generated revenue of \$233.6 million, net income of \$59.6 million and adjusted EBITDA of \$93.3 million, representing increases of 7.7%, 22.2% and 25.2%, respectively, from the corresponding amounts for the nine months ended September 30, 2016.***

(Emphases added.)

45. The Registration Statement touted an existing "compelling market opportunity" of "\$2.0 billion" due to the "shift to software-centric ultra-broadband networks and fixed and wireless network convergence." Moreover, the Registration Statement stated "that new wireless communications and network infrastructure segments that [the Company has] entered offer substantial additional market opportunities." Furthermore, the Registration Statement claimed that the Company was key technology initiatives undertaken by broadband service providers presented an "opportunity" for the Company, stating in relevant part:

## Opportunity to Transform Broadband Networks

Given the challenges they face, broadband service providers are undertaking three key technology initiatives to help build next-generation networks:

- **Densification.** Broadband service providers are shifting from centralized to more distributed architectures, a process referred to as densification. Densification requires extending network connectivity and distributing access aggregation solutions closer to end users.
- **Network convergence.** As fixed and wireless providers continue to consolidate and integrate their service offerings, which is referred to as convergence, these service providers are seeking to integrate their separate delivery modes with all-IP architectures, shared transport and a common suite of software-centric core and access network functions.
- **Virtualization.** Software-enabled architectures that are decoupled from underlying hardware allow for increased efficiencies, upgradability, configuration flexibility, service agility and scalability not feasible with hardware-centric approaches.

46. The Registration Statement claimed that the Company's solutions were responsive to these initiatives, stating in relevant part:

### Our Solutions

We offer solutions for fixed and wireless networks. Our software-centric, multi-service broadband platform, Axyom, enables ultra-broadband delivery and convergence. We engineered our platform from the ground-up to be high performance, flexible and adaptable, and to allow our customers to seamlessly address the growing demand for bandwidth and connectivity and competitive need for service agility.

Our platform provides the following key benefits to broadband service providers:

- **Addition of critical bandwidth capacity.** Our solutions enable broadband service providers to offer multi-gigabit speeds and to expand capacity seamlessly to meet the growing demand for bandwidth.
- **Flexibility to add new and expand existing services.** Our platform provides us with the flexibility to adapt to changing industry standards and customer needs.
- **Ability to upgrade networks remotely.** Our programmable architecture allows us to deploy technology updates to our customers remotely without the expense, disruption or network downtime caused by hardware replacements or field visits by personnel.

- ***Reduced network complexity, operating costs and capital expenditures.*** Our converged software platform allows broadband service providers to significantly reduce the complexity and costs of their networks by reducing parallel and otherwise redundant network architectures.
- ***Ability to densify networks.*** Our products help broadband service providers deploy more capacity at the network edge, closer to where end users and devices are accessing the network, increasing available bandwidth and reducing latency to improve quality of service.
- ***Common platform capabilities to address the needs of both fixed and wireless networks.*** Our software-centric, multi-service platform enables a broad range of network services for fixed and wireless networks allowing for the delivery of diverse consumer and enterprise applications.

Our primary product line is our portfolio of converged cable access platform, or CCAP, solutions, which enable the provision of voice, video and data over a single port.

47. Additionally, the Registration Statement touted the Company's competitive strengths that enabled Casa Systems to take advantage of these initiatives, stating:

#### **Our Competitive Strengths**

The following competitive strengths have helped us become a market leader:

- ***Highly flexible, software-centric architecture.*** We have designed our product portfolio from the ground up to be software-centric and modular in nature. Our proprietary software is at the heart of our products. Our software allows us to leverage the programmability of FPGAs and general purpose processors in our solutions. Our software-centric architecture enables us to virtualize core network and access functions allowing these functions to be decoupled from underlying hardware, which is not feasible with hardware-centric approaches and allows for increased efficiencies, upgradability, configuration flexibility, service agility and scalability.
- ***Proven engineering and product development track record.*** We have a proven history of anticipating network evolutions and developing solutions that enable next-generation networks. Our forward-looking design and investment approach, coupled with our proven product development track record, has enabled us to deliver fully featured next-generation solutions in advance of competitors. For example, we believe we were first to market with (1) a software-centric cable solution leveraging the programmability of FPGAs and general purpose processors, (2) a commercially deployed, fully qualified DOCSIS 3.0 CMTS, (3) a commercially deployed CCAP delivering IP voice, digital video and data over a single port, (4) commercially deployed DOCSIS 3.1-compliant

solutions supporting speeds of up to 10 gigabits per second and (5) a commercially deployable remote-PHY solution.

- ***Strong management and engineering team with a culture of innovation.*** We pride ourselves on our culture of innovation, which is driven by our management team of experienced executives and engineers with deep industry expertise. As of October 31, 2017, approximately 85% of our employees were engineers or had other technical backgrounds.
- ***Customer focus.*** We have a passion to serve our customers and the agility and flexibility to offer solutions to meet their evolving requirements.
- ***Diversified and established customer base.*** Our solutions are commercially deployed in over 70 countries by more than 400 customers, including some of the world's largest Tier 1 broadband service providers.

48. The Registration Statement claimed that the Company had insight into its customers' future purchasing requirements, stating in relevant part:

***Our products typically have a long sales cycle, requiring detailed discussions with prospective customers about their network requirements and technology roadmaps. To help us succeed in a market characterized by long sales cycles, we have developed strong customer relationships, which in turn provide us with insight into how our products will be deployed in our customers' networks. We involve product engineers in the sales process, enabling them to build relationships with customers that are valuable both during implementation and in post-sales customer support. These relationships also provide us with opportunities to leverage our familiarity with our customers' needs to make additional sales following the initial sale.***

49. Regarding the Company's growth strategy, the Registration Statement stated, in relevant part:

### **Our Growth Strategy**

The key elements of our growth strategy are:

- Continue to innovate and extend technology leadership through R&D investment.
- Further penetrate existing customers.
- Expand our customer base.
- Expand the breadth of solutions sold to customers, with particular focus on the development of new software-based and virtualized products.

- Leverage our core technology for the cable industry into adjacent wireless markets.
- Invest in our platform through selective acquisitions.

50. The Registration Statement was materially false and misleading and omitted to state: (1) that the Company's key customers were in a "digestive" mode implementing technology solutions they had already purchased; (2) that, as a result, these customers would significantly cut their spending on initiatives that were key to the Company's success; (3) that the Company's customers delayed spending decisions while they waited for availability of second generation nodes as part of a multi-year upgrade process to distributed access architecture, *i.e.* DAA; (4) that the Company's customers delayed high capacity hardware purchases pending their strategic decisions on next-generation systems; (5) that the Company's key customers had shifted from hardware to software-based capacity expansions and wireless solutions; (6) that, as a result, the Company expected fewer hardware purchases by certain customers; (7) that, as a result, the Company would increase its research and development spending to shift its products; (8) that, as a result of the foregoing, Defendants' positive statements about the Company's business, operations, and prospects, were materially misleading and/or lacked a reasonable basis.

#### **The Subsequent Disclosures**

51. On August 14, 2018, Casa announced disappointing second quarter 2018 financial results and lowered its revenue guidance for the year by \$50 million.

52. During a conference call to discuss the financial results, Defendant Guo acknowledged problems impacting the Company's performance, but assured that Casa Systems remained well-positioned to grow, stating in relevant part:

As we look to the second half of the year, *we are revising our guidance to reflect delays in the timing of large scale customer net upgrades. We are seeing certain customers defer chassis-based CCAP purchases as they finalize plans to implement distributed access architecture or DAA.* We believe that DAA represents our next growth inflection point in the cable space.

To add some color, *since we began shipping our first product, our revenue trajectory has been characterized by high growth upgrade periods, that are driven by the introduction of new technologies. These are followed by periods of more moderate growth or digestion* which have typically been characterized by capacity expansion rather than widespread appliance purchases.

*We believe we are in currently in digestion phase*, but are also approaching a new technology inflection point marked by the shift to DAA and to move certain core network functions to the outside plant closer to the end customers. ***This shift is difficult.*** It represents a complex change in network architecture, and a redirection of network CapEx. As a result, our customers are understandably being more deliberate in finalizing their rollout plans. ***Based on trials of DAA equipment, our customers are also being more prudent about large-scale upgrades to their existing architectures, choosing to focus primarily on hotspots in their networks.***

*We believe that this will create a softening in our cable segment for the remainder of 2018.* However, while they weigh the next generation architecture decisions capacity demands will continue to place pressure on their networks. As a result, we may see a few large scale capacity purchases closer to the end of the year. ***Despite the recent moderation in our growth, we are confident that our cable business is healthy and it will continue to grow.***

53. On this news, the Company's stock price fell \$3.52, or nearly 23%, to close at \$12.08 per share on August 15, 2018, on unusually heavy trading volume.

54. An August 16, 2018 article, entitled "Casa Revenue Growth Stalls as Operators Mull Virtualization," highlighted the unexpected decline in customers' spending, stating:

***CEO Jerry Guo said customers are making only short-term investments on network capacity expansion, eschewing high-capacity purchases of Converged Cable Access Platform hardware as they mull their strategy on next-generation Distribute Access Architecture (DAA).***

"While our customers weigh the timing for their large-scale rollout of the next network architecture, they are choosing to only procure capacity in a short-term basis. And they're not making very long-term upgrades of the chassis-based products in some cases.

***"We do see DAA delayed industry wide in terms of large scale deployment," Guo added. "And given that a lot of operators are contemplating DAA, they are slowing down their spending in their current capacity expansion."***

Guo said he believes larger scale DAA deployment will begin in 2019.

55. On November 7, 2018, the Company announced disappointing financial results

for third quarter 2018. During a conference call to discuss the results, Defendant Guo attributed the results to “delays in customer spend as they evaluate significant DAA architecture deployment decisions and continue to digest recent capacity purchases.” He further disclosed that the Company “believe[s] that [its] core cable business is in a digestion period for the near term as [its] customers invest increasingly in software and line card based capacity expansion rather than large scale appliance purchases. This view is supported by [the Company’s] third quarter results, which were marked by significant software license sales versus the chassis modems from earlier in the year and late last year.”

56. However, Defendant Guo continued to assure investors that it expected positive top line growth in 2019, stating in relevant part:

*During the quarter, we continue to diversify our revenue base with the addition of seven new customers for our cable and the fixed telco businesses. Additionally, Europe was up significantly from 14% in Q3 2017 to 28% in 2018 as European customers are not accelerating DOC SIS 3.1 upgrades. Going forward we continue to believe that we will see top-line growth in 2019 as our customers finalized decisions about the timing of deployment of new technologies in their cable, mobile and fixed broadband networks. Near term drivers for this are quite favorable in our view."*

57. On January 17, 2019, the Company announced preliminary fourth quarter and full year 2018 financial results in a press release that stated, in relevant part:

*“Our fourth quarter results were impacted by lower than expected spending in hardware by certain MSO customers as they begin to transition from Integrated CCAP to Distributed Access Architecture (DAA). As a result, we saw higher than anticipated software-based capacity sales during the quarter and lower than expected hardware volumes. To a lesser extent we also experienced wireless product certification delays, which has affected the timing of our wireless revenue recognition,”* said Jerry Guo, Casa’s President and CEO.

58. On February 21, 2019, the Company announced fourth quarter and full year 2018 financial results, reporting full year revenue of \$297.1 million and net income of \$73.0 million.

59. During a conference call to discuss the results, Defendant Guo admitted that the Company’s key customers were in a “digestion” period: “[W]ith several years of CapEx spend to upgrade and add more capacity in the network, [the Company] believe[s] that [its] cable

business is, and will continue to be for the near term, in a digestion period.”

60. During the same call, Defendant Guo stated that “hardware as a percentage of total revenue has been declining with the demand steadily shifting toward more software-based capacity expansions” and that margins were lower on such purchases. He also acknowledged that the Company had to lower its forecasts because customers had made “lower CapEx spend announcements . . . while [the Company] await[s] initial 5G spend and a more aggressive shift to DAA in cable.” Meanwhile, to develop new business, the Company would “pull[] forward some of [its] planned R&D for 2020 into th[e] current fiscal year,” pressuring profitability and earnings per share.

61. On this news, the Company’s share price fell \$1.61, or more than 13%, to close at \$10.35 per share on February 22, 2019, on unusually heavy trading volume.

62. By the commencement of this action, Casa Systems stock was trading as low as \$5.62 per share, a nearly 57% decline from the \$13 per share IPO price.

**FIRST CLAIM**  
**Violation of Section 11 of the Securities Act**  
**(Against All Defendants)**

63. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein, except any allegation of fraud, recklessness or intentional misconduct.

64. This Count is brought pursuant to Section 11 of the Securities Act, 15 U.S.C. § 77k, on behalf of the Class, against the Defendants.

65. The Registration Statement for the IPO was inaccurate and misleading, contained untrue statements of material facts, omitted to state other facts necessary to make the statements made not misleading, and omitted to state material facts required to be stated therein.

66. Casa Systems is the registrant for the IPO. The Defendants named herein were responsible for the contents and dissemination of the Registration Statement.

67. As issuer of the shares, Casa Systems is strictly liable to Plaintiff and the Class for the misstatements and omissions.

68. None of the Defendants named herein made a reasonable investigation or

possessed reasonable grounds for the belief that the statements contained in the Registration Statement was true and without omissions of any material facts and were not misleading.

69. By reasons of the conduct herein alleged, each Defendant violated, and/or controlled a person who violated Section 11 of the Securities Act.

70. Plaintiff acquired Casa Systems shares pursuant and/or traceable to the Registration Statement for the IPO.

71. Plaintiff and the Class have sustained damages. The value of Casa Systems Class A common stock has declined substantially subsequent to and due to the Defendants' violations.

**SECOND CLAIM**  
**Violation of Section 12(a)(2) of the Securities Act**  
**(Against All Defendants)**

72. Plaintiff repeats and re-alleges each and every allegation contained above, except any allegation of fraud, recklessness or intentional misconduct.

73. This Count is brought pursuant to Section 12(a)(2) of the Securities Act, on behalf of the Class, against all Defendants.

74. Defendants were sellers, offerors, and/or solicitors of purchasers of Class A common stock offered by Casa Systems pursuant to the IPO. Defendants issued, caused to be issued, and/or signed the Registration Statement in connection with the Offering. The Registration Statement was used to induce investors, such as Plaintiff and other members of the Class, to purchase Casa Systems securities.

75. The Registration Statement was inaccurate and misleading, contained untrue statements of material facts, omitted to state other facts necessary to make the statements made not misleading, and omitted to state material facts required to be stated therein.

76. Defendants' actions of solicitation included participating in the preparation of the false and/or misleading Registration Statement.

77. None of the Defendants named herein made a reasonable investigation or possessed reasonable grounds for the belief that the statements contained in the Registration Statement were true and without omissions of any material facts and were not misleading.

78. Plaintiff and other Class members did not know, nor could they have known, of the untruths and/or omissions contained in the Registration Statement.

79. By virtue of the conduct alleged herein, the Defendants are liable for the aforesaid wrongful conduct and are liable to Plaintiff and the Class for damages suffered.

**THIRD CLAIM**  
**Violation of Section 15 of the Securities Act**  
**(Against the Individual Defendants)**

80. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein, except any allegation of fraud, recklessness or intentional misconduct.

81. This count is asserted against the Individual Defendants and is based upon Section 15 of the Securities Act.

82. The Individual Defendants, by virtue of their offices, directorship, and specific acts were, at the time of the wrongs alleged herein and as set forth herein, controlling persons of Casa Systems within the meaning of Section 15 of the Securities Act. The Individual Defendants had the power and influence and exercised the same to cause Casa Systems to engage in the acts described herein.

83. The Individual Defendants' positions made them privy to and provided them with actual knowledge of the material facts concealed from Plaintiff and the Class.

84. By virtue of the conduct alleged herein, the Individual Defendants are liable for the aforesaid wrongful conduct and are liable to Plaintiff and the Class for damages suffered.

**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      

**GLANCY PRONGAY & MURRAY LLP**

Lionel Z. Glancy  
Robert V. Prongay  
Lesley F. Portnoy  
Charles H. Linehan  
Pavithra Rajesh  
1925 Century Park East, Suite 2100  
Los Angeles, CA 90067  
Telephone: (310) 201-9150  
Facsimile: (310) 201-9160

**LAW OFFICES OF HOWARD G. SMITH**

Howard G. Smith  
3070 Bristol Pike, Suite 112  
Bensalem, PA 19020  
Telephone: (215) 638-4847  
Facsimile: (215) 638-4867  
*Attorneys for Plaintiff* \_\_\_\_\_