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UNITED STATES DISTRICT COURT

DISTRICT OF ARIZONA

Mehran Esfandiari, Individually and on Behalf of All Others Similarly Situated,

Plaintiffs,

v.

Robert Lyons, Daniel Boncel, and Stephen Cumming,

Defendants.

No. 2:23-cv-00691-DJH

DEFENDANTS' MOTION TO DISMISS AMENDED COMPLAINT

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Defendants Edgio, Inc. f/k/a Limelight Networks, Inc. ("Edgio" or the "Company"), Robert Lyons, Daniel Boncel, and Stephen Cumming (together with Lyons and Boncel, the "Individual Defendants," and collectively, with Edgio, "Defendants") respectfully move to dismiss Lead Plaintiff's Amended Complaint ("Am. Compl." or the "Complaint," Dkt. No. 32), with prejudice pursuant to Federal Rules of Civil Procedure 9(b) and 12(b)(6) and the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u *et seq*.

MEMORANDUM OF POINTS AND AUTHORITIES

PRELIMINARY STATEMENT

Edgio is a technology company that specializes in connecting its clients' digital content like movies and games to those clients' customers. It offers numerous products that help deliver this content in a safe and secure way.

In 2023, Edgio discovered that its financial statements, which were audited by Ernst & Young LLP, a Big Four independent auditor, contained an error. That mistake related to a narrow and technical accounting issue concerning the proper accounting and recording of revenue associated with the sales of just one of Edgio's products and Edgio's internal controls about the same. In response, Edgio did what it was supposed to do—it fixed the miscalculation and restated its financial statements. There are no facts showing that the error was anything but a mistake. But enterprising plaintiffs, seeing an opportunity, seized on the error to claim that a securities fraud had occurred, which led to the filing of this action.

Now Plaintiff has filed its Amended Complaint, which presses claims arising from the restatement and also (likely because of the total lack of merit to its claims regarding the restatement) asserts that various Defendants made false statements about Edgio's strategy and business prospects. As explained below, neither theory comes close to stating a claim for relief.

First, the Complaint falls far short of alleging "with particularity facts giving rise to a strong inference that" the Defendants had a fraudulent state of mind or were deliberately reckless in making untrue statements, *i.e.*, that they acted with scienter, as required by the heightened pleading standard imposed by the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u *et seq*. (the "PSLRA"). 15 U.S.C. § 78u-4(b)(2). Rather than alleging facts supporting a "strong inference" of scienter—e.g., that Defendants had access to reports or other information directly contradicting Defendants' public statements—Plaintiff relies on entirely conclusory allegations. Such allegations do not satisfy normal Rule 12(b)(6) pleading standards, much less the far more demanding pleading standard required by the PSLRA, which "unequivocally raise[s] the bar for [securities fraud] pleading," *Tellabs, Inc. v. Makor Issues & Rights, Ltd.*, 551 U.S. 308, 317 (2007). The PSLRA, the Ninth Circuit, and courts in this District require much more than what the Complaint offers to survive a motion to dismiss.

To obscure the lack of meaningful allegations of scienter, the Complaint adds bulk in the form of statements from ten alleged confidential witnesses ("CW"). But the CWs' allegations do nothing to support an inference of scienter. None, for example, even reported to any of the Individual Defendants. In fact, none of the CWs even allege that they spoke with any of the Individual Defendants about any of the statements that form the basis of Plaintiff's claims.

Left without any particularized facts to show that any Defendant acted with scienter, Plaintiff falls back on generalized allegations regarding the responsibilities of officers of public companies. But such generalized allegations do not cure Plaintiff's problem. Because Plaintiff has failed to satisfy the PSLRA's ***heightened pleading standard*** for scienter, Plaintiff's claims must be dismissed.

There are other fatal defects in the Complaint. Many of the purportedly false or misleading statements on which Plaintiff bases his claim are the types of statements that courts repeatedly hold are not actionable as a matter of law. For example, statements like Edgio offers a "best-in-class [] solution" and "a very innovative partner strategy" are classic examples of nonactionable "puffery," and statements like its plan to "triple the sales staff" and its "expected" shift in client base are clear "forward-looking" statements for which Congress has created a "safe-harbor" to protect against opportunistic, trumped-up claims based on disappointing corporate results. Furthermore, many additional statements are not actionable because Plaintiff has not actually alleged that the statements were false or misleading.

Lastly, the Complaint fails to plead loss causation, an essential element of a PSLRA claim. As the Supreme Court has made clear, allegations that statements were false or allegedly inflated a company's stock price are not enough to state a claim. Plaintiff must also plead facts showing that they suffered a loss because of those allegedly false statements, such as that the company's stock price declined when the alleged "truth" was revealed. The Complaint fails to do this for two of the three alleged "corrective disclosures" that form the basis of the Complaint. Indeed, the Complaint lacks any allegations that tie the new information disclosed on April 28, 2022, or November 9, 2022, to any purported misstatement alleged. Absent such a tie, there is no basis to infer loss causation, and any claims relying on those two dates should be dismissed.

ALLEGATIONS IN COMPLAINT[1]

Edgio is a provider of content delivery network ("CDN") services. Am. Compl. ¶ 2. In this capacity, Edgio operates a private network designed to deliver websites, mobile applications, videos, music, and many other products to customers in a secure and reliable way. *Id.* ¶ 21. Edgio also offers edge and cloud security services and cloud storage. *Id.*

A. Improve-Expand-Extend Strategy.

Coinciding with the COVID-19 pandemic, Edgio's revenues and profitability began to decline and Edgio hired a new President and CEO, Lyons, in early 2021. *Id.* ¶¶ 3, 22. Aiming to reverse the Company's fortunes, Edgio also launched a new strategy at the same time called "Improve-Expand-Extend," or "IEE": (a) improving Edgio's performance issues and reducing unnecessary costs; (b) expanding Edgio's core business through improved client relationships; and (c) extending Edgio's product line to attract a larger customer base and drive margin growth. *Id.*

[1] As they must, Defendants accept the truth of these allegations solely for the purpose of this Motion to Dismiss.

As part of its strategy, Edgio acquired two companies, Moov Corporation (d/b/a Layer0) in September 2021 and Edgecast in June 2022. *Id.* ¶ 4. The Edgecast acquisition was a critical lifeline for the Company—Edgecast products were responsible for more than half of the revenue of the combined company. Ex. A (2022 10-K).[2] Despite actively engaging its Improve-Expand-Extend strategy, throughout the Class Period, the Company reported losses and often reduced guidance for its upcoming fiscal periods.

B. <u>Open Edge Product.</u>

One of Edgio's products is the Open Edge solution, a CDN service that "embeds" Edgio's content delivery platform into an internet service provider's ("<u>ISP</u>") network. Am. Compl. ¶ 25. The Open Edge solution is a complicated arrangement by which Edgio sells equipment, including routing and server communication hardware to ISPs, to establish a point of presence ("<u>PoP</u>") in the customer's network. Ex. B (3/13/23 Press Release). To purchase the equipment, the parties are required to enter into a separate services agreement, which includes a revenue share provision. *Id.* As part of this services agreement, Edgio pays the ISP a percentage of the revenue earned through the PoP equipment and typically sets a minimum fee commitment regardless of the revenue share. *Id.*

From 2020 to 2022, Edgio's financial statements, which were audited by its independent auditor, Ernst & Young, recorded revenues from the Open Edge sales at the point in time when the equipment was transferred to the ISPs. Am. Compl. ¶ 26; Ex. B

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[2] The Court may consider this and the other exhibits attached to the Schwartz Declaration submitted herewith without converting this motion into a motion for summary judgment because these documents are integral to the Complaint. *See United States v. Ritchie*, 342 F.3d 903, 908 (9th Cir. 2003) ("A court may . . . consider . . . documents incorporated by reference in the complaint . . . without converting the motion to dismiss into a motion for summary judgment. . . . Even if a document is not attached to a complaint, it may be incorporated by reference into a complaint if the plaintiff refers extensively to the document or the document forms the basis of the plaintiff's claim. The defendant may offer such a document, and the district court may treat such a document as part of the complaint, and thus may assume that its contents are true for purposes of a motion to dismiss under Rule 12(b)(6). The doctrine of incorporation by reference may apply, for example, . . . when a plaintiff's claim about stock fraud is based on the contents of SEC filings[.]" (citations omitted)).

(3/13/23 Press Release). Expenses from the services agreement were recorded over the term of the agreement, typically five years. Am. Compl. ¶ 26; Ex. B (3/13/23 Press Release). However, in preparing its financial statements for fiscal year 2022, Edgio determined, in consultation with its auditor, that the transactions should have been accounted for as "embedded leasebacks," which precludes the immediate recognition of the full amount of revenue on the transaction. Ex. B (3/13/23 Press Release); Ex. A (2022 10-K). Accordingly, in March 2023, Edgio told the public that it had discovered errors in its accounting treatment of the Open Edge transactions, following which Edgio's stock declined. In June 2023, Edgio restated revenue associated with the Open Edge transactions for 2020-2022. Am. Compl. ¶¶ 27-28. This action was commenced in April 2023, even before Edgio had issued its restatement.

ARGUMENT

To state a claim under Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act"), a complaint must plead particularized facts showing: "(1) a material misrepresentation or omission by the defendant; (2) scienter; (3) a connection between the misrepresentation or omission and the purchase or sale of a security; (4) reliance upon the misrepresentation or omission; (5) economic loss; and (6) loss causation." *Matrixx Initiatives, Inc. v. Siracusano*, 563 U.S. 27, 37–38 (2011). A Section 20(a) claim under the Exchange Act requires the same. 15 U.S.C. § 78t(a); *Nguyen v. Endologix, Inc.*, 962 F.3d 405, 413, 419 (9th Cir. 2020).

To survive a motion to dismiss, a securities fraud complaint must satisfy the stringent pleading standard of Federal Rule of Civil Procedure 9(b) and the PSLRA, both of which impose a particularity requirement on plaintiffs. *Zucco Partners, LLC v. Digimarc Corp.*, 552 F.3d 981, 990 (9th Cir. 2009). Failure to plausibly allege any element is grounds for dismissal. *In re Nektar Therapeutics Sec. Litig.*, 34 F.4th 828, 835 (9th Cir. 2022) (holding each element of a Section 10(b) claim "must be independently satisfied" and affirming dismissal for failure to plead falsity and loss causation).[3] This standard is "exacting." *Zucco*, 552 F.3d at 990, 1008 (affirming dismissal of Section 10(b) claim for insufficiently particularized scienter allegations).

I. THE COMPLAINT DOES NOT SUFFICIENTLY ALLEGE SCIENTER.

Although the Complaint fails to plead that many of the alleged false or misleading statements are actually false and misleading (a failing discussed further below), the Court need not even reach that issue given the Complaint's lack of any particularized scienter allegations—a defect fatal to the entire Complaint.

The PSLRA requires that a complaint "state ***with particularity*** facts giving rise to a ***strong inference*** that the defendant acted with the required state of mind." 15 U.S.C. § 78u-4(b)(2)(A) (emphasis added). That state of mind is that "the defendants made false or misleading statements either ***intentionally*** **or** ***with deliberate recklessness***." *Zucco*, 552 F.3d at 991 (quoting *In re Daou Sys., Inc. Sec. Litig.*, 411 F.3d 1006, 1014–15 (9th Cir. 2005) (additional citation omitted) (emphasis added)). In this Circuit, a plaintiff "must provide, ***in great detail***, all the relevant facts forming the basis of [their] belief" as to a defendant's scienter. *S. Ferry LP, No. 2 v. Killinger*, 542 F.3d 776, 783 (9th Cir. 2008) (citing *In re Silicon Graphics Inc. Sec. Litig.*, 183 F.3d 970, 985 (9th Cir. 1999)) (emphasis added).

To evaluate the adequacy of scienter, the Ninth Circuit asks "whether any of the plaintiff's allegations, standing alone, are sufficient to create a strong inference of scienter"; if not, "whether the insufficient allegations combine to create a strong inference of intentional conduct or deliberate recklessness" under a "'holistic' review." *Zucco*, 552 F.3d at 991–92 (citing *Tellabs*, 551 U.S. at 326).

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[3] *See also Magro v. Freeport-McMoran Inc.*, No. 16-CV-186, 2018 WL 3725781, at *10 (D. Ariz. Aug. 3, 2018) (dismissing securities fraud claim for failure to plead falsity, scienter, and loss causation); *Bien v. LifeLock Inc.*, No. 14-CV-416, 2015 WL 12819154, at *10–11 (D. Ariz. July 21, 2015) (dismissing Section 10(b) claim for failure to plead falsity or scienter).

A. <u>The Complaint Contains No Particularized Allegations of Scienter.</u>

The Complaint contains no facts showing that any Defendant knew or was deliberately reckless in not knowing that any alleged misstatement was false. Rather, the Complaint relies on conclusory, boilerplate allegations that, when viewed either individually or holistically, are totally deficient.

To start with, although the Complaint runs to 174 separately numbered paragraphs, the scienter allegations are limited to just seven paragraphs (¶¶ 142-148). And those paragraphs contain nothing but conclusory allegations.

For example, Plaintiff alleges that "the Individual Defendants . . . knew or recklessly disregarded that the public statements and documents issued and disseminated . . . were materially false and misleading"; "acted intentionally or recklessly and participated in and orchestrated the [alleged] fraudulent schemes"; "knowingly and/or recklessly materially misstated Edgio's revenues reported in the Company's FY 2021 and 2020 financial statements, and its 2022 and 2021 Quarterly Reports filed with the SEC." Am. Compl. ¶¶ 142, 145-146. But Plaintiff pleads no facts showing ***how*** Defendants knew that statements were purportedly untrue or acted recklessly. Courts in this District make clear that the PSLRA requires more than just a Plaintiff's say-so. Rather, the PSLRA requires specific allegations, such as, that defendants received specific reports or other information contradicting the statements that plaintiffs claim were misleading, *Kui Zhu v. Taronis Techs. Inc.*, No. 19-CV-4529, 2020 WL 1703680, at *5 (D. Ariz. Apr. 8, 2020), or that defendants were involved in the alleged wrongdoing, *Vanguard Specialized Funds v. VEREIT Inc.*, No. 15-CV-2157, 2016 WL 5858735, at *14 (D. Ariz. Oct. 3, 2016) (finding scienter adequately pled where the defendants allegedly "ordered" an employee "to calculate [the financials] improperly . . . and not to correct false financial statements"). There is simply nothing of the sort alleged here.

To take another example, Plaintiff pleads that "[a]t all relevant times, the Individual Defendants were the most senior management of Edgio," and that as a result they "were provided with copies of the Company's reports and press releases" alleged to be misleading.

Am. Compl. ¶ 143. But if simply pleading that a person was a senior officer of a public company who reviewed the public statements that are alleged to be false, ***without pleading facts showing that the individual knew that the statements were false***, was sufficient, then that would apply to literally every senior executive whose company is accused of making a misstatement regardless of what the person knew. That is not the law.[4] *See Glazer Cap. Mgmt., LP v. Magistri*, 549 F.3d 736, 745 (9th Cir. 2008) (refusing to infer scienter with respect to a company's CEO where the complaint "ha[d] not pled any facts to demonstrate that [the CEO] was personally aware of [any wrongdoing] or that he was actively involved in the details of [any alleged wrongdoing]"); *accord Anderson v. Spirit Aerosystems Holdings Inc.*, 827 F.3d 1229, 1245 (10th Cir. 2016) ("We cannot infer scienter based only on a defendant's position in a company or involvement with a particular project."); *Nathenson v. Zonagen Inc.*, 267 F.3d 400, 424 (5th Cir. 2001) ("[A]n officer's position with a company does not suffice to create an inference of scienter.").

Plaintiff's best attempt to satisfy its heightened pleading standard is weakly alleging that "the Individual Defendants closely monitored Edgio's revenue and sales pipeline and, therefore, knew or were deliberately reckless in not knowing that the statements regarding such matters . . . were materially false and misleading." Am. Compl. ¶ 147. Of course senior management closely monitored Edgio's revenue. But that does not mean that anyone was aware that revenue was being recorded incorrectly, and the Complaint is devoid of any allegations that any Defendant (or Edgio's independent, outside auditors for that matter) had a different view at the time the financial statements were issued. *See Glazer*, 549 F.3d at 745; *Anderson*, 827 F.3d at 1245; *Nathenson*, 267 F.3d at 424.

Cases containing adequate scienter allegations lay bare how deficient this Complaint is. For example, in *Comm'ns Workers of Am. Plan for Emps.' Pensions &*

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[4] The same is true for Plaintiff's allegation that each Individual Defendant "was a senior executive officer and/or director of Edgio and, therefore, controlled the information disseminated to investors in the Company's press release and SEC filings and during earnings calls with analysts." Am. Compl. ¶ 144.

Death Benefits v. CSK Auto Corp., the court found that scienter was adequately pled where the complaint alleged, among other things: the "errors and irregularities" occurred under the defendants' supervision; management, which included the defendants, "suppressed accounting related inquiries within the company, 'discourag[ing] employees from raising accounting related concerns'"; and the defendants stated during earnings calls that "they personally reviewed the accuracy of [the company's] internal accounting procedures." 525 F. Supp. 2d 1116, 1122, 1124 (D. Ariz. 2007). Here, none of the allegations come close to this level of particularity.

To the extent Plaintiff points to allegations of alleged "confidential witnesses" to bolster the Complaint's scienter allegations, those allegations do nothing to save the Complaint. In this Circuit, a "complaint relying on statements from confidential witnesses must pass two hurdles to satisfy the PSLRA pleading requirements." *Zucco*, 552 F.3d at 995. "First, the confidential witnesses whose statements are introduced to establish scienter must be described with sufficient particularity to establish their reliability and personal knowledge. Second, those statements which are reported by confidential witnesses with sufficient reliability and personal knowledge must themselves be indicative of scienter." *Id.* (citations omitted). In making the latter determination, courts in the Ninth Circuit "look to 'the level of detail provided by the confidential sources, the corroborative nature of the other facts alleged (including from other sources), the coherence and plausibility of the allegations, the number of sources, the reliability of the sources, and similar indicia.'" *Id.* (quoting *Daou Systems*, 411 F.3d at 1015); *see also Bajjuri v. Raytheon Techs. Corp.*, 641 F. Supp. 3d 735, 748–54, 760–61 (D. Ariz. 2022) (analyzing confidential witness statements' credibility under the two aforementioned criteria and ultimately determining that none of them "indicate the [defendants'] scienter").

None of the allegations shed light on the state of mind of any Individual Defendant. The CWs are not alleged to have reported to any of the Individual Defendants or even spoken to any of the Individual Defendants regarding any of the topics of the alleged misstatements. Nor do these CWs provide any other facts showing that the Individual

Defendants knew that any Company statement was false. Viewed generously, the CWs' allegations show nothing more than that at certain times, Edgio's business was not performing as well as Edgio would have liked. But Plaintiff never links that back to the particular purported misstatements at issue in the case or, more importantly, the Individual Defendants' knowledge about the topics of those statements.

The CW allegations here are a far cry, for example, from the allegations in *In re Extreme Networks, Inc. Sec. Litig.*, where the complaint pled statements of multiple reliable confidential witnesses who spoke directly with individual defendants "about the specific matters at issue," including that one confidential witness asserted that the CEO-defendant "acknowledged the 'unique' problem" in their personal discussions with him, and one witnessed the CEO-defendant get "question[ed]" about the issue. No. 15-CV-4883, 2018 WL 1411129, at *25–26 (N.D. Cal. Mar. 21, 2018). Rather, this is much more like *Bajjuri*, where a sister district court recently held that the plaintiff had not pled particularized facts supporting a strong inference of scienter after concluding that some CW "accounts [we]re not based on personal knowledge" while others failed to "allege that they either reported to the Officers, had any interaction with the Officers, or that any of the Officers knew about any misconduct." 641 F. Supp. 3d at 760; *see also Avila v. Lifelock Inc.*, No. 15-CV-1398, 2016 WL 4157358, at *4–5 (D. Ariz. Aug. 3, 2016) (dismissing a PSLRA complaint for lack of scienter where allegations from confidential witnesses "lack[ed] sufficient particularity to establish [a confidential witness's] reliability and personal knowledge of [d]efendants' alleged state of mind"); *accord In re Bristol-Myers Squibb Co. CVR*, 658 F. Supp. 3d 220, 233 (S.D.N.Y. 2023) (holding similarly). Finally, the Complaint's passing reference to certifications under the Sarbanes-Oxley Act ("SOX") similarly fails to salvage the Complaint's lacking scienter allegations. *See Glazer Cap. Mgmt.*, 549 F.3d at 747 (holding that where a plaintiff pleads no facts that a signatory "was severely reckless in certifying the accuracy of the financial statements," SOX "certifications are not sufficient, without more, to raise a strong inference of scienter").

As the Complaint offers no scienter allegations, let alone particularized ones, concerning the Individual Defendants' states of mind, the Section 10(b) claim cannot survive. *See Palm Harbor Special Fire Control & Rescue Dist. Firefighters Pension Plan v. First Solar Inc.*, No. 22-CV-36, 2023 WL 4161355, at *4 (D. Ariz. June 23, 2023) (dismissing Section 10(b) claim for lack of scienter because, *inter alia*, "group pleading and generalized scienter allegations are insufficient" and plaintiffs' "allegations [were] not particularized as to each Individual Defendant").[5]

B. Allegations Based on the Core Operations Doctrine Fail.

The Complaint also alleges in one sentence that the purported misstatements relate to Edgio's "core business operations." Am. Compl. ¶ 148. But to the extent the Complaint attempts to plead scienter through the "core operations" doctrine, that too fails.

The "core operations" doctrine permits courts to infer scienter through corporate officers' "knowledge of the critical core operation of their companies," but in very limited circumstances. *Police Ret. Sys. v. Intuitive Surgical, Inc.*, 759 F.3d 1051, 1062 (9th Cir. 2014) (quoting *Reese v. Malone*, 747 F.3d 557, 569 (9th Cir. 2014)). "Proof under this theory is not easy," as allegations must still be "particular and suggest that defendants had ***actual access*** to the disputed information[.]" *Id.* (quoting *S. Ferry*, 542 F.3d at 786) (emphasis added).

The Complaint is devoid of any particularized facts sufficient to invoke this doctrine. The Complaint's only relevant allegations largely concern the Individual Defendants' undisputed roles as Edgio's officers and offer general statements that officers are apprised of their company's operations, which are not enough. Am. Compl. ¶¶ 143, 147. Nowhere does the Complaint allege that "any Individual Defendant had access to contradictory information" or "was aware of or had access to discrete information detailing specific

[5] The fact that the Complaint asserts a claim based on an alleged GAAP violation is insufficient to plead scienter. In the Ninth Circuit, "a failure to follow GAAP, without more, does not establish scienter" under the PSLRA. *City of Dearborn Heights Act 345 Police & Fire Ret. Sys. v. Align Tech. Inc.*, 856 F.3d 605, 621 (9th Cir. 2017); *see also DSAM Glob. Value Fund v. Altris Software, Inc.*, 288 F.3d 385, 390 (9th Cir. 2002) ("[T]he mere publication of inaccurate accounting figures, or a failure to follow GAAP, without more, does not establish scienter.").

issues." *Palm Harbor*, 2023 WL 4161355, at *5 (distinguishing a company's vice president who is "directly responsible for overseeing the relevant business segment" from "'the CEO of a large enterprise, who may be removed from the details of a specific business line or remote business activity'" (quoting *Reese*, 747 F.3d at 572)).

At best is CW8's statement that he "believed" the Individual Defendants "'100%' looked at the data from Salesforce," Am. Compl. ¶ 51, but that remains woefully insufficient on multiple fronts to infer scienter.[6] Plaintiff fails to allege ***what*** data the Individual Defendants allegedly saw in the Salesforce database, but even if such specific facts were included, "closely review[ing]" information or holding "meetings in which [individual defendants] discussed" potentially incorrect information does "not support the inference that management was in a position to know that such data was being manipulated." *Zucco*, 552 F.3d at 1000–01; *see also Palm Harbor*, 2023 WL 4161355, at *3 (finding scienter allegations insufficient where plaintiff relied on "the vague and conclusory assertion from a former employee" that the defendant "knew about the issues with the Series 6 modules" but failed to "clarify which issues [the defendant] was familiar with or when he allegedly learned of them").

II. THE COMPLAINT FAILS TO ADEQUATELY PLEAD FALSITY.

Under the PSLRA, a plaintiff must plead: "(1) each statement alleged to have been misleading; (2) the reason or reasons why the statement is misleading; and (3) all facts on which that belief is formed." *Desaigoudar v. Meyercord*, 223 F.3d 1020, 1023 (9th Cir. 2000); 15 U.S.C. § 78u–4(b)(1). Likewise, "Rule 9(b) requires particularized allegations of the circumstances constituting fraud, including identifying the statements at issue and setting forth what is false or misleading . . . about the statement and why the statements

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[6] The statement is also inherently speculative and lacks foundation, as it fails to establish the basis of the witness's knowledge of the Individual Defendants' conduct. *See Zack v. Allied Waste Indus., Inc.*, No. 04-CV-1640, 2005 WL 3501414, at *12 (D. Ariz. Dec. 15, 2005) ("[M]erely citing a confidential witness' title and responsibilities without sufficiently pleading the basis of the witness' knowledge is insufficient [to infer scienter]."), *aff'd* 275 F. App'x 722 (9th Cir. 2008).

were false or misleading at the time they were made." *In re Rigel Pharms., Inc. Sec. Litig.*, 697 F.3d 869, 876 (9th Cir. 2012); Fed. R. Civ. P. 9(b).

To satisfy this burden, a plaintiff (1) "[must] specify each statement alleged to have been misleading," (2) "[state] the […] reasons why the statement is misleading," and (3) "if an allegation regarding the statement or omission is made on information and belief, [it] shall state with particularity all facts on which that belief is formed." *City of Dearborn*, 856 F.3d at 614 (quoting 15 U.S.C. § 78u-4(b)(1)(B)). The Complaint runs afoul of at least one of these requirements for myriad statements. *See* Appendix A (listing all allegedly false or misleading statements in the Complaint and identifying why Plaintiff cannot premise his claim thereupon).

A. <u>Some of the Alleged Misstatements are Inactionable as a Matter of Law.</u>

1. To the Extent Premised on Forward-Looking Statements, Plaintiff's Claims Cannot Survive.

The PSLRA provides a "safe harbor" from liability for a statement "if it is forward-looking and *either* is accompanied by cautionary language *or* is made without actual knowledge that it is false or misleading." *Wochos v. Tesla, Inc.*, 985 F.3d 1180, 1190 (9th Cir. 2021) (quoting *In re Quality Sys., Inc. Sec. Litig.*, 865 F.3d 1130, 1141 (9th Cir. 2017)). Forward-looking statements include "any statement regarding (1) financial projections, (2) plans and objectives of management for future operations, (3) future economic performance, or (4) the assumptions 'underlying or related to' any of these issues." *No. 84 Emp.-Teamster Joint Council Pension Tr. Fund v. Am. W. Holding Corp.*, 320 F.3d 920, 936 (9th Cir. 2003) (quoting 15 U.S.C. § 78u-5(i)). Many of the statements that Plaintiff challenges fall within this safe harbor.

For example, statements made in Defendants' November 4, 2021, Earnings Call concerning Edgio's intention to launch "new security and developer solutions" and that it was "expecting the upsell to be fairly quick in terms of its success," Am. Compl. ¶ 83 (cleaned up), are indisputably the company's "plan[s] or objective[s]" and thus, by definition, forward-looking statements, 15 U.S.C. § 78u-5(i)(1)(B); *see Wochos*, 985 F.3d at 1191–92. Other statements, including how its expectations arose from "the leading indicators that the Company was seeing with client conversations and pipeline," Am. Compl. ¶ 83 (cleaned up), are the "assumptions underlying or relating to" such plans or objectives, yet another definitional category of nonactionable forward-looking statements. 15 U.S.C. § 78u-5(i)(1)(D).

In another example, the Complaint alleges that Edgio stated in a Strategy Session that it "***was going to*** triple the sales staff" and "focus on 'enterprise and mid-market companies'" or that it believed it would "grab the 'low-hanging fruit'" from such a change in tactics. Am. Compl. ¶ 78 (alteration omitted) (emphasis added). Read in full, Edgio personnel stated: "We are ***going to start*** expanding globally with this solution. We ***expect*** it to scale very rapidly. And over the next three quarters, we are ***going*** to triple the sales staff for application orchestration. Our focus ***will be*** the enterprise and mid-market companies." Ex. C (Strategy Session, at 24) (emphasis added).[7] Further, Edgio noted: "[t]he low-hanging fruit . . . are ripe for [sales], and those ***are going to be*** our initial targets." *Id.* at 25 (emphasis added). Indeed, the Complaint itself concedes that Edgio "expected" to do these things, describing such statements as "expo[sition] on the Company's IEE Strategy and how it would support growth and improved profitability." Am. Compl. ¶¶ 77, 78. Again, these are "plans" or "objective[s] of management for future operations" and thus nonactionable. 15 U.S.C. § 78u-5(c)(1)(A). These examples are not isolated: the Complaint is replete with allegations arising from statements articulating Edgio's plans and objectives or their underlying assumptions.[8]

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[7] These statements are incorporated by reference in their entirety. *Cooper v. Pickett*, 137 F.3d 616, 623 (9th Cir. 1997) ("[A] court ruling on a motion to dismiss may consider the full texts of documents which the complaint quotes only in part.").

[8] A few more illustrative examples of forward-looking statements the Complaint cites include earnings calls in January 2022 (a promise of "new and improved product announcements," new salespeople, and accelerated expansion of capacity, Am. Compl. ¶ 93), April 2022 ("expectations for the remainder of FY 2022," a "trend in client

For the same reasons that Plaintiff's claim fails for lack of scienter, it also fails because Plaintiff has come nowhere near pleading the "actual knowledge" of anyone that these statements were false or misleading. Moreover, every statement Plaintiff alleges is misleading or false was accompanied by substantial cautionary language. Each press release includes a "Forward-Looking Statements" section that not only communicates these risks in detail (*e.g.*, "reduction of demand" and "changes in our hiring patterns"), but also guides readers to extensive "Risk Factors" disclosures contained in Edgio's SEC filings. *E.g.*, Ex. D (July 29, 2021 Press Release, at 7); *see, e.g.*, Ex. E (July 29, 2021 10-Q, at 36–50 (identifying and explaining in great detail myriad risk factors)). So, too, did every earnings call "***start*** by . . . remind[ing] everyone that we will be making forward-looking statements," that "[a]ctual results could differ materially," and that those wishing to obtain more information should "refer to the risk factors discussed in [the Company's] periodic filings." *E.g.*, Ex. F (Nov. 4, 2021 Earnings Call Transcript, at 1) (emphasis added). The Strategy Session began similarly. Ex. C (Strategy Session Transcript, at 1–2 (voicing a "safe harbor statement" cautioning that such statements are "subject to risks and uncertainties and involve a number of factors that could cause actual results to differ materially")). In each instance, the cautionary language satisfies the standard to invoke the "safe harbor" provision. *See Emps. Teamsters Loc. Nos. 175 & 505 Pension Tr. Fund v. Clorox Co.*, 353 F.3d 1125, 1133 (9th Cir. 2004) (holding that a statement "caution[ing] that there can be no assurance that [the company would] be able to successfully integrate acquisitions into its operations and that risks in integration of acquisitions could cause results to differ from expectations" was sufficient to invoke safe-harbor provision). Because sufficient cautionary language accompanies every statement, the Court must

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additions," "opportunity for continued momentum," Am. Compl. ¶¶ 101, 102), August 2022 (bookings as on target, financial projections, Am. Compl. ¶¶ 112, 113), and November 2022 ("bookings trajectory," Am. Compl. ¶ 123). Plainly, these are either Edgio's plans and objectives or the underlying assumptions thereof. *See* 15 U.S.C. § 78u-5(i)(1); *Wochos*, 985 F.3d at 1192. A complete list of nonactionable forward-looking statements can be found in App'x A, Nos. 3, 6-8, 10, 13-16, 18-20, 28, 33, 43, 126-127, 129, 135-136, 138.

dismiss Plaintiff's claims as premised on forward-looking statements.

2. *Many of the Alleged Misstatements Are Inactionable "Puffery".*

Business puffery consists of "expressions of opinion, as opposed to knowingly false statements of fact," that "are inherently subjective [and] would not induce the reliance of a reasonable investor." *Or. Pub. Emps. Ret. Fund v. Apollo Grp. Inc.*, 774 F.3d 598, 606. Statements of puffery are "not 'capable of objective verification,'" *Macomb Cnty. Emps.' Ret. Sys. v. Align Tech., Inc.*, 39 F.4th 1092, 1098–99 (9th Cir. 2022) (quoting *Retail Wholesale & Dep't Store Union Local 338 Ret. Fund v. Hewlett-Packard Co.*, 845 F.3d 1268, 1275 (9th Cir. 2017)), and thus cannot be false or misleading as a matter of law, *see Retail Wholesale*, 845 F.3d at 1275.

The Complaint is rife with "vague statements" of business puffery that "are not actionable because professional investors, and most amateur investors as well, know how to devalue the optimism of corporate executives." *Macomb Cnty.*, 39 F.4th at 1099 (quoting *Intuitive Surgical*, 759 F.3d at 1060). In one example, the Complaint points to the November 4, 2021 Press Release as "tout[ing]" an acquisition, the "successful launch" of a "best-in-class [] solution," and "[d]iverse new client wins." Am. Compl. ¶ 81 (cleaned up). Elsewhere, the Complaint cites Edgio as "tout[ing] 'a steady stream of new and improved product announcements, . . . 'the caliber of new salespeople,'" and "[the Company's] ability to attract top talent," which will "permit[] the Company to accelerate the expansion of its commercial growth capacity" in an earnings call. Am. Compl. ¶ 93 (cleaned up). The Complaint also quotes Edgio's discussions of "a 'very innovative partner strategy'" that increased the "addressable market 'for the very first time.'" Am. Compl. ¶ 78. These statements—all "vague, generically positive terms" regarding the quality of corporate offerings, markets, and personnel—do not "present the kind of precise information on which investors rely 'when valuing corporations.'" *Macomb Cnty.*, 39 F.4th at 1099 (quoting *In re Cutera Sec. Litig.*, 610 F.3d 1103, 1111 (9th Cir. 2010)) (alteration omitted).

The same is true for statements about the Company's "momentum," "opportunity for continued momentum," "traction on sales and bookings," and "upside opportunities," and for statements regarding Edgio's "'high-margin, high-growth [] opportunities.'" Am. Compl. ¶¶ 78, 93, 102, 112, 124 (cleaned up). These statements of "mere corporate optimism" are just like those in *Intuitive Surgical* ("the opportunity for [] placement . . . 'is still very, very large'" and "there is potential for growth in [a given] market"), all held to be non-actionable corporate puffery. 759 F.3d at 1060. In short, the many "feel good monikers" about which Plaintiff premises much of his claims are "not actionable as misleading under the securities law" and must be dismissed. *In re Atossa Genetics Inc.*, 868 F.3d 784, 800 (9th Cir. 2017) (quoting *In re Cutera*, 610 F.3d at 1111).[9]

B. <u>The Complaint Lacks Plausible Allegations of Falsity.</u>

For many statements that do not fall within the PSLRA's safe harbor or that are not examples of puffery, Plaintiff's claim still fails because he has not pled facts showing that the statements were false or misleading. *Metzler Inv. GMBH v. Corinthian Colls., Inc.*, 540 F.3d 1049, 1070 (9th Cir. 2008).

1. Internal Control and SOX Statements.

The Complaint alleges cursorily that Defendants failed "to maintain effective internal controls over Edgio's financial reporting," including falsely certifying statements to the contrary via their Sarbanes-Oxley ("SOX") disclosures. Am. Compl. ¶¶ 140, 141; *see also* Am. Compl. ¶ 146 (alleging "Defendants filed false SOX Certifications with the SEC representing that they had designed and maintained effective internal controls over Edgio's financial reporting"). "Under the Sarbanes–Oxley Act, senior executives of public companies must certify the accuracy of quarterly and annual financial reports. The report must identify the officer's basis for making the certification and each officer must certify that he and other officers are 'responsible for establishing and maintaining internal controls.'" *Ind. Elec. Workers' Pension Tr. Fund IBEW v. Shaw Grp., Inc.*, 537 F.3d 527, 544–45 (5th Cir. 2008) (citation omitted) (quoting 15 U.S.C. § 7241(a)(4)(A)); *see also*

[9] A complete list of nonactionable puffery can be found in App'x A, Nos. 4-6, 9-17, 20-27, 29-32, 34-45, 119.

U.S. Sec. & Exch. Comm'n v. Jensen, 835 F.3d 1100, 1112 (9th Cir. 2016) (discussing the statutory provision and implementing regulations). But as Plaintiff notes in the Complaint, the allegedly false SOX certifications state only that: (1) the signatories reviewed the reports; (2) the reports did not contain any falsehoods or omissions "***[b]ased on [the signatory's] knowledge***"; and (3) the signatory is responsible for establishing and maintaining disclosure controls and procedures." Am. Compl. ¶ 64 (emphasis added).

To plead a PSLRA claim based on statements concerning a company's internal controls, it is not enough to merely allege "disclosures indicat[ing] that [defendants'] controls were not adequate and had in fact failed"; rather, a plaintiff must plead facts that "'clearly contradict[]' the statements made by defendants," *i.e.*, that the defendants "evaluated the controls and concluded that they were effective." *Luna v. Marvell Tech. Grp. Ltd.*, No. 15-CV-5447, 2016 WL 5930655, at *13 (N.D. Cal. Oct. 12, 2016) (quoting *In re Invision Techs., Inc. Sec. Litig.*, No. 04-CV-3181, 2006 WL 538752, at *6 (N.D. Cal. Jan. 24, 2006)). The same pleading requirements apply to SOX certifications. *See Backe v. Novatel Wireless, Inc.*, 642 F. Supp. 2d 1169, 1182 (S.D. Cal. 2009) (dismissing PSLRA claim on SOX certifications where plaintiff "[did] not allege that [company] filed false SOX certifications attesting to the accuracy of financial results or the effectiveness of the company's internal controls" notwithstanding later disclosure of error). Plaintiff fails to allege that any statement made concerning the Company's internal controls—including its SOX certifications—were false at the time they were made.

The Complaint is missing necessary allegations that: (1) any Individual Defendant had *not* reviewed the documents, *see* Am Compl. ¶ 64(i); (2) any Individual Defendant had "knowledge" at the time he signed the SOX certification that it contained an "untrue statement of a material fact or omit[ted] to state a material fact necessary to make the statements made," Am Compl. ¶ 64(ii); (3) any Individual Defendant had "knowledge" at the time he signed the SOX certification that "the financial statements, and other financial information included in th[e] [relevant filings], [*did not*] fairly present in all material respects the financial condition, results of operations and cash flows of [Edgio]," Am

Compl. ¶ 64(iii); or, (4) that the Individual Defendants are not "responsible for establishing and maintaining disclosure controls and procedures," Am. Compl. ¶ 64(iv). Lacking these allegations, the Complaint fails to plead that Defendants' statements regarding internal controls, including the SOX certifications, were false. At bottom, Plaintiff cannot allege falsity of internal controls-related statements based solely on the fact that Edgio's financial statements ultimately needed to be restated; the PSLRA requires more. *See In re Invision*, 2006 WL 538752 at *6 ("Although the Complaint contains general allegations, none of these plead facts clearly contradicting statements actually made within the Sarbanes–Oxley certifications."); *Luna*, 2016 WL 5930655, at *13 (holding similarly).

2. *Plaintiff Fails to Allege Strategy and Sales Statements Were False.*

The Complaint fails to allege that a number of statements made concerning the Company's IEE strategy or its sales figures were false. For example, the Complaint repeatedly cites statements in which Edgio purportedly "touted" completed sales, such as a November 9, 2022 press release in which the Company celebrated its "'first-ever eight figure TCV [total contract value] win[.]'" Am. Compl. ¶ 118. But nowhere in the Complaint is there an allegation that Edgio did not, in fact, sign such a contract. Thus, for all statements speaking to specific completed sales, the Complaint fails to allege any are false, and claims premised on such statements must be dismissed. *See Metzler*, 540 F.3d at 1070 ("A litany of alleged false statements, unaccompanied by the pleading of specific facts indicating why those statements were false, does not meet th[e] [falsity pleading] standard.").[10]

III. THE COMPLAINT FAILS TO PLEAD LOSS CAUSATION FOR THE APRIL 28, 2022 AND NOVEMBER 9, 2022 DISCLOSURES.

To adequately plead the element of loss causation, Plaintiff must satisfy the heightened pleading requirements of Rule 9(b) and allege that Defendants' purported

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[10] *See* App'x A, Nos. 1-5, 11-13, 16, 19, 25-27, 30, 32, 37-41.

"misstatement, ***as opposed to some other fact***, foreseeably caused the plaintiff's loss." *Nektar Therapeutics*, 34 F.4th at 838 (emphasis added). That may be done through "allegations that the defendant revealed the truth through 'corrective disclosures' which 'caused the company's stock price to drop and investors to lose money.'" *Id.* (quoting *Lloyd v. CVB Fin. Corp.*, 811 F.3d 1200, 1209–10 (9th Cir. 2016).[11] Here, the Complaint points to three alleged "corrective disclosures" in support of its loss causation allegations: April 28, 2022, November 9, 2022, and March 13, 2023. But the Complaint fails to plead facts showing that the April 28 and November 9 releases were corrective disclosures, *i.e.*, that they revealed the "truth" of anything previously hidden.

"A corrective disclosure occurs when 'information correcting the misstatement or omission that is the basis for the action is disseminated to the market.'" *In re BofI Holding, Inc. Sec. Litig.*, 977 F.3d 781, 790 (9th Cir. 2020) (quoting 15 U.S.C. § 78u–4(e)(1)). Thus, a "critical feature of a corrective disclosure is that it reveals new information to the market that was not previously publicly available." *Borteanu v. Nikola Corp.*, No. 20-CV-1797, 2023 WL 1472852, at *36 (D. Ariz. Feb. 2, 2023). It is imperative that a complaint adequately tie the disclosure to the alleged misstatements or fraud that it purportedly corrects. *See Apollo Grp.*, 774 F.3d at 608 (affirming dismissal of a complaint based on loss causation where it was "unclear what claims made by the Defendants were invalidated" by the alleged corrective disclosure); *In re Oracle Corp. Sec. Litig.*, 627 F.3d 376, 392, 394 (9th Cir. 2010) (granting summary judgment on loss causation grounds for announcement of earnings miss tied to price drop because there was no evidence that "the market learned of and reacted to" the company's fraudulent practices in the announcement); *Ferraro Fam. Found., Inc. v. Corcept Therapeutics Inc.*, 501 F. Supp. 3d 735, 772–73 (N.D. Cal. 2020) (finding that a press release reporting diminished revenue

[11] To the extent that the Complaint relies on a "materialization of the concealed risk" theory of loss causation, Am. Compl. ¶ 153, that theory has not been adopted by the Ninth Circuit, *see Nektar Therapeutics*, 34 F.4th at 838 n.6, and this Court has rejected it, *see Magro*, 2018 WL 3725781, at *9.

guidance is not a corrective disclosure for purposes of loss causation because the plaintiffs failed to establish that the updated guidance was issued as a result of a revelation of fraudulent conduct); *accord In re Retek Inc. Sec. Litig.*, 621 F. Supp. 2d 690, 702 (D. Minn. 2009) ("It is clear that the mere disclosure of disappointing earnings or reduced future guidance is not sufficient to reveal that prior financial statements contained misrepresentations.").

Regarding the April 28 announcement, Plaintiff alleges that because it "reflected organic growth of just 6% year-over-year" it was corrective of prior statements regarding the "purported strong growth in the Company's sales pipeline." Am. Compl. ¶ 152. But the Complaint does not allege how that 6% figure was corrective of any past statement. At most, the disclosure reveals that the Company did not accurately ***predict*** the Company's future financial results, which does not satisfy the pleading requirements for loss causation under the PSLRA. *See Nektar Therapeutics*, 34 F.4th at 839 (declining to find loss causation on the ground that the purported disclosures were not "corrective disclosure[s] that exposed the alleged falsity" of earlier statements).

Similarly, the November 9 statement also fails to correct any alleged misrepresentation. Per the Complaint, the November 9 statement reduced guidance as to Edgio's future financial performance, and "effectively projected lower FY 2022 revenue of approximately $362 to $367 million" and "lower FY 2022 adjusted EBITDA of approximately $6 to $9 million," which apparently "implied that 2023 revenue would be well below the preliminary guidance" that Edgio had previously issued. Am. Compl. ¶ 130. Such an implication, however, cannot constitute a "correction" for purposes of loss causation, as it merely modifies—based on new information—a previous estimate.[12]

[12] The Complaint fails to specifically identify which prior guidance the November 9 statement purportedly corrected. But even assuming it had, it is not a "disclosure" upon which loss causation can be premised because the prior guidance that the November 9 statement purportedly corrected is a nonactionable forward-looking statement, *see supra* Section II. *See In re Bofl Holding*, 977 F.3d at 790 (holding that a corrective disclosure must "correct[] the misstatement or omission that is the basis for the action").

CONCLUSION

For the foregoing reasons, Defendants respectfully request that the Court dismiss the Complaint with prejudice.

DATED this 2nd day of April, 2025.

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CERTIFICATION PURSUANT TO LOCAL RULE 12.1(c)

Pursuant to Local Rule LRCiv 12.1(c), I hereby certify that on March 4 and March 6, 2024, I caused counsel for Plaintiff to be notified of the issues asserted in the foregoing motion and no amendment to cure the pleading was proposed by Plaintiff on which the parties were able to agree.

/s/ Jed M. Schwartz
Jed M. Schwartz

Appendix A

Defendants' Summary of Alleged Misstatements in Violation of Section 10(b)

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
IEE Strategy Statements				
1	<u>Statements 1-Month Following Edgio's Announcement Regarding Hiring Lyons</u> Lyons acknowledged that the Company's "growth and profitability . . . were not where they needed to be," and announced the IEE Strategy."	22	Edgio; Lyons	Not False or Misleading; Lack of Scienter
2	<u>Edgio's August 24, 2021 Strategy Session</u> Lyons claimed that Edgio had already experienced a "150% growth in its pipeline in the last 6 months" excluding the Layer0 acquisition, which Defendant Boncel attributed to the "sales force replenishing the pipeline."	77	Edgio; Lyons	Not False or Misleading; Lack of Scienter

[1] Alterations from all quotes from the Amended Complaint have been omitted, while any alterations in the chart are our own. All quotation marks except internal quotations within the Amended Complaint have been omitted.

Statement No.	**Alleged Misstatement**[1]	**¶¶ in AC**	**Speaker**	**Reasons Why Not Actionable**
3	Edgio's August 24, 2021 Strategy Session Defendants expounded on the Company's IEE Strategy and how it would support growth and improved profitability. Lyons claimed that Edgio had already experienced a "150% growth in its pipeline in the last 6 months" excluding the Layer0 acquisition, which Defendant Boncel attributed to the "sales force replenishing the pipeline." Boncel added that the sales force had been tasked with "doubling their pipeline by the end of the year."	77	Edgio; Lyons	Forward-looking Statement; Not False or Misleading; Lack of Scienter
4	Edgio's August 24, 2021 Strategy Session Armstrong discussed Edgio's "go-to-market growth strategy" and how it would "impact new logo, new bookings and significantly improve annual recurring revenue."	78	Edgio	Business Puffery; Not False or Misleading; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
5	Edgio's August 24, 2021 Strategy Session Armstrong claimed that the Company had "a lot of upside opportunities," notably in (i) streaming, where Edgio planned on scaling its direct sales as well as reseller, OEMs and system integrator sales; (ii) the ISP market, where Edgio had a "very innovative partner strategy in place," i.e., OpenEdge, which allowed ISPs to "purchase and deploy and extend Edgio's network by buying edge caching servers with the Company's proprietary software . . . "; and (iii) "application orchestration," i.e., combining Layer0 with Edgio's network and edge capabilities into a best-in-class holistic solution, which increased Edgio's total addressable market "for the very first time . . . to hundreds of thousands of global enterprises."	78	Edgio	Business Puffery; Not False or Misleading; Lack of Scienter
6	Edgio's August 24, 2021 Strategy Session Armstrong further stated that "over the next 3 quarters, Edgio was going to triple the sales staff for application orchestration" and focus on "enterprise and mid-market companies" most of which had a "6-month sales cycle."	78	Edgio	Forward-looking Statement; Business Puffery; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
7	Edgio's August 24, 2021 Strategy Session According to Armstrong, by "rapidly expanding the sales force" and selling "all solutions . . . globally starting in Q4 2021," Edgio expected to grab the "low-hanging fruit for application orchestration" from its "existing hundreds of . . . customers that were deployed for content delivery" thereby growing "new logos in application orchestration by over 10% next year."	78	Edgio	Forward-looking Statement; Lack of Scienter
8	Edgio's August 24, 2021 Strategy Session In response to an analyst's question about the "ideal resume of all sales reps," Armstrong indicated that the "time to get up to speed on either solution with the training materials was not very long," that ideally candidates would have "existing relationships" in the media space, "some CDN experience" as well as an understanding of the "market, the competition, the alternatives."	79	Edgio	Forward-looking Statement; Lack of Scienter
9	Edgio's August 24, 2021 Strategy Session According to Armstrong, "media was easy" and "Layer0 was also not that difficult." Lyons added that the Company had "built out detailed plans of how Edgio was going to hire every month, every quarter" and "how to bring salespeople up to speed faster with better training, better content and try to get them up to speed in 3 to 4 months compared to what historically would have been 9 months."	79	Edgio	Business Puffery; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
10	Edgio's November 4, 2021 issued press release reporting the Company's Q3 2021 results. The release also touted (i) the completion of the Layer0 acquisition and successful launch of its "best-in-class AppOps solution;" (ii) "diverse new client wins including a large mattress retailer, a global travel industry leader, and a $6B retail giant and the renewal of the top ranked US Bank;" and (iii) the "planned fourth quarter launch of the Company's App CDN offering and then proprietary security offerings."	81	Edgio	Forward-looking Statement; Business Puffery; Lack of Scienter
11	Edgio's November 4, 2021 Earnings Call Lyons also announced the closing of the Layer0 acquisition, which he described as "critical to Edgio's evolution from a network company to a performance software technology company."	83	Edgio; Lyons	Business Puffery; Not False or Misleading; Lack of Scienter
12	Edgio's January 20, 2022 issued press release reporting the Company's adjusted EBITDA for Q4 2021 and FY 2021 results. Among other things, the release touted (i) a 45% increase in total bookings quarter-over-quarter; (ii) the closing of many new opportunities in Q4 2021, with more than ten averaging greater than $100,000 in Annual Contract Value; and (iii) a new client win of a large consumer products company with more than 100 household brands.	92	Edgio	Business Puffery; Not False or Misleading; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
13	Edgio's January 20, 2022 issued press release reporting the Company's adjusted EBITDA for Q4 2021 and FY 2021 results. The release also touted the following as providing continued momentum for Q1 and FY 2022: (i) the expected completion of sales hiring goals by Q1 2022, a quarter ahead of plan; (ii) a growing pipeline for the Company's AppOps solutions; (iii) the launch of the Layer0 web application, Edgio's flagship product for the AppOps segment, and the GraphQL caching and serverless host functionality for Layer0; and (iv) the intended launch of Edgio's security offerings 'in a few weeks'.	92	Edgio	Forward-looking Statement; Business Puffery; Not False or Misleading; Lack of Scienter
14	Edgio's January 20, 2022 Earnings Call Defendant Lyons touted the "momentum of the business," and the growth and diversity in the Company's pipeline as "leading indicators" of this momentum. In addition, Lyons promised "a steady stream of new and improved product announcements," and touted "the caliber of new salespeople Edgio had been able to attract in the last few months," citing this "ability to attract top talent" as permitting the Company to "accelerate the expansion of its commercial growth capacity."	93	Edgio; Lyons	Forward-looking Statement; Business Puffery; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
15	Edgio's April 28, 2022 Earnings Call Defendant Boncel also emphasized Edgio's sales force and pipeline stating, As we built out that sales force, that pipeline and the demand gen capabilities that we have in place, that triple-digit growth in pipeline gives us confidence that we will convert that. And the conversion time period on those types of deals is a little bit quicker than the historical or legacy CDN business, which you have to run through a trial process and get through the procurement piece versus the Layer0, which we believe is a best-in-class product that developers are really looking forward to working with as quickly as possible given the productivity and efficiency improvements that that product has. And so, I think just the shortening of the conversion time line into actual revenue gives us that confidence. And the fact that we've only had the sales force and demand gen team in place for a really short period of time. And to see that growth in the pipeline is something that's very exciting for us. . . .	103	Edgio; Boncel	Forward-looking Statement; Business Puffery; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
16	Edgio's November 4, 2021 Earnings Call Defendant Lyons stated that Edgio "saw strong pipeline growth in the quarter" and that the Company's "focus on new logos was paying off with new logo bookings up more than 3x quarter-over-quarter." Lyons indicated that Edgio would be "announcing and launching new security and developer solutions in November and December" that when "enabled with the Company's world-class-edge network positioned it to be a compelling competitor in the multibillion dollar App Ops market."	82-83	Edgio; Lyons	Forward-looking Statement; Business Puffery; Not False or Misleading; Lack of Scienter
17	Edgio's November 4, 2021 Earnings Call Lyons concluded his prepared remarks stating that "the pipeline was growing and Edgio was adding resources to accelerate momentum."	83	Edgio; Lyons	Business Puffery; Lack of Scienter
18	Edgio's November 4, 2021 Earnings Call In response to an analyst's question about the new solutions being launched in November and December, Lyons agreed that since these were upgrades of what the Company was already doing with existing customers, Defendants were "expecting the upsell . . . to be fairly quick in terms of its success," adding that "the leading indicators that the Company was seeing with client conversations and pipeline growth all supports that thesis."	83	Edgio; Lyons	Forward-looking Statement; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
19	Edgio's November 4, 2021 Earnings Call Commenting on the reduction in FY 2021 guidance, Defendant Boncel stated the decision was "based on forecasts from the Company's larger clients and their view of their content and COVID traffic patterns," which led Defendants to conclude that "$60 million to $65 million represented the most likely fourth quarter revenue for Edgio." Boncel commented that this still "represented a record revenue quarter for Edgio with a return to organic year-over-year growth."	84	Edgio; Boncel	Forward-looking Statement; Not False or Misleading; Lack of Scienter
20	Edgio's November 4, 2021 Earnings Call Boncel stated that the Company was "accelerating investments in rebuilding its sales team" because "existing products were seeing traction and new products were to be launched over the next few months."	84	Edgio; Boncel	Business Puffery; Forward-looking Statement; Lack of Scienter
21	Edgio's November 4, 2021 Earnings Call In response to an analyst's question concerning when Edgio would start to see some traction from the turnaround in its sales force, Defendant Lyons responded that "with the augment of Layer0 as well as some of the other things like EdgeXtend that the Company had launched, Edgio had a really nice portfolio of things to sell, and had been hiring accordingly."	85	Edgio; Lyons	Business Puffery; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
22	Edgio's November 4, 2021 Earnings Call Lyons stated that the Company had been "averaging . . . over Q3, about a hire a week for quota-carrying sales reps" because Edgio was "having so much good success . . . we . . . accelerated that a little bit in this quarter, so that we can get the full year run rate of that capacity next year. So we're having pretty good success there."	85	Edgio; Lyons	Business Puffery; Lack of Scienter
23	Edgio's November 4, 2021 Earnings Call When asked "why the success so quickly in terms of new pipeline in the quarter," Lyons stated that "Layer0 was actually growing pretty rapidly" and "what Edgio was able to do was take their product, which was very hot and desirable . . . and run with it."	85	Edgio; Lyons	Business Puffery; Lack of Scienter
24	Edgio's November 4, 2021 Earnings Call Lyons stated that Edgio had "done a lot of work in understanding exactly how to target the 'outcome-based buyers'" Edgio had previously identified as potential App Ops buyers and "build the pipeline and create leads and demand gen [*sic*]" and "Edgio's pipeline was growing pretty rapidly" and at the expected rate.	85	Edgio; Lyons	Business Puffery; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
25	Edgio's November 4, 2021 Earnings Call Lyons commented that Defendants "initially had a slower ramp of salespeople" in its plan "but . . . had the opportunity to get more quality salespeople" and "decided to take advantage."	85	Edgio; Lyons	Business Puffery; Not False or Misleading; Lack of Scienter
26	Edgio's November 4, 2021 Earnings Call Defendant Boncel stated that Edgio had "a really good sequential expansion in margins from Q2 to Q3 of over 700 basis points" and that Defendants "expected to see continued expansion" of "at least another couple of hundred basis points from Q3 to Q4." Defendant Boncel blamed the reduction in FY 2021 guidance on the slower rebound in traffic from two large customers following the Company's performance improvements.	86	Edgio; Boncel	Business Puffery; Not False or Misleading; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
27	Edgio's April 28, 2022 Earnings Call Defendant Lyons highlighted the positive trend in client additions, which he stated reached "a five-quarter high" in Q1 2022, as well as the Company's "growing pipeline." According to Lyons, during the quarter, Edgio: Added 24 new logos, 15 of which were in the Americas. Of those, 60% were sourced and closed by the Company's newly created channel team, who were largely focused on AppOps. Of the new product sales, 9 replaced direct competitors in the quarter. Our pipeline continues to grow as well. In the quarter, Edgio grew its pipeline by more than 30%, with the AppOps portion growing by triple digits. Edgio continued to attract large media companies for content delivery, but with its AppOps solution, it was also relevant to a variety of company sizes and types that were looking for the best solution for their high stakes web applications.	101	Edgio; Lyons	Business Puffery; Not False or Misleading; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
28	<u>Edgio's April 28, 2022 Earnings Call</u> Lyons further stated that with the planned rebuild of Edgio's sales and marketing teams now largely completed, "the second quarter would be the first full quarter for most of the Company's quota-carrying reps, providing ample opportunity for continued momentum in the second half of the year." Later in the call, in response to an analyst's question concerning the reasons for the pipeline growth, Defendant Lyons cited the Company's unique, best-in-class AppOps platform, the rebuilt sales team, and the Company's "redesigned . . . demand gen capabilities."	102	Edgio; Lyons	Forward-looking Statement; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
29	Edgio's April 28, 2022 Earnings Call Lyons stated, We hired a new team around demand gen and marketing and put new programs and redesigned that motion from bottom up, and we're starting to see the early stages of that production as well. So, when you look at our pipeline growth, it's growing at rates that we needed to grow to support the growth rates that we've been talking about. We're seeing it grow very significantly in the areas where we want to see it grow, which is in AppOps and call it non-CDN, but we're also seeing it grow in CDN as well. And we're pretty happy with the diversity of the portfolio. It also includes both large- and medium-sized customers in different industries as well. I think the broadened security story has also helped really accelerate the pipeline.	102	Edgio; Lyons	Business Puffery; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
30	<u>Edgio's April 28, 2022 Earnings Call</u> Regarding Edgio's sales force and pipeline, Lyons added that: Edgio had a bookings target that the Company had to hit every month, every quarter. We track it every week actually throughout the year. And when you get the bookings, obviously, then you have to convert that into revenue with the implementation. And we're actually on plan of where we expected to be in bookings to support projected growth. And so, you'll see that in the first quarter, we had bookings, you'll see that translate into revenue in the next quarter.	104	Edgio	Business Puffery; Not False or Misleading; Lack of Scienter
31	<u>Edgio's August 8, 2022 Earnings Call</u> Lyons stated that "in the second quarter of 2022, Edgio continued to build on 3 previous quarters of positive momentum" and was "well positioned for continued growth through 2022 and into 2023." Lyons also stated that the Company's pipeline "continued to grow, and was already up 50% that year and was heavily focused on the Company's high-margin, high-growth AppOps opportunities."	112	Edgio; Lyons	Business Puffery; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
32	Edgio's August 8, 2022 Earnings Call Lyons clarified that the 50% metric did not include anything related to Edgecast and was an all-in number. According to Lyons, "the AppOps pipeline was actually up triple digits." As for "bookings," Lyons stated that Edgio "slightly beat its bookings against plan in the quarter and was ramping to do the same thing in Q3 2022, so Edgio's bookings were tracking where the Company expected to track."	112	Edgio; Lyons	Business Puffery; Not False or Misleading; Lack of Scienter
33	Statements on Edgio's August 8, 2022 Earnings Call Defendant Boncel noted that the revenue and gross margin projections "captured" the departure of a large streaming customer prior to the closing of the Edgecast transaction and "assumed 45% of overall revenue would be from high-margin AppOps and streaming solutions," and that Edgio "expected gross margins and adjusted EBITDA to continually improve throughout 2022 and 2023 and the Company realized the benefit of planned synergies, increased utilization and diversified revenue mix."	113	Edgio; Boncel	Forward-looking Statement; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
34	Edgio's August 8, 2022 Earnings Call Boncel also stated that "beyond 2023, Edgio continued to have confidence in its ability to achieve its longer-term objective of double-digit revenue growth, 60% gross margins and 15% adjusted EBITDA and with sustained positive free cash flow."	113	Edgio; Boncel	Business Puffery; Lack of Scienter
35	Edgio's November 9, 2022 Earnings Call With respect to the Company's sales pipeline, Defendant Lyons stated that "Edgio's pipeline had grown high double digits from the beginning of the year, and even more robustly for Edgio's strategic, high-growth revenue applications solutions."	123	Edgio; Lyons	Business Puffery; Lack of Scienter
36	Edgio's November 9, 2022 Earnings Call According to Lyons, the "pipeline included major global brands" and consisted of "opportunities . . . at various stages, many in active proof of concept."	123	Edgio; Lyons	Business Puffery; Lack of Scienter
37	Edgio's November 9, 2022 Earnings Call In addition, Lyons stated that "bookings of Edgio's Applications solutions in Q3 were the Company's highest to date," and that the Company was "on track to grow that number meaningfully in the fourth quarter, driven by Edgio's security solutions."	123	Edgio; Lyons	Business Puffery; Not False or Misleading; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
38	<u>Edgio's November 9, 2022 Earnings Call</u> Lyons further touted that an 8-figure contract win in the quarter and the fact that one of the world's largest fintech companies "chose Edgio due to its unique ability to seamlessly integrate scale enabled performance, security and programmability at the edge" "validated the efficacy of Edgio's strategy and its solutions."	123	Edgio; Lyons	Business Puffery; Not False or Misleading; Lack of Scienter
39	<u>Edgio's November 9, 2022 Earnings Call</u> Lyons concluded his prepared remarks on the pipeline stating that "given Edgio's ongoing pipeline growth and bookings trajectory, Edgio remained confident in its ability to continue accelerating its commercial momentum going forward."	123	Edgio; Lyons	Business Puffery; Not False or Misleading; Lack of Scienter
40	<u>Edgio's November 9, 2022 Earnings Call</u> In response to an analyst's question about whether the guidance reduction was related to sales execution, Defendant Lyons stated: "Our bookings in Q3 were, I believe, 30% to 40% over Q2 and we plan to be another 30% over in Q4, general numbers."	124	Edgio; Lyons	Business Puffery; Not False or Misleading; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
41	Edgio's November 9, 2022 Earnings Call "Our pipeline is up 75% from the beginning of the year. This is not including any of the Edgecast added pipeline, just organic growth pipeline. Of that, the majority is focused on security and applications, which is up triple digits of that 75%. So we're actually seeing the traction on sales and bookings that we expected to see. We've got a number of large deals in proof of concept in the pipeline. I think deals are probably taking a little longer now. . . . But, generally, we're tracking with bookings and sales that we expected . . ."	124	Edgio; Lyons	Business Puffery; Not False or Misleading; Lack of Scienter
42	Edgio's November 9, 2022 Earnings Call Defendant Cumming reiterated that "Edgio's pipeline continued to be very strong, driving momentum into the fourth quarter."	125	Edgio; Cumming	Business Puffery; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
43	<u>Edgio's November 9, 2022 Earnings Call</u> In addition, with respect to Edgio's guidance, Cumming stated that: The fundamentals of our business are strong. We remain bullish on Edgio's transformation story and in our ability to drive long-term value creation for our shareholders. Having said that, the current macro environment has made us more cautious in the near term. We anticipate companies will delay or defer capital spending in the fourth quarter which could impact our ISP deployment, which depend on capital investments from our clients.	125	Edgio; Cumming	Business Puffery; Forward-looking Statements; Lack of Scienter
44	<u>Edgio's November 9, 2022 Earnings Call</u> "Additionally, while we are progressing well on the integration of our Edgecast acquisition, we've seen some churn across a group of smaller customers. This is not unusual during acquisition of this magnitude. We see both of these as temporal in nature and have already taken steps to address them over the next few quarters. With this backdrop, we expect a more measured top line in Q4."	125	Edgio; Cumming	Business Puffery; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
45	Edgio's November 9, 2022 Earnings Call Cumming later specified that the churn was "purely a sort of mid-market and long tail within . . . Edgecast accounts." Lyons also stated that the "churn" impacted "300 accounts that went down a little bit, and together added up to a bigger number."	126	Edgio; Cumming	Business Puffery; Lack of Scienter
Internal Controls				
46	Certifications of Defendants Lyons and Boncel attached to Form 10-K for FY 2020, filed February 12, 2021. Attached to the FY 2020 Form 10-K were the Certifications of Defendants Lyons and Boncel as Principal Executive Officer and Principal Financial Officer, respectively, certifying that . . . [t]hey each had reviewed the document.	64(i)	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter
47	Certifications of Defendants Lyons and Boncel attached to Form 10-K for FY 2020, filed February 12, 2021. "Based on their knowledge, the FY 2020 Form 10-K did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the FY 2020 Form 10-K."	64(ii)	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
48	Certifications of Defendants Lyons and Boncel attached to Form 10-K for FY 2020, filed February 12, 2021. "Based on their knowledge, the financial statements, and other financial information included in the FY 2020 Form 10-K, fairly presented in all material respects the financial condition, results of operations and cash flows of Edgio as of, and for, the periods presented in the FY 2020 Form 10-K"	64(iii)	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter
49	Certifications of Defendants Lyons and Boncel attached to Form 10-K for FY 2020, filed February 12, 2021. "They were responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and ICFR (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant."	64(iv)	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
50	<u>Certifications of Defendants Lyons and Boncel attached to Form 10-K for FY 2020, filed February 12, 2021.</u> They had "designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under their supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, was made known to them by others within those entities, particularly during the period in which the FY 2020 Form 10-K was being prepared."	64(iv)(a)	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter
51	<u>Certifications of Defendants Lyons and Boncel attached to Form 10-K for FY 2020, filed February 12, 2021.</u> They had "designed such ICFR, or caused such ICFR to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles."	64(iv)(b)	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
52	Certifications of Defendants Lyons and Boncel attached to Form 10-K for FY 2020, filed February 12, 2021. They had "evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in the FY 2020 Form 10-K their conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by the report based on such evaluation."	64(iv)(c)	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter
53	Certifications of Defendants Lyons and Boncel attached to Form 10-K for FY 2020, filed February 12, 2021. They had "disclosed in the FY 2020 Form 10-K any change in Edgio's ICFR that occurred during the most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that had materially affected, or was reasonably likely to materially affect, Edgio's ICFR."	64(iv)(d)	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter
54	SOX Certifications of Defendants Lyons and Boncel attached to Form 10-K for FY 2020, filed February 12, 2021. Certifying that the FY 2020 Form 10-K "fully complied with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained therein fairly presented, in all material respects, the financial condition and results of operations of Edgio."	65	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
55	<u>Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q1 2021, filed April 30, 2021.</u> Attached to the [Q1 2021 Form 10-Q] were the Certifications of Defendants Lyons and Boncel as Principal Executive Officer and Principal Financial Officer, respectively, certifying that . . . [t]hey each had reviewed the document.	69	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter
56	<u>Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q1 2021, filed April 30, 2021.</u> "Based on their knowledge, the [Q1 2021 Form 10-Q] did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the [Q1 2021 Form 10-Q]."	69	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter
57	<u>Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q1 2021, filed April 30, 2021.</u> "Based on their knowledge, the financial statements, and other financial information included in the [Q1 2021 Form 10-Q], fairly presented in all material respects the financial condition, results of operations and cash flows of Edgio as of, and for, the periods presented in the [Q1 2021 Form 10-Q]"	69	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
58	Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q1 2021, filed April 30, 2021. "They were responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and ICFR (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant."	69	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter
59	Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q1 2021, filed April 30, 2021. They had "designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under their supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, was made known to them by others within those entities, particularly during the period in which the [Q1 2021 Form 10-Q] was being prepared."	69	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter

Statement No.	**Alleged Misstatement[1]**	**¶¶ in AC**	**Speaker**	**Reasons Why Not Actionable**
60	<u>Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q1 2021, filed April 30, 2021.</u> They had "designed such ICFR, or caused such ICFR to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles."	69	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter
61	<u>Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q1 2021, filed April 30, 2021.</u> They had "evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in the [Q1 2021 Form 10-Q] their conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by the report based on such evaluation."	69	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter
62	<u>Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q1 2021, filed April 30, 2021.</u> They had "disclosed in the [Q1 2021 Form 10-Q] any change in Edgio's ICFR that occurred during the most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that had materially affected, or was reasonably likely to materially affect, Edgio's ICFR."	69	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
63	<u>SOX Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q1 2021, filed April 30, 2021.</u> Also attached to the Q1 2021 Form 10-Q were Defendant Lyons and Boncel's respective SOX Certifications which certified that the Q1 2021 Form 10-Q "fully complied with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained therein fairly presented, in all material respects, the financial condition and results of operations of Edgio."	70	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter
64	<u>Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q2 2021, filed July 30, 2021.</u> Attached to the [Q2 2021 Form 10-Q] were the Certifications of Defendants Lyons and Boncel as Principal Executive Officer and Principal Financial Officer, respectively, certifying that . . . [t]hey each had reviewed the document.	74	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
65	Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q2 2021, filed July 30, 2021. "Based on their knowledge, the [Q2 2021 Form 10-Q] did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the [Q2 2021 Form 10-Q]."	74	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter
66	Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q2 2021, filed July 30, 2021. "Based on their knowledge, the financial statements, and other financial information included in the [Q2 2021 Form 10-Q], fairly presented in all material respects the financial condition, results of operations and cash flows of Edgio as of, and for, the periods presented in the [Q2 2021 Form 10-Q]."	74	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
67	<u>Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q2 2021, filed July 30, 2021.</u> "They were responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and ICFR (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant."	74	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter
68	<u>Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q2 2021, filed July 30, 2021.</u> They had "designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under their supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, was made known to them by others within those entities, particularly during the period in which the [Q2 2021 Form 10-Q] was being prepared."	74	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
69	Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q2 2021, filed July 30, 2021. They had "designed such ICFR, or caused such ICFR to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles."	74	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter
70	Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q2 2021, filed July 30, 2021. They had "evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in the [Q2 2021 Form 10-Q] their conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by the report based on such evaluation."	74	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter
71	Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q2 2021, filed July 30, 2021. They had "disclosed in the [Q2 2021 Form 10-Q] any change in Edgio's ICFR that occurred during the most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that had materially affected, or was reasonably likely to materially affect, Edgio's ICFR."	74	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
72	<u>SOX Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q2 2021, filed July 30, 2021.</u> Also attached to the Q2 2021 Form 10-Q were Defendant Lyons and Boncel's respective SOX Certifications which certified that the Q2 2021 Form 10-Q "fully complied with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained therein fairly presented, in all material respects, the financial condition and results of operations of Edgio."	75	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter
73	<u>Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q3 2021, filed November 5, 2021.</u> Attached to the [Q3 2021 Form 10-Q] were the Certifications of Defendants Lyons and Boncel as Principal Executive Officer and Principal Financial Officer, respectively, certifying that . . . [t]hey each had reviewed the document.	88	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
74	<u>Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q3 2021, filed November 5, 2021.</u> “Based on their knowledge, the [Q3 2021 Form 10-Q] did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the [Q3 2021 Form 10-Q].”	88	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter
75	<u>Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q3 2021, filed November 5, 2021.</u> “Based on their knowledge, the financial statements, and other financial information included in the [Q3 2021 Form 10-Q], fairly presented in all material respects the financial condition, results of operations and cash flows of Edgio as of, and for, the periods presented in the [Q3 2021 Form 10-Q]”	88	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
76	Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q3 2021, filed November 5, 2021. "They were responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and ICFR (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant[.]"	88	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter
77	Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q3 2021, filed November 5, 2021. They had "designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under their supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, was made known to them by others within those entities, particularly during the period in which the [Q3 2021 Form 10-Q] was being prepared."	88	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
78	Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q3 2021, filed November 5, 2021. They had "designed such ICFR, or caused such ICFR to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles."	88	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter
79	Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q3 2021, filed November 5, 2021. They had "evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in the [Q3 2021 Form 10-Q] their conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by the report based on such evaluation."	88	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter
80	Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q3 2021, filed November 5, 2021. They had "disclosed in the [Q3 2021 Form 10-Q] any change in Edgio's ICFR that occurred during the most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that had materially affected, or was reasonably likely to materially affect, Edgio's ICFR."	88	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
81	SOX Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q3 2021, filed November 5, 2021. Also attached to the Q3 2021 Form 10-Q were Defendant Lyons and Boncel's respective SOX Certifications which certified that the Q3 2021 Form 10-Q "fully complied with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such . . . Form 10-Q fairly presented, in all material respects, the financial condition and results of operations of Edgio."	89	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter
82	Certifications of Defendants Lyons and Boncel attached to Form 10-K for FY 2021, filed February 17, 2022. Attached to the [FY 2021 Form 10-K] were the Certifications of Defendants Lyons and Boncel as Principal Executive Officer and Principal Financial Officer, respectively, certifying that . . . [t]hey each had reviewed the document.	95	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
83	Certifications of Defendants Lyons and Boncel attached to Form 10-K for FY 2021, filed February 17, 2022. "Based on their knowledge, the [FY 2021 Form 10-K] did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the [FY 2021 Form 10-K]."	95	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter
84	Certifications of Defendants Lyons and Boncel attached to Form 10-K for FY 2021, filed February 17, 2022. "Based on their knowledge, the financial statements, and other financial information included in the [FY 2021 Form 10-K], fairly presented in all material respects the financial condition, results of operations and cash flows of Edgio as of, and for, the periods presented in the [FY 2021 Form 10-K]."	95	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
85	Certifications of Defendants Lyons and Boncel attached to Form 10-K for FY 2021, filed February 17, 2022. "They were responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and ICFR (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant…"	95	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter
86	Certifications of Defendants Lyons and Boncel attached to Form 10-K for FY 2021, filed February 17, 2022. They had "designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under their supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, was made known to them by others within those entities, particularly during the period in which the [FY 2021 Form 10-K] was being prepared."	95	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
87	Certifications of Defendants Lyons and Boncel attached to Form 10-K for FY 2021, filed February 17, 2022. They had “designed such ICFR, or caused such ICFR to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.”	95	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter
88	Certifications of Defendants Lyons and Boncel attached to Form 10-K for FY 2021, filed February 17, 2022. They had “evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in the [FY 2021 Form 10-K] their conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by the report based on such evaluation.”	95	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter
89	Certifications of Defendants Lyons and Boncel attached to Form 10-K for FY 2021, filed February 17, 2022. They had “disclosed in the [FY 2021 Form 10-K] any change in Edgio’s ICFR that occurred during the most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that had materially affected, or was reasonably likely to materially affect, Edgio’s ICFR.”	95	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
90	SOX Certifications of Defendants Lyons and Boncel attached to Form 10-K for FY 2021, filed February 17, 2022. Also attached to the FY 2021 Form 10-K were Defendants Lyons and Boncel's respective SOX Certifications which certified that the FY 2021 Form 10-K "fully complied with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such . . . Form 10-K fairly presented, in all material respects, the financial condition and results of operations of Edgio."	96	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter
91	Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q1 2022, filed April 29, 2022. Attached to the [Q1 2022 Form 10-Q] were the Certifications of Defendants Lyons and Boncel as Principal Executive Officer and Principal Financial Officer, respectively, certifying that . . . [t]hey each had reviewed the document.	106	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
92	<u>Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q1 2022, filed April 29, 2022.</u> "Based on their knowledge, the [Q1 2022 Form 10-Q] did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the [Q1 2022 Form 10-Q]."	106	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter
93	<u>Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q1 2022, filed April 29, 2022.</u> "Based on their knowledge, the financial statements, and other financial information included in the [Q1 2022 Form 10-Q], fairly presented in all material respects the financial condition, results of operations and cash flows of Edgio as of, and for, the periods presented in the [Q1 2022 Form 10-Q]."	106	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
94	Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q1 2022, filed April 29, 2022. "They were responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and ICFR (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant."	106	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter
95	Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q1 2022, filed April 29, 2022. They had "designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under their supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, was made known to them by others within those entities, particularly during the period in which the [Q1 2022 Form 10-Q] was being prepared."	106	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter

Statement No.	**Alleged Misstatement[1]**	**¶¶ in AC**	**Speaker**	**Reasons Why Not Actionable**
96	Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q1 2022, filed April 29, 2022. They had "designed such ICFR, or caused such ICFR to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles."	106	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter
97	Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q1 2022, filed April 29, 2022. They had "evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in the [Q1 2022 Form 10-Q] their conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by the report based on such evaluation."	106	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter
98	Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q1 2022, filed April 29, 2022. They had "disclosed in the [Q1 2022 Form 10-Q] any change in Edgio's ICFR that occurred during the most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that had materially affected, or was reasonably likely to materially affect, Edgio's ICFR."	106	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
99	SOX Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q1 2022, filed April 29, 2022. Also attached to the Q1 2022 Form 10-Q were Defendants Lyons and Boncel's respective SOX Certifications, which certified that the Q1 2022 Form 10-Q "fully complied with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such . . . Form 10-Q fairly presented, in all material respects, the financial condition and results of operations of Edgio."	107	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter
100	Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q2 2022, filed August 9, 2022. Attached to the [Q2 2022 Form 10-Q] were the Certifications of Defendants Lyons and Boncel as Principal Executive Officer and Principal Financial Officer, respectively, certifying that . . . [t]hey each had reviewed the document.	115	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
101	Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q2 2022, filed August 9, 2022. "Based on their knowledge, the [Q2 2022 Form 10-Q] did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the [Q2 2022 Form 10-Q]."	115	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter
102	Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q2 2022, filed August 9, 2022. "Based on their knowledge, the financial statements, and other financial information included in the [Q2 2022 Form 10-Q], fairly presented in all material respects the financial condition, results of operations and cash flows of Edgio as of, and for, the periods presented in the [Q2 2022 Form 10-Q]."	115	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
103	Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q2 2022, filed August 9, 2022. "They were responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and ICFR (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant."	115	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter
104	Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q2 2022, filed August 9, 2022. They had "designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under their supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, was made known to them by others within those entities, particularly during the period in which the [Q2 2022 Form 10-Q] was being prepared."	115	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
105	<u>Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q2 2022, filed August 9, 2022.</u> They had "designed such ICFR, or caused such ICFR to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles."	115	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter
106	<u>Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q2 2022, filed August 9, 2022.</u> They had "evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in the [Q2 2022 Form 10-Q] their conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by the report based on such evaluation."	115	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter
107	<u>Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q2 2022, filed August 9, 2022.</u> They had "disclosed in the [Q2 2022 Form 10-Q] any change in Edgio's ICFR that occurred during the most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that had materially affected, or was reasonably likely to materially affect, Edgio's ICFR."	115	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
108	SOX Certifications of Defendants Lyons and Boncel attached to Form 10-Q for Q2 2022, filed August 9, 2022. Also attached to the Q2 2022 Form 10-Q were Defendants Lyons and Boncel's respective SOX Certifications which certified that the Q2 2022 Form 10-Q "fully complied with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained therein fairly presented, in all material respects, the financial condition and results of operations of Edgio."	116	Edgio; Lyons; Boncel	Not False or Misleading; Lack of Scienter
109	Certifications of Defendants Lyons and Cumming attached to Form 10-Q for Q3 2022, filed November 9, 2022. Attached to the [Q3 2022 Form 10-Q] were the Certifications of Defendants Lyons and [Cumming] as Principal Executive Officer and Principal Financial Officer, respectively, certifying that . . . [t]hey each had reviewed the document.	121	Edgio; Lyons; Cumming	Not False or Misleading; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
110	Certifications of Defendants Lyons and Cumming attached to Form 10-Q for Q3 2022, filed November 9, 2022. "Based on their knowledge, the [Q3 2022 Form 10-Q] did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the [Q3 2022 Form 10-Q]."	121	Edgio; Lyons; Cumming	Not False or Misleading; Lack of Scienter
111	Certifications of Defendants Lyons and Cumming attached to Form 10-Q for Q3 2022, filed November 9, 2022. "Based on their knowledge, the financial statements, and other financial information included in the [Q3 2022 Form 10-Q], fairly presented in all material respects the financial condition, results of operations and cash flows of Edgio as of, and for, the periods presented in the [Q3 2022 Form 10-Q]."	121	Edgio; Lyons; Cumming	Not False or Misleading; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
112	Certifications of Defendants Lyons and Cumming attached to Form 10-Q for Q3 2022, filed November 9, 2022. "They were responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and ICFR (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant."	121	Edgio; Lyons; Cumming	Not False or Misleading; Lack of Scienter
113	Certifications of Defendants Lyons and Cumming attached to Form 10-Q for Q3 2022, filed November 9, 2022. They had "designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under their supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, was made known to them by others within those entities, particularly during the period in which the [Q3 2022 Form 10-Q] was being prepared."	121	Edgio; Lyons; Cumming	Not False or Misleading; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
114	Certifications of Defendants Lyons and Cumming attached to Form 10-Q for Q3 2022, filed November 9, 2022. They had "designed such ICFR, or caused such ICFR to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles."	121	Edgio; Lyons; Cumming	Not False or Misleading; Lack of Scienter
115	Certifications of Defendants Lyons and Cumming attached to Form 10-Q for Q3 2022, filed November 9, 2022. They had "evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in the [Q3 2022 Form 10-Q] their conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by the report based on such evaluation."	121	Edgio; Lyons; Cumming	Not False or Misleading; Lack of Scienter
116	Certifications of Defendants Lyons and Cumming attached to Form 10-Q for Q3 2022, filed November 9, 2022. They had "disclosed in the [Q3 2022 Form 10-Q] any change in Edgio's ICFR that occurred during the most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that had materially affected, or was reasonably likely to materially affect, Edgio's ICFR."	121	Edgio; Lyons; Cumming	Not False or Misleading; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
117	SOX Certifications of Defendants Lyons and Cumming attached to Form 10-Q for Q3 2022, filed November 9, 2022. Also attached to the [Q3 2022 Form 10-Q] were Defendant Lyons and [Cumming]'s respective SOX Certifications which certified that the [Q3 2022 Form 10-Q] "fully complied with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained therein fairly presented, in all material respects, the financial condition and results of operations of Edgio."	122	Edgio; Lyons; Cumming	Not False or Misleading; Lack of Scienter
Restatement of Revenue				
118	Edgio's 2022 Form 10-K compiled revenue restatements: Period / Overstated Revenue / Actual Revenue FY 2020 [Form 10-K] / $230,194,000 / $223,990,000 Q1 2021 [Form 10-Q] / $51,195,000 / $49,658,000 Q2 2021 [Form 10-Q] / $48,348,000 / $46,285,000 Q3 2021 [Form 10-Q] / $55,202,000 / $47,994,000 FY 2021 [Form 10-K] / $217,630,000 / $201,115,000 Q1 2022 [Form 10-Q] / $57,959,000 / $55,339,000 Q2 2022 [Form 10-Q] / $74,312,000 / $63,586,000 Q3 2022 [Form 10-Q] / $121,156,000 / $110,832,000	28, 63, 68, 73, 87, 94, 105, 114, 120	Edgio	Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
119	Press Release attached to Form 8-K, filed on February 11, 2021. For FY 2020, Edgio reported "record" revenue of $230.2 million, "a 15% increase from $200.6 million in 2019."	62	Edgio	Business Puffery; Lack of Scienter
120	Press Release attached to Form 8-K, filed on February 11, 2021. In addition, Edgio reported FY 2020 gross profit of $83.1 million, GAAP net loss of $19.27 million, and basic and diluted net loss per share of $(0.16) per share.	62	Edgio	Lack of Scienter
121	Press Release attached to Form 8-K, filed on April 29, 2021. For Q1 2021, Edgio reported revenue of just $51.2 million, a 10% year-over-year decline from Q1 2020.	67	Edgio	Lack of Scienter
122	Press Release attached to Form 8-K, filed on April 29, 2021. In addition, Edgio reported Q1 2021 gross profit of $12.49 million, GAAP net loss of $25.5 million, and basic and diluted net loss per share of ($0.21) per share.	67	Edgio	Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
123	Press Release attached to Form 8-K, filed on July 29, 2021. After market close on July 29, 2021, Edgio issued a press release reporting its financial results for Q2 2021 and touting those results as ". . . resulting in over $3 million of adjusted EBITDA improvements quarter over quarter."	72	Edgio	Lack of Scienter
124	Press Release attached to Form 8-K, filed on July 29, 2021. For Q2 2021, the release reported revenue of $48.3 million, gross profit of $9.4 million, GAAP net loss of $13.7 million, and basic and diluted net loss per share of $(0.11).	72	Edgio	Lack of Scienter
125	Press Release attached to Form 8-K, filed on November 4, 2021. Specifically, Edgio reported revenue of $55.2 million, up 14% quarter over quarter, and an Adjusted EBITDA margin of 11%, up from breakeven in Q2 2021.	81	Edgio	Lack of Scienter
126	Press Release attached to Form 8-K, filed on November 4, 2021. [T]he release reported reduced guidance for revenue ($215 to $220 million), GAAP Basic EPS ($0.47) to ($0.42), non-GAAP EPS ($12 to $15 million), and Adjusted EBITDA ($15 to $20 million).	81	Edgio	Forward-looking Statement; Lack of Scienter

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
127	Edgio's November 4, 2021 Earnings Call Commenting on the reduction in FY 2021 guidance, Defendant Boncel stated the decision was "based on forecasts from the Company's larger clients and their view of their content and COVID traffic patterns," which led Defendants to conclude that "$60 million to $65 million represented the most likely fourth quarter revenue for Edgio."	84	Edgio; Boncel	Forward-looking Statement; Not False or Misleading; Lack of Scienter
128	Press Release attached to Form 8-K, filed on January 20, 2022. Specifically, the release reported (i) Q4 2021 revenue of $62.9 million, up 14% from Q3 2021 and compared to Q4 2020; (ii) an improvement in GAAP net loss per basic share over Q3 2021; (iii) non-GAAP net income of $2.4 million, an improvement of $3.9 million and $6.2 million over Q32021 and Q4 2020, respectively; (iv) adjusted EBITDA of $9.7 million, up 60% from Q32021 and Q4 2020; and (v) EBITDA of $0.5 million, an improvement of $2.5 million over Q32021's EBITDA of $(2.0) and the break-even EBITDA of Q4 2021.	91	Edgio	Lack of Scienter

<table>
<tr><th>Statement No.</th><th>Alleged Misstatement[1]</th><th>¶¶ in AC</th><th>Speaker</th><th>Reasons Why Not Actionable</th></tr>
<tr><td>129</td><td>Press Release attached to Form 8-K, filed on January 20, 2022.

The release also provided the following guidance for FY 2022:
<table><tr><td>Revenue</td><td>$240 to $250 million</td></tr><tr><td>GAAP Basis EPS</td><td>$(0.27) to $(0.22)</td></tr><tr><td>Non-GAAP Basis EPS</td><td>$(0.06) to $(0.01)</td></tr><tr><td>Adjusted EBITDA</td><td>$24 to $28 million</td></tr><tr><td>Capital Expenditures</td><td>$20 to $25 million</td></tr></table></td><td>91</td><td>Edgio</td><td>Forward-looking Statement; Not False or Misleading; Lack of Scienter</td></tr>
<tr><td>130</td><td>Press Release attached to Form 8-K, filed on April 28, 2022.

For the second quarter in a row, the Company announced “significant” year-over-year growth in revenue, gross margin, and adjusted EBITDA.</td><td>98</td><td>Edgio</td><td>Lack of Scienter; No Loss Causation</td></tr>
</table>

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
131	Press Release attached to Form 8-K, filed on April 28, 2022. Specifically, Edgio announced: (i) Revenue for the first quarter of $58.0 million, up 13% year over year. (ii) A 630-basis point improvement in gross margin year-over-year; and (iii) Adjusted EBITDA of $2 million versus a loss of $3.3 million in the prior year period.	98	Edgio	Lack of Scienter; No Loss Causation
132	Press Release attached to Form 8-K, filed on August 8, 2022. For Q2 2022, Edgio reported revenue of $74.3 million, up 54% year-over-year…	110	Edgio	Lack of Scienter
133	Press Release attached to Form 8-K, filed on August 8, 2022. According to the release, Edgecast, which was acquired in June, contributed $12.8 million of this amount, while the remainder resulted from core business growth and the addition of Layer0 revenue.	110	Edgio	Lack of Scienter
134	Press Release attached to Form 8-K, filed on August 8, 2022. Gross margin was 30%, up 1050 basis points year-over-year.	110	Edgio	Lack of Scienter

<table>
<tr><th>Statement No.</th><th>Alleged Misstatement[1]</th><th>¶¶ in AC</th><th>Speaker</th><th>Reasons Why Not Actionable</th></tr>
<tr><td>135</td><td><u>Press Release attached to Form 8-K, filed on August 8, 2022.</u>

The release also provided updated FY 2022 guidance to reflect the acquisition of Edgecast as follows:
<table><tr><th></th><th>August 2022</th><th>April 2022</th></tr><tr><td>Revenue</td><td>$380 to $390 million</td><td>$240 to $250 million</td></tr><tr><td>Adjusted EBITDA</td><td>$13 to $16 million</td><td>$24 to $28 million</td></tr><tr><td>Capital expenditures</td><td>Less than 10% of revenue</td><td>$20 to $25 million</td></tr></table></td><td>110</td><td>Edgio</td><td>Forward-looking Statement; Not False or Misleading; Lack of Scienter</td></tr>
<tr><td>136</td><td><u>Press Release attached to Form 8-K, filed on August 8, 2022.</u>

The release also provided an “initial outlook” for 2023 of (i) revenue of between $550 and $560 million; and (ii) adjusted EBITDA that exceeds $65 million.</td><td>111</td><td>Edgio</td><td>Forward-looking Statement; Not False or Misleading; Lack of Scienter</td></tr>
</table>

Statement No.	Alleged Misstatement[1]	¶¶ in AC	Speaker	Reasons Why Not Actionable
137	<u>Press Release attached to Form 8-K, filed on November 9, 2022</u> The release reported (i) Q3 2022 revenue of $121.2 million, up 119% year-over-year; (ii) GAAP gross margin of 30.5%, up 180 basis point year-over-year and 40 basis points quarter-over-quarter; (iii) record applications bookings with momentum continuing into Q4 2022; and (iv) pipeline growth of 75% since the beginning of the year, with the AppOps pipeline growing much faster.	118	Edgio	Lack of Scienter; No Loss Causation
138	<u>Press Release attached to Form 8-K, filed on November 9, 2022</u> Newly appointed CFO Stephen Cumming was quoted as stating that in light of the then-current macro environment and "some churn across a group of smaller Edgecast customers," Edgio "expected a more measured top line in Q4" of (i) revenue between $109 million and $114 million; and (ii) an adjusted EBITDA range of a loss of $8 million to a loss of $6 million, implying an adjusted EBITDA margin between -7.5% and -5.5%.	119	Edgio; Cumming	Forward-looking Statement; Not False or Misleading; Lack of Scienter; No Loss Causation