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**UNITED STATES DISTRICT COURT
DISTRICT OF ARIZONA, PHOENIX**

, Individually and on
Behalf of All Others Similarly Situated,

Plaintiff,

v.

Edgio, Inc. f/k/a Limelight Networks,
Inc., Robert Lyons, Daniel Boncel, and
Stephen Cumming,

Defendants.

Case No.

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

1 Plaintiff (“Plaintiff”), individually and on behalf of all others
2 similarly situated, by and through his attorneys, alleges the following upon information
3 and belief, except as to those allegations concerning Plaintiff, which are alleged upon
4 personal knowledge. Plaintiff’s information and belief is based upon, among other things,
5 his counsel’s investigation, which includes without limitation: (a) review and analysis of
6 regulatory filings made by Edgio, Inc. f/k/a Limelight Networks, Inc. (“Edgio,” or the
7 “Company”) with the United States (“U.S.”) Securities and Exchange Commission
8 (“SEC”); (b) review and analysis of press releases and media reports issued by and
9 disseminated by Edgio; and (c) review of other publicly available information concerning
10 Edgio.

11 **NATURE OF THE ACTION AND OVERVIEW**

12 1. This is a class action on behalf of persons and entities that purchased or
13 otherwise acquired Edgio securities between February 11, 2021 and March 12, 2023,
14 inclusive (the “Class Period”). Plaintiff pursues claims against the Defendants under the
15 Securities Exchange Act of 1934 (the “Exchange Act”).

16 2. Edgio provides software solutions for companies. Edgio’s services include
17 digital content delivery, online video delivery, cloud security, edge computing, cloud
18 storage, and professional services. On June 16, 2022, the Company changed its name from
19 Limelight Networks, Inc. to Edgio, Inc.

20 3. On March 13, 2023, before the market opened, Edgio issued a press release
21 announcing that it will restate its previously issued financial statements for the years ended
22 December 31, 2021 and 2020, as well as the quarterly reports for fiscal 2022 and 2021,
23 because its audit committee “identified an error in the Company’s historic accounting
24 treatment of Edgio’s Open Edge solution.” The Company anticipated the restatements
25 would result in a “reduction to revenue of up to approximately \$23.0 million for the nine-
26 month period ended September 30, 2022, up to approximately \$16.7 million for the twelve-
27 month period ended December 31, 2021, and up to approximately \$6.6 million for the
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1 twelve-month period ended December 31, 2020.” As a result, the Company stated that it
2 would be unable to file its annual report on time.

3 4. On this news, the Company’s share price fell \$0.1597, or 15.5%, to close at
4 \$0.8703 per share on March 13, 2023, thereby injuring investors.

5 5. Throughout the Class Period, Defendants made materially false and/or
6 misleading statements, as well as failed to disclose material adverse facts about the
7 Company’s business, operations, and prospects. Specifically, Defendants failed to disclose
8 to investors: (1) that the sale of Open Edge equipment should be accounted as financing
9 leases; (2) that there were material weaknesses in the Company’s internal controls over
10 financial reporting related to Open Edge transactions; (3) that, as a result, the Company’s
11 revenue had been overstated in certain periods; and (4) that, as a result of the foregoing,
12 Defendant’s positive statements about the Company’s business, operations, and prospects
13 were materially misleading and/or lacked a reasonable basis.

14 **JURISDICTION AND VENUE**

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

18 7. This Court has jurisdiction over the subject matter of this action pursuant to
19 28 U.S.C. § 1331 and Section 27 of the Exchange Act (15 U.S.C. § 78aa).

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

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

3 **PARTIES**

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

8 11. Defendant Edgio is incorporated under the laws of Delaware with its
9 principal executive offices located in Phoenix, Arizona. Edgio’s common stock trade on
10 the NASDAQ exchange under the symbol “EGIO.”

11 12. Defendant Robert Lyons (“Lyons”) was the Company’s Chief Executive
12 Officer (“CEO”) at all relevant times.

13 13. Defendant Daniel Boncel (“Boncel”) was the Company’s Chief Financial
14 Officer (“CFO”) between July 2020 and August 2022.

15 14. Defendant Stephen Cumming (“Cumming”) has been the Company’s CFO
16 since August 2022.

17 15. Defendants Lyons, Boncel, and Cumming (collectively the “Individual
18 Defendants”), because of their positions with the Company, possessed the power and
19 authority to control the contents of the Company’s reports to the SEC, press releases and
20 presentations to securities analysts, money and portfolio managers and institutional
21 investors, i.e., the market. The Individual Defendants were provided with copies of the
22 Company’s reports and press releases alleged herein to be misleading prior to, or shortly
23 after, their issuance and had the ability and opportunity to prevent their issuance or cause
24 them to be corrected. Because of their positions and access to material non-public
25 information available to them, the Individual Defendants knew that the adverse facts
26 specified herein had not been disclosed to, and were being concealed from, the public, and
27 that the positive representations which were being made were then materially false and/or
28 misleading. The Individual Defendants are liable for the false statements pleaded herein.

- 1 • **Revenue of \$51.2 million**, down 10 percent, compared to \$57.0 million in
2 the first quarter of 2020.
- 3 • GAAP net loss of \$25.5 million, or \$(0.21) per basic share, compared to a
4 net loss of \$5.3 million, or \$(0.04) per basic share in the first quarter of 2020.
5 GAAP net loss included \$11.7 million in restructuring and transition related
6 charges.

7 20. On April 30, 2021, the Company filed its Form 10-Q with the SEC for the
8 quarter ended March 31, 2021 (the “1Q21 10-Q”), affirming the previously reported
9 financial results. The Company stated that its “disclosure controls and procedures were
10 effective at the reasonable assurance level.”

11 21. On July 29, 2021, the Company issued a press release announcing its second
12 quarter 2021 results. It contained the following financial highlights:

- 13 • **Revenue of \$48.3 million**, down 6% compared to \$51.2 million in the first
14 quarter of 2021, and down 17% compared to \$58.5 million in the second
15 quarter of 2020.
- 16 • GAAP net loss of \$13.7 million, or \$(0.11) per basic share, an improvement
17 of \$11.8 million from the net loss of \$25.5 million, or \$(0.21) per basic share,
18 in the first quarter of 2021. GAAP net loss was \$1.7 million, or \$(0.01) per
19 basic share in the second quarter of 2020. GAAP net loss included \$2.2
20 million and \$11.7 million in restructuring and transition related charges in
21 the second and first quarters of 2021, respectively.

22 22. On August 2, 2021, the Company filed its Form 10-Q with the SEC for the
23 quarter ended June 30, 2021 (the “2Q21 10-Q”), affirming the previously reported financial
24 results. The Company stated that its “disclosure controls and procedures were effective at
25 the reasonable assurance level.”

26 23. On November 4, 2021, the Company issued a press release announcing its
27 third quarter 2021 results. It contained the following financial highlights:

- 28 • **Revenue of \$55.2 million**, up 14% from the second quarter of 2021 and down
7% compared to the third quarter of 2020.
- GAAP net loss of \$10.1 million, or \$(0.08) per basic share, an improvement
of \$3.6 million from the net loss of \$13.7 million, or \$(0.11) per basic share,
in the second quarter of 2021. GAAP net loss was \$4.0 million, or \$(0.03)
per basic share in the third quarter of 2020. GAAP net loss included \$1.8

1 million and \$2.2 million in restructuring and transition related charges in the
2 third and second quarters of 2021, respectively.

3 24. On November 5, 2021, the Company filed its Form 10-Q with the SEC for
4 the quarter ended September 30, 2021 (the “3Q21 10-Q”), affirming the previously
5 reported financial results. The Company stated that its “disclosure controls and procedures
6 were effective at the reasonable assurance level.”

7 25. On January 20, 2022, the Company issued a press release announcing its
8 fourth quarter and full-year 2021 results. It contained the following financial highlights for
9 the fourth quarter 2021:

- 10 • **Revenue of \$62.9 million**, up 14% from the third quarter of 2021 and
11 compared to the fourth quarter of 2020.
- 12 • GAAP net loss of \$7.7 million, or \$(0.06) per basic share, an improvement
13 of \$2.4 million from the net loss of \$10.1 million, or \$(0.08) per basic share,
14 in the third quarter of 2021. GAAP net loss was \$8.3 million, or \$(0.07) per
15 basic share in the fourth quarter of 2020. GAAP net loss included \$2.6
16 million in restructuring and transition related charges in the fourth quarter
17 and \$1.8 million in the third quarter of 2021, respectively.

18 26. On February 17, 2022, the Company filed its annual report on Form 10-K for
19 the year ended December 31, 2021 (the “2021 10-K”), affirming the previously reported
20 financial results. The 2021 10-K stated that the Company’s “disclosure controls and
21 procedures were effective as of December 31, 2021.” Attached were SOX certifications
22 signed by Defendants Lyons and Boncel attesting to the accuracy of the financial
23 statements and the effectiveness of the Company’s internal control over financial reporting.

24 27. On April 28, 2022, the Company issued a press release announcing its first
25 quarter 2022 results. It contained the following financial highlights:

- 26 • **Revenue of \$58.0 million**, up 13% from the first quarter of 2021.
- 27 • GAAP net loss of \$19.2 million, or \$(0.14) per basic share, an improvement
28 of \$6.3 million from the net loss of \$25.5 million, or \$(0.21) per basic share,
in the first quarter of 2021. GAAP net loss included \$5.1 million in
acquisition and legal related charges in the first quarter of 2022 and
restructuring and transition related charges of \$11.7 million in the first
quarter of 2021.

1 December 31, 2021 and 2020, and quarterly reports for 2022 and 2021 because its audit
2 committee had “identified an error in the Company’s historic accounting treatment of
3 Edgio’s Open Edge solution.” Specifically, the sale of Open Edge equipment should have
4 been accounted as financing leases, and the press release stated, in relevant part:

5 Adjustments to Open Edge Transactions

6 The Company and the Audit Committee identified an error in the Company’s
7 historic accounting treatment of Edgio’s Open Edge solution. Edgio’s Open Edge
8 solution is a fully managed content delivery network (“CDN”) service that embeds
9 Edgio’s content delivery platform directly into internet service provider (“ISP”) clients’
10 networks (the “Impacted Transactions”). The Impacted Transactions had a
11 revenue sharing arrangement under which Edgio and ISP clients shared revenue
12 from the traffic that runs through a point of presence (“PoP”) using Edgio’s content
13 delivery platform.

14 Based on the Company’s review to-date of a sample of the Impacted Transactions
15 related to Edgio’s large customers, which remains ongoing, *the Company believes
16 the sale of Open Edge equipment should be accounted for as financing leases, in
17 which (1) the up-front payments received from the Company’s customers
18 associated with the transaction are recognized as a financing liability on the
19 balance sheet, with the related equipment costs remaining in fixed assets and
20 depreciated over time, and (2) pursuant to lease accounting, the revenue sharing
21 payments made by Edgio to the customers allocated between cost of sales and
22 lease payments, as an offset on the balance sheet against the lease liability.* While
23 the Company’s determination regarding the revised accounting treatment for the
24 Impacted Transactions is based on management’s evaluation of a sample of the
25 Impacted Transactions, the Company has not yet completed its evaluation of all such
26 transactions and could reach a different determination as to the remaining
27 transactions.

28 35. The press release also stated that the restatement would reduce previously
reported revenue:

The Company currently anticipates that the primary effects to correct this
accounting *may result in a reduction in revenues of up to approximately \$6.6
million for the 12-month period ended December 31, 2020, up to approximately
\$16.7 million for the 12-month period ended December 31, 2021, and up to
approximately \$23.0 million for the nine-month period ended September 30, 2022,*
with a corresponding costs of sales reduction and impact to depreciation expenses
and income taxes, as well as other adjustments. This represents a reduction of 5.8%
on a consolidated pro-forma basis for the nine months ending September 30, 2022,
and a reduction in previously reported revenue of 7.7% in 2021 and 2.9% in 2020.

1 36. The same day, Edgio filed a Form 8-K with the SEC stating that, as it was
2 still evaluating the financial impact of the accounting error, it could not file its fiscal 2022
3 annual report on time. The Company also revealed that it expects to disclose “a material
4 weakness in the Company’s design and operation of effective internal controls over the
5 accounting for the Impacted Open Edge transactions.”

6 37. On this news, the Company’s share price fell \$0.1597, or 15.5%, to close at
7 \$0.8703 per share on March 13, 2023, thereby injuring investors.

8 **CLASS ACTION ALLEGATIONS**

9 38. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil
10 Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and entities that
11 purchased or otherwise acquired Edgio securities between February 11, 2021 and March
12 12, 2023, inclusive, and who were damaged thereby (the “Class”). Excluded from the
13 Class are Defendants, the officers and directors of the Company, at all relevant times,
14 members of their immediate families and their legal representatives, heirs, successors, or
15 assigns, and any entity in which Defendants have or had a controlling interest.

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

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

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

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

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

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

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

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

19 **UNDISCLOSED ADVERSE FACTS**

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

26 45. During the Class Period, Defendants materially misled the investing public,
27 thereby inflating the price of Edgio's securities, by publicly issuing false and/or misleading
28 statements and/or omitting to disclose material facts necessary to make Defendants'

1 statements, as set forth herein, not false or misleading. The statements and omissions were
2 materially false and/or misleading because they failed to disclose material adverse
3 information and/or misrepresented the truth about Edgio's business, operations, and
4 prospects as alleged herein.

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

17 **LOSS CAUSATION**

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

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

25 **SCIENTER ALLEGATIONS**

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

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

9 **APPLICABILITY OF PRESUMPTION OF RELIANCE**

10 **(FRAUD-ON-THE-MARKET DOCTRINE)**

11 50. The market for Edgio's securities was open, well-developed and efficient at
12 all relevant times. As a result of the materially false and/or misleading statements and/or
13 failures to disclose, Edgio's securities traded at artificially inflated prices during the Class
14 Period. On April 19, 2022, the Company's share price closed at a Class Period high of
15 \$5.43 per share. Plaintiff and other members of the Class purchased or otherwise acquired
16 the Company's securities relying upon the integrity of the market price of Edgio's
17 securities and market information relating to Edgio, and have been damaged thereby.

18 51. During the Class Period, the artificial inflation of Edgio's shares was caused
19 by the material misrepresentations and/or omissions particularized in this Complaint
20 causing the damages sustained by Plaintiff and other members of the Class. As described
21 herein, during the Class Period, Defendants made or caused to be made a series of
22 materially false and/or misleading statements about Edgio's business, prospects, and
23 operations. These material misstatements and/or omissions created an unrealistically
24 positive assessment of Edgio and its business, operations, and prospects, thus causing the
25 price of the Company's securities to be artificially inflated at all relevant times, and when
26 disclosed, negatively affected the value of the Company shares. Defendants' materially
27 false and/or misleading statements during the Class Period resulted in Plaintiff and other
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1 members of the Class purchasing the Company's securities at such artificially inflated
2 prices, and each of them has been damaged as a result.

3 52. At all relevant times, the market for Edgio's securities was an efficient
4 market for the following reasons, among others:

5 (a) Edgio shares met the requirements for listing, and was listed and
6 actively traded on the NASDAQ, a highly efficient and automated market;

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

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

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

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

24 54. A Class-wide presumption of reliance is also appropriate in this action under
25 the Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United States*, 406 U.S.
26 128 (1972), because the Class's claims are, in large part, grounded on Defendants' material
27 misstatements and/or omissions. Because this action involves Defendants' failure to
28 disclose material adverse information regarding the Company's business operations and

1 financial prospects—information that Defendants were obligated to disclose—positive
2 proof of reliance is not a prerequisite to recovery. All that is necessary is that the facts
3 withheld be material in the sense that a reasonable investor might have considered them
4 important in making investment decisions. Given the importance of the Class Period
5 material misstatements and omissions set forth above, that requirement is satisfied here.

6 **NO SAFE HARBOR**

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

21 **FIRST CLAIM**

22 **Violation of Section 10(b) of The Exchange Act and**

23 **Rule 10b-5 Promulgated Thereunder**

24 **Against All Defendants**

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

27 57. During the Class Period, Defendants carried out a plan, scheme and course
28 of conduct which was intended to and, throughout the Class Period, did: (i) deceive the

1 investing public, including Plaintiff and other Class members, as alleged herein; and (ii)
2 cause Plaintiff and other members of the Class to purchase Edgio's securities at artificially
3 inflated prices. In furtherance of this unlawful scheme, plan and course of conduct,
4 Defendants, and each defendant, took the actions set forth herein.

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

13 59. Defendants, individually and in concert, directly and indirectly, by the use,
14 means or instrumentalities of interstate commerce and/or of the mails, engaged and
15 participated in a continuous course of conduct to conceal adverse material information
16 about Edgio's financial well-being and prospects, as specified herein.

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

27 61. Each of the Individual Defendants' primary liability and controlling person
28 liability arises from the following facts: (i) the Individual Defendants were high-level

1 executives and/or directors at the Company during the Class Period and members of the
2 Company's management team or had control thereof; (ii) each of these defendants, by
3 virtue of their responsibilities and activities as a senior officer and/or director of the
4 Company, was privy to and participated in the creation, development and reporting of the
5 Company's internal budgets, plans, projections and/or reports; (iii) each of these
6 defendants enjoyed significant personal contact and familiarity with the other defendants
7 and was advised of, and had access to, other members of the Company's management team,
8 internal reports and other data and information about the Company's finances, operations,
9 and sales at all relevant times; and (iv) each of these defendants was aware of the
10 Company's dissemination of information to the investing public which they knew and/or
11 recklessly disregarded was materially false and misleading.

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

24 63. As a result of the dissemination of the materially false and/or misleading
25 information and/or failure to disclose material facts, as set forth above, the market price of
26 Edgio's securities was artificially inflated during the Class Period. In ignorance of the fact
27 that market prices of the Company's securities were artificially inflated, and relying
28 directly or indirectly on the false and misleading statements made by Defendants, or upon

1 the integrity of the market in which the securities trades, and/or in the absence of material
2 adverse information that was known to or recklessly disregarded by Defendants, but not
3 disclosed in public statements by Defendants during the Class Period, Plaintiff and the
4 other members of the Class acquired Edgio's securities during the Class Period at
5 artificially high prices and were damaged thereby.

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

13 65. By virtue of the foregoing, Defendants violated Section 10(b) of the
14 Exchange Act and Rule 10b-5 promulgated thereunder.

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

18 **SECOND CLAIM**

19 **Violation of Section 20(a) of The Exchange Act**

20 **Against the Individual Defendants**

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

23 68. Individual Defendants acted as controlling persons of Edgio within the
24 meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-
25 level positions and their ownership and contractual rights, participation in, and/or
26 awareness of the Company's operations and intimate knowledge of the false financial
27 statements filed by the Company with the SEC and disseminated to the investing public,
28 Individual Defendants had the power to influence and control and did influence and

