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

\_\_\_\_\_, Individually and on Behalf of All  
Others Similarly Situated,

Plaintiff,

v.

FRESHWORKS INC., RATHNA GIRISH  
MATHRUBOOTHAM, TYLER SLOAT,  
ROXANNE S. AUSTIN, JOHANNA  
FLOWER, SAMEER GANDHI, RANDY  
GOTTFRIED, ZACHARY NELSON, BARRY  
PADGETT, JENNIFER TAYLOR, MORGAN  
STANLEY & CO. LLC, J.P. MORGAN  
SECURITIES LLC, BOFA SECURITIES,  
INC., JEFFERIES LLC, BARCLAYS  
CAPITAL INC., ROBERT W. BAIRD & CO.  
INCORPORATED, CANACCORD GENUITY  
LLC, JMP SECURITIES LLC, NEEDHAM &  
COMPANY, LLC, NOMURA SECURITIES  
INTERNATIONAL, INC., OPPENHEIMER &  
CO. INC., PIPER SANDLER & CO.,  
RAYMOND JAMES & ASSOCIATES, INC.,  
AMERIVET SECURITIES, INC.,  
CASTLEOAK SECURITIES, L.P., SAMUEL  
A. RAMIREZ & COMPANY, INC., and R.  
SEELAUS & CO., LLC,

Defendants.

Case No. \_\_\_\_\_

**CLASS ACTION COMPLAINT**

DEMAND FOR JURY TRIAL

1 Plaintiff \_\_\_\_\_ (“Plaintiff”) makes the following allegations, individually and on  
2 behalf of all others similarly situated, by and through Plaintiff’s counsel, upon information and  
3 belief, except as to those allegations concerning Plaintiff, which are alleged upon personal  
4 knowledge. Plaintiff’s information and belief are based upon, *inter alia*, counsel’s investigation,  
5 which included, among other things, review and analysis of: (i) regulatory filings made by  
6 Freshworks Inc. (“Freshworks” or the “Company”) with the U.S. Securities and Exchange  
7 Commission (“SEC”); (ii) press releases and media reports issued by and disseminated by the  
8 Company; and (iii) analyst reports, media reports, and other publicly disclosed reports and  
9 information about the Company. Plaintiff believes that substantial evidentiary support will exist  
10 for the allegations set forth herein after a reasonable opportunity for discovery.

11 **NATURE AND SUMMARY OF THE ACTION**

12 1. Plaintiff brings this federal class action under §§11, 12, and 15 of the Securities Act  
13 of 1933 (“Securities Act”) against (i) Freshworks, (ii) certain of the Company’s senior executives  
14 and directors who signed the Registration Statement, effective September 21, 2021, issued in  
15 connection with the Company’s initial public offering (the “IPO” or the “Offering”), and the  
16 underwriters of the Offering. Plaintiff alleges that the Registration Statement and Prospectus (filed  
17 with the SEC on August 27, 2021 and September 22, 2021, respectively), including all  
18 amendments thereto, contained materially incorrect or misleading statements and/or omitted  
19 material information that was required by law to be disclosed. Defendants are each strictly liable  
20 for such misstatements and omissions therefrom (subject only to their ability to establish a “due  
21 diligence” affirmative defense).

22 2. Freshworks, which is headquartered in San Mateo, California, provides customer  
23 engagement software for businesses. On or about September 22, 2021 Freshworks conducted its  
24 IPO, offering 28.5 million shares of its common stock to the investing public at a price of \$36 per  
25 share (the “Offering Price”). Defendants anticipated generating gross proceeds of over \$1 billion  
26 from the IPO.

27 3. According to the Offering Documents, Freshworks’ business had “grown rapidly”  
28 in the lead up to the IPO and the Company observed “broad appeal of [its] products to customers

1 of all sizes and geographies.” Consequently, the Company’s growth rates and purportedly  
2 “healthy” net dollar retention rates reached levels not previously achieved, and there was no  
3 indication that either was decelerating.

4 4. Unbeknownst to Plaintiff and other potential investors, however, at the time of the  
5 IPO, Freshworks’ revenue growth and billings had encountered obstacles.

6 5. As these true facts emerged after the Offering, the Company’s shares fell sharply.  
7 By the commencement of this action, Freshworks’ shares traded as low as \$10.51 per share, a  
8 decline of nearly 70% from the Offering Price.

9 6. By this action, Plaintiff, on behalf of himself and other members of the Class  
10 (defined below) who also acquired Freshworks’ shares pursuant and traceable to the Offering, now  
11 seeks to obtain a recovery for the damages suffered as a result of Defendants’ violations of the  
12 Securities Act, as alleged herein.

13 7. The claims asserted herein are purely strict liability and negligence claims. Plaintiff  
14 expressly eschews any allegation sounding in fraud.

15 **JURISDICTION AND VENUE**

16 8. The claims asserted herein arise under and pursuant to §§11, 12(a)(2), and 15 of the  
17 Securities Act, 15 U.S.C. §§77k, 77l(a)(2), and 77o, respectively.

18 9. This Court has jurisdiction over the subject matter of this action pursuant to 28  
19 U.S.C. §1331 and §22 of the Securities Act, 15 U.S.C. §77v.

20 10. Venue is proper in this District pursuant to 28 U.S.C. §1391(b) because the acts and  
21 transactions giving rise to the violations of law complained of occurred, in part, in this District,  
22 including the dissemination of false and misleading statements into this District, certain  
23 Defendants reside and/or transact business in this District, and the Company maintains its  
24 corporate headquarters in this District.

25 11. In connection with the acts, transactions, and conduct alleged herein, Defendants  
26 directly and indirectly used the means and instrumentalities of interstate commerce, including the  
27 U.S. mail, interstate telephone communications, and the facilities of a national securities exchange.

28



1           17. Defendant Roxanne S. Austin (“Austin”) is, and was at all relevant times, a director  
2 on the Board. Defendant Austin reviewed, approved, and participated in making statements in the  
3 Offering Documents, which she signed.

4           18. Defendant Johanna Flower (“Flower”) is, and was at all relevant times, a director  
5 on the Board. Defendant Flower reviewed, approved, and participated in making statements in the  
6 Offering Documents, which she signed.

7           19. Defendant Sameer Gandhi (“Gandhi”) is, and was at all relevant times, a director  
8 on the Board. Defendant Gandhi reviewed, approved, and participated in making statements in  
9 the Offering Documents, which he signed.

10           20. Defendant Randy Gottfried (“Gottfried”) is, and was at all relevant times, a director  
11 on the Board. Defendant Gottfried reviewed, approved, and participated in making statements in  
12 the Offering Documents, which he signed.

13           21. Defendant Zachary Nelson (“Nelson”) is, and was at all relevant times, a director  
14 on the Board. Defendant Nelson reviewed, approved, and participated in making statements in the  
15 Offering Documents, which he signed.

16           22. Defendant Barry Padgett (“Padgett”) is, and was at all relevant times, a director on  
17 the Board. Defendant Padgett reviewed, approved, and participated in making statements in the  
18 Offering Documents, which he signed.

19           23. Defendant Jennifer Taylor (“Taylor”) is, and was at all relevant times, a director on  
20 the Board. Defendant Taylor reviewed, approved, and participated in making statements in the  
21 Offering Documents, which she signed.

22           24. Defendants Mathrubootham, Sloat, Austin, Flower, Gandhi, Gottfried, Nelson,  
23 Padgett, and Taylor are collectively referred to herein as the “Individual Defendants.”

### 24           **3. The Underwriter Defendants**

25           25. The Underwriter Defendants were also instrumental in soliciting investors and in  
26 making the Freshworks shares that were offered and sold in or traceable to the IPO available to  
27 Plaintiff and the other members of the Class. The table below lists each of the Underwriter  
28 Defendants, together with the number of allotted shares that each sold in the IPO:

Name	Number of Shares
<b>Morgan Stanley &amp; Co. LLC</b>	9,025,001
<b>J.P. Morgan Securities LLC</b>	7,125,001
<b>BofA Securities, Inc.</b>	4,207,144
Jefferies LLC	1,628,571
Barclays Capital Inc.	1,628,571
Robert W. Baird & Co. Incorporated	542,857
Canaccord Genuity LLC	542,857
JMP Securities LLC	542,857
Needham & Company, LLC	542,857
Nomura Securities International, Inc.	542,857
Oppenheimer & Co. Inc.	542,857
Piper Sandler & Co.	542,857
Raymond James & Associates, Inc.	542,857
Amerivet Securities, Inc.	135,714
CastleOak Securities, L.P.	135,714
Samuel A. Ramirez & Company, Inc.	135,714
R. Seelaus & Co., LLC	135,714

26. Defendant Morgan Stanley & Co. LLC (“Morgan Stanley”) was an underwriter of the Company’s IPO, serving as a financial advisor for and assisting in the preparation and dissemination of the Company’s material inaccurate, misleading, and incomplete Offering Documents. Morgan Stanley acted as a representative of all the underwriters. Morgan Stanley also participated in conducting and promoting the roadshow for the IPO and paying for the expenses of the Individual Defendants who participated in the roadshow, including lodging and travel, among other expenses. Morgan Stanleys’ participation in and its solicitation of offers in connection with the IPO were motivated by its financial interests. Defendant Morgan Stanley conducts business in this District.

27. Defendant J.P. Morgan Securities LLC (“J.P. Morgan”) was an underwriter of the Company’s IPO, serving as a financial advisor for and assisting in the preparation and dissemination of the Company’s material inaccurate, misleading, and incomplete Offering Documents. J.P. Morgan acted as a representative of all the underwriters. J.P. Morgan also participated in conducting and promoting the roadshow for the IPO and paying for the expenses of the Individual Defendants who participated in the roadshow, including lodging and travel, among other expenses. J.P. Morgan’s participation in and its solicitation of offers in connection

1 with the IPO were motivated by its financial interests. Defendant J.P. Morgan conducts business  
2 in this District.

3 28. Defendant BofA Securities, Inc. (“BofA”) was an underwriter of the Company’s  
4 IPO, serving as a financial advisor for and assisting in the preparation and dissemination of the  
5 Company’s material inaccurate, misleading, and incomplete Offering Documents. BofA acted as  
6 a representative of all the underwriters. BofA also participated in conducting and promoting the  
7 roadshow for the IPO and paying for the expenses of the Individual Defendants who participated  
8 in the roadshow, including lodging and travel, among other expenses. BofA participation in and  
9 its solicitation of offers in connection with the IPO were motivated by its financial interests.  
10 Defendant BofA conducts business in this District.

11 29. Defendant Jefferies LLC (“Jefferies”) was an underwriter of the Company’s IPO,  
12 serving as a financial advisor for and assisting in the preparation and dissemination of the  
13 Company’s material inaccurate, misleading, and incomplete Offering Documents. Jefferies  
14 participated in conducting and promoting the roadshow for the IPO and paying for the expenses  
15 of the Individual Defendants who participated in the roadshow, including lodging and travel,  
16 among other expenses. Jefferies’ participation in and its solicitation of offers in connection with  
17 the IPO were motivated by its financial interests. Defendant Jefferies conducts business in this  
18 District.

19 30. Defendant Barclays Capital Inc. (“Barclays”) was an underwriter of the Company’s  
20 IPO, serving as a financial advisor for and assisting in the preparation and dissemination of the  
21 Company’s material inaccurate, misleading, and incomplete Offering Documents. Barclays  
22 participated in conducting and promoting the roadshow for the IPO and paying for the expenses  
23 of the Individual Defendants who participated in the roadshow, including lodging and travel,  
24 among other expenses. Barclays’ participation in and its solicitation of offers in connection with  
25 the IPO were motivated by its financial interests. Defendant Barclays conducts business in this  
26 District.

27 31. Defendant Robert W. Baird & Co. Incorporated (“Baird”) was an underwriter of  
28 the Company’s IPO, serving as a financial advisor for and assisting in the preparation and

1 dissemination of the Company’s material inaccurate, misleading, and incomplete Offering  
2 Documents. Baird participated in conducting and promoting the roadshow for the IPO and paying  
3 for the expenses of the Individual Defendants who participated in the roadshow, including lodging  
4 and travel, among other expenses. Baird’s participation in and its solicitation of offers in  
5 connection with the IPO were motivated by its financial interests. Defendant Baird conducts  
6 business in this District.

7 32. Defendant Canaccord Genuity LLC (“Canaccord Genuity”) was an underwriter of  
8 the Company’s IPO, serving as a financial advisor for and assisting in the preparation and  
9 dissemination of the Company’s material inaccurate, misleading, and incomplete Offering  
10 Documents. Canaccord Genuity participated in conducting and promoting the roadshow for the  
11 IPO and paying for the expenses of the Individual Defendants who participated in the roadshow,  
12 including lodging and travel, among other expenses. Canaccord Genuity’s participation in and its  
13 solicitation of offers in connection with the IPO were motivated by its financial interests.  
14 Defendant Canaccord Genuity conducts business in this District.

15 33. Defendant JMP Securities LLC (“JMP”) was an underwriter of the Company’s IPO,  
16 serving as a financial advisor for and assisting in the preparation and dissemination of the  
17 Company’s material inaccurate, misleading, and incomplete Offering Documents. JMP  
18 participated in conducting and promoting the roadshow for the IPO and paying for the expenses  
19 of the Individual Defendants who participated in the roadshow, including lodging and travel,  
20 among other expenses. JMP’s participation in and its solicitation of offers in connection with the  
21 IPO were motivated by its financial interests. Defendant JMP conducts business in this District.

22 34. Defendant Needham & Company, LLC (“Needham”) was an underwriter of the  
23 Company’s IPO, serving as a financial advisor for and assisting in the preparation and  
24 dissemination of the Company’s material inaccurate, misleading, and incomplete Offering  
25 Documents. Needham participated in conducting and promoting the roadshow for the IPO and  
26 paying for the expenses of the Individual Defendants who participated in the roadshow, including  
27 lodging and travel, among other expenses. Needham’s participation in and its solicitation of offers  
28



1 in connection with the IPO were motivated by its financial interests. Defendant Needham conducts  
2 business in this District.

3 35. Defendant Nomura Securities International, Inc. (“Nomura”) was an underwriter of  
4 the Company’s IPO, serving as a financial advisor for and assisting in the preparation and  
5 dissemination of the Company’s material inaccurate, misleading, and incomplete Offering  
6 Documents. Nomura participated in conducting and promoting the roadshow for the IPO and  
7 paying for the expenses of the Individual Defendants who participated in the roadshow, including  
8 lodging and travel, among other expenses. Nomura’s participation in and its solicitation of offers  
9 in connection with the IPO were motivated by its financial interests. Defendant Nomura conducts  
10 business in this District.

11 36. Defendant Oppenheimer & Co. Inc. (“Oppenheimer”) was an underwriter of the  
12 Company’s IPO, serving as a financial advisor for and assisting in the preparation and  
13 dissemination of the Company’s material inaccurate, misleading, and incomplete Offering  
14 Documents. Oppenheimer participated in conducting and promoting the roadshow for the IPO  
15 and paying for the expenses of the Individual Defendants who participated in the roadshow,  
16 including lodging and travel, among other expenses. Oppenheimer’s participation in and its  
17 solicitation of offers in connection with the IPO were motivated by its financial interests.  
18 Defendant Oppenheimer conducts business in this District

19 37. Defendant Piper Sandler & Co. (“Piper Sandler”) was an underwriter of the  
20 Company’s IPO, serving as a financial advisor for and assisting in the preparation and  
21 dissemination of the Company’s material inaccurate, misleading, and incomplete Offering  
22 Documents. Piper Sandler participated in conducting and promoting the roadshow for the IPO and  
23 paying for the expenses of the Individual Defendants who participated in the roadshow, including  
24 lodging and travel, among other expenses. Piper Sandler’s participation in and its solicitation of  
25 offers in connection with the IPO were motivated by its financial interests. Defendant Piper  
26 Sandler conducts business in this District.

27 38. Defendant Raymond James & Associates, Inc. (“Raymond James”) was an  
28 underwriter of the Company’s IPO, serving as a financial advisor for and assisting in the

1 preparation and dissemination of the Company’s material inaccurate, misleading, and incomplete  
2 Offering Documents. Raymond James participated in conducting and promoting the roadshow for  
3 the IPO and paying for the expenses of the Individual Defendants who participated in the  
4 roadshow, including lodging and travel, among other expenses. Raymond James’ participation in  
5 and its solicitation of offers in connection with the IPO were motivated by its financial interests.  
6 Defendant Raymond James conducts business in this District.

7 39. Defendant Amerivet Securities, Inc. (“Amerivet”) was an underwriter of the  
8 Company’s IPO, serving as a financial advisor for and assisting in the preparation and  
9 dissemination of the Company’s material inaccurate, misleading, and incomplete Offering  
10 Documents. Amerivet participated in conducting and promoting the roadshow for the IPO and  
11 paying for the expenses of the Individual Defendants who participated in the roadshow, including  
12 lodging and travel, among other expenses. Amerivet’s participation in and its solicitation of offers  
13 in connection with the IPO were motivated by its financial interests. Defendant Amerivet conducts  
14 business in this District.

15 40. Defendant CastleOak Securities, L.P. (“CastleOak”) was an underwriter of the  
16 Company’s IPO, serving as a financial advisor for and assisting in the preparation and  
17 dissemination of the Company’s material inaccurate, misleading, and incomplete Offering  
18 Documents. CastleOak participated in conducting and promoting the roadshow for the IPO and  
19 paying for the expenses of the Individual Defendants who participated in the roadshow, including  
20 lodging and travel, among other expenses. CastleOak’s participation in and its solicitation of  
21 offers in connection with the IPO were motivated by its financial interests. Defendant CastleOak  
22 conducts business in this District.

23 41. Defendant Samuel A. Ramirez & Company, Inc. (“Ramirez”) was an underwriter  
24 of the Company’s IPO, serving as a financial advisor for and assisting in the preparation and  
25 dissemination of the Company’s material inaccurate, misleading, and incomplete Offering  
26 Documents. Ramirez participated in conducting and promoting the roadshow for the IPO and  
27 paying for the expenses of the Individual Defendants who participated in the roadshow, including  
28 lodging and travel, among other expenses. Ramirez’s participation in and its solicitation of offers

1 in connection with the IPO were motivated by its financial interests. Defendant Ramirez conducts  
2 business in this District.

3 42. Defendant R. Seelaus & Co., LLC (“Seelaus”) was an underwriter of the  
4 Company’s IPO, serving as a financial advisor for and assisting in the preparation and  
5 dissemination of the Company’s material inaccurate, misleading, and incomplete Offering  
6 Documents. Seelaus participated in conducting and promoting the roadshow for the IPO and  
7 paying for the expenses of the Individual Defendants who participated in the roadshow, including  
8 lodging and travel, among other expenses. Seelaus’ participation in and its solicitation of offers  
9 in connection with the IPO were motivated by its financial interests. Defendant Seelaus conducts  
10 business in this District.

11 43. Defendants listed in ¶¶26-42 are collectively referred to herein as the “Underwriter  
12 Defendants.”

13 44. Pursuant to the Securities Act, each Underwriter Defendant is liable for the  
14 materially inaccurate, misleading, and incomplete statements in the Offering Documents. In  
15 addition, although not an element of Plaintiff’s claims and an issue on which each Underwriter  
16 Defendant bears the burden of proof to the extent it seeks to assert it as an affirmative defense, no  
17 Underwriter Defendant conducted an adequate due diligence investigation in connection with the  
18 matters alleged herein and will accordingly be unable to establish a statutory “due diligence”  
19 affirmative defense under the Securities Act. Each Underwriter Defendant committed acts and  
20 omissions that were a substantial factor leading to the harm complained of herein.

21 45. Each Underwriter Defendant named herein is an investment banking firm whose  
22 activities include, *inter alia*, the underwriting of public offerings of securities. As the underwriters  
23 of the IPO, the Underwriter Defendants earned lucrative underwriting fees.

24 46. As underwriters, the Underwriter Defendants met with potential investors in the  
25 IPO and presented highly favorable, but materially incorrect and/or materially misleading,  
26 information about the Company, its business, products, plans, and financial prospects, and/or  
27 omitted to disclose material information required to be disclosed under the federal securities laws  
28 and applicable regulations promulgated thereunder.

1 47. Representatives of the Underwriter Defendants also assisted Freshworks and the  
2 Individual Defendants in planning the IPO. They further purported to conduct an adequate and  
3 reasonable investigation into the business, operations, products, and plans of the Company, an  
4 undertaking known as a “due diligence” investigation. During the course of their “due diligence,”  
5 the Underwriter Defendants had continual access to confidential corporate information concerning  
6 the Company’s business, financial condition, products, plans, and prospects.

7 48. In addition to having access to internal corporate documents, the Underwriter  
8 Defendants and/or their agents, including their counsel, had access to Freshworks’ management,  
9 directors, and lawyers to determine: (i) the strategy to best accomplish the IPO; (ii) the terms of  
10 the IPO, including the price at which Freshworks’ common stock would be sold; (iii) the language  
11 to be used in the Offering Documents; (iv) what disclosures about Freshworks would be made in  
12 the Offering Materials; and (v) what responses would be made to the SEC in connection with its  
13 review of the Offering Materials. As a result of those constant contacts and communications  
14 between the Underwriter Defendants’ representatives and Freshworks’ management, directors,  
15 and lawyers, at a minimum, the Underwriter Defendants should have known of Freshworks’  
16 undisclosed then-existing problems and plans, and the Offering Document’s materially inaccurate,  
17 misleading, and incomplete statements and omissions, as detailed herein.

18 49. The Underwriter Defendants also demanded and obtained an agreement from  
19 Freshworks under which Freshworks agreed to indemnify and hold the Underwriter Defendants  
20 harmless from any liability under the Securities Act.

21 50. The Underwriter Defendants caused the Registration Statement to be filed with the  
22 SEC and declared effective in connection with the IPO, so that they, and the Individual Defendants,  
23 could offer to sell, and sell, Freshworks shares to Plaintiff and other members of the Class pursuant  
24 (or traceable) to the Offering Documents.

25 **SUBSTANTIVE ALLEGATIONS**

26 51. On August 27, 2021, Freshworks filed with the SEC a draft registration statement  
27 on Form S-1, which would be used for the IPO following a series of amendments in response to  
28 SEC comments. On September 20, 2021, Freshworks filed its final amendment to the Registration

1 Statement, which registered 31.35 million Freshworks shares for public sale, including 2.85  
2 million shares that the Underwriter Defendants had the option to purchase, solely to cover over-  
3 allotments. The SEC declared the Registration Statement effective on September 21, 2021. On  
4 September 22, 2021, Defendants priced the IPO at \$36 per share and filed the final Prospectus for  
5 the IPO, which forms part of the Registration Statement.

6 52. The Offering Documents were negligently prepared and, as a result, contained  
7 untrue statements of material facts or omitted to state other facts necessary to make the statements  
8 made not misleading, and were not prepared in accordance with the rules and regulations  
9 governing their preparation.

10 53. According to the Offering Documents, Freshworks' business had "grown rapidly"  
11 in the lead up to the IPO, with the Company observing "broad appeal of [its] products to customers  
12 of all sizes and geographies." As a result, the Company's growth rates and purportedly "healthy"  
13 net dollar retention rates, reflecting the usage of its products from existing customers and the sale  
14 of additional products to these customers, reached levels not previously achieved, and there was  
15 no indication that either was decelerating. Rather, the Offering Documents repeatedly and  
16 prominently touted Freshworks' 118% net dollar retention rate for the period ended June 30, 2021,  
17 which represented a noteworthy increase from the 107%, 111%, and 112% net dollar retention  
18 rates achieved as of June 30, 2020, December 31, 2020 and March 31, 2021, respectively, as well  
19 as Freshworks' year-over-year revenue growth rate of 53% (as of June 30, 2021), which likewise  
20 represented a significant increase over the Company's 45% year-over-year growth rate for the  
21 period ended December 31, 2020, to convince prospective investors that the business was  
22 continuing to thrive.

23 54. The Offering Documents, however, were false and misleading and omitted to state  
24 that, *at the time of the Offering*, Freshworks' net dollar retention rate had plateaued while its  
25 revenue growth rate and billings were, in fact, decelerating.

26 55. Defendants were required to disclose this material information in the Offering  
27 Documents for at least three independent reasons. First, SEC Regulation S-K, 17 C.F.R. §229.303  
28 (Item 303), required disclosure of any known events or uncertainties that at the time of the Offering

1 had caused, or were reasonably likely to cause, Freshworks’ disclosed financial information not to  
2 be indicative of future operating results. At the time of the Offering, Freshworks possessed  
3 information showing that its revenue growth and billings were decelerating. In addition, that  
4 Freshworks’ net dollar retention rate had stalled. These undisclosed negative events and trends  
5 were likely to (and in fact, did) materially and adversely affect Freshworks’ financial state and  
6 rendered the disclosed results and trends in the Offering Documents misleading and not indicative  
7 of the Company’s future operating results.

8 56. Second, SEC Regulation S-K, 17 C.F.R. §229.105 (Item 105), required, in the  
9 “Risk Factor” section of the Offering Documents, a discussion of the most significant factors that  
10 make the offering risky or speculative, and that each risk factor adequately describes the risk.  
11 Freshworks’ discussion of risk factors did not adequately warn potential investors about the  
12 already occurring negative results and trends the Company was observing in Freshworks’ revenue  
13 growth, net dollar retention rate, and billings.

14 57. Third, Defendants’ failure to disclose the aforementioned material information  
15 rendered false and misleading the Offering Documents’ many references to known risks that, “if”  
16 occurring “might” or “could” affect the Company. As the Company eventually revealed, these  
17 “risks” had already materialized at the time of the Offering.

18 58. Freshworks’ stock declined after the Company announced its fourth fiscal quarter  
19 of 2021 earnings on February 10, 2022, during which it reported flat calculated billings growth (of  
20 41% when normalized for early renewals and reserve activity) and revenue growth deceleration  
21 (of only 44% year over year). On this news, Freshworks’ stock dropped 18%, closing on February  
22 11, 2022 at \$18.41 per share.

23 59. Then, on May 3, 2022, after the market closed, Freshworks reported its first quarter  
24 2022 financial results, reporting a third quarter of decelerating revenue growth and billings that  
25 missed consensus estimates and declined 13% quarter over quarter.

26 60. Many analysts immediately responded by reducing their price targets. For example,  
27 on May 4, 2022, after characterizing the quarter as “mixed,” and highlighting how Freshworks’  
28

1 revenue growth has “decelerat[ed]” three consecutive quarters, including during the period within  
2 which Freshworks went public, JMP dropped its price target from \$41 to \$29.

3 61. The market likewise responded. On May 5, 2022, Freshworks closed at \$15.99 per  
4 share, down approximately 5.72% over two days.

5 62. By the time this case was filed, the Company’s stock traded as low as \$10.51 per  
6 share, or nearly 70% below the \$36 IPO offering price.



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13 **CLASS ACTION ALLEGATIONS**

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

16 64. Plaintiff brings this action as a class action, pursuant to Rule 23(a) and 23(b)(3) of  
17 the Federal Rules of Civil Procedure, on behalf of a class consisting of all persons and entities that  
18 purchased, or otherwise acquired, Freshworks common stock issued in connection with the  
19 Company’s IPO.

20 65. Excluded from the Class are: (i) Defendants; (ii) present or former executive  
21 officers of Freshworks, members of the Freshworks’ Board, and members of their immediate  
22 families (as defined in 17 C.F.R. §229.404, Instructions (1)(a)(iii) and (1)(b)(ii)); (iii) any of the  
23 foregoing persons’ legal representatives, heirs, successors, or assigns; and (iv) any entities in  
24 which Defendants have or had a controlling interest, or any affiliate of Freshworks.

25 66. The members of the Class are so numerous that joinder of all members is  
26 impracticable. The Company’s common stock was actively traded on the NASDAQ, a national  
27 securities exchange. While the exact number of Class members is unknown to Plaintiff at this  
28 time, and can only be ascertained through appropriate discovery, Plaintiff believes that there are

1 hundreds or thousands of members in the Class. Record owners and other members of the Class  
2 may be identified from records maintained by Freshworks or its transfer agent and may be notified  
3 of the pendency of this action by mail, using a form of notice similar to that customarily used in  
4 securities class actions.

5 67. Plaintiff's claims are typical of the claims of Class members, who were all similarly  
6 affected by Defendants' wrongful conduct in violation of the federal securities laws. Further,  
7 Plaintiff will fairly and adequately protect the interests of Class members and has retained counsel  
8 competent and experienced in class and securities litigation.

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

- 12 (a) whether Defendants violated the Securities Act;
- 13 (b) whether statements made by Defendants to the investing public  
14 misrepresented material facts about the business, operations, and prospects  
15 of Freshworks;
- 16 (c) whether statements made by Defendants to the investing public omitted  
17 material facts necessary in order to make the statements made, in light of  
18 the circumstances under which they were made, not misleading; and
- 19 (d) the extent of damage sustained by Class members and the appropriate  
20 measure of damages.

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

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1 **CLAIM ONE**

2 **For Violations of §11 of the Securities Act**  
3 **(Against All Defendants)**

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

6 71. This claim is brought pursuant to §11 of the Securities Act, 15 U.S.C. §77k, on  
7 behalf of the Class, against all Defendants. This is a non-fraud cause of action. Plaintiff does not  
8 assert that Defendants committed intentional or reckless misconduct or that Defendants acted with  
9 scienter or fraudulent intent.

10 72. The Offering Documents were inaccurate and misleading, contained untrue  
11 statements of material facts, omitted facts necessary to make the statements made therein not  
12 misleading, and omitted to state material facts required to be stated therein.

13 73. The Company is the registrant of the securities purchased by Plaintiff and the Class.  
14 As such, the Company is strictly liable for the materially inaccurate statements contained in the  
15 Offering Documents and the failure of the Offering Documents to be complete and accurate. By  
16 virtue of the Offering Documents containing material misrepresentations and omissions of material  
17 fact necessary to make the statements therein not false and misleading, Freshworks is liable under  
18 §11 of the Securities Act to Plaintiff and the Class.

19 74. The Individual Defendants each signed the Offering Documents and caused their  
20 issuance. As such, each is strictly liable for the materially inaccurate statements contained in the  
21 Offering Documents and the failure of the Offering Documents to be complete and accurate, unless  
22 they are able to carry their burden of establishing an affirmative “due diligence” defense. The  
23 Individual Defendants each had a duty to make a reasonable and diligent investigation of the  
24 truthfulness and accuracy of the statements contained in the Offering Documents and ensure that  
25 they were true and accurate, there were no omissions of material facts that would make the  
26 Offering Documents misleading, and the documents contained all facts required to be stated  
27 therein. In the exercise of reasonable care, the Individual Defendants should have known of the  
28 material misstatements and omissions contained in the Offering Documents and also should have

1 known of the omissions of material fact necessary to make the statements made therein not  
2 misleading. Accordingly, the Individual Defendants are liable to Plaintiff and the Class.

3 75. The Underwriter Defendants each served as underwriters in connection with the  
4 IPO. As such, each is strictly liable for the materially inaccurate statements contained in the  
5 Offering Documents and the failure of the Offering Documents to be complete and accurate, unless  
6 they are able to carry their burden of establishing an affirmative “due diligence” defense. The  
7 Underwriter Defendants each had a duty to make a reasonable and diligent investigation of the  
8 truthfulness and accuracy of the statements contained in the Offering Documents. They had a duty  
9 to ensure that such statements were true and accurate, there were no omissions of material facts  
10 that would make the Offering Documents misleading, and the documents contained all facts  
11 required to be stated therein. In the exercise of reasonable care, the Underwriter Defendants should  
12 have known of the material misstatements and omissions contained in the Offering Documents  
13 and also should have known of the omissions of material facts necessary to make the statements  
14 made therein not misleading. Accordingly, each of the Underwriter Defendants is liable to  
15 Plaintiff and the Class.

16 76. Defendants acted negligently in preparing the Offering Documents. None of the  
17 Defendants named in this Claim made a reasonable investigation or possess reasonable grounds  
18 for the belief that the statements contained in the Offering Documents were true and without  
19 omission of any material facts and were not misleading. In alleging the foregoing, Plaintiff  
20 specifically disclaims any allegation of fraud.

21 77. By reasons of the conduct herein alleged, each Defendant named in this claim  
22 violated §11 of the Securities Act.

23 78. None of the untrue statements or omissions of material fact in the Offering  
24 Documents alleged herein was a forward-looking statement. Rather, each such statement  
25 concerned existing facts. Moreover, the Offering Documents did not properly identify any of the  
26 untrue statements as forward-looking statements and did not disclose information that undermined  
27 the putative validity of these statements.

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1 86. By reason of the conduct alleged herein, Defendants violated §12(a)(2) of the  
2 Securities Act, 15 U.S.C. §771(a)(2). As a direct and proximate result of such violations, Plaintiff  
3 and the other members of the Class who purchased Freshworks securities, pursuant to the  
4 Prospectus, sustained substantial damages in connection with their purchases of the shares.  
5 Accordingly, Plaintiff and the other members of the Class who hold Freshworks securities issued  
6 pursuant to the Prospectus have the right to rescind and recover the consideration paid for their  
7 shares, and hereby tender their Freshworks shares to Defendants sued herein. Class members who  
8 have sold their Freshworks securities seek damages to the extent permitted by law.

9 **CLAIM THREE**

10 **For Violations of §15 of the Securities Act**  
11 **(Against the Individual Defendants)**

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

14 88. This claim is brought pursuant to §15 of the Securities Act, 15 U.S.C. §77o, on  
15 behalf of the Class, against each of the Individual Defendants.

16 89. The Individual Defendants were controlling persons of the Company within the  
17 meaning of §15 of the Securities Act. By reason of their ownership interest in, senior management  
18 positions at, and/or directorships held at the Company, as alleged above, these Defendants invested  
19 in, individually and collectively, and had the power to influence, and exercised the same over, the  
20 Company to cause it to engage in the conduct complained of herein. Similarly, each of the other  
21 Individual Defendants not only controlled those subject to liability as primary violators of §11 of  
22 the Securities Act, as alleged above, he or she directly participated in controlling Freshworks by  
23 having signed, or authorized the signing of, the Registration Statement and authorizing the  
24 issuance of Freshworks securities to Plaintiff and members of the Class.

25 90. As control persons of Freshworks, each of the Individual Defendants is jointly and  
26 severally liable pursuant to §15 of the Securities Act with and to the same extent as Freshworks  
27 for its violations of §11 of the Securities Act.

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**PRAYER FOR RELIEF**

WHEREFORE, Plaintiff, on Plaintiff’s own behalf and on behalf of the Class, prays for relief and judgement as follows:

A. Declaring that this action is a proper class action, pursuant to Federal Rule of Civil Procedure 23, certifying Plaintiff as a representative of the Class, and designating Plaintiff’s counsel as Class Counsel;

B. Awarding Plaintiff and the other members of the Class compensatory damages;

C. Awarding Plaintiff and the other members of the Class rescission on their §12(a)(2) claims;

D. Awarding Plaintiff and the other members of the Class pre-judgment and post-judgment interest, as well as reasonable attorneys’ fees, expert witness fees, and other costs and disbursements; and

E. Awarding Plaintiff and the other members of the Class such other and further relief as the Court may deem just and proper.

**DEMAND FOR TRIAL BY JURY**

Pursuant to Federal Rule of Civil Procedure 38(b), Plaintiff hereby demands a trial by jury of all issues that may be so tried.