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UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT TACOMA

and All Others Similarly Situated,

on Behalf of Itself

Plaintiff,

vs.

ZOOMINFO TECHNOLOGIES, INC.,  
HENRY SCHUCK, CAMERON HYZER, TA  
ASSOCIATES MANAGEMENT, LP, THE  
CARLYLE GROUP, INC., and DO  
HOLDINGS (WA), LLC,

Defendants.

No.

CLASS ACTION

**COMPLAINT FOR VIOLATION OF THE  
FEDERAL SECURITIES LAWS**

DEMAND FOR JURY TRIAL

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1 Plaintiff (“plaintiff”), on behalf of itself  
2 and all others similarly situated, by plaintiff’s undersigned attorneys, for plaintiff’s complaint  
3 against defendants, alleges the following based upon personal knowledge as to plaintiff and  
4 plaintiff’s own acts, and upon information and belief as to all other matters based on the  
5 investigation conducted by and through plaintiff’s attorneys, which included, among other things,  
6 a review of U.S. Securities and Exchange Commission (“SEC”) filings of ZoomInfo Technologies,  
7 Inc. (“ZoomInfo” or the “Company”), the Company’s press releases, analyst reports, media  
8 reports, and other publicly disclosed reports and information about the Company. Plaintiff  
9 believes that substantial additional evidentiary support will exist for the allegations set forth herein  
10 after a reasonable opportunity for discovery.

11 **NATURE OF THE ACTION**

12 1. This is a securities class action on behalf of all purchasers of ZoomInfo Class A  
13 common stock between November 10, 2020, and August 5, 2024, both dates inclusive (the “Class  
14 Period”), seeking to pursue remedies under the Securities Exchange Act of 1934 (the “1934 Act”)  
15 against ZoomInfo and certain of the Company’s senior executive officers and controlling  
16 shareholders.

17 **JURISDICTION AND VENUE**

18 2. The claims asserted herein arise under and pursuant to §§10(b) and 20(a) of the  
19 1934 Act, 15 U.S.C. §§78j(b) and 78t(a), and Rule 10b-5 promulgated thereunder, 17 C.F.R.  
20 §240.10b-5. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C.  
21 §1331 and §27 of the 1934 Act, 15 U.S.C. §78aa.

22 3. Venue is proper in this District pursuant to 28 U.S.C. §1391(b), and §27 of the 1934  
23 Act, because ZoomInfo is headquartered in this District and many of the acts and practices  
24 complained of herein occurred in substantial part in this District.

25 4. In connection with the acts alleged in this complaint, defendants, directly or  
26 indirectly, used the means and instrumentalities of interstate commerce, including, but not limited

1 to, the mails, interstate telephone communications, and the facilities of the national securities  
2 markets.

3 **PARTIES**

4 5. Plaintiff \_\_\_\_\_ as set forth in the  
5 certification attached hereto and incorporated by reference herein, purchased ZoomInfo Class A  
6 common stock during the Class Period and has been damaged thereby.

7 6. Defendant ZoomInfo is a software and data company that provides customer  
8 contact and business information to its clients. The Company is headquartered in Vancouver,  
9 Washington. ZoomInfo Class A common stock is listed on the NASDAQ Global Select Market  
10 (“NASDAQ”) under the ticker symbol “ZI.”

11 7. Defendant Henry Schuck (“Schuck”) has served as ZoomInfo’s Chief Executive  
12 Officer (“CEO”), Chairman of ZoomInfo’s Board of Directors (the “Board”), and a director of the  
13 Board since its formation in November 2019. Prior to these roles, defendant Schuck served as  
14 CEO and as a director of ZoomInfo Holdings LLC since its founding in 2007.

15 8. Defendant Cameron Hyzer (“Hyzer”) has served as ZoomInfo’s Chief Financial  
16 Officer (“CFO”) since November 2019 and will resign from this role in September 2024. Before  
17 his position as CFO, Hyzer served as CFO of ZoomInfo Holdings LLC since 2018.

18 9. Defendants Schuck and Hyzer are collectively referred to herein as the “Individual  
19 Defendants.”

20 10. Each of the Individual Defendants was directly involved in the management and  
21 day-to-day operations of the Company at the highest levels and was privy to confidential  
22 proprietary information concerning the Company and its business, operations, services,  
23 competition, customers, and present and future business prospects, as alleged herein. In addition,  
24 the Individual Defendants were involved in drafting, producing, reviewing, and/or disseminating  
25 the false and misleading statements and information alleged herein, were aware of, or recklessly  
26

1 disregarded, the false and misleading statements being issued regarding the Company, and  
2 approved or ratified these statements, in violation of the federal securities laws.

3 11. As officers and controlling persons of a publicly held company whose securities  
4 are registered with the SEC pursuant to the 1934 Act and trade on the NASDAQ, which is governed  
5 by the provisions of the federal securities laws, the Individual Defendants each had a duty to  
6 promptly disseminate accurate and truthful information with respect to the Company's operations,  
7 business, services, markets, competition, customers, and present and future business prospects. In  
8 addition, the Individual Defendants each had a duty to correct any previously issued statements  
9 that had become materially misleading or untrue, so that the market price of ZoomInfo Class A  
10 common stock would be based upon truthful and accurate information. Defendants' false and  
11 misleading misrepresentations and omissions during the Class Period violated these specific  
12 requirements and obligations.

13 12. The Individual Defendants, because of their positions of control and authority as  
14 officers and/or directors of the Company, were able to, and did, control the content of the various  
15 SEC filings, press releases, and other public statements pertaining to the Company during the Class  
16 Period. Each Individual Defendant was provided with copies of the documents alleged herein to  
17 be misleading before or shortly after their issuance, participated in conference calls with investors  
18 during which false and misleading statements were made, and/or had the ability and/or opportunity  
19 to prevent their issuance or cause them to be corrected. Accordingly, each Individual Defendant  
20 is responsible for the accuracy of the public statements detailed herein and is, therefore, primarily  
21 liable for the representations contained therein.

22 13. Defendant TA Associates Management, LP ("TA Associates") is a global private  
23 equity firm based in Boston, Massachusetts.

24 14. Defendant The Carlyle Group, Inc. ("Carlyle") is global investment firm based in  
25 Washington, DC.

1 15. Defendant DO Holdings (WA), LLC (“DO Holdings”) is a limited liability  
2 company that is owned by defendant Schuck and Kirk Brown.

3 16. Defendants TA Associates, Carlyle, and DO Holdings are collectively referred to  
4 herein as the “Sponsor Defendants.”

5 17. The Sponsor Defendants were controlling shareholders of the Company during the  
6 Class Period and held approximately 80% of the combined voting power immediately following  
7 ZoomInfo’s secondary registered public offering held on August 9, 2021. The Sponsor Defendants  
8 also controlled the Board and included an investment vehicle held by ZoomInfo’s CEO, defendant  
9 Schuck. In addition, the Sponsor Defendants entered into a stockholders agreement, pursuant to  
10 which defendants TA Associates and Carlyle each had the right to appoint two directors to the  
11 Board, subject to certain voting power requirements. Accordingly, ZoomInfo was a “controlled  
12 company” within the meaning of NASDAQ corporate governance standards.

13 18. In connection with ZoomInfo’s June 2020 initial public offering, the Sponsor  
14 Defendants also caused the Company to enter into various other agreements to increase their power  
15 and control over the Company and its affairs out of proportion with their share ownership and to  
16 provide them with certain preferential financial benefits. These transactions and agreements  
17 included a registration rights agreement and a tax receivable agreement.

18 **BACKGROUND**

19 19. Founded in 2007, ZoomInfo is a software and data company that provides customer  
20 analytics and intelligence to sales and marketing teams. Its principal product is a data platform  
21 that provides customer contact and business information to its clients. ZoomInfo claims that its  
22 platform, data, and customer intelligence allows its clients to sell and market more effectively by  
23 enabling them to target organizations and personnel with optimal messaging and timing.

24 20. ZoomInfo sells access to its platform through non-cancelable subscription contracts  
25 with terms ranging from one to three years. Subscription pricing is generally based on the number  
26 of users or “seats” accessing ZoomInfo’s applications, the amount of functionality sought by the

1 customer, and the amount of data utilized. Revenue is generally recognized ratably over the life  
2 of the contract beginning with when the service is first made available to the customer. Under  
3 ZoomInfo’s standard billing terms, customers are typically required to pay for services at the  
4 beginning of each annual, semi-annual, or quarterly period.

5 21. During the Class Period, ZoomInfo claimed to have a customer base of 35,000  
6 companies, comprised of large enterprise customers, mid-market companies, and small businesses.  
7 Throughout the Class Period, ZoomInfo claimed that its customer base was “diversified” and that  
8 no single customer contributed more than 1% of its total annual revenues.

9 22. ZoomInfo provides investors with measures of underlying client demand and  
10 anticipated future business performance, in part, through two operational metrics: (i) Net Revenue  
11 Retention (“NRR”); and (ii) Remaining Performance Obligations (“RPOs”). Historically,  
12 ZoomInfo reported NRR on an annual basis.

13 23. ZoomInfo calculates NRR as the total annual contract value (“ACV”) of customers  
14 at the end of the 12-month period, divided by the total ACV of the same customers at the beginning  
15 of the 12-month period. NRR is reported as a percentage and is a measure of revenue retained  
16 from existing customers. NRR over 100% indicates that revenues from existing customers  
17 increased, while NRR under 100% indicates that revenues from existing customers declined.

18 24. ZoomInfo defines RPOs as “contracted revenue that has not yet been recognized,  
19 which includes unearned revenue and unbilled amounts that will be recognized as revenue in the  
20 future.” ZoomInfo reports current RPOs, which represent revenues that are expected to be  
21 recognized within one year, and total RPOs, which represents current RPOs as well as contracted  
22 revenues that are expected to be recognized beyond a one-year time frame.

23 25. Due to favorable market dynamics created by the COVID-19 pandemic, ZoomInfo  
24 experienced growth in 2020 and 2021. Specifically, as social distancing restrictions made  
25 traditional in-person sales and marketing activities unavailable, businesses emphasized digital  
26 sales and marketing campaigns, which in turn, significantly increased demand for ZoomInfo’s

1 database of digital contact information. Amid these market shifts, ZoomInfo executives  
2 highlighted purported client and revenue growth. For example, speaking at a February 2021  
3 investor conference, ZoomInfo’s CEO, defendant Schuck, represented that ZoomInfo had broken  
4 “growth records” in new sales and new customers additions and claimed the Company was  
5 experiencing “broad-based strength” across its customer base. Defendant Schuck further  
6 represented that ZoomInfo’s products were “resonating” with clients, which he claimed drove  
7 “new customer acquisition” and “customer retention.” Similarly, ZoomInfo’s CFO, defendant  
8 Hyzer, represented that ZoomInfo was experiencing “strong retention” and that customer  
9 expansion continued to “accelerate[]” month-over-month.

10 26. As a result of these purported trends, ZoomInfo claimed to be experiencing  
11 “record” financial results amid the pandemic. For example, for its fiscal year ending December  
12 31, 2021, ZoomInfo reported that its annual revenues had increased 57% to \$747 million (from  
13 \$476 million in the prior year) and that the Company had achieved an NRR of 116% – an all-time  
14 high. During a related conference call with investors, defendant Schuck attributed ZoomInfo’s  
15 record NRR to demand for its products and claimed that the NRR the Company had achieved in  
16 2021 was not only “sustainable,” but improving. Defendant Schuck represented that ZoomInfo  
17 continued to see a “strong demand environment,” which he claimed had set the stage for  
18 “continued growth and profitability” within the Company’s purported “\$70 billion market  
19 opportunity.”

20 27. These and other similar statements caused the price of ZoomInfo Class A common  
21 stock to soar to all-time highs of more than \$79 per share. While the price of ZoomInfo shares  
22 was artificially inflated, Company insiders collectively dumped billions of dollars worth of  
23 ZoomInfo stock. Defendant Schuck alone sold more than **\$1.1 billion** in ZoomInfo shares at prices  
24 as high as \$77.30 per share, including the sale of shares through his investment vehicle, defendant  
25 DO Holdings. Defendant Hyzer likewise sold more than **\$35 million** in ZoomInfo shares at prices  
26 as high as \$77.31 per share. During the Class Period, defendants Carlyle and TA Associates also



1 collectively sold more than **\$7.3 billion** in ZoomInfo stock.<sup>1</sup> These sales were effectuated in part  
2 through multiple registered public stock offerings.

3 28. Unbeknownst to investors, however, ZoomInfo’s financial and operational results  
4 had been temporarily boosted by the ephemeral effects of the COVID-19 pandemic, which had  
5 pulled-forward demand for the Company’s database of digital contact information. As a result,  
6 after the initial wave of demand abated, material portions of ZoomInfo’s existing customers  
7 attempted to substantially reduce their use of ZoomInfo’s platform and/or abandon the product  
8 altogether. To prevent a mass exodus of clients, ZoomInfo utilized manipulative and coercive  
9 auto-renewal policies that required clients to notify the Company of non-renewal at least 60 days  
10 before the end of the contract term – far beyond the industry norm. The Company even resorted  
11 to threats of litigation to force clients to sign onto new contracts or to pay for services they did not  
12 want. Predictably, ZoomInfo’s coercive retention tactics irreparably damaged customer relations  
13 to the detriment of contract renewals in future periods. These short-term tactics temporarily  
14 prevented a flood of client exits (thereby temporarily inflating ZoomInfo’s reported revenues,  
15 operating income, and customer and retention metrics), but, as defendants knew or recklessly  
16 disregarded, the tactics simultaneously created a hidden demand cliff as clients who had been  
17 forced to sign up for renewed contracts came to the end of those contracts’ term periods. The  
18 tactics also burned ZoomInfo’s reputational capital, eroded the Company’s customer franchise,  
19 and placed the Company at a competitive disadvantage as compared to new market entrants.

20 29. Then, on November 1, 2022, ZoomInfo announced its financial results for the third  
21 quarter ending September 30, 2022. Despite previously representing that ZoomInfo would  
22 “improve” upon NRR rates achieved in 2021, defendant Hyzer unexpectedly revealed that the  
23 Company would “retrace” the progress achieved in 2021 due to increased “scrutiny” by clients  
24

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25 <sup>1</sup> These sales are inclusive of sales reported by affiliated directors and are based on sales  
26 data obtained from Refintiv that was then cross-checked with sales information reflected in  
applicable SEC Forms 4.

1 during the contract renewal process. ZoomInfo also revealed that total its RPOs and current RPOs  
2 had declined sequentially in the quarter. Following these revelations, analysts expressed shock  
3 and dismay. For example, analysts at Canaccord Genuity stated that the abrupt change in tone had  
4 caught them “flat-footed” given defendants’ “bullish” commentary leading up to the earnings  
5 announcement.

6 30. To prolong their fraudulent scheme, defendants continued to make materially false  
7 and misleading statements to investors and engaged in business tactics designed to conceal the full  
8 truth from investors. For example, ZoomInfo began loosening its requirements to sign up new  
9 businesses, such as by issuing credit to high-risk small business customers who could not otherwise  
10 afford the Company’s products. The ploy enabled ZoomInfo to continue to report favorable  
11 revenue results and conceal customer churn without guarantee of actual payment. Speaking on a  
12 February 2024 conference call, defendant Schuck claimed that new business demand had “stayed  
13 strong . . . throughout the year” and was the “best ever” in the fourth quarter of 2023. During the  
14 same call, defendant Hyzer similarly claimed that churn levels had “remained fairly stable” in  
15 2023, highlighting most notably the Company’s small business customers.

16 31. Likewise, in ZoomInfo’s filings with the SEC, defendants stated that the Company  
17 maintained an “allowance for credit losses,” which was purportedly evaluated by Company  
18 management to ensure the allowance adequately reflected expected credit losses. Defendants  
19 represented to investors that the allowance established for expected credit losses was “immaterial”  
20 or not “significant” to ZoomInfo’s consolidated financial statements and that realized losses had  
21 remained “within the range of management’s expectations.”

22 32. Contrary to these and other representations, however, ZoomInfo would go on to  
23 report several quarters of deteriorating financial results and customer metrics. For example, in  
24 connection with an August 5, 2024, earnings announcement, ZoomInfo revealed that the Company  
25 was incurring a \$33 million charge related to non-payments by its customers, implementing a  
26 “new business risk model” to address elevated write-offs, and that defendant Hyzer was

1 departing the Company. During the corresponding conference call, defendant Schuck further  
2 revealed that the \$33 million charge incurred in the quarter related to revenues that had been  
3 *previously* recognized in 2023, casting doubt on tens of millions of dollars of prior revenues and  
4 the legitimacy and quality of potentially thousands of ZoomInfo’s customers.

5 33. As a result of these serial disclosures, the price of ZoomInfo Class A common stock  
6 declined from a Class Period high of over \$79 per share to just \$8 per share by the end of the Class  
7 Period, a **90%** decline, causing plaintiff and the Class (defined below) to suffer billions of dollars  
8 in losses and economic damages under the federal securities laws. Defendants, meanwhile, sold  
9 billions of dollars’ worth of ZoomInfo stock at artificially inflated prices before the truth was  
10 revealed.

11 **DEFENDANTS’ MATERIALLY FALSE AND MISLEADING STATEMENTS**  
12 **AND OMISSIONS ISSUED DURING THE CLASS PERIOD**

13 34. The Class Period begins on November 10, 2020. After market close on November  
14 9, 2020, ZoomInfo issued a press release reporting the Company’s financial results for its third  
15 fiscal quarter ending September 30, 2020 (“3Q20 Release”). The 3Q20 Release stated that  
16 ZoomInfo’s quarterly revenues grew 56% year-over-year to \$123 million, up from \$79 million in  
17 the prior year quarter. The 3Q20 Release further stated that the Company’s operating income grew  
18 41% year-over-year to \$18 million compared to \$13 million in the prior year quarter. In addition,  
19 the 3Q20 Release stated that ZoomInfo closed the quarter with more than 720 customers that had  
20 ACVs of \$100,000 or greater. The 3Q20 Release quoted defendant Schuck, who emphasized  
21 ZoomInfo’s “record” new customer additions and expansion within existing client accounts, and  
22 claimed the Company was seeing “momentum” across its business, stating in pertinent part as  
23 follows:

24 “We delivered another quarter of record results, *as more customers than*  
25 *ever modernized their go-to-market motions* with ZoomInfo’s data and insights  
26 *platform . . . . In the third quarter, we added a record number of new customers,*  
*drove record expansion with our largest clients,* and launched new platform  
enhancements. With a model that combines durable growth and profitability and a  
team that is executing on all fronts, we are seeing momentum across all areas of the

1 business. This momentum gives us even more confidence that we can capitalize on  
2 the many growth opportunities ahead.”

3 35. That same day, ZoomInfo held a conference call with analysts to discuss the  
4 Company’s financial and operational results for the third quarter of 2020, which was hosted by  
5 defendants Schuck and Hyzer. During the call, defendant Schuck emphasized ZoomInfo’s  
6 “record” quarterly new sales and growing customer spend, stating in pertinent part as follows:

7 Because of the strength that we’re seeing across all areas of the business,  
8 including *record quarterly new sales, record engagement levels and a new high*  
9 *watermark for – of customers spending over \$100,000 a year with us*, we are  
10 raising our financial guidance for the full year.

11 36. Defendant Hyzer similarly emphasized the “strength” in new sales and expansion  
12 activity, stating in pertinent part as follows:

13 Both new sales activity and existing client net expansion improved relative  
14 to Q2 and last year. *We continue to build momentum and increase win rates*  
15 *throughout the quarter, and this combination of strength in new sales and*  
16 *expansion activity helped drive sequential revenue growth of 10%*, adjusted for  
17 the relative days in each quarter.

18 37. During the call, an analyst asked about the underlying drivers of ZoomInfo’s  
19 revenue growth reported in the quarter. In response, defendant Hyzer claimed the Company’s  
20 growth was “broad-based” across all customer cohorts and that expansion in existing client  
21 accounts “continued to accelerate,” stating in pertinent part as follows:

22 Yes. Thanks. That’s a great question, Brent. *It was broad-based across*  
23 *the board. We saw really strong new business sales*, and that’s with enterprises  
24 and mid-market and SMB customers.

25 I think one thing to make sure to think about is that all of our customers are  
26 selling to other businesses. So at the end of the day, they are probably less impacted  
by some of the COVID headwinds that you might see than, say, restaurant or other  
folks. And many of them are pivoting and finding ways to succeed. These happen  
to be many of the more agile and forward-leaning go-to-market teams in the world.  
So I think our system really helped people to continue to perform.

*And I think one of the things that we continue to see throughout was that*  
*the retention or expansion among our customers continued to accelerate month-*  
*over-month throughout the year.* So again, broad-based on both new sales and  
retention and across all of the different segments of customers that we serve.

1           38.     On November 13, 2020, ZoomInfo filed with the SEC its quarterly report on Form  
2 10-Q for the quarter ended September 30, 2020 (“3Q20 Form 10-Q”), which was signed by  
3 defendant Hyzer and certified by defendants Schuck and Hyzer as being materially complete,  
4 accurate, and free from fraud. The 3Q20 Form 10-Q contained the same financial and operational  
5 information regarding the Company’s revenues, operating income, and customers reported in the  
6 3Q20 Release. In addition, the 3Q20 Form 10-Q stated that ZoomInfo ended the quarter with total  
7 RPOs of \$458 million and current RPOs of \$349 million.

8           39.     On December 2, 2020, ZoomInfo filed with the SEC a prospectus on Form  
9 424(b)(4) (“December 2020 Prospectus”). The December 2020 Prospectus stated that ZoomInfo  
10 had more than 17,000 customers, which it claimed implied a 2% penetration into a total  
11 addressable market for ZoomInfo’s products and services valued at approximately \$30 billion.  
12 The December 2020 Prospectus further stated that ZoomInfo had more than 720 customers that  
13 had ACVs of \$100,000 or greater and 18 customers that had ACVs of \$1 million or greater.

14           40.     On February 22, 2021, ZoomInfo issued a press release announcing the Company’s  
15 financial results for its fiscal year and fourth quarter ending December 31, 2020 (“4Q20 Release”).  
16 The 4Q20 Release stated that ZoomInfo’s quarterly revenues had increased 53% year-over-year  
17 to \$140 million, up from \$91 million in the prior year quarter. The 4Q20 Release further stated  
18 that the Company’s operating income in the quarter increased 54% year-over-year to \$29.6 million,  
19 up from \$19 million in the prior year quarter. The 4Q20 Release also stated that ZoomInfo ended  
20 the quarter with more than 20,000 customers and more than 850 customers that had ACVs of  
21 \$100,000 or greater. In addition, the 4Q20 Release stated that ZoomInfo’s NRR for 2020 was  
22 108%. The 4Q20 Release quoted defendant Schuck who highlighted ZoomInfo’s “record  
23 results” and purported “industry-leading” growth and profitability.

24           41.     That same day, ZoomInfo held a conference call with analysts to discuss the  
25 Company’s financial and operational results for its fourth quarter of 2020, which was hosted by  
26 defendants Schuck and Hyzer. During the call, defendant Schuck emphasized that ZoomInfo had

1 experienced “broad-based strength across all areas of the business” and claimed the Company set  
2 “growth records” for new sales, new customers added, and customers that had over \$100,000 in  
3 annual spend during the quarter. Defendant Schuck further claimed that ZoomInfo’s products  
4 were “resonating” with clients, leading to “new customer acquisition” and “customer retention,”  
5 among other positive trends.

6 42. Defendant Hyzer likewise represented that ZoomInfo was seeing “real strength” in  
7 new customer additions and expansion, stating in pertinent part as follows:

8 So currently, *we’re seeing real strength on both sides, both from new logos*  
9 *and customers* coming on as well as from the expansion opportunity within our  
10 existing customer base. And if you look at our largest customers, *we had a record*  
11 *quarter in terms of the addition of new customers* that are above \$100,000 at this  
12 point.

13 43. During the call, an analyst asked what was driving the influx of customers onto the  
14 platform. In response, defendant Schuck claimed that the “momentum” in customer growth was  
15 not a “blip” but something that was “here to stay,” stating in pertinent part as follows:

16 And so you see customers from all sorts of industries now coming to us, and  
17 we have a solution that can serve all of their needs. It doesn’t matter if you sell into  
18 an IT decision-maker or a medical director, if you’re selling in France or you’re  
19 selling in California, the solution can serve up better go-to-market efficiencies for  
20 your sales teams regardless of what kind of company you are.

21 And I think what you’re seeing is companies, one, making the realization,  
22 the digitization of their go-to-market efforts is a must; and two, you see really the  
23 investments that we made over the last 2 years in our go-to-market teams and our  
24 product really paying off. *And so we saw a broad-based momentum, again, from*  
25 *all industries across the world across sizes, and that’s the momentum that we*  
26 *don’t think is a blip or something that’s short lived or short term. We think that’s*  
*here to stay.*

44. On February 26, 2021, ZoomInfo filed with the SEC its annual report on Form 10-  
K for the year ending December 31, 2020 (“4Q20 Form 10-K”), which was signed by defendants  
Schuck and Hyzer and certified by them that the filing was materially complete, accurate, and free  
from fraud. The 4Q20 Form 10-K contained the same financial and operational information  
regarding the Company’s revenues, operating income, customers, and NRR reported in the 4Q20

1 Release. In addition, the 4Q20 Form 10-K stated that ZoomInfo ended the quarter with total RPOs  
2 of \$559 million and current RPOs of \$432 million.

3 45. On May 3, 2021, ZoomInfo issued a press release announcing the Company's  
4 financial results for its first fiscal quarter ending March 31, 2021 ("1Q21 Release"). The 1Q21  
5 Release stated that ZoomInfo's quarterly revenues had increased 50% year-over-year to \$153  
6 million, up from \$102 million in the prior year quarter. The 1Q21 Release further stated that the  
7 Company's operating income in the quarter increased 38% year-over-year to \$28 million, up from  
8 \$20 million in the prior year quarter. The 1Q21 Release also stated that ZoomInfo ended the  
9 quarter with more than 950 customers that had ACVs of \$100,000 or greater. The 1Q21 Release  
10 quoted defendant Schuck who claimed that ZoomInfo was "executing well" across "all areas of  
11 the business" and that the Company was "well-positioned to capitalize on [a] growing market  
12 opportunity."

13 46. That same day, ZoomInfo held a conference call with analysts to discuss the  
14 Company's financial and operational results for the first quarter of 2021, which was hosted by  
15 defendants Schuck and Hyzer. During his prepared remarks, defendant Schuck highlighted  
16 ZoomInfo's purportedly "strong" financial results in the quarter, which he claimed were reflected  
17 in "accelerating growth" across all areas of the business, including specifically "record renewals"  
18 and new customer additions, stating in pertinent part as follows:

19 ***The first quarter was marked by strong accelerating growth across all of our***  
20 ***business lines.*** We delivered GAAP revenue of \$153 million, representing 50%  
21 year-over-year growth and 12% sequentially when adjusted for the number of days  
22 in the quarter. Adjusted operating income was \$66 million, representing an  
23 operating margin of 43%. These results were driven by dependable execution  
24 across the entire company from new business to product development to retention.  
***Our focus on continuous improvement as a core cultural value and the execution***  
***we build on top of that has allowed us to deliver our near-term financial results***  
***consistently while setting us up for long-term durable growth.***

25 We had strong results across all areas of the business, and I want to  
26 specifically call out that ***we achieved our best-ever Q1 results this quarter on 3***  
***dimensions: new business, new customer additions and retention activity.*** We  
doubled the number of new customers added this quarter compared to Q1 2020.

1 *We also had record renewals and upsells as a percentage of beginning ACV* for  
2 a first quarter as we saw demand for our products continue to accelerate with  
3 companies looking to drive a digital data-driven go-to-market motion.

4 47. Defendant Hyzer similarly emphasized the “positive momentum” ZoomInfo had  
5 purportedly experienced in new customer additions and renewals during the quarter, stating in  
6 pertinent part as follows:

7 Q1 was a great quarter with strong financial results that exceeded our guidance.  
8 *We saw broad-based strength across the business.* And as Henry indicated, we  
9 achieved our best-ever Q1 results for new business, new customer additions and  
10 retention activity. This quarter was also highlighted by our successful expansion  
11 with enterprise customers, growing sales of our newer products and strong  
12 international growth.

13 \* \* \*

14 *During the first quarter, we continued to see strong new customer*  
15 *additions and positive momentum with respect to retention and upsell activity.*  
16 We also continued to successfully execute against the large and growing enterprise  
17 opportunity. *We had strong enterprise renewals, and our enterprise upsell motion*  
18 *is really hitting its stride.* In the quarter, we doubled the number of greater than  
19 \$100,000 ACV customers added as compared to the year ago period. As a result,  
20 as of March 31, we had more than 950 customers with \$100,000 or more in ACV,  
21 up from more than 850 last quarter.

22 48. In response to a question from an analyst regarding the demand environment facing  
23 the Company, defendant Schuck represented that customers were no longer “correcting” for the  
24 pandemic demand environment, which he claimed was already “largely behind” them, stating in  
25 pertinent part as follows:

26 Yes. I think we – I think it’s a pretty – *I don’t think we see organizations*  
*sort of correcting for the pandemic world anymore. We think that’s largely*  
*behind us.* And so what we’re seeing mostly is organizations trying to bring to life,  
especially in the enterprise, their CRM systems, their marketing automation  
systems, their sales automation system. They’re trying to get high ROI and real  
engagement out of those systems, and they view us as a strategic partner to be able  
to fill those systems with insights and really drive adoption and engagement from  
their frontline sellers and their marketing teams through those systems. And so I  
don’t really – I don’t think anyone is focused on the pandemic mindset. Everybody  
is focused today on really digitizing their motion.



1           49.     Also on May 3, 2021, ZoomInfo filed with the SEC its quarterly report on Form  
2 10-Q for the quarter ended March 31, 2021 (“1Q21 Form 10-Q”), which was signed by defendant  
3 Hyzer and certified by defendants Schuck and Hyzer as being materially complete, accurate, and  
4 free from fraud. The 1Q21 Form 10-Q contained the same financial and operational information  
5 regarding the Company’s revenues, operating income, and customers reported in the 1Q21  
6 Release. In addition, the 1Q21 Form 10-Q stated that ZoomInfo ended the quarter with total RPOs  
7 of \$592 million and current RPOs of \$461 million.

8           50.     On August 2, 2021, ZoomInfo issued a press release announcing the Company’s  
9 financial results for its second fiscal quarter ending June 30, 2021 (“2Q21 Release”). The 2Q21  
10 Release stated that ZoomInfo’s quarterly revenues increased 57% year-over-year to \$174 million,  
11 up from \$111 million in the prior year quarter. The 2Q21 Release further stated that the  
12 Company’s operating income in the quarter increased to \$41 million compared to a loss of \$31  
13 million in the prior year quarter. The 2Q21 Release also stated that ZoomInfo ended the quarter  
14 with more than 1,100 customers that had ACVs of \$100,000 or greater.

15           51.     That same day, ZoomInfo held a conference call with analysts to discuss the  
16 Company’s financial and operational results for the second quarter of 2021, which was hosted by  
17 defendants Schuck and Hyzer. During his prepared remarks, defendant Schuck represented that  
18 ZoomInfo experienced its “highest levels” ever in customer retention activity, which he attributed  
19 to a “strong demand environment” for the Company’s products, stating in pertinent part as follows:

20                   Q2 was another record quarter with accelerating revenue growth and  
21 improved operating margin performance. We continue to see positive trends across  
22 the entire business, driven by our continued investments in our sales, marketing,  
23 product, data and engineering organizations and a strong demand environment for  
24 accelerating digital transformation across go-to-market teams. ***This was our best  
25 ever second quarter for new customer additions, and we recorded the highest  
26 levels ever for both retention activity and customer engagement.*** We saw  
accelerating growth with our largest customers, growing the number of customers  
who spend more than \$100,000 a year with us, by 70% year-over-year, ending the  
quarter with more than 1,100 showing meaningful traction behind the investments  
we’ve made in our enterprise motion. We’re also seeing our investment in  
international payoff. With more reps focused on the opportunity, we drove year-

1 over-year international revenue growth greater than 75%, with international now  
2 representing 11% of our overall business.

3 52. Defendant Schuck continued in pertinent part as follows:

4 We had our best ever Q2 for new customer adds. **We drove the highest ever**  
5 **levels of retention activity.** And our data accuracy and coverage levels are at the  
6 highest in our history. Our investment in customer onboarding, user experience  
7 enhancements and integrations are improving customer satisfaction and driving the  
8 highest levels of engagement ever. International is taking off. We saw great growth  
9 across the enterprise opportunity, and we continue to develop, acquire and integrate  
10 new functionality, delivering on our vision of the modern go-to-market platform.

11 53. During the call, an analyst inquired regarding how the Company's NRR had been  
12 trending in the quarter. In response, defendant Hyzer represented that while ZoomInfo did not  
13 report NRR on a quarterly basis, retention activity in the second quarter, including customer  
14 renewals, was the "best quarter" in Company history, stating in pertinent part as follows:

15 So we do report our net retention on an annual basis, given that it's an annual  
16 calculation kind of starting at the end of the year, going to the end of the next year.  
17 What we do look at is the retention activity that we see. So that's – those customers  
18 that are renewing within a quarter and the upsells that we're generating within a  
19 quarter. **And we have seen that Q2 was the best quarter we've ever had from a**  
20 **retention activity perspective, and I think that gives us confidence that we will see**  
21 **higher net retention in 2021 than we saw in 2020.** And certainly, part of that is  
22 all of the investments that we've made in terms of our operational capabilities,  
23 investing in the customer support and customer success teams, investing in  
24 improving the product and providing additional functionality.

25 54. Also on August 2, 2021, ZoomInfo filed with the SEC its quarterly report on Form  
26 10-Q for the quarter ended June 30, 2021 ("2Q21 Form 10-Q"), which was signed by defendant  
Hyzer and certified by defendants Schuck and Hyzer as being materially complete, accurate, and  
free from fraud. The 2Q21 Form 10-Q contained the same financial and operational information  
regarding the Company's revenues, operating income, and customers reported in the 2Q21  
Release. In addition, the 2Q21 Form 10-Q stated that ZoomInfo ended the quarter with total RPOs  
of \$648 million and current RPOs of \$505 million.

55. On August 5, 2021, ZoomInfo filed with the SEC a prospectus on Form 424(b)(7)  
("August 5, 2021, Prospectus"). The August 5, 2021, Prospectus incorporated by reference the

1 4Q20 Form 10-K, 1Q21 Form 10-Q, and the 2Q21 Form 10-Q, and thus repeated statements  
2 identified in ¶¶44, 49, and 54.

3 56. On August 10, 2021, ZoomInfo filed with the SEC a prospectus on Form 424(b)(7)  
4 (“August 10, 2021, Prospectus”). The August 10, 2021, Prospectus incorporated by reference the  
5 4Q20 Form 10-K, 1Q21 Form 10-Q, and the 2Q21 Form 10-Q, and thus repeated statements  
6 identified in ¶¶44, 49, and 54.

7 57. On November 1, 2021, ZoomInfo issued a press release announcing the Company’s  
8 financial results for its third fiscal quarter ending September 30, 2021 (“3Q21 Release”). The  
9 3Q21 Release stated that ZoomInfo’s quarterly revenues increased 60% year-over-year to \$198  
10 million, up from \$123 million in the prior year quarter. The 3Q21 Release further stated that the  
11 Company’s operating income in the quarter increased 10% year-over-year to \$20 million  
12 compared to \$18 million in the prior year quarter. The 3Q21 Release also stated that ZoomInfo  
13 ended the quarter with more than 25,000 customers and more than 1,250 customers with ACVs of  
14 \$100,000 or greater.

15 58. That same day, ZoomInfo held a conference call with analysts to discuss the  
16 Company’s financial and operational results for the third quarter of 2021, which was hosted by  
17 defendants Schuck and Hyzer. During his prepared remarks, defendant Schuck stated that  
18 ZoomInfo “surpassed 25,000 customers” in the quarter and claimed the Company was  
19 experiencing growth from expansions in existing customers and from the addition of new  
20 customers, stating in pertinent part as follows:

21 During the quarter, we surpassed 25,000 customers, and we now have more  
22 than 1,250 customers with greater than 100,000 in ACV. These customers now  
23 represent more than 40% of our overall ACV with the ACV from not cohort  
24 growing by more than 85% year-over-year. ***Growth is coming both from  
expansions of existing customers and landing new customers above the 100,000  
threshold, with customers taking up more and more products at the point of initial  
sale.***

1           59. Defendant Schuck further stated that the third quarter was ZoomInfo’s “best ever”  
2 in new customer additions and represented that leading indicators were pointing to “meaningfully  
3 higher” NRR with improvements across all customer cohorts, stating in pertinent part as follows:

4                   This was our best ever third quarter for new customer addition. ***And the***  
5 ***leading indicators are pointing to meaningfully higher annual net dollar***  
6 ***retention rates with expected improvements across customers of all sizes.*** In the  
7 quarter, we delivered GAAP revenue of \$198 million, representing 60% year-over-  
8 year growth, up from 57% in Q2 and up 12% sequentially when adjusted for the  
9 number of days in the quarter. We delivered unlevered free cash flow of \$73  
million, up 23% year-over-year. We closed the quarter with more than 25,000  
customers, of which more than 1,250 customers have greater than \$100,000 in  
ACV. The number of customers with more than \$100,000 in ACV grew more than  
70% year-over-year.

10           60. During the call, an analyst inquired as to the underlying driver of ZoomInfo’s  
11 customer growth. In response, defendant Schuck represented that ZoomInfo was growing both  
12 from adding costumers and expanding the products sold to existing customers, attributing the  
13 growth to the Company’s purported “land and expand” sales strategy and stating in pertinent part  
14 as follows:

15                   Yes. I think we see growth in both of those cities. ***We see growth from a***  
16 ***user and seat expansion across the enterprise.*** And that just fits into our land and  
17 expand motion where we can land in one sort of business unit of an enterprise  
18 customer and then expand as that business unit see success. And then the other is,  
19 we are selling an expanding product set into the enterprise. And so where we may  
20 land with the intelligence layer, we end up selling the engagement layer in or we  
21 sell our chat functionality, our engage functionality, the Chorus functionality. We  
sell our DAS offering, which is an outgrowth of our EverString acquisition last year  
into the enterprise in an accelerated fashion. ***And so you really see growth in that***  
***enterprise cohort coming from both new products that we’re able to cross-sell in***  
***as well as new user seats and expansion within that customer base.***

22           61. Also on November 1, 2021, ZoomInfo filed with the SEC its quarterly report on  
23 Form 10-Q for the quarter ended September 30, 2021 (“3Q21 Form 10-Q”), which was signed by  
24 defendant Hyzer and certified by defendants Schuck and Hyzer as being materially complete,  
25 accurate and free from fraud. The 3Q21 Form 10-Q contained the same financial information  
26 regarding the Company’s revenues and operating income reported in the 3Q21 Release. The 3Q21

1 Form 10-Q also stated that ZoomInfo ended the quarter with more than 1,250 customers that had  
2 ACVs of \$100,000 or greater. In addition, the 3Q21 Form 10-Q stated that ZoomInfo ended the  
3 quarter with total RPOs of \$712 million and current RPOs of \$552 million.

4 62. On February 15, 2022, ZoomInfo issued a press release announcing the Company's  
5 financial results for its fiscal year and fourth quarter ending December 31, 2021 ("4Q21 Release").  
6 The 4Q21 Release stated that ZoomInfo's quarterly revenues increased 59% year-over-year to  
7 \$222 million, up from \$140 million in the prior year quarter. The 4Q21 Release further stated that  
8 ZoomInfo generated operating income of \$24 million in the quarter compared to \$30 million in  
9 the prior year quarter. The 4Q21 Release also stated that ZoomInfo ended the quarter with 1,452  
10 customers with ACVs of \$100,000 or greater. In addition, the 4Q21 Release stated that  
11 ZoomInfo's NRR for 2021 was 116%, up from 108% in 2020. The 4Q21 Release quoted defendant  
12 Schuck who stated that ZoomInfo "delivered a leading combination of growth profitability" in  
13 2021 and claimed the Company added more customers "than ever before" and had achieved  
14 "record customer retention."

15 63. That same day, ZoomInfo held a conference call with analysts to discuss the  
16 Company's financial and operational results for the fourth quarter of 2021, which was hosted by  
17 defendants Schuck and Hyzer. During his prepared remarks, defendant Schuck emphasized  
18 ZoomInfo's new customer additions, representing that the Company added more customers in the  
19 quarter "than any other quarter in [its] history," stating in pertinent part as follows:

20 We are delivering a leading combination of growth, profitability and free  
21 cash flow generation at scale. ***We closed the quarter with 1,452 customers with***  
22 ***greater than \$100,000 in ACV, up 70% year-over-year, while adding more new***  
23 ***customers to the overall business than any other quarter in our history.*** Growth  
24 across our newly introduced products was strong as well, with Chorus and  
25 RingLead leading the way. At the time of acquisition, our conversation Intelligence  
26 platform, Chorus, was growing 100% year-over-year, and we accelerated that  
growth in both the third and fourth quarters of 2021.

1           64. Defendant Schuck also highlighted the “continued strong demand environment”  
2 ZoomInfo was purportedly experiencing, which he claimed set the stage for “continued growth  
3 and profitability” within the Company’s purported “\$70 billion market opportunity.”

4           65. During his prepared remarks, defendant Hyzer represented that ZoomInfo  
5 “continue[d] to successfully execute” its land-and-expand sales strategy, which allowed it to  
6 “driv[e] more seat expansion, data consumption, and further adoption of product functionality.”  
7 Defendant Hyzer claimed the Company had delivered annual NRR of 116% as a result of  
8 successfully executing its sales strategy.

9           66. During the call, an analyst inquired regarding the strength of ZoomInfo’s enterprise  
10 pipeline. In response, defendant Schuck represented that ZoomInfo had the “strong[est] enterprise  
11 pipeline” in Company history and that demand for ZoomInfo’s products was the highest ever  
12 observed, stating in pertinent part as follows:

13           *We have built a stronger enterprise pipeline than we’ve ever had in the history of*  
14 *our business.* And that’s coming from a number of different ways. I think first,  
15 the natural tailwind in the enterprise is they continue to modernize their go-to-  
16 market systems and they continue to leverage digital technologies to go to market  
17 is a very clear continued tailwind.

18           But I think the second thing that we’re seeing is that the platform story is  
19 really resonating. I talked to an enterprise customer in Q4 who was using 12  
20 different vendors to accomplish what they could do with just one ZoomInfo  
21 subscription. And that story (technical difficulty) best-in-class products, across that  
22 platform suite, I think we’re going to continue to take market share and continue to  
23 expand in the enterprise. We’ve hired a great team (technical difficulty) our  
24 enterprise sales that we feel really strongly about. *And so we continue to build a*  
25 *really great pipeline within the enterprise. And I would describe it as more*  
26 *demand within the enterprise than we’ve seen in our history.*

27           67. Defendant Schuck also represented he was “really excited” about ZoomInfo’s  
28 reported NRR, claiming that not only were 2021 NRR rates “sustainable,” but something the  
29 Company would “look to improve upon” in the “next year and the following years.”

30           68. During the call, an analyst questioned whether the COVID-19 pandemic had  
31 temporarily boosted demand for ZoomInfo’s products, stating that analysts “continue[d] to field

1 some questions from investors around this pull-forward in direct selling efforts kind of post-  
2 COVID.” Defendant Schuck responded that the demand trends the Company was purportedly  
3 experiencing were not a “one-off or a pull forward” and that the Company was still “really, really  
4 early” in its penetration of the market with “lots of opportunity” remaining, stating in pertinent  
5 part as follows:

6           Thanks, Brent. I have not had a single enterprise call with a single  
7 enterprise customer where there isn’t double-digit expansion opportunity within  
8 those accounts from a SalesOS perspective. They’re just – we still continue to be  
9 really early in our penetration across the enterprise. ***And so we continue to make  
headway there, but it’s still really, really early and lots and lots of opportunity in  
the core SalesOS motion.***

10           I’ll tell you, we’re constantly looking at the data, the historical data. We  
11 look at win rates, funnel conversion, top of funnel activity. And we spent a real  
12 amount of time looking for anomalies that we could tie back to some relation to  
13 COVID. ***And we didn’t see anything that (technical difficulty) believe that the  
current strong demand trends we’re seeing wouldn’t continue or were one-off or  
a pull forward.***

14           And we wanted to be confident about that because it would affect the way  
15 we operate the business. ***We didn’t see any anomalies like that, that made us think  
that COVID caused a pull-forward and the demand environment that we’re  
seeing today wouldn’t continue.***

16  
17           69. On February 24, 2022, ZoomInfo filed with the SEC its annual report on Form 10-  
18 K for the year ending December 31, 2021 (“4Q21 Form 10-K”), which was signed by defendants  
19 Schuck and Hyzer and certified by them as being materially complete, accurate, and free from  
20 fraud. The 4Q21 Form 10-K contained the same financial and operational information regarding  
21 the Company’s revenues, operating income, customers, and NRR reported in the 4Q21 Release.  
22 In addition, the 4Q21 Form 10-K stated that ZoomInfo ended the quarter with total RPOs of \$864  
23 million and current RPOs of \$671.5 million.

24           70. On May 2, 2022, ZoomInfo issued a press release announcing the Company’s  
25 financial results for its first fiscal quarter ending March 31, 2022 (“1Q22 Release”). The 1Q22  
26 Release stated that ZoomInfo’s quarterly revenues increased 58% year-over-year to \$242 million,  
up from \$153 million in the prior year quarter. The 1Q22 Release further stated that ZoomInfo

1 generated operating income of \$32 million in the quarter, increasing 16% year-over-year from \$28  
2 million in the prior year quarter. The 1Q22 Release also stated that ZoomInfo ended the quarter  
3 with 1,623 customers that had ACVs of \$100,000 or greater.

4 71. That same day, ZoomInfo held a conference call with analysts to discuss the  
5 Company's financial and operational results for the first quarter of 2022, which was hosted by  
6 defendants Schuck and Hyzer. During his prepared remarks, defendant Schuck highlighted  
7 ZoomInfo's "strong growth" in new customers and claimed the Company had the "best Q1 ever"  
8 with respect to various growth metrics, stating in pertinent part as follows:

9 We closed the quarter with 1,623 customers with greater than \$100,000 in  
10 ACV, up more than 65% year-over-year, while the average revenue across these  
11 customers continues to grow. *And we saw incredibly strong growth in new  
12 business as the new customer team had their best Q1 ever on an ACV basis and  
13 the best quarter ever on a TCV basis.*

14 72. Defendant Schuck also emphasized that ZoomInfo's customer base "continue[d] to  
15 grow" and represented that the Company continued to see "solid traction" with its enterprise  
16 clients.

17 73. Defendant Hyzer similarly claimed that the demand environment "remains strong"  
18 and that ZoomInfo's platform was "resonating with customers," stating in pertinent part as follows:

19 *The demand environment remains strong.* Companies continue to invest  
20 behind improving their go-to-market motions, and the platform strategy is  
21 resonating with customers. *We are confident that given the tremendous value we  
22 provide to our customers and our current narrow level of market penetration that  
23 we will be able to drive durable growth regardless of the economic environment.*

24 74. During the call, defendant Hyzer represented that growth in customers with over  
25 \$100,000 in annual spend was being driven by existing customers who "expand" over the threshold  
26 and also claimed the Company was seeing "more momentum" in customers achieving this  
27 milestone, stating in pertinent part as follows:

28 As has been historically the case, we tend to land customers with a kind of  
29 smaller offering or sometimes a trial and then expand and grow them over time. So  
30 that continues to be the case that we've – that most of the customers that we add in



1 that 100,000 are customers that started at a smaller level with us and we've upsell.  
2 ***But there does continue to be momentum in customers coming on over 100,000.***

3 . . . I think last year, ***we started to see a little bit more momentum, and***  
4 ***that's continued in Q1, where a growing number of customers are coming in at***  
5 ***200,000 or 500,000 and then continuing to grow from there as well.***

6 75. Also on May 2, 2022, ZoomInfo filed with the SEC its quarterly report on Form  
7 10-Q for the quarter ended March 31, 2022 ("1Q22 Form 10-Q"), which was signed by defendant  
8 Hyzer and certified by defendants Schuck and Hyzer as being materially complete, accurate, and  
9 free from fraud. The 1Q22 Form 10-Q contained the same financial and operational information  
10 regarding the Company's revenues, operating income, and customers reported in the 1Q22  
11 Release. In addition, the 1Q22 Form 10-Q stated that ZoomInfo ended the quarter with total RPOs  
12 of \$918 million and current RPOs of \$715 million.

13 76. On August 1, 2022, ZoomInfo issued a press release announcing the Company's  
14 financial results for its second fiscal quarter ending June 30, 2022 ("2Q22 Release"). The 2Q22  
15 Release stated that ZoomInfo's quarterly revenues increased 54% year-over-year to \$267 million,  
16 up from \$174 million in the prior year quarter. The 1Q22 Release further stated that ZoomInfo  
17 generated operating income of \$39.5 million in the quarter compared to \$41 million in the prior  
18 year quarter. The 1Q22 Release also stated that ZoomInfo ended the quarter with more than 30,000  
19 total customers and with 1,763 customers that had ACVs of \$100,000 or greater.

20 77. That same day, ZoomInfo held a conference call with analysts to discuss the  
21 Company's financial and operational results for the second quarter of 2022, which was hosted by  
22 defendants Schuck and Hyzer. During his prepared remarks, defendant Schuck stated that  
23 ZoomInfo was in the "earliest days" of "generational transformation" in how businesses conduct  
24 marketing activities and claimed that ZoomInfo's platform would "help insulate" the Company  
25 from macroeconomic headwinds as customers were "increasingly choosing" ZoomInfo's products,  
26 stating in pertinent part as follows:

While a more uncertain macroeconomic environment may create some  
elongating near-term sales cycles, ***our very efficient go-to-market motion and***

1 *proven quick time to value for our customers will help insulate us. The market*  
2 *opportunity is huge, and we are executing against it.*

3 We are in the earliest days of what we believe is a generational  
4 transformation of how businesses go to market with data, insights and a purpose-  
5 built software platform, a transformation that we are uniquely positioned to lead.  
6 We have the right platform, the integrated data and insights that power that  
7 platform, and we are delivering success to our customers as they look for  
8 efficiencies and look to consolidate with fewer and fewer strategic vendors.

9 *We continue to deliver success to customers of all sizes across all*  
10 *industries with customers increasingly choosing ZoomInfo as a pillar of their go-*  
11 *to-market tech stack.* As companies focus on efficiency, profitability and unit  
12 economics, the most obvious path is to get more out of your existing sales and  
13 marketing resources. For 2 decades, we have been a trusted partner to deliver just  
14 that.

15 78. Defendant Hyzer similarly assured investors that ZoomInfo continued to “see  
16 strong demand” and represented he was “confident” the Company would “continue to drive  
17 durable growth” despite the “macro environment.” When asked specifically about customer  
18 retention trends, defendant Hyzer stated the Company was “still seeing [its] customers” wanting  
19 to invest in its go-to market solution, and thus was even “more confiden[t]” in the Company’s  
20 ability to deliver more growth, stating in pertinent part as follows:

21 So there isn’t anything worth calling out in terms of specific segments or  
22 anything else. I do think, as we look forward, macroeconomic headwinds could  
23 create some pressure with respect to net retention, but *we’re still seeing our*  
24 *customers continue to want to invest into really enabling and creating a better*  
25 *environment for their sellers. So I think what we’re seeing today gives us even*  
26 *more confidence in our ability to drive towards that \$2 billion run rate revenue*  
*target that we’ve set for ourselves and continue to see retention over the long term*  
*continue to improve.*

79. During the call, defendant Schuck represented that industry hiring freezes would  
not limit ZoomInfo’s growth as the Company was still in the “very, very early innings” of a  
“tremendous growth opportunity,” stating in pertinent part as follows:

*I think just from a penetration perspective, we still feel like we’re in very,*  
*very early innings.* I get asked often what happens if sales hiring slows in these  
accounts. Are you limited by your ability to add user seats? On the vast majority,  
the overwhelming majority of the accounts that we operate inside of, we’re not

1 wall-to-wall across the sales team. *And so we have this tremendous growth*  
2 *opportunity within sales organizations that we're executing against. And so we*  
3 *still feel like we're in the incredible early innings of the opportunity.* And so we  
4 don't feel special exposure across any industry or any customer side segment.

5 80. Defendant Hyzer similarly represented that ZoomInfo was in the "early innings" of  
6 market penetration and that there were a number of large enterprise customers where the Company  
7 could "double, triple, quadruple the amount of revenue" earned, stating in pertinent part as follows:

8 So I think consistent with what we've seen historically and continue to see  
9 in – throughout the year, *new sales continues to be a really strong driver of growth,*  
10 *and it's more than half of the growth that we see. I think that we're in such early*  
11 *innings in terms of the penetration of the overall market.*

12 Ultimately, every business that's selling to another business can and should  
13 use ZoomInfo to do a better job of that. And we have customers 30,000 today.  
14 There are over 700 potential customers that we can go out and get. So we have a  
15 lot of excitement about our ability to go out and continue to bring on new customers  
16 and help them be successful.

17 At the same time, within our existing customers, I think the consolidation  
18 play is an important lever that we can continue to use. But there's also a tremendous  
19 amount of white space expansion within those customers. Whether it's adding on  
20 new users to go wall-to-wall, whether it's helping their data teams really get to  
21 higher-quality data or, honestly, a lot of the advanced functionality that we offer is  
22 still relatively nascent out in the market. And there are a number of large enterprise  
23 customers where we can double, triple, quadruple the amount of revenue that we're  
24 getting in a white space way as opposed to consolidating other spend that's out  
25 there. And I think in a challenging macroeconomic environment, that replacement  
26 might be the easiest thing for us. *But over the long term, there's a lot more*  
*opportunity for the white space opportunity within our existing customers as well.*

81. Also on August 1, 2022, ZoomInfo filed with the SEC its quarterly report on Form  
10-Q for the quarter ended June 30, 2022 ("2Q22 Form 10-Q"), which was signed by defendant  
Hyzer and certified by defendants Schuck and Hyzer as being materially complete, accurate and  
free from fraud. The 2Q22 Form 10-Q contained the same financial information regarding the  
Company's revenues and operating income reported in the 2Q22 Release. The 2Q22 Form 10-Q  
also stated that ZoomInfo ended the quarter with 1,763 customers that had ACVs of \$100,000 or

1 greater. In addition, the 2Q22 Form 10-Q stated that ZoomInfo ended the quarter with total RPOs  
2 of \$985 million and current RPOs of \$764 million.

3 82. The statements referenced in ¶¶34-81 above were materially false and/or  
4 misleading when made because they failed to disclose the following adverse facts pertaining to the  
5 Company's business, operations, and financial condition, which were known to defendants or  
6 recklessly disregarded by them as follows:  
7

8 (a) that ZoomInfo's financial and operational results during the Class Period  
9 had been temporarily inflated by the ephemeral effects of the COVID-19 pandemic, which had  
10 pulled-forward demand for the Company's database of digital contact information;

11 (b) that material portions of ZoomInfo's existing customer base were  
12 attempting to either substantially reduce their use of the Company's product or abandon it  
13 altogether;  
14

15 (c) that ZoomInfo had used manipulative and coercive auto-renew policies and  
16 threats of litigation to force customers into remaining with the Company for an additional  
17 contractual term even though such customers did not want to;

18 (d) that ZoomInfo's coercive customer retention tactics had materially  
19 damaged the Company's customer relationships, client franchise, and competitive advantages, and  
20 created a hidden demand cliff for customer contract renewals in future periods; and  
21

22 (e) that as a result of (a)–(d), above, ZoomInfo's reported revenues, operating  
23 income, and customer and retention metrics were materially overstated.

24 83. Then, on November 1, 2022, ZoomInfo issued a press release announcing the  
25 Company's financial results for its third fiscal quarter ending September 30, 2022 ("3Q22  
26 Release"). During the corresponding conference call, defendant Hyzer revealed that ZoomInfo

1 had experienced increased “scrutiny” by customers during the contract renewal process, which  
2 negatively impacted ZoomInfo’s financial results in the quarter and would cause ZoomInfo to  
3 “retrace” NRR gains achieved in 2021. Further reflecting this loss of business, defendant Hyzer  
4 revealed that ZoomInfo’s total RPOs and current RPOs had declined. Specifically, defendant  
5 Hyzer reported that total RPOs fell to \$979 million, compared to \$985 million in the prior quarter,  
6 and that current RPOs fell to \$757 million, compared to \$764 million in the prior quarter. Analysts  
7 panned the report as inconsistent with the Company’s prior representations, with analysts at  
8 Canaccord Genuity observing that the abrupt change in tone caught them “flat-footed” given the  
9 Company and its management’s recent “bullish” commentary.

10 84. On this news, the price of ZoomInfo Class A common stock fell from \$43.50 per  
11 share on November 1, 2022, to \$30.81 per share on November 2, 2022, or approximately 29%, on  
12 above-average trading volume of over 22 million shares traded. However, the price of ZoomInfo  
13 Class A common stock continued to be artificially inflated as defendants continued to make  
14 material misstatements and omissions and to conceal the full truth regarding the Company’s  
15 business, operations, and financial results.  
16

17 85. The 3Q22 Release stated that ZoomInfo’s quarterly revenues increased 46% year-  
18 over-year to \$288 million, up from \$198 million in the prior year quarter. The 3Q22 Release  
19 further stated that ZoomInfo generated operating income of \$52 million in the quarter, increasing  
20 156% year-over-year from \$20 million in the prior year quarter. The 3Q22 Release also stated  
21 that ZoomInfo ended the quarter with 1,623 customers that had ACVs of \$100,000 or greater. The  
22 3Q22 Release quoted defendant Schuck who highlighted ZoomInfo’s “record” revenue and  
23 profitability and represented that the Company’s customers relied on its products and services to  
24 drive their growth, stating in pertinent part as follows:  
25  
26

1 “As a best-in-class high-growth software company with strong profitability, *our*  
2 *customers are looking to us for best practices on how to grow efficiently* – we do  
3 that by leveraging ZoomInfo’s data, insights, and automation. . . . We drive a quick  
4 and measurable ROI for customers and our innovative platform scales with them.  
5 *As a result, we delivered another quarter of record revenue and profitability, as*  
6 *we are quickly becoming the go-to-market platform of choice for B2B companies*  
7 *looking to drive efficient growth.”*

8 86. On November 1, 2022, ZoomInfo held a conference call with analysts to discuss  
9 the Company’s financial and operational results for the third quarter of 2022, which was hosted by  
10 defendants Schuck and Hyzer. During the call, defendant Schuck minimized the client problems  
11 ZoomInfo was facing, representing that gross client retention had “stayed largely the same” and  
12 that the deals that had slipped from the third quarter into the fourth quarter had “already closed.”  
13 Defendant Hyzer similarly claimed that gross client retention was “really strong” and that the  
14 Company still had “customers that are renewing,” stating in pertinent part as follows:

15 *What we are seeing is that gross retention continues to be really strong,*  
16 *over 90%. So we still have customers that are renewing, and we have seen an*  
17 *acceleration in terms of functionality upsells.* Where we’re seeing more pressure  
18 is with respect to the seat expansions and data expansions that we had seen  
19 historically. That’s the area where we feel our team isn’t able to go after as much  
20 of the upsell opportunity given the incremental time that they’re spending on  
21 renewals and deals in general.

22 87. Defendant Hyzer continued in pertinent part as follows:

23 *Gross churn. So gross churn actually hung in very well despite the*  
24 *macroeconomic environment. So when people were using ZoomInfo, they’re*  
25 *continuing to renew the gross churn rate or gross retention continues to be well*  
26 *over 90%. So I think that we feel really good about that.* The change in the NRR  
aspect has much more to do with those seat-based expansion opportunities that our  
team is spending more time getting those renewals just based on greater scrutiny  
that’s being applied by our customers, and therefore, is getting less opportunities to  
go out and really push those upsells that we’ve seen historically.

88. During the call, defendant Schuck claimed that in conversations with Company  
clients, ZoomInfo had been told “over and over again” that customers were choosing to forego  
hiring additional sales personnel in favor of investing in ZoomInfo, stating in pertinent part as  
follows:

1           What I will tell you is the largest new business deal and the largest  
2 expansion deal in our history, *those customers are coming to us and saying, listen,*  
3 *I'm going to forego the next 3 or 4 head count from a sales perspective. And I'm*  
4 *going to use those dollars to invest in ZoomInfo and make the entire additional*  
5 *team more productive, more efficient and more effective.*

6           We hear that over and over again. And so I think that thinking around how  
7 do I make the rest of my team more efficient? How do I make everybody more  
8 efficient is starting to materialize throughout our customer base and throughout our  
9 new business prospects. Where the historical view of how do I grow has been, I  
10 just need to add another head count, another 5 head count, another 10 head count.

11           I think teams across the world are saying, how do I grow without adding  
12 head count? How do I make all of my team more efficient and more productive?  
13 And that's the message that we're trying to land with our customer base as well.

14           89. Also on November 1, 2022, ZoomInfo filed with the SEC its quarterly report on  
15 Form 10-Q for the quarter ended September 30, 2022 ("3Q22 Form 10-Q"), which was signed by  
16 defendant Hyzer and certified by defendants Schuck and Hyzer as being materially complete,  
17 accurate, and free from fraud. The 3Q22 Form 10-Q contained the same financial and operational  
18 information regarding the Company's revenues, operating income, and customers reported in the  
19 3Q22 Release. In addition, the 3Q22 Form 10-Q stated that ZoomInfo ended the quarter with total  
20 RPOs of \$979 million and current RPOs of \$757 million.

21           90. The statements referenced in ¶¶83-89 above were materially false and/or  
22 misleading when made because they failed to disclose the adverse facts pertaining to the  
23 Company's business, operations, and financial condition, which were known to defendants or  
24 recklessly disregarded by them as detailed in ¶82

25           91. Then on November 16, 2022, defendant Hyzer participated in an investor  
26 conference hosted by RBC Capital Markets. During the conference, defendant Hyzer revealed  
that intense customer scrutiny during the contract renewal process had continued into the fourth

1 quarter, which would negatively impact the Company's ability to grow its revenues in fiscal year  
2 2023.

3 92. On this news the price of ZoomInfo Class A common stock fell from \$31.69 per  
4 share on November 15, 2022, to \$26.17 per share on November 17, 2022, or approximately 17%,  
5 over a two-day trading period on above-average trading volume. However, the price of ZoomInfo  
6 Class A common stock continued to be artificially inflated as defendants continued to make  
7 material misstatements and omissions and to conceal the full truth regarding the Company's  
8 business, operations, and financial results.

9  
10 93. On February 6, 2023, ZoomInfo issued a press release announcing the Company's  
11 financial results for its fiscal year and fourth quarter ending December 30, 2022 ("4Q22 Release").  
12 The 4Q22 Release stated that ZoomInfo's quarterly revenues increased 36% year-over-year to  
13 \$302 million, up from \$222 million in the prior year quarter. The 4Q22 Release further stated that  
14 ZoomInfo generated operating income of \$52 million in the quarter, increasing 115% year-over-  
15 year from \$24 million in the prior year quarter. The 4Q22 Release also represented that ZoomInfo  
16 ended the quarter with 1,926 customers with ACVs of \$100,000 or more. In addition, the 4Q22  
17 Release stated that ZoomInfo's NRR for 2022 was 104%. The 4Q22 Release quoted defendant  
18 Schuck who emphasized ZoomInfo's "leading" growth and profitability and claimed the Company  
19 was "well-positioned" to be a "durable grower."  
20  
21

22 94. That same day, ZoomInfo held a conference call with analysts to discuss the  
23 Company's financial and operational results for the fourth quarter of 2022, which was hosted by  
24 defendants Schuck and Hyzer. In response to a question from an analyst regarding the demand  
25 environment, defendant Schuck emphasized ZoomInfo's pipeline of business, which he claimed  
26 was the "largest" in Company history, and he further represented that the Company had achieved



1 its “highest in-month win rate” among small business customers in non-end of quarter months,  
2 stating in pertinent part as follows:

3 *Look, there hasn’t been any material change in buyer behavior that we’re*  
4 *seeing out in the market as it relates to uncertainty or the macroeconomic*  
5 *environment. So we haven’t seen any change in that.* What I’ll tell you from a  
6 demand and pipeline generation perspective. January, we saw our largest pipeline  
7 we’ve ever generated. *We’re generating more MQLs than we’ve had in our*  
8 *history. When buyers are buying, they’re buying decisively and at strong ASPs,*  
9 *and we’re seeing less competition in our deals in Q4. And where we do see*  
10 *competition primarily in the SMB segment of our business, we’re seeing the*  
11 *highest in-month win rate ever for a non end of the quarter month.* And so all of  
12 that tells me that while there is room for improvement from an execution  
13 perspective, it really is customers’ uncertainty about the broader economic  
14 environment that’s holding us back from delivering more top line growth. *So as*  
15 *the uncertainty fades, I’m confident that we’ll be in a great position to accelerate*  
16 *out.* We haven’t seen that stating yet.

17 95. During the call, an analyst questioned defendants’ claims that issues facing the  
18 Company were related to macroeconomic trends. In response, defendant Schuck highlighted the  
19 “real growth” ZoomInfo purportedly achieved within its enterprise customers, which he claimed  
20 the Company could “significantly accelerate,” stating in pertinent part as follows:

21 I think the big thing that we know today is that, there is a real growth  
22 opportunity within our enterprise customer base. Today, we have 35,000  
23 customers, and we’re driving real growth across our enterprise customers. *But*  
24 *when we look within the enterprise, we think we can significantly accelerate that.*  
25 And so bringing in a Chief Revenue Officer who has a ton of experience within the  
26 enterprise, this felt like the right time to do it. We see that segment as the biggest  
growth opportunity, and we wanted to bring somebody in who had significant  
experience in that land and expand motion and especially across the enterprise.

27 96. During the call, defendant Schuck further represented that ZoomInfo’s pipeline was  
28 “the strongest it’s ever been” and assured investors that there was “real demand out there” for the  
29 Company’s products, stating in pertinent part as follows:

30 *I would add that our pipeline in January was the strongest it’s ever been.*  
31 *We generated more MQLs than we ever have in our history. So there’s real*  
32 *demand out there in the market for our products.* But ultimately, what we’re  
33 ending up seeing is customers are waiting. They’re not making purchase decisions  
34 at the level – the velocity levels as they were a year ago. *But there is real demand*  
35 *out there. We’re generating it. We’re generating that pipeline, and so we’ll*

1            *continue to do that and feel like as the uncertainty phase will be in a really great*  
2            *position to accelerate through that.*

3            97. Defendant Hyzer similarly represented that ZoomInfo had “more pipeline” than  
4            ever before and that the Company’s win rates were “modestly starting to improve” in the fourth  
5            quarter.

6            98. On February 16, 2023, ZoomInfo filed with the SEC its annual report on Form 10-  
7            K for the year ending December 31, 2022 (“4Q22 Form 10-K”), which was signed by defendants  
8            Schuck and Hyzer and certified by them as being materially complete, accurate, and free from  
9            fraud. The 4Q22 Form 10-K contained the same financial and operational information regarding  
10           the Company’s revenues, operating income, customers, and NRR reported in the 4Q22 Release.  
11           In addition, the 4Q22 Form 10-K stated that ZoomInfo ended the quarter with total RPOs of \$1.1  
12           billion and current RPOs of \$842 million. The 4Q22 Form 10-K further represented that ZoomInfo  
13           had \$223 million in accounts receivable at quarter end. The 4Q22 Form 10-K stated that ZoomInfo  
14           “maintain[s] an allowance for credit losses based upon the expected collectability of accounts  
15           receivable” and that accounts receivable were reported “net” of such allowance. The 4Q22 Form  
16           10-K also stated that ZoomInfo’s management had evaluated the adequacy of the allowance based  
17           upon “historical collection experience, changes in customer payment profiles, the aging of  
18           receivable balances, as well as current economic conditions,” and represented that, as of December  
19           31, 2022, the allowance established by ZoomInfo for expected credit losses was “immaterial.”

20           99. On May 1, 2023, ZoomInfo issued a press release announcing the Company’s  
21           financial results for its first fiscal quarter ending March 31, 2023 (“1Q23 Release”). The 1Q23  
22           Release stated that ZoomInfo’s quarterly revenues increased 24% year-over-year to \$301 million,  
23           up from \$242 million in the prior year quarter. The 1Q23 Release further stated that ZoomInfo  
24           generated operating income of \$66 million in the quarter, increasing 105% year-over-year from  
25           \$32 million in the prior year quarter. The 1Q23 Release also stated that ZoomInfo ended the  
26           quarter with 1,905 customers that had ACVs of \$100,000 or greater.

1           100. That same day, ZoomInfo held a conference call with analysts to discuss the  
2 Company’s financial and operational results for the first quarter of 2023, hosted by defendants  
3 Schuck and Hyzer. In response to an analyst question regarding sales trends, defendant Hyzer  
4 stated that April “was better than” January and represented he had “good confidence in where Q2  
5 is going,” stating in pertinent part as follows:

6                       So in terms of linearity, specifically April was better than January.  
7 Typically, we do have some level of linearity within the month. So the first month  
8 is oftentimes a little less than the second month, which has been less than the third  
9 month. ***But we do feel that momentum and on an adjusted basis, comparing it to  
January gives us good confidence in where Q2 is going. And certainly from a –  
and that’s actual sales, closed sales. From a pipeline perspective, I think we’re  
seeing a similar dynamic of improvement in Q2.***

10           101. Defendant Schuck echoed these remarks, stating that April was “off to a much  
11 better start” compared to January and that there was “a lot of demand” for ZoomInfo’s products.

12           102. During the call, an analyst inquired regarding ZoomInfo’s ability to meet its annual  
13 revenue guidance, which would require the Company to accelerate revenue growth in the second  
14 quarter. In response, defendant Hyzer represented he had “very good visibility into Q2” and “good  
15 confidence” in the Company’s ability to accelerate revenues sequentially.

16           103. On May 1, 2023, ZoomInfo filed with the SEC its quarterly report on Form 10-Q  
17 for the quarter ended March 31, 2023 (“1Q23 Form 10-Q”), which was signed by defendant Hyzer  
18 and certified by defendants Schuck and Hyzer as being materially complete, accurate, and free  
19 from fraud. The 1Q23 Form 10-Q contained the same financial and operational information  
20 regarding the Company’s revenues, operating income, and customers reported in the 1Q23  
21 Release. The 1Q23 Form 10-Q also stated that ZoomInfo ended the quarter with total RPOs of  
22 \$1.1 billion and current RPOs of \$839 million. In addition, the 1Q23 Form 10-Q stated that  
23 ZoomInfo had \$215.5 million in accounts receivable at quarter end. The 1Q23 Form 10-Q  
24 represented that ZoomInfo “maintain[s] an allowance for credit losses based upon the expected  
25 collectability of accounts receivable” and that accounts receivable were reported “net” of such  
26 allowance. The 1Q23 Form 10-Q also stated that ZoomInfo’s management had evaluated the

1 adequacy of the allowance based upon “historical collection experience, changes in customer  
2 payment profiles, the aging of receivable balances, as well as current economic conditions,” and  
3 represented that, as of March 31, 2023, the allowance established by ZoomInfo for expected credit  
4 losses was “immaterial.”

5 104. The statements referenced in ¶¶93-103 above were materially false and/or  
6 misleading when made because they failed to disclose the adverse facts pertaining to the  
7 Company’s business, operations, and financial condition, which were known to defendants or  
8 recklessly disregarded by them as detailed in ¶82.

9  
10 105. Then, on July 31, 2023, ZoomInfo issued a press release announcing the  
11 Company’s financial results for its second fiscal quarter ending June 30, 2023 (“2Q23 Release”).  
12 The 2Q23 Release revealed that ZoomInfo’s customers with ACVs of \$100,000 or greater had  
13 declined to 1,893 from 1,905 such clients in the prior quarter. During the conference call held  
14 later that day, defendant Hyzer further revealed that customer cancellations had increased  
15 “modestly” in the quarter and that customers had been renewing for less than the market had been  
16 conditioned to expect. Defendant Hyzer also disclosed that customers who had already reduced  
17 their contract sizes during renewals in the prior year were now renewing for even less. As a result,  
18 ZoomInfo reduced its annual revenue guidance from a range of \$1.275 billion to \$1.285 billion to  
19 a range of \$1.225 billion to \$1.235 billion, representing a reduction of \$50 million at the mid-  
20 point.

21 106. On this news, the price of ZoomInfo Class A common stock fell from \$25.57 per  
22 share on July 31, 2023, to \$18.40 per share on August 2, 2023, or approximately 28%, over a two-  
23 day trading period on above-average trading volume. However, the price of ZoomInfo Class A  
24 common stock continued to be artificially inflated as defendants continued to make material  
25 misstatements and omissions and to conceal the full truth regarding the Company’s business,  
26 operations, and financial results.

1           107. The 2Q23 Release stated that ZoomInfo’s quarterly revenues increased 16% year-  
2 over-year to \$309 million, up from \$267 million in the prior year quarter. The 2Q23 Release  
3 further stated that ZoomInfo generated operating income of \$60 million in the quarter, increasing  
4 51% year-over-year, up from \$40 million in the prior year quarter.

5           108. That same day, ZoomInfo held a conference call with analysts to discuss the  
6 Company’s financial and operational results for the second quarter of 2023, hosted by defendants  
7 Schuck and Hyzer. During the call, defendant Schuck represented that ZoomInfo was “working  
8 with” customers that were downsizing to ensure they “keep the contract,” stating in pertinent part  
9 as follows:  
10

11                   ***[O]ne of the things that we’re doing internally operationally is giving our***  
12                   ***– working with those customers as they downsize, so that they stay with us, and***  
13                   ***we have an opportunity to grow with them in the future.*** We have another  
14 customer example that had literally 600 salespeople in 2021, has 20 today. And  
15 that’s a contract that was in our 100,000 cohort and is now a \$30,000 a year  
16 contract, but our mentality around that is let’s work with this customer, let’s keep  
17 the contract. We’re both on the same page about growing back up with them in the  
18 future. ***And so from a gross retention perspective, we’re doing everything we can***  
19 ***to hold on to those customers, so that they turn the corner and start thinking***  
20 ***about growth again that we’re a trusted partner on that journey.***

21           109. On July 31, 2023, ZoomInfo filed with the SEC its quarterly report on Form 10-Q  
22 for the quarter ended June 30, 2023 (“2Q23 Form 10-Q”), which was signed by defendant Hyzer  
23 and certified by defendants Schuck and Hyzer as being materially complete, accurate, and free  
24 from fraud. The 2Q23 Form 10-Q contained the same financial and operational information  
25 regarding the Company’s revenues, operating income, and customers reported in the 2Q23  
26 Release. The 2Q23 Form 10-Q also stated that ZoomInfo ended the quarter with total RPOs of  
\$1.1 billion and current RPOs of \$849 million. In addition, the 2Q23 Form 10-Q stated that  
ZoomInfo had \$207 million in accounts receivable at quarter end. The 2Q23 Form 10-Q further  
represented that ZoomInfo “maintain[s] an allowance for credit losses based upon the expected  
collectability of accounts receivable” and that accounts receivable were reported “net” of such

1 allowance. The 2Q23 Form 10-Q also stated that ZoomInfo’s management had evaluated the  
2 adequacy of the allowance based upon “historical collection experience, changes in customer  
3 payment profiles, the aging of receivable balances, as well as current economic conditions,” and  
4 represented that, as of June 30, 2023, the allowance established by ZoomInfo for expected credit  
5 losses was “immaterial.”

6 110. On October 30, 2023, ZoomInfo issued a press release announcing the Company’s  
7 financial results for its third fiscal quarter ending September 30, 2023 (“3Q23 Release”). The  
8 3Q23 Release stated that ZoomInfo’s quarterly revenues increased 9% year-over-year to \$314  
9 million, up from \$288 million in the prior year quarter. The 3Q23 Release further stated that  
10 ZoomInfo generated operating income of \$63 million in the quarter, increasing 22% year-over-  
11 year, up from \$52 million in the prior year quarter. The 3Q23 Release also stated that ZoomInfo  
12 ended the quarter with 1,869 customers with ACVs of \$100,000 or more.

13 111. That same day, ZoomInfo held a conference call with analysts to discuss the  
14 Company’s financial and operational results for the third quarter of 2023, hosted by defendants  
15 Schuck and Hyzer. During the call, defendant Hyzer highlighted ZoomInfo’s purported success  
16 in securing new business, claiming that demand from new customers continued to be “good” and  
17 “relatively strong,” stating in pertinent part as follows:

18 The assumptions really are very focused on renewals. *New business*  
19 *continues to be relatively strong*. Obviously, the environment impacts that as well,  
20 but the sales efficiency of our new business team and the demand that we see  
21 continue to be good out there and we continue to bring on new customers to support  
22 that. So we’re really focused much more on mitigating and getting through this  
23 renewal cycle that we’re in right now.

24 112. On October 30, 2023, ZoomInfo filed with the SEC its quarterly report on Form  
25 10-Q for the quarter ended September 30, 2023 (“3Q23 Form 10-Q”), which was signed by  
26 defendant Hyzer and certified by defendants Schuck and Hyzer as being materially complete,  
accurate, and free from fraud. The 3Q23 Form 10-Q contained the same financial and operational  
information regarding the Company’s revenues, operating income, and customers reported in the

1 3Q23 Release. The 3Q23 Form 10-Q also stated that ZoomInfo ended the quarter with total RPOs  
2 of \$1.05 billion and current RPOs of \$795 million. In addition, the 3Q23 Form 10-Q stated that  
3 ZoomInfo had \$219 million in accounts receivable at quarter end. The 3Q23 Form 10-Q further  
4 represented that ZoomInfo “maintain[s] an allowance for credit losses based upon the expected  
5 collectability of accounts receivable” and that accounts receivable were reported “net” of such  
6 allowance. The 3Q23 Form 10-Q also stated that ZoomInfo’s management had evaluated the  
7 adequacy of the allowance based upon “historical collection experience, changes in customer  
8 payment profiles, the aging of receivable balances, as well as current economic conditions,” and  
9 represented that, as of September 30, 2023, the allowance established by ZoomInfo for expected  
10 credit losses was “not significant” to the consolidated financial statements.

11 113. On February 12, 2024, ZoomInfo issued a press release announcing the Company’s  
12 financial results for its fiscal year and fourth quarter ending December 30, 2023 (“4Q23 Release”).  
13 The 4Q23 Release stated that ZoomInfo’s quarterly revenues increased 5% year-over-year to \$316  
14 million, up from \$302 million in the prior year quarter. The 4Q23 Release further stated that  
15 ZoomInfo generated operating income of \$70.5 million in the quarter, increasing 35% year-over-  
16 year from \$52 million in the prior year quarter. The 4Q23 Release also stated that ZoomInfo ended  
17 the quarter with 1,820 customers with ACVs of \$100,000 or more. In addition, the 4Q23 Release  
18 stated that ZoomInfo’s NRR for 2023 was 87%.

19 114. That same day, ZoomInfo held a conference call with analysts to discuss the  
20 Company’s financial and operational results for the fourth quarter of 2023, hosted by defendants  
21 Schuck and Hyzer. During his prepared remarks, defendant Schuck highlighted the Company’s  
22 purported success with new customers, representing that ZoomInfo had closed “record” new logos  
23 in the fourth quarter, stating in pertinent part as follows:

24 *However, our demand and sales velocity for new business was our best*  
25 *ever. We closed the most new logos on record in Q4. Our in-month create and*  
26 *closed win rate for December was the highest we’ve ever had in a single month,*  
*and our median sales cycle shortened significantly year-over-year.*

1 115. Defendant Schuck continued in pertinent part as follows:

2 *Throughout the year, relative to the customer base, new business demand*  
3 *and close stayed strong, we saw that continue throughout the year. And then at*  
4 *the end of the year, we brought on the most new logos we've had in a quarter.*  
5 *We had great metrics around the new sales motion. And then we had many*  
6 *customers who had left to come back to us as well.*

7 *So we feel pretty good about our ability to forecast demand on the new*  
8 *business side and see it continuing strength throughout 2024.*

9 116. During the call, defendant Hyzer claimed that churn levels among small business  
10 customers “remained fairly stable” notwithstanding pressure in the segment, stating in pertinent  
11 part as follows:

12 *So our churn levels have actually remained fairly stable. And '23, they*  
13 *are a little down from what we saw in '22, but not meaningfully so. Obviously,*  
14 *that part of the equation is largely driven by the lower end of the market. And so*  
15 *while we do see pressure on SMBs, particularly around write-offs and some*  
16 *downsells in kind of price requirements, we don't see a meaningful increase in the*  
17 *churn that we're seeing.*

18 117. On February 15, 2024, ZoomInfo filed with the SEC its annual report on Form 10-  
19 K for the year ending December 31, 2023 (“4Q23 Form 10-K”), which was signed by defendants  
20 Schuck and Hyzer and certified by them as being materially complete, accurate, and free from  
21 fraud. The 4Q23 Form 10-K contained the same financial and operational information regarding  
22 the Company’s revenues, operating income, customers, and NRR reported in the 4Q23 Release.  
23 In addition, the 4Q23 Form 10-K stated that ZoomInfo ended the quarter with total RPOs of \$1.15  
24 billion and current RPOs of \$856 million. The 4Q23 Form 10-K also stated that ZoomInfo had  
25 \$272 million in accounts receivable at quarter end. The 4Q23 Form 10-K further represented that  
26 ZoomInfo “maintain[s] an allowance for credit losses based upon the expected collectability of  
accounts receivable” and that accounts receivable were reported “net” of such allowance. The  
4Q23 Form 10-K also stated that ZoomInfo’s management had evaluated the adequacy of the  
allowance based upon “historical collection experience, changes in customer payment profiles, the  
aging of receivable balances, as well as current economic conditions,” and represented that, as of



1 December 31, 2023, the allowance established by ZoomInfo for expected credit losses was “not  
2 significant” to the consolidated financial statements.

3 118. The statements referenced in ¶¶107-117 above were materially false and/or  
4 misleading when made because they failed to disclose the following adverse facts pertaining to the  
5 Company’s business, operations, and financial condition, which were known to defendants or  
6 recklessly disregarded by them as follows:

7 (a) that ZoomInfo’s financial and operational results during the Class Period  
8 had been temporarily inflated by the ephemeral effects of the COVID-19 pandemic, which had  
9 pulled-forward demand for the Company’s database of digital contact information;

10 (b) that material portions of ZoomInfo’s existing customer base were  
11 attempting to either substantially reduce their use of the Company’s product or abandon it  
12 altogether;

13 (c) that ZoomInfo had used manipulative and coercive auto-renew policies and  
14 threats of litigation to force customers into remaining with the Company for an additional  
15 contractual term even though they did not want to;

16 (d) that ZoomInfo’s coercive customer retention tactics had materially  
17 damaged the Company’s customer relationships, client franchise, and competitive advantages, and  
18 created a hidden demand cliff for customer contract renewals in future periods;

19 (e) that ZoomInfo’s reported accounts receivable were materially comprised of  
20 debts owed by high-risk small business customers that had a high likelihood of non-payment and  
21 had been induced to transact with the Company through a credit program the Company  
22 implemented in 2022;

1 (f) that ZoomInfo’s allowance for credit losses was materially inadequate and  
2 understated the risk of non-payments by the Company’s customers; and

3 (g) that as a result of (a)–(f), above, ZoomInfo’s reported revenues, operating  
4 income, and customer and retention metrics were materially overstated.

5  
6 119. Then on May 7, 2024, ZoomInfo issued a press release announcing the Company’s  
7 financial results for its first fiscal quarter ending March 31, 2024 (“1Q24 Release”). During the  
8 corresponding conference call, defendant Hyzer revealed that ZoomInfo had a large pool of small  
9 business customers that exhibited “weakness” during renewals in the period, which had caused  
10 NRR to decline sequentially to 85% from the 87% reported in the fourth quarter. Defendant Hyzer  
11 further revealed that new business from small business customers had also declined in the quarter  
12 as the Company became “more selective” on deals made within the cohort. As a result, ZoomInfo  
13 reduced its annual revenue guidance from range of \$1.26 billion to \$1.28 billion to a range of  
14 \$1.255 billion to \$1.27 billion.

15  
16 120. On this news, the price of ZoomInfo Class A common stock fell from \$16.02 per  
17 share on May 7, 2024, to \$12.14 per share on May 8, 2024, or approximately 24%, on above-  
18 average trading volume of roughly 28 million shares traded. However, the price of ZoomInfo  
19 Class A common stock continued to be artificially inflated as defendants continued to make  
20 material misstatements and omissions and to conceal the full truth regarding the Company’s  
21 business, operations, and financial results.

22  
23 121. The 1Q24 Release stated that ZoomInfo’s quarterly revenues increased 3% year-  
24 over-year to \$310 million, up from \$301 million in the prior year quarter. The 1Q24 Release  
25 further stated that ZoomInfo generated operating income of \$43 million in the quarter. The 1Q24  
26 Release also stated that ZoomInfo ended the quarter with 1,760 customers with ACVs of \$100,000  
or greater.

1           122. That same day, ZoomInfo held a conference call with analysts to discuss the  
2 Company’s financial and operational results for the first quarter of 2024, hosted by defendants  
3 Schuck and Hyzer. During his prepared remarks, defendant Schuck noted certain so-called  
4 “stabilization trends” the Company was purportedly experiencing and claimed that ZoomInfo had  
5 “reached a bottom,” which he described as a precursor to a “potential inflection to growth,” stating  
6 in pertinent part as follows:  
7

8                         Software retention also stayed flat sequentially for the first time since Q1 of  
9                         ‘22. ***These stabilization trends have continued into Q2 and are promising signs***  
10                         ***that suggest we have reached a bottom, which we view as a precursor to a***  
11                         ***potential inflection to growth.*** We also had a number – we also had another quarter  
12                         of strong win-back performance. Customers continue to come back in record  
13                         numbers after trying low-cost, low-quality providers. In Q1, we again saw  
14                         hundreds of customers come back to ZoomInfo, maintaining the record levels from  
15                         Q4 and Q3 2023.

16           123. On May 7, 2024, ZoomInfo filed with the SEC its quarterly report on Form 10-Q  
17 for the quarter ended March 31, 2024 (“1Q24 Form 10-Q”), which was signed by defendant Hyzer  
18 and certified by defendants Schuck and Hyzer as being materially complete, accurate, and free  
19 from fraud. The 1Q24 Form 10-Q contained the same financial and operational information  
20 regarding the Company’s revenues, operating income, and customers reported in the 1Q24  
21 Release. The 1Q24 Form 10-Q also stated that ZoomInfo ended the quarter with total RPOs of  
22 \$1.13 billion and current RPOs of \$838 million. In addition, the 1Q24 Form 10-Q stated that  
23 ZoomInfo had \$223.5 million in accounts receivable at quarter end. The 1Q24 Form 10-Q further  
24 represented that ZoomInfo “maintain[s] an allowance for credit losses based upon the expected  
25 collectability of accounts receivable” and that accounts receivable were reported “net” of such  
26 allowance. The 1Q24 Form 10-Q also stated that ZoomInfo’s management evaluated the adequacy  
of the allowance based upon “historical collection experience, changes in customer payment  
profiles, the aging of receivable balances, as well as current economic conditions,” and represented

1 that, as of March 31, 2024, the allowance established by ZoomInfo for expected credit losses was  
2 “not significant” to the consolidated financial statements.

3 124. The statements referenced in ¶¶121-123 above were materially false and/or  
4 misleading when made because they failed to disclose the following adverse facts pertaining to the  
5 Company’s business, operations, and financial condition, which were known to defendants or  
6 recklessly disregarded by them as detailed in ¶118.

7  
8 125. Finally, on August 5, 2024, ZoomInfo issued a press release announcing the  
9 Company’s financial results for its second fiscal quarter ending June 30, 2024 (“2Q24 Release”).  
10 The 2Q24 Release revealed that ZoomInfo was incurring a \$33 million charge due to non-  
11 payments from customers and had been forced to implement a “new business risk model” to reduce  
12 write-offs. In connection with its new risk model, ZoomInfo stated it was altering its operational  
13 procedures to require up-front payments from small business customers, indicating that many of  
14 the Company’s previous customers had been unable to afford the Company’s products and  
15 services. As a result, ZoomInfo further reduced its annual revenue guidance by \$65 million at the  
16 midpoint, from a range of \$1.255 billion to \$1.27 billion to a range of \$1.19 billion to \$1.205  
17 billion. During the corresponding conference call, defendant Hyzer revealed that the \$33 million  
18 charge incurred in the quarter related to revenues that were previously recognized in fiscal 2023,  
19 casting doubt on tens of millions dollars in revenues and the legitimacy and quality of potentially  
20 thousands of ZoomInfo customers. In a subsequently issued press release published that same day,  
21 the Company further revealed that defendant Hyzer was resigning from the Company.

22 126. On this news, the price of ZoomInfo Class A common stock fell from \$9.80 per  
23 share on August 5, 2024, to \$8.01 per share on August 6, 2024, or approximately 18%, on above-  
24 average trading volume of roughly 43 million shares traded.



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

4                   (a) whether defendants' statements during the Class Period were materially  
5 false and misleading;

6                   (b) whether defendants acted with scienter in issuing materially false and  
7 misleading statements during the Class Period; and

8                   (c) the extent of injuries sustained by the members of the Class and the  
9 appropriate measure of damages.

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

15                                   **ADDITIONAL SCIENTER ALLEGATIONS**

16           134. As alleged herein, defendants acted with scienter in that defendants knew, or  
17 recklessly disregarded, that the public documents and statements they issued and disseminated  
18 during the Class Period to the investing public in the name of the Company, or in their own name,  
19 were materially false and misleading. Defendants knowingly and substantially participated or  
20 acquiesced in the issuance or dissemination of such statements and documents as primary  
21 violations of the federal securities laws. Defendants, by virtue of their receipt of information  
22 reflecting the true facts regarding ZoomInfo, and their control over and/or receipt and/or  
23 modification of ZoomInfo's allegedly materially misleading misstatements, were active and  
24 culpable participants in the fraudulent scheme alleged herein.

1           135. Defendants knew and/or recklessly disregarded the false and misleading nature of  
2 the information they caused to be disseminated to the investing public. The fraudulent scheme  
3 described herein could not have been perpetrated during the Class Period without the knowledge  
4 and complicity of, or at least the reckless disregard by, personnel at the highest levels of the  
5 Company, including the Individual Defendants.

6           136. The Individual Defendants, because of their positions with ZoomInfo, controlled  
7 the contents of ZoomInfo's public statements during the Class Period. The Individual Defendants  
8 were each provided with or had access to the information alleged herein to be false and/or  
9 misleading prior to or shortly after its issuance and had the ability and opportunity to prevent its  
10 issuance or cause it to be corrected. Because of their positions and access to material, nonpublic  
11 information, the Individual Defendants knew or recklessly disregarded that the adverse facts  
12 specified herein had not been disclosed to and were being concealed from the public and that the  
13 positive representations that were being made were false and misleading. As a result, each of the  
14 defendants is responsible for the accuracy of ZoomInfo's corporate statements and is, therefore,  
15 responsible and liable for the representations contained therein.

16           137. In addition, the specific actions underlying the fraud alleged herein could not have  
17 occurred without the Individual Defendants' knowledge. For example, ZoomInfo's widespread  
18 inclusion of manipulative and coercive auto-renew policies within its subscription agreements to  
19 increase customer retention could not have occurred without approval of such provisions or other  
20 involvement by the Individual Defendants. In addition, the use of ZoomInfo's legal team to strong-  
21 arm large swaths of ZoomInfo's customer base into renewing contracts that the Company's  
22 customers did not want would have required the Individual Defendants' approval and/or direct  
23 involvement. Similarly, ZoomInfo's decision to induce customers to sign up for its products and  
24 services even though they had a high likelihood of non-payment through a credit program would  
25 have needed the direct participation or at the very least the approval of the Individual Defendants.





1 to the market, the price of ZoomInfo Class A common stock declined significantly on numerous  
2 occasions as the prior artificial inflation came out of the price of the stock, as detailed herein. As  
3 result of their purchases of ZoomInfo Class A common stock during the Class Period, plaintiff and  
4 other members of the Class suffered economic loss, *i.e.* damages, under the federal securities laws.

5 **APPLICATION OF THE PRESUMPTION OF RELIANCE:**  
6 **FRAUD ON THE MARKET**

7 141. At all relevant times, the market for ZoomInfo Class A common stock was an  
8 efficient market for the following reasons, among others:

9 (a) ZoomInfo Class A common stock met the requirements for listing and was  
10 listed and actively traded on the NASDAQ, a highly efficient, national stock market;

11 (b) as a regulated issuer, ZoomInfo filed periodic public reports with the SEC;

12 (c) according to the Company's Form 10-K for the fiscal year ended December  
13 31, 2023, ZoomInfo had approximately 380 million shares of Class A common stock outstanding  
14 as of January 31, 2023;

15 (d) ZoomInfo regularly communicated with public investors via established  
16 market communication mechanisms, including the regular dissemination of press releases on  
17 national circuits of major newswire services, the Internet, and other wide-ranging public  
18 disclosures; and

19 (e) unexpected material news about ZoomInfo was rapidly reflected in and  
20 incorporated into prices for the Company's shares of Class A common stock during the Class  
21 Period.

22 142. As a result of the foregoing, the market for ZoomInfo Class A common stock  
23 promptly digested current information regarding ZoomInfo from all publicly available sources and  
24 reflected such information in the price of the stock. Under these circumstances, all purchasers of  
25 ZoomInfo Class A common stock during the Class Period suffered similar injury through their  
26

1 purchases of ZoomInfo Class A common stock at artificially inflated prices and a presumption of  
2 reliance applies.

3 143. A Class-wide presumption of reliance is also appropriate in this action under the  
4 Supreme Court’s holding in *Affiliated Ute Citizens v. United States*, 406 U.S. 128 (1972), because  
5 the Class’s claims are, in large part, grounded on defendants’ material misstatements and/or  
6 omissions. Because this action involves defendants’ failure to disclose material adverse  
7 information regarding the Company’s business operations and financial prospects – information  
8 that defendants were obligated to disclose – positive proof of reliance is not a prerequisite to  
9 recovery. All that is necessary is that the facts withheld be material in the sense that a reasonable  
10 investor might have considered them important in making investment decisions. Given the  
11 importance of the Class Period material misstatements and omissions set forth above, that  
12 requirement is satisfied here.

13 **NO SAFE HARBOR**

14 144. The statutory safe harbor provided for forward-looking statements under certain  
15 circumstances does not apply to any of the allegedly false statements pled in this complaint. Many  
16 of the specific statements pled herein were not identified as “forward-looking statements” when  
17 made. To the extent there were any forward-looking statements, there were no meaningful  
18 cautionary statements identifying important factors that could cause actual results to differ  
19 materially from those in the purportedly forward-looking statements. Alternatively, to the extent  
20 that the statutory safe harbor does apply to any forward-looking statements pled herein, defendants  
21 are liable for those false forward-looking statements because at the time each of those forward-  
22 looking statements was made, the particular speaker knew that the particular forward-looking  
23 statement was false and/or the forward-looking statement was authorized and/or approved by an  
24 executive officer of ZoomInfo who knew that those statements were false when made.

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**COUNT I**

**For Violation of §10(b) of the 1934 Act and  
Rule 10b-5 Promulgated Thereunder  
Against ZoomInfo and the Individual Defendants**

145. Plaintiff repeats and realleges each and every allegation contained in the foregoing paragraphs as if fully set forth herein.

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

147. Defendants violated §10(b) of the 1934 Act and Rule 10b-5 in that they:

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

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

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

148. Plaintiff and the Class have suffered damages in that, in reliance on the integrity of the market, they paid artificially inflated prices for ZoomInfo Class A common stock. Plaintiff and the Class would not have purchased ZoomInfo Class A common stock at the prices they paid, or at all, if they had been aware that the market price had been artificially and falsely inflated by defendants' misleading statements.

149. As a direct and proximate result of defendants' wrongful conduct, plaintiff and the other members of the Class suffered damages in connection with their purchases of ZoomInfo Class A common stock during the Class Period.

1 **COUNT II**

2 **For Violation of §20(a) of the 1934 Act**  
3 **Against All Defendants**

4 150. Plaintiff repeats and realleges each and every allegation contained in the foregoing  
5 paragraphs as if fully set forth herein.

6 151. The Individual Defendants and the Sponsor Defendants acted as controlling persons  
7 of ZoomInfo within the meaning of §20(a) of the 1934 Act. By reason of their positions with the  
8 Company, and their ownership of ZoomInfo stock and control of ZoomInfo's Board, the Individual  
9 Defendants and the Sponsor Defendants had the power and authority to cause ZoomInfo to engage  
10 in the wrongful conduct complained of herein. The Individual Defendants and the Sponsor  
11 Defendants also controlled ZoomInfo for the additional reasons detailed herein, including by way  
12 of the various agreements among these defendants and the Company that concentrated and  
13 increased their power and control over the Company. ZoomInfo controlled the Individual  
14 Defendants and all of its employees. By reason of such conduct, defendants are liable pursuant to  
15 §20(a) of the 1934 Act.

16 **PRAYER FOR RELIEF**

17 WHEREFORE, plaintiff prays for relief and judgment, as follows:

18 A. Designating plaintiff as Lead Plaintiff and declaring this action to be a class action  
19 properly maintained pursuant to Rule 23 of the Federal Rules of Civil Procedure and plaintiff's  
20 counsel as Lead Counsel;

21 B. Awarding compensatory damages in favor of plaintiff and the other Class members  
22 against all defendants, jointly and severally, for all damages sustained as a result of defendants'  
23 wrongdoing, in an amount to be proven at trial, including interest thereon;

24 C. Awarding plaintiff and the Class their reasonable costs and expenses incurred in  
25 this action, including counsel fees and expert fees; and  
26

1 D. Awarding such equitable/injunctive or other relief as the Court may deem just and  
2 proper, including permitting any putative Class members to exclude themselves by requesting  
3 exclusion through noticed procedures.

4 **JURY DEMAND**

5 Plaintiff hereby demands a trial by jury.  
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