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12 **UNITED STATES DISTRICT COURT**
 13 **NORTHERN DISTRICT OF CALIFORNIA**

14 BHUPENDRA V. SHAH, Individually and
 15 On Behalf of All Others Similarly Situated,

16 Plaintiff,

17 v.

18 CHEGG, INC., and DANIEL
 19 ROSENSWEIG,

20 Defendants.

Case No.:

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

JURY TRIAL DEMANDED

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

9 **NATURE OF THE ACTION AND OVERVIEW**

10 1. This is a class action on behalf of persons and entities that acquired Chegg
11 securities between July 30, 2018 and September 25, 2018, inclusive (the “Class Period”), seeking
12 to pursue remedies under the Securities Exchange Act of 1934 (the “Exchange Act”).

13 2. Chegg is a direct-to-student learning platform that provides educational materials
14 and services to high school and college students.

15 3. On September 25, 2018, the Company reported that an unauthorized party had
16 gained access on or around April 29, 2018 to approximately 40 million users’ data, including
17 username, email address, shipping address, and hashed Chegg password.

18 4. On this news, the Company’s share price fell \$3.91, or approximately 12%, to close
19 at \$28.42 per share on September 26, 2018, on unusually heavy trading volume.

20 5. Throughout the Class Period, Defendants made materially false and/or misleading
21 statements, as well as failed to disclose material adverse facts about the Company’s business,
22 operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) that the
23 Company lacked adequate security measures to protect users’ data; (2) that the Company lacked
24 the internal controls and procedures to detect unauthorized access to its systems and to its data; (3)
25 that as a result, the Company would incur additional expenses and litigation risks; and (4) that, as
26 a result of the foregoing, Defendants’ positive statements about the Company’s business,
27 operations, and prospects were materially false and/or misleading and/or lacked a reasonable basis.

28 6. As a result of Defendants’ wrongful acts and omissions, and the precipitous decline

1 in the market value of the Company's securities, Plaintiff and other Class members have suffered
2 significant losses and damages.

3 **JURISDICTION AND VENUE**

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

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

9 9. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b) and
10 Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts in furtherance of the
11 alleged fraud or the effects of the fraud have occurred in this Judicial District. Many of the acts
12 charged herein, including the dissemination of materially false and/or misleading information,
13 occurred in substantial part in this Judicial District. In addition, the Company's principal executive
14 offices are located in this district.

15 10. In connection with the acts, transactions, and conduct alleged herein, Defendants
16 directly and indirectly used the means and instrumentalities of interstate commerce, including the
17 United States mail, interstate telephone communications, and the facilities of a national securities
18 exchange.

19 **PARTIES**

20 11. Plaintiff Bhupendra V. Shah, as set forth in the accompanying certification,
21 incorporated by reference herein, purchased Chegg securities during the Class Period, and suffered
22 damages as a result of the federal securities law violations and false and/or misleading statements
23 and/or material omissions alleged herein.

24 12. Defendant Chegg is incorporated under the laws of Delaware with its principal
25 executive offices located at 3990 Freedom Circle, Santa Clara, California 95054. Chegg's
26 common stock trades on the New York Stock Exchange ("NYSE") under the symbol "CHGG."

27 13. Defendant Daniel Rosensweig ("Rosensweig") was the Chief Executive Officer of
28 the Company at all relevant times.

1 14. Defendant Rosensweig is also referred to hereinafter as the "Individual Defendant."
 2 Defendant Rosensweig because of his position with the Company, possessed the power and
 3 authority to control the contents of the Company's reports to the SEC, press releases and
 4 presentations to securities analysts, money and portfolio managers and institutional investors, *i.e.*,
 5 the market. The Individual Defendant was provided with copies of the Company's reports and
 6 press releases alleged herein to be misleading prior to, or shortly after, their issuance and had the
 7 ability and opportunity to prevent their issuance or cause them to be corrected. Because of his
 8 position and access to material non-public information available to her, the Individual Defendant
 9 knew that the adverse facts specified herein had not been disclosed to, and were being concealed
 10 from, the public, and that the positive representations which were being made were then materially
 11 false and/or misleading. The Individual Defendant is liable for the false statements pleaded
 12 herein.

SUBSTANTIVE ALLEGATIONS

Background

15 15. Chegg is a direct-to-student learning platform that provides educational materials
 16 and services to high school and college students.

Materially False and Misleading Statements Issued During the Class Period

17 16. The Class Period begins on July 30, 2018. On that day, the Company published a
 18 press release announcing the second quarter 2018 financial results, stating in relevant part:
 19

20 "We had a great Q2; achieving 32% total revenue growth, driven by 38% year-
 21 over-year Chegg Services revenue growth and subscriber growth of 45%," said Dan
 22 Rosensweig, Chairman and CEO of Chegg, Inc. "We expanded our services,
 23 introduced the Chegg Math Solver subscription and, through the acquisition of
 24 StudyBlue, added flashcards, one of the most popular learning tools used by
 25 students around the world. We enter the fall semester with significant momentum,
 26 giving us confidence to once again raise our guidance for the year."

Q2 2018 Highlights:

- 27 • **Total Net Revenues** of \$74.2 million, an increase of 32% year-over-year
- 28 • **Chegg Services Revenues** grew 38% year-over-year to \$61.8 million, or 83% of total net revenues, compared to 79% in Q2 2017
- **Net Loss** was \$3.9 million

- 1 • **Non-GAAP Net Income** was \$15.5 million
- 2 • **Adjusted EBITDA** was \$19.3 million
- 3 • **1.7 million:** number of Chegg Services subscribers, an increase of 45% year-over-year
- 4 • **158 million:** total Chegg Study content views, an increase of 62% year-over-year

5 17. The same day, the Company filed its quarterly report on Form 10-Q with the SEC
6 for the period ended June 30, 2018, reiterating the statements in the press release regarding the
7 Company's financial results and continued success. Moreover, the report discussed the Company's
8 vulnerability to unauthorized access to its systems and its data, stating in relevant part:

9 *Computer malware, viruses, hacking, phishing attacks and spamming could
10 harm our business and results of operations.*

11 Computer malware, viruses, physical or electronic break-ins and similar disruptions
12 could lead to interruptions and delays in our services and operations and loss,
13 misuse or theft of data. For instance, in December 2017, researchers identified
14 significant CPU architecture vulnerabilities commonly known as "Spectre" and
15 "Meltdown" that allow malicious programs to gain access to data. While chip
16 makers and companies that provide widely used operating systems have released
17 patches and updates, this process is still ongoing. Computer malware, viruses,
18 computer hacking and phishing attacks against online networking platforms have
19 become more prevalent and may occur on our systems in the future. We believe
20 that we could be a target for such attacks because of the incidence of hacking
21 among students.

22 Any attempts by hackers to disrupt our website service or our internal systems, if
23 successful, could harm our business, be expensive to remedy and damage our
24 reputation or brand. Our network security business disruption insurance may not be
25 sufficient to cover significant expenses and losses related to direct attacks on our
26 website or internal systems. Efforts to prevent hackers from entering our computer
27 systems are expensive to implement and may limit the functionality of our services.
28 Though it is difficult to determine what, if any, harm may directly result from any
specific interruption or attack, any failure to maintain performance, reliability,
security and availability of our products and services and technical infrastructure
may harm our reputation, brand and our ability to attract students to our website.
Any significant disruption to our website or internal computer systems could result
in a loss of students, colleges or brands and, particularly if disruptions occur during
the peak periods at the beginning of each academic term, could adversely affect our
business and results of operations.

18. The above statements identified in ¶¶ 16-17 were materially false and/or
misleading, and failed to disclose material adverse facts about the Company's business,
operations, and prospects. Specifically, Defendants failed to disclose to investors: 1) that the
Company lacked adequate security measures to protect users' data; (2) that the Company lacked
the internal controls and procedures to detect unauthorized access to its systems and to its data; (3)
that as a result, the Company would incur additional expenses and litigation risks; and (4) that, as

1 a result of the foregoing, Defendants' positive statements about the Company's business,
2 operations, and prospects were materially false and/or misleading and/or lacked a reasonable basis.

3 **Disclosures at the End of the Class Period**

4 19. On September 25, 2018, the Company filed a Form 8-K with the SEC, stating in
5 relevant part:

6 On September 19, 2018, Chegg learned that on or around April 29, 2018, an
7 unauthorized party gained access to a Company database that hosts user data for
8 chegg.com and certain of the Company's family of brands such as EasyBib. The
9 Company understands that the information that may have been obtained could
10 include a Chegg user's name, email address, shipping address, Chegg username,
11 and hashed Chegg password. The investigation into the incident, which is
supported by third-party forensics, is ongoing. To date, the Company understands
that no social security numbers or financial information such as users' credit card
numbers or bank account information were obtained. The Company expects to start
notifying approximately 40 million active and inactive registered users and certain
regulatory authorities on September 26, 2018.

12 20. On this news, the Company's share price fell \$3.91, or approximately 12%, to close
13 at \$28.42 per share on September 26, 2018, on unusually heavy trading volume.

14 **CLASS ACTION ALLEGATIONS**

15 21. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil
16 Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and entities that acquired
17 Chegg securities between July 30, 2018 and September 25, 2018, inclusive, and who were
18 damaged thereby (the "Class"). Excluded from the Class are Defendants, the officers and
19 directors of the Company, at all relevant times, members of their immediate families and their
20 legal representatives, heirs, successors, or assigns, and any entity in which Defendants have or had
21 a controlling interest.

22 22. The members of the Class are so numerous that joinder of all members is
23 impracticable. Throughout the Class Period, Chegg's common stock actively traded on the
24 NYSE. While the exact number of Class members is unknown to Plaintiff at this time and can
25 only be ascertained through appropriate discovery, Plaintiff believes that there are at least
26 hundreds or thousands of members in the proposed Class. Millions of Chegg common stock were
27 traded publicly during the Class Period on the NYSE. Record owners and other members of the
28 Class may be identified from records maintained by Chegg or its transfer agent and may be

1 notified of the pendency of this action by mail, using the form of notice similar to that customarily
2 used in securities class actions.

3 23. Plaintiff's claims are typical of the claims of the members of the Class as all
4 members of the Class are similarly affected by Defendants' wrongful conduct in violation of
5 federal law that is complained of herein.

6 24. Plaintiff will fairly and adequately protect the interests of the members of the Class
7 and has retained counsel competent and experienced in class and securities litigation.

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

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

13 (b) whether statements made by Defendants to the investing public during the Class
14 Period omitted and/or misrepresented material facts about the business, operations, and prospects
15 of Chegg; and

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

18 26. A class action is superior to all other available methods for the fair and efficient
19 adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the
20 damages suffered by individual Class members may be relatively small, the expense and burden of
21 individual litigation makes it impossible for members of the Class to individually redress the
22 wrongs done to them. There will be no difficulty in the management of this action as a class
23 action.
24

25 **UNDISCLOSED ADVERSE FACTS**

26 27. The market for Chegg's securities was open, well-developed and efficient at all
27 relevant times. As a result of these materially false and/or misleading statements, and/or failures
28 to disclose, Chegg's securities traded at artificially inflated prices during the Class Period.

1 Plaintiff and other members of the Class purchased or otherwise acquired Chegg's securities
2 relying upon the integrity of the market price of the Company's securities and market information
3 relating to Chegg, and have been damaged thereby.

4 28. During the Class Period, Defendants materially misled the investing public, thereby
5 inflating the price of Chegg's securities, by publicly issuing false and/or misleading statements
6 and/or omitting to disclose material facts necessary to make Defendants' statements, as set forth
7 herein, not false and/or misleading. The statements and omissions were materially false and/or
8 misleading because they failed to disclose material adverse information and/or misrepresented the
9 truth about Chegg's business, operations, and prospects as alleged herein.

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

21 **LOSS CAUSATION**

22 30. Defendants' wrongful conduct, as alleged herein, directly and proximately caused
23 the economic loss suffered by Plaintiff and the Class.

24 31. During the Class Period, Plaintiff and the Class purchased Chegg's securities at
25 artificially inflated prices and were damaged thereby. The price of the Company's securities
26 significantly declined when the misrepresentations made to the market, and/or the information
27 alleged herein to have been concealed from the market, and/or the effects thereof, were revealed,
28 causing investors' losses.

1 shares. Defendants' materially false and/or misleading statements during the Class Period resulted
2 in Plaintiff and other members of the Class purchasing the Company's securities at such
3 artificially inflated prices, and each of them has been damaged as a result.

4 35. At all relevant times, the market for Chegg's securities was an efficient market for
5 the following reasons, among others:

6 (a) Chegg shares met the requirements for listing, and was listed and actively traded on
7 the NYSE, a highly efficient and automated market;

8 (b) As a regulated issuer, Chegg filed periodic public reports with the SEC and/or the
9 NYSE;

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

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

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

23 37. A Class-wide presumption of reliance is also appropriate in this action under the
24 Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128 (1972),
25 because the Class's claims are, in large part, grounded on Defendants' material misstatements
26 and/or omissions. Because this action involves Defendants' failure to disclose material adverse
27 information regarding the Company's business operations and financial prospects—information
28 that Defendants were obligated to disclose—positive proof of reliance is not a prerequisite to

1 recovery. All that is necessary is that the facts withheld be material in the sense that a reasonable
2 investor might have considered them important in making investment decisions. Given the
3 importance of the Class Period material misstatements and omissions set forth above, that
4 requirement is satisfied here.

5 **NO SAFE HARBOR**

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

19 **FIRST CLAIM**
20 **Violation of Section 10(b) of The Exchange Act and**
21 **Rule 10b-5 Promulgated Thereunder**
22 **Against All Defendants**

23 39. Plaintiff repeats and re-alleges each and every allegation contained above as if fully
24 set forth herein.

25 40. During the Class Period, Defendants carried out a plan, scheme and course of
26 conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing
27 public, including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and
28 other members of the Class to purchase Chegg’s securities at artificially inflated prices. In
furtherance of this unlawful scheme, plan and course of conduct, Defendants, and each defendant,

1 took the actions set forth herein.

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

9 42. Defendants, individually and in concert, directly and indirectly, by the use, means
10 or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a
11 continuous course of conduct to conceal adverse material information about Chegg's financial
12 well-being and prospects, as specified herein.

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

22 44. The Individual Defendant's primary liability and controlling person liability arises
23 from the following facts: (i) the Individual Defendant was a high-level executive and/or director at
24 the Company during the Class Period and member of the Company's management team or had
25 control thereof; (ii) the Individual Defendant by virtue of his responsibilities and activities as a
26 senior officer and/or director of the Company, was privy to and participated in the creation,
27 development and reporting of the Company's internal budgets, plans, projections and/or reports;
28 (iii) the Individual Defendant enjoyed significant personal contact and familiarity with the other

1 defendants and was advised of, and had access to, other members of the Company's management
2 team, internal reports and other data and information about the Company's finances, operations,
3 and sales at all relevant times; and (iv) the Individual Defendant was aware of the Company's
4 dissemination of information to the investing public which they knew and/or recklessly
5 disregarded was materially false and misleading.

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

17 46. As a result of the dissemination of the materially false and/or misleading
18 information and/or failure to disclose material facts, as set forth above, the market price of
19 Chegg's securities was artificially inflated during the Class Period. In ignorance of the fact that
20 market prices of the Company's securities were artificially inflated, and relying directly or
21 indirectly on the false and misleading statements made by Defendants, or upon the integrity of the
22 market in which the securities trades, and/or in the absence of material adverse information that
23 was known to or recklessly disregarded by Defendants, but not disclosed in public statements by
24 Defendants during the Class Period, Plaintiff and the other members of the Class acquired Chegg's
25 securities during the Class Period at artificially high prices and were damaged thereby.

26 47. At the time of said misrepresentations and/or omissions, Plaintiff and other
27 members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff
28 and the other members of the Class and the marketplace known the truth regarding the problems

1 that Chegg was experiencing, which were not disclosed by Defendants, Plaintiff and other
2 members of the Class would not have purchased or otherwise acquired their Chegg securities, or,
3 if they had acquired such securities during the Class Period, they would not have done so at the
4 artificially inflated prices which they paid.

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

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

10 **SECOND CLAIM**
11 **Violation of Section 20(a) of The Exchange Act**
12 **Against the Individual Defendant**

13 50. Plaintiff repeats and re-alleges each and every allegation contained above as if fully
14 set forth herein.

15 51. The Individual Defendant acted as a controlling person of Chegg within the
16 meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level
17 positions and their ownership and contractual rights, participation in, and/or awareness of the
18 Company's operations and intimate knowledge of the false financial statements filed by the
19 Company with the SEC and disseminated to the investing public, Individual Defendant had the
20 power to influence and control and did influence and control, directly or indirectly, the decision-
21 making of the Company, including the content and dissemination of the various statements which
22 Plaintiff contends are false and misleading. Individual Defendant was provided with or had
23 unlimited access to copies of the Company's reports, press releases, public filings, and other
24 statements alleged by Plaintiff to be misleading prior to and/or shortly after these statements were
25 corrected.

26 52. In particular, Individual Defendant had direct and supervisory involvement in the
27 day-to-day operations of the Company and, therefore, had the power to control or influence the
28 particular transactions giving rise to the securities violations as alleged herein, and exercised the

1 same.

2 53. As set forth above, Chegg and Individual Defendant each violated Section 10(b)
3 and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of his position
4 as controlling person, Individual Defendant is liable pursuant to Section 20(a) of the Exchange
5 Act. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and other
6 members of the Class suffered damages in connection with their purchases of the Company's
7 securities during the Class Period.

8 **PRAYER FOR RELIEF**

9 WHEREFORE, Plaintiff prays for relief and judgment, as follows:

10 (a) Determining that this action is a proper class action under Rule 23 of the Federal
11 Rules of Civil Procedure;

12 (b) Awarding compensatory damages in favor of Plaintiff and the other Class members
13 against all defendants, jointly and severally, for all damages sustained as a result of Defendants'
14 wrongdoing, in an amount to be proven at trial, including interest thereon;

15 (c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in
16 this action, including counsel fees and expert fees; and

17 (d) Such other and further relief as the Court may deem just and proper.

18 **JURY TRIAL DEMANDED**

19 Plaintiff hereby demands a trial by jury.

20 Dated: September 27, 2018

GLANCY PRONGAY & MURRAY LLP

21 By: s/Robert V. Prongay

22 Lionel Z. Glancy

23 Robert V. Prongay

24 Lesley F. Portnoy

25 Charles H. Linehan

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Email: info@glancylaw.com

28 *Attorneys for Plaintiff*

GLANCY PRONGAY & MURRAY LLP

SWORN CERTIFICATION OF PLAINTIFF

Chegg, Inc. Securities Litigation

I, Bhupendra V Shah, certify that:

1. I have reviewed the Complaint and authorize its filing and/or the filing of a Lead Plaintiff motion on my behalf.
2. I did not purchase Chegg, Inc., the security that is the subject of this action, at the direction of plaintiff's counsel or in order to participate in any private action arising under this title.
3. I am willing to serve as a representative party on behalf of a class and will testify at deposition and trial, if necessary.
4. My transactions in Chegg, Inc. during the Class Period set forth in the Complaint are attached in Exhibit A.
5. I have not sought to serve, or served, as a representative party on behalf of a class under the federal security laws during the last three years, except as follows:
6. I will not accept any payment for serving as a representative party, except to receive my pro rata share of any recovery or as ordered or approved by the court, including the award to a representative plaintiff of reasonable costs and expenses (including lost wages) directly relating to the representation of the class.

I declare under penalty of perjury that the foregoing are true and correct statements.



Date: September 26 2018

[REDACTED]

I am NOT a current or former employee of Chegg, Inc.

RETURN TO:

Glancy Prongay & Murray LLP
1925 Century Park East, Suite 2100
Los Angeles, CA 90067

EXHIBIT A

Purchases

Number of Shares	Date	Price (\$)
900	August 17, 2018	30.1900000000
300	August 20, 2018	30.8500000000

Sales

Number of Shares	Date	Price (\$)
400	September 26, 2018	28.3600000000

CIVIL COVER SHEET

The JS-CAND 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved in its original form by the Judicial Conference of the United States in September 1974, is required for the Clerk of Court to initiate the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

BHUPENDRA V. SHAH, Individually and On Behalf of All Others Similarly Situated,

(b) County of Residence of First Listed Plaintiff Oakland Co., MI (EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number) ROBERT V. PRONGAY (#270796), Glancy Prongay & Murray LLP 1925 Century Park East, Suite 2100, Los Angeles, CA 90067 (310) 201-9150, Email: rprongay@glancylaw.com

DEFENDANTS

CHEGG, INC., and DANIEL ROSENSWEIG,

County of Residence of First Listed Defendant Santa Clara, CA (IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff
2 U.S. Government Defendant
3 Federal Question (U.S. Government Not a Party)
4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

Table with columns for Plaintiff (PTF) and Defendant (DEF) citizenship: Citizen of This State, Citizen of Another State, Citizen or Subject of a Foreign Country, Incorporated or Principal Place of Business In This State, Incorporated and Principal Place of Business In Another State, Foreign Nation.

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Large table with categories: CONTRACT, REAL PROPERTY, TORTS, CIVIL RIGHTS, PRISONER PETITIONS, HABEAS CORPUS, OTHER, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES.

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding
2 Removed from State Court
3 Remanded from Appellate Court
4 Reinstated or Reopened
5 Transferred from Another District (specify)
6 Multidistrict Litigation-Transfer
8 Multidistrict Litigation-Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): Private Securities Litigation Reform Act, 15 U.S.C. §§78j(b) and 78t(a); and 17 C.F.R. §240.10b-5

Brief description of cause:

Securities Fraud - Violations of Sections 10(B) and 20(A) of the Exchange Act and SEC Rule 10B-5

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, Fed. R. Civ. P. DEMAND \$

CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S), IF ANY (See instructions):

JUDGE

DOCKET NUMBER

IX. DIVISIONAL ASSIGNMENT (Civil Local Rule 3-2)

(Place an "X" in One Box Only) SAN FRANCISCO/OAKLAND SAN JOSE EUREKA-MCKINLEYVILLE

DATE 09/27/2018

SIGNATURE OF ATTORNEY OF RECORD

s/ Robert V. Prongay

INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS-CAND 44

Authority For Civil Cover Sheet. The JS-CAND 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved in its original form by the Judicial Conference of the United States in September 1974, is required for the Clerk of Court to initiate the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I. a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
- b) County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the “defendant” is the location of the tract of land involved.)
- c) Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section “(see attachment).”
- II. Jurisdiction.** The basis of jurisdiction is set forth under Federal Rule of Civil Procedure 8(a), which requires that jurisdictions be shown in pleadings. Place an “X” in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
- (1) United States plaintiff. Jurisdiction based on 28 USC §§ 1345 and 1348. Suits by agencies and officers of the United States are included here.
 - (2) United States defendant. When the plaintiff is suing the United States, its officers or agencies, place an “X” in this box.
 - (3) Federal question. This refers to suits under 28 USC § 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
 - (4) Diversity of citizenship. This refers to suits under 28 USC § 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. Residence (citizenship) of Principal Parties.** This section of the JS-CAND 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit.** Place an “X” in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerk(s) in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.
- V. Origin.** Place an “X” in one of the six boxes.
- (1) Original Proceedings. Cases originating in the United States district courts.
 - (2) Removed from State Court. Proceedings initiated in state courts may be removed to the district courts under Title 28 USC § 1441. When the petition for removal is granted, check this box.
 - (3) Remanded from Appellate Court. Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
 - (4) Reinstated or Reopened. Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
 - (5) Transferred from Another District. For cases transferred under Title 28 USC § 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
 - (6) Multidistrict Litigation Transfer. Check this box when a multidistrict case is transferred into the district under authority of Title 28 USC § 1407. When this box is checked, do not check (5) above.
 - (8) Multidistrict Litigation Direct File. Check this box when a multidistrict litigation case is filed in the same district as the Master MDL docket. Please note that there is no Origin Code 7. Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.
- VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC § 553. Brief Description: Unauthorized reception of cable service.
- VII. Requested in Complaint.** Class Action. Place an “X” in this box if you are filing a class action under Federal Rule of Civil Procedure 23. Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction. Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases.** This section of the JS-CAND 44 is used to identify related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.
- IX. Divisional Assignment.** If the Nature of Suit is under Property Rights or Prisoner Petitions or the matter is a Securities Class Action, leave this section blank. For all other cases, identify the divisional venue according to Civil Local Rule 3-2: “the county in which a substantial part of the events or omissions which give rise to the claim occurred or in which a substantial part of the property that is the subject of the action is situated.”
- Date and Attorney Signature.** Date and sign the civil cover sheet.