



Plaintiffs Carrie Scheufele, Jeffrey Scheufele, and Nicholas Oram (“Plaintiffs”), individually and on behalf of all others similarly situated, allege the following based on personal knowledge as to Plaintiffs and Plaintiffs’ own acts, and upon information and belief as to all other matters based upon the investigation conducted by and through Plaintiffs’ attorneys, which included, among other things, a review of Securities and Exchange Commission (“SEC”) filings by Tableau Software, Inc. (“Tableau” or the “Company”), as well as conference call transcripts and media and analyst reports about the Company. Plaintiffs believe that substantial evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

### **NATURE OF THE ACTION**

1. This is a securities class action on behalf of all investors who purchased or otherwise acquired Tableau common stock between June 3, 2015 and February 4, 2016 inclusive (the “Class Period”). The claims asserted herein are alleged against Tableau and certain of the Company’s current and former senior executives (collectively, “Defendants”) and arise under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”), and Rule 10b-5 promulgated thereunder.

2. Defendant Tableau is a business analytics software company which produces interactive data visualization products focused on business intelligence. The Company develops business intelligence software designed to retrieve large volumes of data and quickly generate interactive dashboards, reports, and other data visualization tools with products like Tableau Desktop, Tableau Public, and Tableau Server.

66. A number of companies offer data visualization software that compete with Tableau’s products. Among Tableau’s most notable competitors are Microsoft Corporation (“Microsoft”) and Qlik Technologies Inc. (“Qlik”).

3. Throughout the Class Period, Tableau failed to disclose that product launches and upgrades by major software competitors were negatively impacting Tableau's competitive position and profitability, and as a result of the foregoing, Tableau's financial statements were materially false and misleading at all relevant times.

4. On July 29, 2015, Tableau reported a sharp deceleration in its license revenue growth, causing analysts to question whether competitors were hurting the Company's sales. In spite of this softening of growth, the Company increased its guidance for full-year revenue to between \$617 and \$627 million.

5. On this news, Tableau stock dropped \$13.58 per share, or 10.69 percent, to close at \$113.49 per share.

6. On January 7, 2016, Tableau disclosed that Kelly Wright, Executive Vice President of Sales, would leave the Company by December 31, 2016. In response to this unexpected departure, the Company's stock price fell \$2.14 per share, or 2.42 percent, to close at \$86.43 per share on January 8, 2016.

7. On February 4, 2016, as part of its earnings announcement, Tableau disclosed slowing revenue. On the related earnings call, the Company's Chief Executive Officer ("CEO") finally stated that "the competitive dynamic has become more crowded and difficult."

8. In reaction to these revelations, Tableau's stock price fell \$44.53 per share over the following two trading sessions, or 54.47 percent, to close at \$37.22 per share on February 8, 2016, wiping out billions of dollars in market capitalization and completely realigning the market's perception of Tableau's competitive position and potential profitability.

#### **JURISDICTION AND VENUE**

9. Jurisdiction is conferred by §27 of the Exchange Act. The claims asserted herein arise under §§10(b) and 20(a) of the Exchange Act (15 U.S.C. §§78j(b) and 78t(a)) and Rule 10b-

5 promulgated thereunder (17 C.F.R. §240.10b-5) . This Court has jurisdiction over the subject matter of this action under 28 U.S.C. §§1331 and 1337, and §27 of the Exchange Act.

10. Venue is proper in this District pursuant to §27 of the Exchange Act and 28 U.S.C. §1391(b) as Defendants conduct business in this District and a significant portion of the Defendant's actions, and the subsequent damages, took place within this District.

11. In connection with the acts alleged in this Complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, the mails, interstate telephone communications and the facilities of the national securities markets.

### **PARTIES**

12. Plaintiffs Carrie Scheufele, Jeffrey Scheufele, and Nicholas Oram, as set forth in the accompanying Certifications, which are incorporated by reference herein, purchased Tableau common stock during the Class Period and have been damaged thereby.

13. Defendant Tableau is a software company that markets and licenses programs created to simplify the process of accessing and visualizing large, complex data sets. The Company's common stock traded on the New York Stock Exchange ("NYSE") under the ticker symbol "DATA."

14. Defendant Christian Chabot ("Chabot") is, and was throughout the Class Period, the Chief Executive Officer ("CEO"), Chairman of the Company's Board of Directors ("BOD"), and a co-founder of Tableau.

15. Defendant Thomas Walker ("Walker") is, and was throughout the Class Period, the Chief Financial Officer ("CFO") of Tableau.

16. Defendants Chabot and Walker are referred to herein as the “Individual Defendants.” Rackspace and the Individual Defendants are referred to herein, collectively, as “Defendants.”

## **SUBSTANTIVE ALLEGATIONS**

### **Background**

17. Defendant Tableau is a business analytics software company which produces interactive data visualization products focused on business intelligence. Tableau offers five products: (1) Tableau Desktop, a self-contained program; (2) Tableau Server, a business intelligence platform for organizations; (3) Tableau Online, a cloud-based software-as-a-service (“SaaS”) version of Tableau Server; (4) Tableau Public, a free cloud-based platform for analyzing and sharing public data; and (5) Vizable, a free application used to easily analyze data on a tablet.

18. A number of companies offer data visualization software that compete with Tableau’s products. Among Tableau’s most notable competitors are Microsoft and Qlik. In 2014, Microsoft announced its Power BI (i.e., “business intelligence”) service, which allows users to create data visualizations and dashboards. The original release was based on certain functions from Microsoft’s Excel spreadsheet application but later added enterprise-level functionality. Similarly, Qlik offers two products for business intelligence and visualization: (1) QlikView; and (2) Qlik Sense.

19. Prior to the start of the Class Period, Microsoft announced a major overhaul of its Power BI product and strategy. Industry commentators noted that these changes were specifically targeted at gaining market share from Tableau. For example, James Phillips, Microsoft’s general manager for business intelligence, described the Power BI product as the “third wave” of business intelligence, whereas Tableau represented the second wave.

**Materially False and Misleading Statements Issued During the Class Period**

20. The Class Period starts on June 3, 2015. On June 2, 2015, after the close of trading, Tableau participated in the Bank of America Merrill Lynch Global Technology Conference. During the conference, CFO Walker responded to an analyst question concerning the change in the competitive environment by stating “Not much on the overall competitive spectrum . . . .”

21. On July 29, 2015, Tableau reported its Second Quarter 2015 Financial Results and stated that the Company’s license revenue growth rate declined year over year, falling from being up 74 percent in the first quarter to now only up 60 percent in the second quarter. Therein, the Company, in relevant part, stated:

Tableau Software (NYSE: DATA) today reported results for its second quarter ended June 30, 2015.

- Total revenue grew to \$149.9 million, up 65% year over year.
- License revenue grew to \$96.7 million, up 60% year over year.
- International revenue grew to \$36.7 million, up 83% year over year.
- Added more than 3,000 new customer accounts.
- Closed 233 transactions greater than \$100,000.
- Diluted GAAP loss per share was \$0.27; diluted non-GAAP earnings per share were \$0.07.

“Tableau executed another strong quarter as we continue to acquire new customers, expand relationships with existing customers, grow internationally and rapidly innovate,” said Christian Chabot, Chief Executive Officer of Tableau Software. “We are seeing a strong demand for Tableau's products resulting in record customer growth and product adoption. During the quarter we added more than 3,000 new customer accounts, bringing the total to more than 32,000 worldwide.”

“Our investments in innovation are driving product adoption. During the quarter, we released Tableau 9.0 containing big advances in analytics. And in early July, we

released the beta for Tableau 9.1 which will bring a new and improved mobile experience, more data connectors, new enterprise security and authentication options, and additional analytical functions to customers,” continued Chabot.

### **Financial Highlights**

Total revenue increased 65% to \$149.9 million, up from \$90.7 million in the second quarter of 2014. License revenue increased 60% to \$96.7 million, up from \$60.4 million in the second quarter of 2014. International revenue grew to \$36.7 million, up 83%, from \$20.1 million in the second quarter of 2014.

GAAP operating loss for the second quarter of 2015 was \$18.0 million, compared to a GAAP operating loss of \$4.1 million for the second quarter of 2014. GAAP net loss for the second quarter of 2015 was \$19.0 million, or \$0.27 per diluted common share, compared to GAAP net loss of \$4.6 million, or \$0.07 per diluted common share for the second quarter of 2014.

Non-GAAP operating income, which excludes stock-based compensation expense, was \$10.5 million for the second quarter of 2015, compared to non-GAAP operating income of \$7.0 million for the second quarter of 2014. Non-GAAP net income, which excludes stock-based compensation expense and related income tax adjustments, was \$5.6 million for the second quarter of 2015, or \$0.07 per diluted common share, compared to non-GAAP net income of \$3.2 million, or \$0.04 per diluted common share for the second quarter of 2014.

### **Recent Business Highlights**

- Released Tableau 9.0, bringing advances in analytics including visual analytics, performance, scalability, data preparation, and enterprise capabilities.
- Launched a new version of Tableau Online, bringing improved performance, smarter analytics, and expanded data access to organizations moving to the cloud; Enabled single sign on support using the SAML 2.0 standard.

- Rolled out the Tableau 9.1 beta that includes a new mobile experience, more data connectors, new enterprise security and additional analytical functions.
- Announced new data connections with Google Cloud SQL, Spark on Azure HDInsight, Azure SQL Data Warehouse, and Azure SQL Database.
- Announced plans to open a new data center in the EU by the end of the year to support growing international customer base.
- Held three sold-out regional customer conferences in Singapore, Berlin and London.
- Launched new Tableau Public features, including expanded support for larger public data sets, an increased storage limit, and added security; Announced Premium version now free to all Tableau Public users.
- Appointed Billy Bosworth to Tableau's board of directors.
- Announced expansion plans in Seattle and the signing of a new lease that will provide space for more than 1,300 employees in the second half of 2016.

22. On the same day, during the Company's related earning call, analysts troubled by the license revenue growth deceleration probed Defendants regarding the effects of competition. However, Tableau's CEO Chabot refused to acknowledge the increasing competitive pressure on the Company and stated the following, in pertinent part:

. . . Overall, the competitive landscape fluctuates. There's a lot of dimensions to the competitive description in this industry, so it's not easy to summarize in what number. But overall we feel like the competitive gap with Tableau 9 has stayed about the same as it has been in recent quarters.

\* \* \*

But to finally put a point on I think your question, on the predictive front, per se, we haven't seen a change in the competitive landscape in this last quarter.

\* \* \*

. . . Microsoft has been a fierce competitor of Tableau really since the beginning, even since the earliest days of the company, and as they've tried to find their way

with their BI strategy, the competitive dynamic has changed here and there, sort of ebbs and flows as they rev their releases. They did just put a new product out on the market, or at least are about to, any case, in the case of Power BI. And again, I guess the best news I can report at this point is just we haven't seen a change in the competitive dynamic.

23. Despite the Company's softening growth, the Company increased its guidance for its full-revenue to between \$617 and \$627 million. In response to the news regarding the license revenue growth deceleration and the effects of competition, Tableau's price fell \$13.58 per share, or 10.69 percent, to close at \$113.49 per share on July 29, 2015.

24. On August 7, 2015, Tableau filed a quarterly report on Form 10-Q with the SEC, announcing the Company's financial and operating results for the quarterly period ended June 30, 2015 and fiscal year ("2015 2Q 10-Q"), and reaffirming the financial results announced in the press release issued on July 29, 2015. The 2015 2Q 10-Q contained signed certifications pursuant to the Sarbanes-Oxley Act of 2002 by Defendants Chabot and Walker, stating that the financial information contained in the 2015 2Q 10-Q was accurate and disclosed any material changes to the Company's internal control over financial reporting.

25. On November 5, 2015, the Company issued a press release entitled "Tableau Reports Third Quarter 2015 Financial Results." Therein, the Company, in relevant part, stated:

Tableau Software (NYSE: DATA) today reported results for its third quarter ended September 30, 2015.

- Total revenue grew to \$170.8 million, up 64% year over year.
- License revenue grew to \$109.5 million, up 57% year over year.
- International revenue grew to \$42.2 million, up 75% year over year.
- Added more than 3,100 new customer accounts.
- Closed 296 transactions greater than \$100,000.
- Diluted GAAP loss per share was \$0.19; diluted non-GAAP earnings per share were \$0.14.

“I am very pleased with Tableau's performance this quarter. We continue to demonstrate solid business growth as more customers embrace the Tableau way of analytics with great enthusiasm and success,” said Christian Chabot, Chief Executive Officer of Tableau Software. “As a result, we had another record quarter of new customer wins. More than 3,100 new customer accounts were added in Q3, bringing the total to more than 35,000 worldwide.”

“We remain focused on product innovation and advancing our platform to bring even more value to our growing customer base,” continued Chabot. “At the Tableau Customer Conference last month, we demonstrated some of our newest innovations in visual analytics, data integration, data preparation, server administration, cloud and mobile, some of which are slated for Tableau 10 next year.”

### **Financial Highlights**

Total revenue increased 64% to \$170.8 million, up from \$104.5 million in the third quarter of 2014. License revenue increased 57% to \$109.5 million, up from \$69.8 million in the third quarter of 2014. International revenue grew to \$42.2 million, up 75%, from \$24.1 million in the third quarter of 2014.

GAAP operating loss for the third quarter of 2015 was \$13.2 million, compared to a GAAP operating loss of \$3.8 million for the third quarter of 2014. GAAP net loss for the third quarter of 2015 was \$13.4 million, or \$0.19 per diluted common share, compared to a GAAP net loss of \$4.6 million, or \$0.07 per diluted common share, for the third quarter of 2014.

Non-GAAP operating income, which excludes stock-based compensation expense, was \$18.4 million for the third quarter of 2015, compared to a non-GAAP operating income of \$8.7 million for the third quarter of 2014. Non-GAAP net income, which excludes stock-based compensation expense and related income tax adjustments, was \$10.6 million for the third quarter of 2015, or \$0.14 per diluted common share,

compared to a non-GAAP net income of \$3.9 million, or \$0.05 per diluted common share, for the third quarter of 2014.

### **Recent Business Highlights**

Tableau held its eighth annual Tableau Customer Conference October 19-23 in Las Vegas. The conference sold out again this year, with more than 10,000 customers and partners in attendance. More than 100 customers spoke at the conference including Cisco, Credit Suisse, Comcast, Target and PepsiCo, among others. In addition, 70 partners including InfoSys, Deloitte, HP, Cloudera, Amazon Web Services, Informatica, Splunk, Alteryx, and Accenture, among others, participated in the expo showcase, demonstrating the breadth of Tableau's partner ecosystem.

In recent months Tableau also:

- Released Tableau 9.1, giving users more ways to answer questions with data, an entirely new mobile experience, new options for connecting to data and easier security and authentication for the enterprise.
- Signed an alliance with Deloitte Consulting LLP to enhance Deloitte's ability to deliver self-service analytics to enterprise customers.
- Announced new integrations with Amazon Web Services (AWS), including a connector for Amazon Aurora as well as the launch of Tableau Server listings in AWS Marketplace.
- Launched the Tableau for Non-Profits free software program to enable small non-profits to benefit from using Tableau.
- Named as a Gold Medalist in Puget Sound Business Journal's 2015 Washington's Best Workplaces.
- Announced expansion into China with the launch of an office in Shanghai.

26. On the same day, during the Company's earnings call, Tableay echoed its previous position, that there had been no material changes in the competitive environment. CEO Chabot responded to a question about competition and stated the following, in pertinent part:

. . . [W]e believe the forward situation will be similar to the historical ones. The historical one, which is many of those tools will be able to carve out some niche and be able to achieve some level of success with customers, but will not fundamentally change the dynamics of competition in business analytics platforms.

\* \* \*

And so although there has been more noise, as you mentioned, with regard to offerings of that profile, I'll close where I began, which is we don't see it fundamentally changing the competitive dynamic for Tableau.

27. On August 7, 2015, Tableau filed a quarterly report on Form 10-Q with the SEC, announcing the Company's financial and operating results for the quarterly period ended June 30, 2015 and fiscal year ("2015 2Q 10-Q"), and reaffirming the financial results announced in the press release issued on July 29, 2015. The 2015 2Q 10-Q contained signed certifications pursuant to the Sarbanes-Oxley Act of 2002 by Defendants Chabot and Walker, stating that the financial information contained in the 2015 2Q 10-Q was accurate and disclosed any material changes to the Company's internal control over financial reporting.

28. The statements contained in ¶¶ 21-27 were materially false and/or misleading when made because Defendants failed to disclose that product launches and upgrades by major software competitors were negatively impacting Tableau's competitive position and profitability, and as a result of the foregoing, Tableau's financial statements were materially false and misleading at all relevant times.

29. On January 7, 2016, the Company shockingly announced that Kelly Wright ("Wright"), Executive Vice President of Sales, planned to retire by the end of 2016. Wright joined

Tableau as a salesperson in 2005, rose to the top position in 2008, and has led worldwide sales and field operations ever since.

30. In response to this disclosure indicating instability within Tableau's sales operations, Tableau's price fell \$2.14 per share, or 2.42 percent, to close at \$86.43 per share on January 8, 2016.

31. Finally, on February 4, 2016, the Company issued a press release entitled "Tableau Reports Q4 and Fiscal Year 2015 Financial Results" and reported that its fourth-quarter licensing revenue fell short of analyst estimates. The Company's licensing revenue slowed from 57 percent in the previous quarter to 31 percent, amounting to \$133.1 million in license revenue for the quarter. The press release, in relevant part, stated:

32. On November 5, 2015, the Company issued a press release entitled "Tableau Reports Third Quarter 2015 Financial Results." Therein, the Company, in relevant part, stated:

Tableau Software, Inc. (NYSE: DATA) today reported results for its fourth quarter and fiscal year ended December 31, 2015.

Fourth Quarter 2015 Financial Results:

- Total revenue grew to \$202.8 million, up 42% year over year.
- License revenue grew to \$133.1 million, up 31% year over year.
- International revenue grew to \$53.7 million, up 63% year over year.
- Added more than 3,600 new customer accounts.
- Closed 414 transactions greater than \$100,000, up 36% year over year.
- Diluted GAAP net loss per share was \$0.57; diluted non-GAAP net income per share was \$0.33.
- Recognized a valuation allowance on deferred income tax assets of \$46.7 million.

Fiscal Year 2015 Financial Results:

- Total revenue grew to \$653.6 million, up 58% year over year.

- License revenue grew to \$423.8 million, up 51% year over year.
- International revenue grew to \$164.3 million, up 75% year over year.
- Added more than 12,500 new customer accounts.
- Closed 1,192 transactions greater than \$100,000, up 53% year over year.
- Diluted GAAP net loss per share was \$1.17; diluted non-GAAP net income per share was \$0.62.

“In Q4, a record 3,600 new customer accounts chose Tableau, bringing our total to more than 39,000 worldwide. This speaks to the immense popularity of Tableau’s products and continued strong demand from customers around the world,” said Christian Chabot, Chief Executive Officer of Tableau. “I remain optimistic that Tableau is best positioned to address the large and growing market opportunity for self-service visual analytics.”

#### **Financial Results for the Fourth Quarter Ended December 31, 2015**

Total revenue increased 42% to \$202.8 million, up from \$142.9 million in the fourth quarter of 2014. License revenue increased 31% to \$133.1 million, up from \$101.4 million in the fourth quarter of 2014. International revenue grew to \$53.7 million, up 63% from \$32.8 million in the fourth quarter of 2014.

GAAP operating loss for the fourth quarter of 2015 was \$7.1 million, compared to a GAAP operating income of \$16.1 million for the fourth quarter of 2014. GAAP net loss for the fourth quarter of 2015 was \$41.3 million, or \$0.57 per diluted common share, compared to a GAAP net income of \$20.7 million, or \$0.27 per diluted common share, for the fourth quarter of 2014.

The fourth quarter income tax expense was \$34.1 million due to the recognition of a valuation allowance. We believe that it is more likely than not that the benefit from our U.S. federal and state deferred tax assets will not be realized. In recognition of this risk, we have provided a valuation allowance of \$46.7 million on the deferred tax assets relating to these jurisdictions. Excluding the impact of the valuation allowance, the income tax benefit was \$12.7 million for the fourth quarter primarily as a result of the permanent extension of the federal R&D tax credit.

Non-GAAP operating income, which excludes stock-based compensation expense, was \$30.1 million for the fourth quarter of 2015, compared to a non-GAAP operating income of \$31.6 million for the fourth quarter of 2014. Non-GAAP net income, which excludes stock-based compensation expense and related income tax adjustments, was \$26.0 million for the fourth quarter of 2015, or \$0.33 per diluted common share, compared to a non-GAAP net income of \$31.8 million, or \$0.42 per diluted common share, for the fourth quarter of 2014.

33. On the same day, during the Company's related earning call, CFO Walker finally admitted that the trend in competition was significant and stated the following, in pertinent part:

Over the years, the competitive dynamic has become more crowded and difficult. Tableau and a few other companies have pioneered this new way of visual analytics that I described it earlier and a lot of people have got noticed. And so there are more and more companies with offerings in the arena. And so it has gotten thicker and thicker over the years, so to speak . . . .

34. On the same call, Walker stated that Tableau "recorded a \$46.7 million valuation allowance against our U.S. deferred tax assets. We now have a three-year cumulative GAAP net loss adjusted for permanent tax differences and it's not likely we will have sufficient taxable income on a GAAP basis to utilize our deferred assets. This allowance is a non-cash charge has no impact on our cash flow.

35. In reaction to the disclosure of the true effects that competition was having on the Company's growth and outlook for profitability, Tableau's stock price fell \$40.42 per share, or 49.44 percent, to close at \$41.33 per share on February 5, 2016. During the following trading session on February 8, 2016, the market continued to absorb this news. On that date, Tableau stock dropped an additional \$4.11 per share, or 9.94 percent, to close at \$37.22 per share.

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

### **CLASS ACTION ALLEGATIONS**

37. Plaintiffs bring this action as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure on behalf of all persons or entities who purchased or otherwise acquired the securities of Tableau between June 3, 2015 and February 4, 2016, inclusive (the "Class"). Excluded from the Class are Defendants, members of the immediate family of each of the

Individual Defendants, any subsidiary or affiliate of Tableau, and the directors and officers of Tableau and their families and affiliates at all relevant times.

38. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Tableau common stock was actively traded on the NYSE. While the exact number of Class members is unknown to Plaintiffs at this time and can only be ascertained through appropriate discovery, Plaintiffs believe that there are hundreds of thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by Tableau and/or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

39. Plaintiffs' claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

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

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

- (a) whether the Exchange Act was violated by Defendants as alleged herein;
- (b) whether statements made by Defendants misrepresented material facts about the business, operations and management of Tableau; and
- (c) to what extent the members of the Class have sustained damages and the proper measure of damages.

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

**UNDISCLOSED ADVERSE FACTS**

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

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

70. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused or were a substantial contributing cause of the damages sustained by Plaintiffs and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Tableau's financial well-being and prospects. These material misstatements

and/or omissions had the cause and effect of creating in the market an unrealistically positive assessment of the Company and its financial well-being and prospects, thus causing the Company's securities to be overvalued and artificially inflated at all relevant times. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiffs and other members of the Class purchasing the Company's securities at artificially inflated prices, thus causing the damages complained of herein.

### **LOSS CAUSATION**

71. During the Class Period, as detailed herein, Defendants made false and misleading statements and engaged in a scheme to deceive the market and a course of conduct that artificially inflated the prices of Tableau securities, and operated as a fraud or deceit on Class Period purchasers of Tableau securities by misrepresenting the value and prospects for the Company's business, growth prospects, and accounting compliance. Later, when Defendants' prior misrepresentations and fraudulent conduct were disclosed to the market, the price of Tableau securities fell precipitously, as the prior artificial inflation came out of the price. As a result of their purchases of Tableau securities during the Class Period, Plaintiffs and other members of the Class suffered economic loss, *i.e.*, damages, under the federal securities laws.

### **ADDITIONAL SCIENTER ALLEGATIONS**

72. During the Class Period, as alleged herein, the Individual Defendants acted with scienter in that the Individual Defendants knew or were reckless as to whether the public documents and statements issued or disseminated in the name of the Company during the Class Period were materially false and misleading; knew or were reckless as to whether such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws.

73. The Individual Defendants permitted Tableau to release these false and misleading statements and failed to file the necessary corrective disclosures, which artificially inflated the value of the Company's stock.

74. As set forth herein, the Individual Defendants, by virtue of their receipt of information reflecting the true facts regarding Tableau, their control over, receipt, and/or modification of Tableau's allegedly materially misleading statements and omissions, and/or their positions with the Company that made them privy to confidential information concerning Tableau, participated in the fraudulent scheme alleged herein.

75. The Individual Defendants are liable as participants in a fraudulent scheme and course of conduct that operated as a fraud or deceit on purchasers of Tableau securities by disseminating materially false and misleading statements and/or concealing material adverse facts. The scheme deceived the investing public regarding Tableau's business, operations, and management and the intrinsic value of Tableau securities and caused Plaintiffs and members of the Class to purchase Tableau securities at artificially inflated prices.

#### **INAPPLICABILITY OF STATUTORY SAFE HARBOR**

76. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. The statements alleged to be false and misleading herein all relate to then-existing facts and conditions. In addition, to the extent certain of the statements alleged to be false may be characterized as forward looking, they were not identified as "forward-looking statements" when made and there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. In the alternative, to the extent that the statutory safe harbor is determined to apply to any forward-looking statements pleaded herein, Defendants are liable for those false forward-looking

statements because at the time each of those forward-looking statements were made, the speaker had actual knowledge that the forward-looking statement was materially false or misleading, and/or the forward-looking statement was authorized or approved by an executive officer of Tableau who knew that the statement was false when made.

**PRESUMPTION OF RELIANCE**

77. Plaintiffs will rely upon the presumption of reliance established by the fraud-on-the-market doctrine in that, among other things:

- (a) Defendants made public misrepresentations or failed to disclose material facts during the Class Period;
- (b) the omissions and misrepresentations were material;
- (c) the Company's stock traded in an efficient market;
- (d) the misrepresentations alleged would tend to induce a reasonable investor to misjudge the value of the Company's securities; and
- (e) Plaintiffs and other members of the Class purchased Tableau securities between the time Defendants misrepresented or failed to disclose material facts and the time the true facts were disclosed, without knowledge of the misrepresented or omitted facts.

78. At all relevant times, the markets for Tableau securities were efficient for the following reasons, among others:

- (a) as a regulated issuer, Tableau filed periodic public reports with the SEC;
- (b) Tableau regularly communicated with public investors via established market communication mechanisms, including through regular disseminations of press releases on the major news wire services and through other wide-ranging public disclosures, such as communications with the financial press, securities analysts, and other similar reporting services;

(c) Tableau was followed by several securities analysts employed by major brokerage firm(s) who wrote reports that were distributed to the sales force and certain customers of their respective brokerage firm(s) and that were publicly available and entered the public marketplace; and

(d) Tableau common stock was actively traded in an efficient market, namely the NYSE, under the ticker symbol “DATA.”

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

80. Further, to the extent that the Exchange Act Defendants concealed or improperly failed to disclose material facts with regard to the Company, Plaintiffs are entitled to a presumption of reliance in accordance with *Affiliated Ute Citizens v. United States*, 406 U.S. 128, 153 (1972).

### **COUNT I**

#### **For Violation of Section 10(b) of the Exchange Act and Rule 10b-5 Against All Defendants**

81. Plaintiffs repeat and reallege each and every allegation contained in the foregoing paragraphs as if fully set forth herein.

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

83. Defendants violated Section 10(b) of the Exchange Act and Rule 10b-5 in that they:

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

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

(c) Engaged in acts, practices, and a course of business that operated as a fraud or deceit upon plaintiffs and others similarly situated in connection with their purchases of Tableau securities during the Class Period.

84. Plaintiffs and the Class have suffered damages in that, in reliance on the integrity of the market, they paid artificially inflated prices for Tableau securities. Plaintiffs and the Class would not have purchased Tableau securities at the prices they paid, or at all, if they had been aware that the market prices had been artificially and falsely inflated by Defendants' misleading statements.

85. As a direct and proximate result of these Defendants' wrongful conduct, Plaintiffs and the other members of the Class suffered damages in connection with their purchases of Tableau securities during the Class Period.

## **COUNT II**

### **For Violation of Section 20(a) of the Exchange Act Against the Individual Defendants**

86. Plaintiffs repeat and reallege each and every allegation contained in the foregoing paragraphs as if fully set forth herein.

87. The Individual Defendants acted as controlling persons of Tableau within the meaning of Section 20(a) of the Exchange Act. By virtue of their positions and their power to control public statements about Tableau, the Individual Defendants had the power and ability to

control the actions of Tableau and its employees. By reason of such conduct, Defendants are liable pursuant to Section 20(a) of the Exchange Act.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiffs pray for relief and judgment, as follows:

A. Determining that this action is a proper class action, designating Plaintiffs as Lead Plaintiffs and certifying Plaintiffs as a Class representatives under Rule 23 of the Federal Rules of Civil Procedure and Plaintiffs' counsel as Lead Counsel;

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

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

D. Awarding rescission or a rescissory measure of damages; and

E. Awarding such equitable/injunctive or other relief as deemed appropriate by the Court.

*[Continued on Following Page]*

**JURY DEMAND**

Plaintiffs demand a trial by jury.

DATED: July 28, 2017