

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

_____, Individually and on behalf of all
others similarly situated,

Plaintiff,

v.

ROLLINS, INC., GARY W.
ROLLINS, PAUL E. NORTHERN,
and JULIE K. BIMMERMAN,

Defendants.

Case No:

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

JURY TRIAL DEMANDED

Plaintiff _____ (“Plaintiff”), individually and on behalf of all other persons similarly situated, by Plaintiff’s undersigned attorneys, for Plaintiff’s complaint against Defendants (defined below), alleges the following based upon personal knowledge as to Plaintiff and Plaintiff’s own acts, and information and belief as to all other matters, based upon, *inter alia*, the investigation conducted by and through his attorneys, which included, among other things, a review of the Defendants’ public documents, conference calls and announcements made by Defendants,

United States Securities and Exchange Commission (“SEC”) filings, wire and press releases published by and regarding Rollins, Inc. (“Rollins” or the “Company”), and information readily obtainable on the Internet. Plaintiff believes 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 class action on behalf of persons or entities who purchased or otherwise acquired publicly traded Rollins securities from July 28, 2017 through April 18, 2022, inclusive (the “Class Period”). Plaintiff seeks to recover compensable damages caused by Defendants’ violations of the federal securities laws under the Securities Exchange Act of 1934 (the “Exchange Act”).

JURISDICTION AND VENUE

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

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

4. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)) as the alleged misstatements

entered and the subsequent damages took place in this judicial district, and the Company conducts substantial business in this district.

5. In connection with the acts, conduct and other wrongs alleged in this complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including but not limited to, the United States mails, interstate telephone communications and the facilities of the national securities exchange.

PARTIES

6. Plaintiff, as set forth in the accompanying certification, incorporated by reference herein, purchased Rollins securities during the Class Period and was economically damaged thereby.

7. Defendant Rollins purportedly provides pest and termite control services. Rollins is incorporated in Delaware with headquarters in Atlanta, Georgia. Rollins securities trade on the New York Stock Exchange (“NYSE”).

8. Defendant Gary W. Rollins (“G. Rollins”) has served as the Company’s Chairman of the Board and Chief Executive Officer (“CEO”) at all relevant times.

9. Defendant Paul E. Northern (“Northern”) served as the Company’s Chief Financial Officer (“CFO”) from at least the start of the Class Period until July 27, 2021.

10. Defendant Julie K. Bimmerman (“Bimmerman”) has served as the Company’s CFO from July 27, 2021 and at all relevant times thereafter.

11. Defendants G. Rollins, Northern, and Bimmerman are collectively referred to herein as the “Individual Defendants.”

12. Each of the Individual Defendants:

- (a) directly participated in the management of the Company;
- (b) was directly involved in the day-to-day operations of the Company at the highest levels;
- (c) was privy to confidential proprietary information concerning the Company and its business and operations;
- (d) was directly or indirectly involved in drafting, producing, reviewing and/or disseminating the false and misleading statements and information alleged herein;
- (e) was directly or indirectly involved in the oversight or implementation of the Company’s internal controls;
- (f) was aware of or recklessly disregarded the fact that the false and misleading statements were being issued concerning the Company; and/or
- (g) approved or ratified these statements in violation of the federal securities laws.

13. Rollins is liable for the acts of the Individual Defendants and its employees under the doctrine of *respondeat superior* and common law principles of agency because all of the wrongful acts complained of herein were carried out within the scope of their employment.

14. The scienter of the Individual Defendants and other employees and agents of the Company is similarly imputed to Rollins under *respondeat superior* and agency principles.

15. Defendants Rollins and the Individual Defendants are collectively referred to herein as “Defendants.”

SUBSTANTIVE ALLEGATIONS

Materially False and Misleading Statements

16. On or about July 28, 2017, the Company released its quarterly results for the second quarter ended June 30, 2017 (2Q17 10-Q). Attached to the 2Q17 10-Q were certifications pursuant to the Sarbanes-Oxley Act of 2002 (“SOX”) signed by Defendants G. Rollins and Northern attesting to the accuracy of financial reporting, the disclosure of any material changes to the Company’s internal control over financial reporting and the disclosure of all fraud.

17. The 2Q17 10-Q stated the following, in pertinent part, regarding Rollins’ internal controls:

Under the supervision and with the participation of our management, including our principal executive officer and principal financial

officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as of June 30, 2017 (the “Evaluation Date”). *Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level* as of the Evaluation Date to ensure that the information required to be included in reports filed under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms.

In addition, *management’s quarterly evaluation identified no changes in our internal control over financial reporting during the second quarter that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. As of June 30, 2017, we did not identify any material weaknesses in our internal controls, and therefore no corrective actions were taken.*

(Emphasis added.)

18. On or about February 26, 2018, the Company filed a Form 10-K for the fiscal year ended December 31, 2017 (2017 10-K). Attached to the 2017 10-K were SOX certifications signed by Defendants G. Rollins and Northern attesting to the accuracy of financial reporting, the disclosure of any material changes to the Company’s internal control over financial reporting and the disclosure of all fraud.

19. The 2017 10-K stated, in relevant part, the following regarding Rollins’ internal controls:

**MANAGEMENT’S REPORT ON INTERNAL CONTROLS
OVER FINANCIAL REPORTING**

To the Stockholders of Rollins, Inc.: *The management of Rollins, Inc. is responsible for establishing and maintaining adequate internal*

control over financial reporting for the Company. Rollins, Inc. maintains a system of internal accounting controls designed to provide reasonable assurance, at a reasonable cost, that assets are safeguarded against loss or unauthorized use and that the financial records are adequate and can be relied upon to produce financial statements in accordance with accounting principles generally accepted in the United States of America. The internal control system is augmented by written policies and procedures, an internal audit program and the selection and training of qualified personnel. This system includes policies that require adherence to ethical business standards and compliance with all applicable laws and regulations. *Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of the design and operation of internal controls over financial reporting, as of December 31, 2017* based on criteria established in the 2013 Internal Control—Integrated framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. *Based on this evaluation, management’s assessment is that Rollins, Inc. maintained effective internal control over financial reporting as of December 31, 2017.*

(Emphasis added.)

20. On or about March 1, 2019, the Company filed a Form 10-K for the fiscal year ended December 31, 2018 (2018 10-K). Attached to the 2018 10-K were SOX certifications signed by Defendants G. Rollins and Northern attesting to the accuracy of financial reporting, the disclosure of any material changes to the Company’s internal control over financial reporting and the disclosure of all fraud.

21. The 2018 10-K stated the following, in pertinent part, regarding Rollins’ internal controls:

**MANAGEMENT’S REPORT ON INTERNAL CONTROLS
OVER FINANCIAL REPORTING**

To the Stockholders of Rollins, Inc.:

The management of Rollins, Inc. is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Rollins, Inc. maintains a system of internal accounting controls designed to provide reasonable assurance, at a reasonable cost, that assets are safeguarded against loss or unauthorized use and that the financial records are adequate and can be relied upon to produce financial statements in accordance with accounting principles generally accepted in the United States of America. The internal control system is augmented by written policies and procedures, an internal audit program and the selection and training of qualified personnel. This system includes policies that require adherence to ethical business standards and compliance with all applicable laws and regulations.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of the design and operation of internal controls over financial reporting, as of December 31, 2018 based on criteria established in the 2013 Internal Control—Integrated framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. ***Based on this evaluation, management’s assessment is that Rollins, Inc. maintained effective internal control over financial reporting as of December 31, 2018.***

(Emphasis added.)

22. On or about February 28, 2020, the Company filed a Form 10-K for the fiscal year ended December 31, 2019 (2019 10-K). Attached to the 2019 10-K were SOX certifications signed by Defendants G. Rollins and Northern attesting to the accuracy of financial reporting, the disclosure of any material changes to the Company’s internal control over financial reporting and the disclosure of all fraud.

23. The 2019 10-K stated the following, in relevant part, regarding Rollins' internal controls:

MANAGEMENT'S REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING

To the Stockholders of Rollins, Inc.:

The management of Rollins, Inc. is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Rollins, Inc. maintains a system of internal accounting controls designed to provide reasonable assurance, at a reasonable cost, that assets are safeguarded against loss or unauthorized use and that the financial records are adequate and can be relied upon to produce financial statements in accordance with accounting principles generally accepted in the United States of America. The internal control system is augmented by written policies and procedures, an internal audit program and the selection and training of qualified personnel. This system includes policies that require adherence to ethical business standards and compliance with all applicable laws and regulations.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of the design and operation of internal controls over financial reporting, as of December 31, 2019 based on criteria established in the 2013 Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. We have elected to exclude our wholly-owned subsidiary, Clark Pest Control of Stockton, Inc, a 2019 acquisition, from Management's evaluation of Internal Controls over Financial Reporting as of December 31, 2019. This acquisition constituted 21.8% of total assets as of December 31, 2019 and 4.7% of revenues for the year then ended. Refer to Notes 1 and 2 in the consolidated financial statements for further discussion of this acquisition and its impact on Rollins, Inc.'s financial statements. Management has commenced evaluation of the design of the internal control environment and expects to include this entity in evaluation of ICFR effective December 31, 2020. *Based on this evaluation,*

management's assessment is that Rollins, Inc. maintained effective internal control over financial reporting as of December 31, 2019.

(Emphasis added.)

24. The statements contained in ¶¶16-23 were materially false and/or misleading because they misrepresented and failed to disclose the following adverse facts pertaining to the Company's business, operations and prospects, which were known to Defendants or recklessly disregarded by them. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (1) Rollins was engaging in improper accounting practices to boost its publicly-reported quarterly earnings per share ("EPS") to meet research analysts' consensus estimates; (2) as such, Rollins did not have effective internal control over financial reporting during the class period; and (3) as a result, Defendants' statements about Rollins' business, operations, and prospects were materially false and/or misleading and/or lacked a reasonable basis at all relevant times.

THE TRUTH BEGINS TO EMERGE

25. On October 28, 2020, Rollins filed a Form 10-Q for the quarter ended September 30, 2020 (3Q20 10-Q). Attached to the 3Q20 10-Q were SOX certifications signed by Defendants G. Rollins and Northern attesting to the accuracy of financial reporting, the disclosure of any material changes to the Company's internal control over financial reporting and the disclosure of all fraud.

26. The 3Q20 10-Q revealed that the SEC was conducting an investigation into Rollins. However, the Company downplayed the potential impact of the investigation, stating its own independent investigator had found nothing wrong. In pertinent part, the 3Q20 10-Q stated the following regarding the SEC investigation:

Item 1. Legal Proceedings

The Securities and Exchange Commission (“SEC”) is conducting an investigation, which the Company believes is primarily focused on how it established accruals and reserves at period-ends and the impact of those accruals and reserves on reported earnings. The investigation relates to period-ends for periods beginning January 1, 2015. The Company is fully cooperating with the SEC’s investigation. The Company cannot predict the outcome of this investigation. The Company’s Audit Committee retained independent counsel to conduct an internal investigation into matters related to the SEC investigation and, in particular, the Company’s processes for establishing reserves for each quarter in the relevant periods. The investigation was concluded in October 2020. The Company, after consultation with the Audit Committee and the independent counsel, believes that its financial statements filed with the SEC on forms 10-K and 10-Q for the relevant periods fairly present in all material respects its financial condition, results of operations and cash flows as of their respective balance sheet dates and for the periods then ended.

(Emphasis added.)

27. As a result of Rollins’ obfuscation of the truth, the stock price was not impacted, and Rollins shares continued to trade at inflated prices.

28. On or about February 26, 2021, the Company filed a Form 10-K for the fiscal year ended December 31, 2020 (2020 10-K). Attached to the 2020 10-K were SOX certifications signed by Defendants G. Rollins and Northern attesting to the

accuracy of financial reporting, the disclosure of any material changes to the Company's internal control over financial reporting and the disclosure of all fraud.

29. The 2020 10-K revealed that the Company's independent internal investigation had determined there was a significant deficiency in Rollins' internal controls, reversing course on the Company's statements in the 3Q20 10-Q regarding the internal investigation's findings. In relevant part, the 2020 10-K stated the following regarding the SEC investigation and the Company's deficient internal controls:

The ongoing SEC investigation and any potential related litigation entail risks and uncertainties.

The SEC is conducting an investigation, which the Company believes is primarily focused on how it established accruals and reserves at period-ends and the impact of those accruals and reserves on reported earnings. The investigation relates to period-ends for periods beginning January 1, 2015. The Company is fully cooperating with the SEC's investigation. ***The Company's Audit Committee retained independent counsel to conduct an internal investigation into matters related to the SEC investigation and, in particular, the Company's processes for establishing and adjusting reserves for each quarter in the relevant periods. The internal investigation was concluded in October 2020. Based on the results of the internal investigation, it was determined that there was a significant deficiency in the Company's internal controls relating to the documentation and review of accounting entries for certain reserves and accruals.*** The Company has subsequently reevaluated and strengthened its internal controls over financial reporting, including improving processes and procedures and supporting documentation and providing additional training, which has resulted in the remediation of the significant deficiency. ***The Company, after consultation with the Audit Committee and independent counsel, believes that its financial statements filed with the SEC on Forms 10-K and 10-Q for the relevant periods fairly present in all***

material respects its financial condition, results of operations and cash flows as of their respective balance sheet dates and for the periods then ended.

The SEC's investigation is ongoing, however, and there can be no assurance that the SEC or another regulatory body will not make further regulatory inquiries or pursue action against the Company and its senior officers that could result in potentially significant sanctions and penalties, or that could require the Company to take additional remedial steps. Potential sanctions against the Company and/or individuals could include penalties, injunctions, and cease-and-desist orders. Further, the Company may be subject to litigation from third parties related to the matters under review by the SEC. Accordingly, the ongoing SEC investigation and any potential related litigation could result in distraction to management and entail risks and uncertainties the outcome of which could adversely affect our financial results and our reputation.

(Emphasis added.)

30. On this news, Rollins share prices fell \$0.87, or 2.5%, to close at \$33.17 per share on February 26, 2021, damaging investors.

THE TRUTH FULLY EMERGES

31. On April 18, 2022, the SEC announced that Rollins agreed to pay \$8 million to settle the investigation. The SEC announcement stated, in pertinent part, the following regarding the settlement:

The Securities and Exchange Commission today announced that Rollins Inc. agreed to pay \$8 million to settle charges that it engaged in improper accounting practices in order to boost its publicly-reported quarterly earnings per share (EPS) to meet research analysts' consensus estimates.

The SEC's order finds that, *in the first quarter of 2016 and the second quarter of 2017, Rollins, a nationwide provider of pest control*

services, made unsupported reductions to their accounting reserves in amounts sufficient to allow the company to round up reported EPS to the next penny. According to the order, the company's then CFO, Paul Edward Northen, [sic] directed the improper accounting adjustments without conducting an analysis of the appropriate accounting criteria under generally accepted accounting principles (GAAP) and without adequately memorializing the basis for those accounting entries. The order also finds that Rollins made other accounting entries that were not supported by adequate documentation in multiple additional quarters from 2016 through 2018.

* * *

The SEC's order finds that Rollins and Northen [sic] violated Sections 17(a)(2) and (3) of the Securities Act of 1933 and that Rollins violated the financial reporting, books and records, and internal controls provisions of the Securities Exchange Act of 1934. The order also finds that Northen [sic] violated Section 13(b)(5) and Rule 13b2-1 of the Exchange Act and further caused Rollins' violations of the financial reporting, books and records, and internal controls provisions of the Exchange Act. Without admitting or denying the SEC's findings, Rollins and Northen [sic] have agreed to cease and desist from future violations of the charged provisions and pay civil penalties of \$8 million and \$100,000, respectively.

(Emphasis added.)

32. On this news, Rollins share prices fell \$0.61, or 1.7%, to close at \$34.29 per share on April 18, 2022, damaging investors.

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

PLAINTIFF'S CLASS ACTION ALLEGATIONS

34. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class consisting of all persons other than defendants who acquired Rollins securities publicly traded on the NYSE during the Class Period, and who were damaged thereby (the "Class"). Excluded from the Class are Defendants, the officers and directors of Rollins, members of the Individual Defendants' immediate families and their legal representatives, heirs, successors or assigns and any entity in which Officer or Director Defendants have or had a controlling interest.

35. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Rollins securities were actively traded on the NYSE. While the exact number of Class members is unknown to Plaintiff at this time and can be ascertained only through appropriate discovery, Plaintiff believes that there are hundreds, if not thousands of members in the proposed Class.

36. Plaintiff's 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.

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

litigation. Plaintiff has no interests antagonistic to or in conflict with those of the Class.

38. 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:

- whether the Exchange Act were violated by Defendants' acts as alleged herein;
- whether statements made by Defendants to the investing public during the Class Period misrepresented material facts about the financial condition and business Rollins;
- whether Defendants' public statements to the investing public during the Class Period omitted material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading;
- whether the Defendants caused Rollins to issue false and misleading public filings during the Class Period;
- whether Defendants acted knowingly or recklessly in issuing false and public filings;

- whether the prices of Rollins' securities during the Class Period were artificially inflated because of the Defendants' conduct complained of herein; and
- whether the members of the Class have sustained damages and, if so, what is the proper measure of damages.

39. 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.

40. Plaintiff will rely, in part, upon the presumption of reliance established by the fraud-on-the-market doctrine in that:

- Rollins securities met the requirements for listing, and were listed and actively traded on the NYSE, a highly efficient and automated market;
- As a public issuer, Rollins filed periodic public reports;
- Rollins regularly communicated with public investors via established market communication mechanisms, including through the regular dissemination of press releases via major newswire services and through other wide-ranging public disclosures, such as

communications with the financial press and other similar reporting services; and

- Rollins was followed by a number of securities analysts employed by major brokerage firms who wrote reports that were widely distributed and publicly available.

41. Based on the foregoing, the market for Rollins securities promptly digested current information regarding Rollins from all publicly available sources and reflected such information in the prices of the securities, and Plaintiff and the members of the Class are entitled to a presumption of reliance upon the integrity of the market.

42. Alternatively, Plaintiff and the members of the Class are entitled to the presumption of reliance established by the Supreme Court in *Affiliated Ute Citizens of the State of Utah v. United States*, 406 U.S. 128 (1972), as Defendants omitted material information in their Class Period statements in violation of a duty to disclose such information as detailed above.

COUNT I

For Violations of Section 10(b) And Rule 10b-5 Promulgated Thereunder Against All Defendants

43. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

44. This Count is asserted against Defendants is based upon Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder by the SEC.

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

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

- employed devices, schemes and artifices to defraud;
- 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
- engaged in acts, practices and a course of business that operated as a fraud or deceit upon plaintiff and others similarly situated in connection with their purchases of Rollins securities during the Class Period.

47. Defendants acted with scienter in that they knew that the public documents and statements issued or disseminated in the name of Rollins were materially false and misleading; knew that 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 securities laws. These defendants by virtue of their receipt of information reflecting the true facts of Rollins, their control over, and/or receipt and/or modification of Rollins' allegedly materially misleading statements, and/or their associations with the Company which made them privy to confidential proprietary information concerning Rollins, participated in the fraudulent scheme alleged herein.

48. Individual Defendants, who are the senior officers and/or directors of the Company, had actual knowledge of the material omissions and/or the falsity of the material statements set forth above, and intended to deceive Plaintiff and the other members of the Class, or, in the alternative, acted with reckless disregard for the truth when they failed to ascertain and disclose the true facts in the statements made by them or other Rollins personnel to members of the investing public, including Plaintiff and the Class.

49. As a result of the foregoing, the market price of Rollins securities was artificially inflated during the Class Period. In ignorance of the falsity of

Defendants' statements, Plaintiff and the other members of the Class relied on the statements described above and/or the integrity of the market price of Rollins securities during the Class Period in purchasing Rollins securities at prices that were artificially inflated as a result of Defendants' false and misleading statements.

50. Had Plaintiff and the other members of the Class been aware that the market price of Rollins securities had been artificially and falsely inflated by Defendants' misleading statements and by the material adverse information which Defendants did not disclose, they would not have purchased Rollins securities at the artificially inflated prices that they did, or at all.

51. As a result of the wrongful conduct alleged herein, Plaintiff and other members of the Class have suffered damages in an amount to be established at trial.

52. By reason of the foregoing, Defendants have violated Section 10(b) of the 1934 Act and Rule 10b-5 promulgated thereunder and are liable to the plaintiff and the other members of the Class for substantial damages which they suffered in connection with their purchase of ROLLINS securities during the Class Period.

COUNT II
Violations of Section 20(a) of the Exchange Act
Against the Individual Defendants

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

54. During the Class Period, the Individual Defendants participated in the operation and management of Rollins, and conducted and participated, directly and indirectly, in the conduct of Rollins' business affairs. Because of their senior positions, they knew the adverse non-public information about Rollins' misstatement of revenue and profit and false financial statements.

55. As officers and/or directors of a publicly owned company, the Individual Defendants had a duty to disseminate accurate and truthful information with respect to Rollins' financial condition and results of operations, and to correct promptly any public statements issued by Rollins which had become materially false or misleading.

56. Because of their positions of control and authority as senior officers, the Individual Defendants were able to, and did, control the contents of the various reports, press releases and public filings which Rollins disseminated in the marketplace during the Class Period concerning Rollins' results of operations. Throughout the Class Period, the Individual Defendants exercised their power and authority to cause Rollins to engage in the wrongful acts complained of herein. The Individual Defendants therefore, were "controlling persons" of Rollins within the meaning of Section 20(a) of the Exchange Act. In this capacity, they participated in the unlawful conduct alleged which artificially inflated the market price of Rollins securities.

57. By reason of the above conduct, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act for the violations committed by Rollins.

PRAYER FOR RELIEF

WHEREFORE, plaintiff, on behalf of himself and the Class, prays for judgment and relief as follows:

(a) declaring this action to be a proper class action, designating plaintiff as Lead Plaintiff and certifying plaintiff as a class representative under Rule 23 of the Federal Rules of Civil Procedure and designating plaintiff's counsel as Lead Counsel;

(b) awarding damages in favor of plaintiff and the other Class members against all defendants, jointly and severally, together with interest thereon;

(c) awarding plaintiff and the Class reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

(d) awarding plaintiff and other members of the Class such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.