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8 *Attorney for Plaintiff*

9 UNITED STATES DISTRICT COURT  
10 CENTRAL DISTRICT OF CALIFORNIA

11 STEPHANIE LOUISE MARN,  
12 Individually and on Behalf of All  
13 Others Similarly Situated,

14 Plaintiff,

15 v.

16 AMDOCS LIMITED, SHUKY  
17 SHEFFER, ELI GELMAN, and  
18 TAMAR RAPAPORT-DAGIM,  
19

20 Defendants.

**Case No.**

**CLASS ACTION COMPLAINT**

**JURY TRIAL DEMANDED**

1 Plaintiff Stephanie Louise Marn (“Plaintiff”), individually and on behalf of all  
2 others similarly situated, by Plaintiff’s undersigned attorneys, for Plaintiff’s complaint  
3 against Defendants, alleges the following based upon personal knowledge as to Plaintiff  
4 and Plaintiff’s own acts, and information and belief as to all other matters, based upon,  
5 *inter alia*, the investigation conducted by and through Plaintiff’s attorneys, which  
6 included, among other things, a review of the Defendants’ public documents, conference  
7 calls and announcements made by Defendants, United States (“U.S.”) Securities and  
8 Exchange Commission (“SEC”) filings, wire and press releases published by and  
9 regarding Amdocs Limited (“Amdocs” or the “Company”), analysts’ reports and  
10 advisories about the Company, and information readily obtainable on the Internet.  
11 Plaintiff believes that substantial additional evidentiary support will exist for the  
12 allegations set forth herein after a reasonable opportunity for discovery.  
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18 **NATURE OF THE ACTION**

19 1. This is a federal securities class action on behalf of a class consisting of all  
20 persons and entities other than Defendants that purchased or otherwise acquired Amdocs  
21 ordinary shares between December 13, 2016 and March 30, 2021, both dates inclusive  
22 (the “Class Period”), seeking to recover damages caused by Defendants’ violations of the  
23 federal securities laws and to pursue remedies under Sections 10(b) and 20(a) of the  
24 Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated  
25 thereunder, against the Company and certain of its top officials.  
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1           2.     Amdocs, through its global subsidiaries, provides software and services to  
2 communications, cable and satellite, entertainment, and media industry service providers  
3 worldwide. Historically, the Company’s largest percentage of revenues come from its  
4 North American business, mostly the U.S., particularly from large customers including,  
5 among others, AT&T Inc. (“AT&T”).  
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8           3.     Throughout the Class Period, Defendants made materially false and  
9 misleading statements regarding the Company’s business, operations, and compliance  
10 policies. Specifically, Defendants made false and/or misleading statements and/or failed  
11 to disclose that: (i) Amdocs overstated its profits, cash, and liquidity, while understating  
12 its debt; (ii) Amdocs concealed its large borrowing; (iii) while Amdocs’ reported results  
13 showed that its North American business was stable, that business was actually  
14 deteriorating annually, in part because the Company was losing AT&T as a customer; and  
15 (iv) as a result, the Company’s public statements were materially false and misleading at  
16 all relevant times.  
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20           4.     On March 31, 2021, pre-market, Jehoshaphat Research (“Jehoshaphat”)  
21 published a short-seller report addressing Amdocs, which alleged, *inter alia*, that Amdocs  
22 overstated its profits, evidenced by steady parent profits despite declining subsidiary  
23 profits; that there was a concerning pattern of reputable auditors resigning, only to be  
24 replaced by “scandal-plagued or tiny shops”; that Amdocs “window-dressed” its balance  
25 sheets to keep its large borrowing a secret, namely by paying down its debt just prior to  
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1 the end of each quarter, therefore showing a debt-free balance sheet on that day, before re-  
2 borrowing the money shortly thereafter; and that all of the foregoing was corroborated by  
3 former employees and direct competitors of the Company, who noted that Amdocs was  
4 losing AT&T as a customer, as well as a former American Amdocs executive, who stated  
5 that the Company's "US business was declining at a rate of [around] 7% annually . . . but  
6 then we would see the company [publish results that] say North America is stable."  
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9 5. On this news, Amdocs' ordinary share price fell \$9.19 per share, or 11.58%,  
10 to close at \$70.15 per share on March 31, 2021.  
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12 6. As a result of Defendants' wrongful acts and omissions, and the precipitous  
13 decline in the market value of the Company's ordinary shares, Plaintiff and other Class  
14 members have suffered significant losses and damages.  
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### 16 **JURISDICTION AND VENUE**

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18 7. The claims asserted herein arise under and pursuant to Sections 10(b) and  
19 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated  
20 thereunder by the SEC (17 C.F.R. § 240.10b-5).  
21

22 8. This Court has jurisdiction over the subject matter of this action pursuant to  
23 28 U.S.C. § 1331 and Section 27 of the Exchange Act.  
24

25 9. Venue is proper in this Judicial District pursuant to Section 27 of the  
26 Exchange Act (15 U.S.C. § 78aa) and 28 U.S.C. § 1391(b). Amdocs is headquartered in  
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1 this Judicial District, Defendants conduct business in this Judicial District, and a  
2 significant portion of Defendants’ actions took place within this Judicial District.  
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4 10. In connection with the acts alleged in this complaint, Defendants, directly or  
5 indirectly, used the means and instrumentalities of interstate commerce, including, but not  
6 limited to, the mails, interstate telephone communications, and the facilities of the national  
7 securities markets.  
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10 **PARTIES**

11 11. Plaintiff, as set forth in the attached Certification, acquired Amdocs ordinary  
12 shares at artificially inflated prices during the Class Period and was damaged upon the  
13 revelation of the alleged corrective disclosures.  
14

15 12. Defendant Amdocs is organized under the laws of the Island of Guernsey,  
16 with principal executive offices located at Hirzel House, Smith Street, St. Peter Port, Island  
17 of Guernsey, GY1 2NG, and Amdocs, Inc., 1390 Timberlake Manor Parkway,  
18 Chesterfield, Missouri 63017. The Company’s ordinary shares trade in an efficient market  
19 on the Nasdaq Global Select Market (“NASDAQ”) under the ticker symbol “DOX.”  
20

21 13. Defendant Shuky Sheffer (“Sheffer”) has served as the President and Chief  
22 Executive Officer (“CEO”) of Amdocs Management Limited (“AML”)—the Company’s  
23 management subsidiary that performs certain executive coordination functions for all of  
24 Amdocs’ operating subsidiaries—since September 2018.  
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1 14. Defendant Eli Gelman (“Gelman”) served as AML’s President and CEO from  
2 before the start of the Class Period until September 2018.

3  
4 15. Defendant Tamar Rapaport-Dagim (“Rapaport-Dagim”) has served as  
5 AML’s Chief Financial Officer at all relevant times. Rapaport-Dagim also serves as  
6 AML’s Chief Operating Officer.

7  
8 16. Defendants Sheffer, Gelman, and Rapaport-Dagim are sometimes referred to  
9 herein collectively as the “Individual Defendants.”

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11 17. The Individual Defendants possessed the power and authority to control the  
12 contents of Amdocs’ SEC filings, press releases, and other market communications. The  
13 Individual Defendants were provided with copies of Amdocs’ SEC filings and press  
14 releases alleged herein to be misleading prior to or shortly after their issuance and had the  
15 ability and opportunity to prevent their issuance or to cause them to be corrected. Because  
16 of their positions with Amdocs, and their access to material information available to them  
17 but not to the public, the Individual Defendants knew that the adverse facts specified  
18 herein had not been disclosed to and were being concealed from the public, and that the  
19 positive representations being made were then materially false and misleading. The  
20 Individual Defendants are liable for the false statements and omissions pleaded herein.  
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24 18. Amdocs and the Individual Defendants are collectively referred to herein as  
25 “Defendants.”  
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1 **SUBSTANTIVE ALLEGATIONS**

2 **Background**

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4 19. Amdocs, through its global subsidiaries, provides software and services to  
5 communications, cable and satellite, entertainment, and media industry service providers  
6 worldwide. Historically, the Company’s largest percentage of revenues come from its  
7 North American business, mostly the U.S., particularly from large customers including,  
8 among others, AT&T.  
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11 **Materially False and Misleading Statements Issued During the Class Period**

12 20. The Class Period begins on December 13, 2016, the day after Amdocs filed  
13 an annual report on Form 20-F with the SEC, reporting the Company’s financial and  
14 operating results for the quarter and year ended September 30, 2016 (the “2016 20-F”).  
15 For the fiscal year, the 2016 20-F reported net income of \$409.33 million, or \$2.71 per  
16 diluted share, on revenue of approximately \$3.72 billion, including approximately \$2.38  
17 billion in revenue from North America (mainly the U.S.). The Company also reported  
18 \$200 million in long-term debt, excluding interest payments, for the fiscal year.  
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21 21. With respect to liquidity and capital resources, the 2016 20-F represented,  
22 *inter alia*, that “[c]ash, cash equivalents and short-term interest-bearing investments, net  
23 of short-term debt, totaled \$0.90 billion as of September 30, 2016, compared to \$1.13  
24 billion as of September 30, 2015”; that “[t]he decrease during fiscal year 2016 was mainly  
25 attributable to \$413.4 million used to repurchase our ordinary shares, \$283.5 million in  
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1 net cash paid for acquisitions, \$130.1 million for capital expenditures, net, and \$109.3  
2 million of cash dividend payments”; that this decrease was “partially offset by \$620.2  
3 million in cash flow from operations and \$89.6 million of proceeds from stock option  
4 exercises”; and that “[n]et cash provided by operating activities amounted to \$620.2  
5 million and \$772.6 million in fiscal years 2016 and 2015, respectively.”  
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8 22. Additionally, the 2016 20-F assured investors that Defendants’ “policy is to  
9 retain sufficient cash balances in order to support our growth,” and that Defendants  
10 “believe that our current cash balances, cash generated from operations and our current  
11 lines of credit will provide sufficient resources to meet our operational needs and to fund  
12 share repurchases and the payment of cash dividends for at least the next fiscal year.”  
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15 23. With respect to Amdocs’ North American business, the 2016 20-F  
16 represented, in relevant part, that “[i]n fiscal year 2016, revenue from customers in North  
17 America . . . accounted for 64.0% . . . of total revenue, compared to 70.1% . . . in fiscal  
18 year 2015,” and that “[t]he decrease in the percentage of revenue from customers in North  
19 America was driven by the increase in revenue from customers in Europe and the rest of  
20 the world, while revenue from customers in North America decreased, mainly due to  
21 AT&T’s slower pace of discretionary spending.”  
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24 24. Appended as exhibits to the 2016 20-F were signed certifications pursuant to  
25 the Sarbanes-Oxley Act of 2002 (“SOX”), wherein Defendants Gelman and Rapaport-  
26 Dagim certified that “the [2016 20-F] fully complies with the requirements of Section  
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1 13(a) or 15(d) of the Securities Exchange Act of 1934” and that “the information contained  
2 in the [2016 20-F] fairly presents, in all material respects, the financial condition and  
3 results of operations of the Company.”  
4

5 25. On December 11, 2017, Amdocs filed an annual report on Form 20-F with  
6 the SEC, reporting the Company’s financial and operating results for the quarter and year  
7 ended September 30, 2017 (the “2017 20-F”). For the fiscal year, the 2017 20-F reported  
8 net income of \$436.83 million, or \$2.96 per diluted share, on revenue of approximately  
9 \$3.87 billion, including approximately \$2.55 billion in revenue from North America  
10 (mainly the U.S.). The Company did not report long-term debt for the fiscal year.  
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13 26. With respect to liquidity and capital resources, the 2017 20-F represented,  
14 *inter alia*, that “[c]ash, cash equivalents and short-term interest-bearing investments, net  
15 of short-term debt, totaled \$979.6 million as of September 30, 2017, compared to  
16 \$895.7 million as of September 30, 2016”; that “[t]he increase during fiscal year 2017 was  
17 mainly attributable to \$636.1 million in cash flow from operations and \$87.6 million of  
18 proceeds from stock option exercises”; that this increase was “partially offset by  
19 \$340.6 million used to repurchase our ordinary shares, \$133.4 million for capital  
20 expenditures, net, and \$121.5 million of cash dividend payments”; and that “[n]et cash  
21 provided by operating activities amounted to \$636.1 million and \$620.2 million in fiscal  
22 years 2017 and 2016, respectively.”  
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1           27.    Additionally, the 2017 20-F contained the same statements referenced in ¶  
2 22, *supra*, assuring investors that Defendants’ policy is to retain sufficient cash for growth  
3 and that Defendants had sufficient cash and lines of credit to meet operational needs and  
4 fund share repurchases and the payment of cash dividends for at least the next fiscal year.  
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6           28.    With respect to Amdocs’ North American business, the 2017 20-F  
7 represented, in relevant part, that “[i]n fiscal year 2017, revenue from customers in North  
8 America . . . accounted for 65.9% . . . of total revenue, compared to 64.0% . . . in fiscal  
9 year 2016,” and that “[t]he increase in the percentage of revenue from customers in North  
10 America was primarily attributable to increased activity with several customers,  
11 particularly AT&T and Pay TV service providers.”  
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14           29.    Appended as exhibits to the 2017 20-F were substantively the same SOX  
15 certifications as referenced in ¶ 24, *supra*, signed by Defendants Gelman and Rapaport-  
16 Dagim.  
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19           30.    On December 10, 2018, Amdocs filed an annual report on Form 20-F with  
20 the SEC, reporting the Company’s financial and operating results for the quarter and year  
21 ended September 30, 2018 (the “2018 20-F”). For the fiscal year, the 2018 20-F reported  
22 net income of \$354.4 million, or \$2.47 per diluted share, on revenue of approximately  
23 \$3.97 billion, including approximately \$2.55 billion in revenue from North America  
24 (mainly the U.S.). The Company did not report long-term debt for the fiscal year.  
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1           31. With respect to liquidity and capital resources, the 2018 20-F represented,  
2 *inter alia*, that “[c]ash, cash equivalents and short-term interest-bearing investments, net  
3 of short-term debt, totaled \$519.2 million as of September 30, 2018, compared to  
4 \$979.6 million as of September 30, 2017”; that “[t]he decrease during fiscal year 2018 was  
5 mainly attributable to \$419.2 million used to repurchase our ordinary shares, \$355.1 net  
6 cash paid for acquisitions, \$231.1 million for capital expenditures, net, [and]  
7 \$134.3 million of cash dividend payments”; that this decrease was “partially offset by  
8 \$557.2 million in cash flow from operations, \$81.3 million of proceeds from stock option  
9 exercises and \$47.0 million investment by noncontrolling interest, net”; and that “[n]et  
10 cash provided by operating activities amounted to \$557.2 million and \$636.1 million in  
11 fiscal years 2018 and 2017, respectively.”

12           32. Additionally, the 2018 20-F contained the same statements referenced in ¶  
13 22, *supra*, assuring investors that Defendants’ policy is to retain sufficient cash for growth  
14 and that Defendants had sufficient cash and lines of credit to meet operational needs and  
15 fund share repurchases and the payment of cash dividends for at least the next fiscal year.

16           33. With respect to Amdocs’ North American business, the 2018 20-F  
17 represented, in relevant part, that “[i]n fiscal year 2018, revenue from customers in North  
18 America . . . accounted for 64.2% . . . of total revenue, compared to 65.9% . . . in fiscal  
19 year 2017”; that “[r]evenue from customers in North America slightly increased in fiscal  
20 year 2018, while total revenue increased at a higher rate, which resulted in a decrease of  
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1 revenue from customers in North America as a percentage of total revenue”; and that “[t]he  
2 decrease in the percentage of revenue from customers in North America was primarily  
3 attributable to lower activity with AT&T,” which “was partially offset by higher revenue  
4 from other key customers in North America as we support the continuous digital  
5 transformation of the region’s communications, Pay TV and media companies and by  
6 activities related to fiscal year 2018 acquisitions.”  
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9         34. Appended as exhibits to the 2018 20-F were substantively the same SOX  
10 certifications as referenced in ¶ 24, *supra*, signed by Defendants Sheffer and Rapaport-  
11 Dagim.  
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13         35. On December 16, 2019, Amdocs filed an annual report on Form 20-F with  
14 the SEC, reporting the Company’s financial and operating results for the quarter and year  
15 ended September 30, 2019 (the “2019 20-F”). For the fiscal year, the 2019 20-F reported  
16 net income of \$479.45 million, or \$3.45 per diluted share, on revenue of approximately  
17 \$4.09 billion, including approximately \$2.58 billion in revenue from North America  
18 (mainly the U.S.). The Company did not report long-term debt for the fiscal year.  
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22         36. With respect to liquidity and capital resources, the 2019 20-F represented,  
23 *inter alia*, that “[c]ash, cash equivalents and short-term interest-bearing investments,  
24 totaled \$471.6 million as of September 30, 2019, compared to \$519.2 million as of  
25 September 30, 2018”; that “[t]he decrease was mainly attributable to \$398.1 million used  
26 to repurchase of our ordinary shares, \$147.6 million of cash dividend payment,  
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1 \$128.1 million for capital expenditures, net, \$60.6 million acquisition payment,  
2 \$7.5 million contingent consideration payment from a business acquisition and  
3 \$4.8 million payment to non-controlling interests”; that this decrease was “partially offset  
4 by \$656.4 million in positive cash flow from operations and \$41.5 million of proceeds  
5 from stock option exercises”; and that “[n]et cash provided by operating activities  
6 amounted to \$656.4 million and \$557.2 in fiscal years 2019 and 2018, respectively.”

9 37. Additionally, the 2019 20-F contained substantively the same statements  
10 referenced in ¶ 22, *supra*, assuring investors that Defendants’ policy is to retain sufficient  
11 cash for growth and that Defendants had sufficient cash and lines of credit to, among other  
12 things, meet operational needs and fund share repurchases and the payment of cash  
13 dividends for at least the next fiscal year.

16 38. With respect to Amdocs’ North American business, the 2019 20-F  
17 represented, in relevant part, that “[i]n fiscal year 2019, revenue from customers in North  
18 America . . . accounted for 63.2% . . . of total revenue, compared to 64.2% . . . in fiscal  
19 year 2018”; that “[r]evenue from customers in North America increased during the fiscal  
20 year 2019, while total revenue increased at a higher rate, which resulted in a decrease of  
21 revenue from customers in North America as a percentage of total revenue”; and that “[t]he  
22 increase in revenue from customers in North America in absolute amounts was primarily  
23 attributable to higher revenue from key customers in North America as we support the  
24 continuous digital transformation of the region’s communications, Pay TV and media  
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1 companies and by activities related to fiscal year 2018 acquisitions,” which was “partially  
2 offset by lower revenue with AT&T.”  
3

4 39. Appended as exhibits to the 2019 20-F were substantively the same SOX  
5 certifications as referenced in ¶ 24, *supra*, signed by Defendants Sheffer and Rapaport-  
6 Dagim.  
7

8 40. On December 14, 2020, Amdocs filed an annual report on Form 20-F with  
9 the SEC, reporting the Company’s financial and operating results for the quarter and year  
10 ended September 30, 2020 (the “2020 20-F”). For the fiscal year, the 2020 20-F reported  
11 net income of \$497.84 million, or \$3.71 per diluted share, on revenue of approximately  
12 \$4.17 billion, including approximately \$2.72 billion in revenue from North America  
13 (mainly the U.S.). The Company also reported \$754.9 million in long-term and short-term  
14 debt and accrued interests for the fiscal year.  
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17 41. With respect to liquidity and capital resources, the 2020 20-F represented,  
18 *inter alia*, that “[c]ash, cash equivalents and short-term interest-bearing investments,  
19 totaled \$983.9 million as of September 30, 2020, compared to \$471.6 million as of  
20 September 30, 2019”; that “[t]he increase was mainly attributable to \$643.9 million net  
21 proceeds from issuance of debt, \$450.0 million borrowing under financing arrangement,  
22 \$658.1 million in positive cash flow from operations and \$97.9 million of proceeds from  
23 stock option exercises”; that this increase was “partially offset by \$360.9 million used to  
24 repurchase of our ordinary shares, \$350.0 million payments under financing arrangement,  
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1 \$249.4 million of payments for business and intangible assets acquisitions, \$205.5 million  
2 for capital expenditures, net, [and] \$164.1 million of cash dividend payment”; and that  
3 “[n]et cash provided by operating activities amounted to \$658.1 million and \$656.4 in  
4 fiscal years 2020 and 2019, respectively.”  
5

6 42. Additionally, while the 2020 20-F contained substantively the same  
7 statements referenced in ¶ 22, *supra*, with respect to assuring investors that Defendants  
8 had sufficient cash and lines of credit to, among other things, meet operational needs and  
9 fund share repurchases and the payment of cash dividends for at least the next fiscal year,  
10 Defendants no longer represented that their policy is to retain sufficient cash for growth.  
11

12 43. With respect to Amdocs’ North American business, the 2020 20-F  
13 represented, in relevant part, that “[i]n fiscal year 2020, revenue from customers in North  
14 America . . . accounted for 65.3% . . . of total revenue, compared to 63.2% . . . in fiscal  
15 year 2019”; that “[t]he increase in revenue in fiscal year 2020 in North America was  
16 primarily attributable to higher revenue from managed services activities”; and that, “in  
17 addition to the global uncertainties, including those resulting from the COVID-19  
18 pandemic, the recently completed T-Mobile and Sprint merger remains a source of  
19 uncertainty in the North America region.”  
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21 44. Appended as exhibits to the 2020 20-F were substantively the same SOX  
22 certifications as referenced in ¶ 24, *supra*, signed by Defendants Sheffer and Rapaport-  
23 Dagim.  
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1           45. The statements referenced in ¶¶ 20-44 were materially false and misleading  
2 because Defendants made false and/or misleading statements, as well as failed to disclose  
3 material adverse facts about the Company’s business, operations, and compliance policies.  
4 Specifically, Defendants made false and/or misleading statements and/or failed to disclose  
5 that: (i) Amdocs overstated its profits, cash, and liquidity, while understating its debt; (ii)  
6 Amdocs concealed its large borrowing; (iii) while Amdocs’ reported results showed that  
7 its North American business was stable, that business was actually deteriorating annually,  
8 in part because the Company was losing AT&T as a customer; and (iv) as a result, the  
9 Company’s public statements were materially false and misleading at all relevant times.  
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### **The Truth Emerges**

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15           46. On March 31, 2021, pre-market, Jehoshaphat Research (“Jehoshaphat”)  
16 published a short-seller report addressing Amdocs, which alleged, among other things,  
17 that Amdocs overstated its profits, evidenced by steady parent profits despite declining  
18 subsidiary profits; that there was a concerning pattern of reputable auditors resigning, only  
19 to be replaced by “scandal-plagued or tiny shops”; that Amdocs “window-dressed” its  
20 balance sheets to keep its large borrowing a secret, namely by paying down its debt just  
21 prior to the end of each quarter, therefore showing a debt-free balance sheet on that day,  
22 before re-borrowing the money shortly thereafter; and that all of the foregoing was  
23 corroborated by former employees and direct competitors of the Company, who noted that  
24 Amdocs was losing AT&T as a customer, as well as a former American Amdocs  
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1 executive, who contradicted Amdocs' assessment that the Company's North American  
2 business was stable.

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4 47. With specific respect to Amdocs' overstated profits, the Jehoshaphat report  
5 alleged, *inter alia*, that "[u]sing Amdocs' international subsidiary filings," Jehoshaphat  
6 discovered that Amdocs' "operating profitability appears to be overstated by ~40-50%, or  
7 as much as \$200m"; that "[y]ears ago, DOX's<sup>[1]</sup> major and minor corporate subsidiaries  
8 had profit margins that reconciled reasonably closely with the profit margins reported by  
9 the public company parent," but that "beginning in [fiscal year 2016], sub profits began to  
10 exhibit a sharp decline" even as Amdocs "continued to report steady, healthy profit  
11 margins at the parent level"; that "[n]umerous accounting 'red flags' started appearing  
12 more visibly in the parent financials around the same time as this breakdown,"  
13 corroborating Jehoshaphat's findings, including, among other things, "unbilled DSOs  
14 [daily sales outstanding], bad debt allowance games, [and] reserve releases"; that Amdocs'  
15 "true margin from its subsidiaries . . . is consistent with its BPO (Business Process  
16 Outsourcing) business model," namely, "a BPO-type, single-digit EBIT [earnings before  
17 interest and taxes] margin"; that Amdocs' "cash tax payments are consistently lower than  
18 all of," among other things, "the tax rates of its low-tax jurisdictions," "the rates of a wide  
19 variety of comparable peers in comparable tax jurisdiction," and the Company's "GAAP  
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28 <sup>1</sup> All quoted references to "DOX" from the Jehoshaphat report are to Amdocs.

1 [generally accepted accounting principles] effective tax rate”; and that although  
2 Jehoshaphat tried “using explanations involving intercompany revenues, tax  
3 considerations, etc.,” the results “still defied economic logic” and “[t]he numbers just  
4 don’t add up.”  
5

6  
7 48. Further casting doubt on the validity of Amdocs’ reported profits, the  
8 Jehoshaphat report found that Amdocs “has experienced a spate of recent and unusual  
9 auditor resignations at various subsidiaries”; that “[a]s multiple Big Four auditing firms  
10 have resigned, DOX has replaced them with scandal-plagued or tiny shops,” including one  
11 “notorious for helping none other than Donald Trump inflate his net worth to the public,”  
12 and another that “took PWC’s [PricewaterhouseCoopers] place, [which] appears to be a  
13 9-person outfit based out of Switzerland”; that “[i]n the case of one DOX sub, an auditor  
14 resigned, and then its replacement resigned only a year later”; and that, in sum,  
15 Jehoshaphat “investigated these auditor relationships and do not believe that normal  
16 auditor turnover or mere coincidence can explain these resignations,” with “[t]he ‘legit’  
17 auditors . . . quitting for a reason,” namely, the Company’s illicit accounting practices.  
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22 49. Specifically, as alleged in the Jehoshaphat report, in Amdocs’ fiscal year  
23 2018, KPMG resigned from the Company’s Irish subsidiary, Brite:Bill, and was replaced  
24 by Ernst & Young (“EY”), who later resigned as well in the Company’s fiscal year 2020,  
25 and was replaced by Mazars LLP (“Mazars”), “of Trump Foundation asset-inflation  
26 fame.” Additionally, the Jehoshaphat report showed that in Amdocs’ fiscal year 2019, EY  
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1 resigned from two Amdocs United Kingdom subsidiaries, Amdocs Systems Europe Ltd.  
2 and Amdocs Systems Ltd., which were also replaced by Mazars. The Jehoshaphat report  
3 also showed that in Amdocs' fiscal year 2020, EY resigned from the Company's other  
4 Irish subsidiary, Astrum, which was also replaced by Mazars. Finally, the Jehoshaphat  
5 report showed that in Amdocs' fiscal year 2020, PWC resigned from the Company's Swiss  
6 subsidiary, Amdocs International GmbH, and was replaced by Hausmann Revision AG,  
7 a relatively unheard-of auditing firm "of absolutely no fame whatsoever." As the  
8 Jehoshaphat report highlighted, this "involves three parent auditor firms (EY, KPMG, and  
9 PWC), and five Amdocs subsidiaries across three different countries in Europe (UK,  
10 Ireland, Switzerland)," and, in the case of Brite:Bill, "two different auditors resign[ed] . .  
11 . in just over one year."

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16 50. With specific respect to Amdocs' cash, liquidity, undisclosed debt, and  
17 related hidden borrowing, the Jehoshaphat report alleged, *inter alia*, that "[a]pproximately  
18 1/3 of Amdocs' stated cash (around \$500m) is practically unavailable for use, but the  
19 company has hidden and misrepresented this problem in a variety of ways"; that Amdocs'  
20 cash is either "trapped" or nonexistent; that "[u]nbeknownst to investors, Amdocs has been  
21 secretly borrowing a large amount of money for years but avoiding showing any debt as  
22 of each quarter-end," which "is known as 'window-dressing' the balance sheet"—*i.e.*,  
23 "paying down its debt just prior to the end of each quarter, therefore showing a debt-free  
24 balance sheet on that day, and then re-borrowing the money shortly thereafter"; that this  
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1 “is why this company needed to begin selling receivables at a discount in [fiscal year  
2 2018], as well as to utilize more value-destructive measures to raise cash since, despite  
3 claiming to have a huge excess cash pile”; and that even though Amdocs “now shows  
4 \$1bn in debt but claims not to need any of it – this is utterly false.”  
5

6  
7 51. Finally, the Jehoshaphat report cited former employee interviews to confirm  
8 its findings, noting, among other things, that its “key findings were consistent with what  
9 former employees and direct competitors told us”; that “[t]hese disparate individuals tell  
10 the same story: DOX has been losing business for years but has made up for these losses  
11 by inflating financials, sometimes to a point beyond recognition by the country managers”;  
12 that “[o]ther formers/peers describe [Amdocs as] a business that is losing customers, most  
13 notably AT&T, piece by piece”; and that “[o]ne former American DOX executive told us  
14 that he and his colleagues had no idea how DOX managed to report stability in the US in  
15 the quarterly earnings results shown to Wall Street,” stating (paraphrastically to avoid  
16 revealing the individual’s identity through his speech patterns) that “[t]he US business was  
17 declining at a rate of [around] 7% annually...but then we would see the company [publish  
18 results that] say North America is stable,” and that it was a “big surprise” when “[w]e  
19 would send [our quarterly numbers] to Israel...and somehow everything all comes out as  
20 favorable...every quarter [from 2016-on].”  
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26 52. On this news, Amdocs’ ordinary share price fell \$9.19 per share, or 11.58%,  
27 to close at \$70.15 per share on March 31, 2021.  
28

1           53. As a result of Defendants' wrongful acts and omissions, and the precipitous  
2 decline in the market value of the Company's ordinary shares, Plaintiff and other Class  
3 members have suffered significant losses and damages.  
4

5                           **PLAINTIFF'S CLASS ACTION ALLEGATIONS**

6           54. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil  
7 Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who purchased or  
8 otherwise acquired Amdocs ordinary shares during the Class Period (the "Class"); and  
9 were damaged upon the revelation of the alleged corrective disclosures. Excluded from  
10 the Class are Defendants herein, the officers and directors of the Company, at all relevant  
11 times, members of their immediate families and their legal representatives, heirs,  
12 successors or assigns and any entity in which Defendants have or had a controlling interest.  
13

14           55. The members of the Class are so numerous that joinder of all members is  
15 impracticable. Throughout the Class Period, Amdocs ordinary shares were actively traded  
16 on the NASDAQ. While the exact number of Class members is unknown to Plaintiff at  
17 this time and can be ascertained only through appropriate discovery, Plaintiff believes that  
18 there are hundreds or thousands of members in the proposed Class. Record owners and  
19 other members of the Class may be identified from records maintained by Amdocs or its  
20 transfer agent and may be notified of the pendency of this action by mail, using the form  
21 of notice similar to that customarily used in securities class actions.  
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1           56. Plaintiff's claims are typical of the claims of the members of the Class as all  
2 members of the Class are similarly affected by Defendants' wrongful conduct in violation  
3 of federal law that is complained of herein.  
4

5           57. Plaintiff will fairly and adequately protect the interests of the members of the  
6 Class and has retained counsel competent and experienced in class and securities litigation.  
7 Plaintiff has no interests antagonistic to or in conflict with those of the Class.  
8

9           58. 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  
11 the questions of law and fact common to the Class are:  
12

- 13           • whether the federal securities laws were violated by Defendants' acts as  
14           alleged herein;
- 15           • whether statements made by Defendants to the investing public during the  
16           Class Period misrepresented material facts about the business, operations and  
17           management of Amdocs;
- 18           • whether the Individual Defendants caused Amdocs to issue false and  
19           misleading financial statements during the Class Period;
- 20           • whether Defendants acted knowingly or recklessly in issuing false and  
21           misleading financial statements;
- 22           • whether the prices of Amdocs ordinary shares during the Class Period were  
23           artificially inflated because of the Defendants' conduct complained of herein;  
24           and
- 25           • whether the members of the Class have sustained damages and, if so, what is  
26           the proper measure of damages.  
27  
28

1           59. A class action is superior to all other available methods for the fair and  
2 efficient adjudication of this controversy since joinder of all members is impracticable.  
3  
4 Furthermore, as the damages suffered by individual Class members may be relatively  
5 small, the expense and burden of individual litigation make it impossible for members of  
6 the Class to individually redress the wrongs done to them. There will be no difficulty in  
7 the management of this action as a class action.  
8

9           60. Plaintiff will rely, in part, upon the presumption of reliance established by the  
10 fraud-on-the-market doctrine in that:  
11

- 12           • Defendants made public misrepresentations or failed to disclose material  
13 facts during the Class Period;
- 14           • the omissions and misrepresentations were material;
- 15           • Amdocs ordinary shares are traded in an efficient market;
- 16           • the Company's shares were liquid and traded with moderate to heavy volume  
17 during the Class Period;
- 18           • the Company traded on the NASDAQ and was covered by multiple analysts;
- 19           • the misrepresentations and omissions alleged would tend to induce a  
20 reasonable investor to misjudge the value of the Company's ordinary shares;  
21 and
- 22           • Plaintiff and members of the Class purchased, acquired and/or sold Amdocs  
23 ordinary shares between the time the Defendants failed to disclose or  
24 misrepresented material facts and the time the true facts were disclosed,  
25 without knowledge of the omitted or misrepresented facts.  
26  
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28

1           61. Based upon the foregoing, Plaintiff and the members of the Class are entitled  
2 to a presumption of reliance upon the integrity of the market.  
3

4           62. Alternatively, Plaintiff and the members of the Class are entitled to the  
5 presumption of reliance established by the Supreme Court in *Affiliated Ute Citizens of the*  
6 *State of Utah v. United States*, 406 U.S. 128, 92 S. Ct. 2430 (1972), as Defendants omitted  
7 material information in their Class Period statements in violation of a duty to disclose such  
8 information, as detailed above.  
9  
10

### 11                           **COUNT I**

#### 12           **(Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Promulgated** 13           **Thereunder Against All Defendants)**

14           63. Plaintiff repeats and re-alleges each and every allegation contained above as  
15 if fully set forth herein.  
16

17           64. This Count is asserted against Defendants and is based upon Section 10(b) of  
18 the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder by the SEC.  
19

20           65. During the Class Period, Defendants engaged in a plan, scheme, conspiracy  
21 and course of conduct, pursuant to which they knowingly or recklessly engaged in acts,  
22 transactions, practices and courses of business which operated as a fraud and deceit upon  
23 Plaintiff and the other members of the Class; made various untrue statements of material  
24 facts and omitted to state material facts necessary in order to make the statements made,  
25 in light of the circumstances under which they were made, not misleading; and employed  
26  
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28



1 devices, schemes and artifices to defraud in connection with the purchase and sale of  
2 securities. Such scheme was intended to, and, throughout the Class Period, did: (i) deceive  
3 the investing public, including Plaintiff and other Class members, as alleged herein; (ii)  
4 artificially inflate and maintain the market price of Amdocs ordinary shares; and (iii) cause  
5 Plaintiff and other members of the Class to purchase or otherwise acquire Amdocs  
6 ordinary shares at artificially inflated prices. In furtherance of this unlawful scheme, plan  
7 and course of conduct, Defendants, and each of them, took the actions set forth herein.  
8  
9

10  
11 66. Pursuant to the above plan, scheme, conspiracy and course of conduct, each  
12 of the Defendants participated directly or indirectly in the preparation and/or issuance of  
13 the quarterly and annual reports, SEC filings, press releases and other statements and  
14 documents described above, including statements made to securities analysts and the  
15 media that were designed to influence the market for Amdocs ordinary shares. Such  
16 reports, filings, releases and statements were materially false and misleading in that they  
17 failed to disclose material adverse information and misrepresented the truth about  
18 Amdocs' finances and business prospects.  
19  
20

21  
22 67. By virtue of their positions at Amdocs, Defendants had actual knowledge of  
23 the materially false and misleading statements and material omissions alleged herein and  
24 intended thereby to deceive Plaintiff and the other members of the Class, or, in the  
25 alternative, Defendants acted with reckless disregard for the truth in that they failed or  
26 refused to ascertain and disclose such facts as would reveal the materially false and  
27  
28

1 misleading nature of the statements made, although such facts were readily available to  
2 Defendants. Said acts and omissions of Defendants were committed willfully or with  
3  
4 reckless disregard for the truth. In addition, each Defendant knew or recklessly  
5 disregarded that material facts were being misrepresented or omitted as described above.  
6

7 68. Information showing that Defendants acted knowingly or with reckless  
8 disregard for the truth is peculiarly within Defendants' knowledge and control. As the  
9 senior managers and/or directors of Amdocs, the Individual Defendants had knowledge of  
10 the details of Amdocs' internal affairs.  
11

12 69. The Individual Defendants are liable both directly and indirectly for the  
13 wrongs complained of herein. Because of their positions of control and authority, the  
14 Individual Defendants were able to and did, directly or indirectly, control the content of  
15 the statements of Amdocs. As officers and/or directors of a publicly-held company, the  
16 Individual Defendants had a duty to disseminate timely, accurate, and truthful information  
17 with respect to Amdocs' businesses, operations, future financial condition and future  
18 prospects. As a result of the dissemination of the aforementioned false and misleading  
19 reports, releases and public statements, the market price of Amdocs ordinary shares was  
20 artificially inflated throughout the Class Period. In ignorance of the adverse facts  
21 concerning Amdocs' business and financial condition which were concealed by  
22 Defendants, Plaintiff and the other members of the Class purchased or otherwise acquired  
23 Amdocs ordinary shares at artificially inflated prices and relied upon the price of the  
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1 ordinary shares, the integrity of the market for the ordinary shares and/or upon statements  
2 disseminated by Defendants, and were damaged thereby.

3  
4 70. During the Class Period, Amdocs ordinary shares were traded on an active  
5 and efficient market. Plaintiff and the other members of the Class, relying on the  
6 materially false and misleading statements described herein, which the Defendants made,  
7 issued or caused to be disseminated, or relying upon the integrity of the market, purchased  
8 or otherwise acquired shares of Amdocs ordinary shares at prices artificially inflated by  
9 Defendants' wrongful conduct. Had Plaintiff and the other members of the Class known  
10 the truth, they would not have purchased or otherwise acquired said ordinary shares, or  
11 would not have purchased or otherwise acquired them at the inflated prices that were paid.  
12 At the time of the purchases and/or acquisitions by Plaintiff and the Class, the true value  
13 of Amdocs ordinary shares was substantially lower than the prices paid by Plaintiff and  
14 the other members of the Class. The market price of Amdocs ordinary shares declined  
15 sharply upon public disclosure of the facts alleged herein to the injury of Plaintiff and  
16 Class members.  
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22 71. By reason of the conduct alleged herein, Defendants knowingly or recklessly,  
23 directly or indirectly, have violated Section 10(b) of the Exchange Act and Rule 10b-5  
24 promulgated thereunder.  
25

26 72. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff  
27 and the other members of the Class suffered damages in connection with their respective  
28

1 purchases, acquisitions and sales of the Company's ordinary shares during the Class  
2 Period, upon the disclosure that the Company had been disseminating misrepresented  
3 financial statements to the investing public.  
4

5 **COUNT II**

6 **(Violations of Section 20(a) of the Exchange Act Against the Individual Defendants)**  
7

8 73. Plaintiff repeats and re-alleges each and every allegation contained in the  
9 foregoing paragraphs as if fully set forth herein.  
10

11 74. During the Class Period, the Individual Defendants participated in the  
12 operation and management of Amdocs, and conducted and participated, directly and  
13 indirectly, in the conduct of Amdocs' business affairs. Because of their senior positions,  
14 they knew the adverse non-public information about Amdocs' misstatement of income  
15 and expenses and false financial statements.  
16

17 75. As officers and/or directors of a publicly owned company, the Individual  
18 Defendants had a duty to disseminate accurate and truthful information with respect to  
19 Amdocs' financial condition and results of operations, and to correct promptly any public  
20 statements issued by Amdocs which had become materially false or misleading.  
21

22 76. Because of their positions of control and authority as senior officers, the  
23 Individual Defendants were able to, and did, control the contents of the various reports,  
24 press releases and public filings which Amdocs disseminated in the marketplace during  
25 the Class Period concerning Amdocs' results of operations. Throughout the Class Period,  
26  
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28

1 the Individual Defendants exercised their power and authority to cause Amdocs to engage  
2 in the wrongful acts complained of herein. The Individual Defendants, therefore, were  
3  
4 “controlling persons” of Amdocs within the meaning of Section 20(a) of the Exchange  
5 Act. In this capacity, they participated in the unlawful conduct alleged which artificially  
6 inflated the market price of Amdocs ordinary shares.  
7

8 77. Each of the Individual Defendants, therefore, acted as a controlling person of  
9 Amdocs. By reason of their senior management positions and/or being directors of  
10 Amdocs, each of the Individual Defendants had the power to direct the actions of, and  
11 exercised the same to cause, Amdocs to engage in the unlawful acts and conduct  
12 complained of herein. Each of the Individual Defendants exercised control over the  
13 general operations of Amdocs and possessed the power to control the specific activities  
14 which comprise the primary violations about which Plaintiff and the other members of the  
15 Class complain.  
16  
17  
18

19 78. By reason of the above conduct, the Individual Defendants are liable pursuant  
20 to Section 20(a) of the Exchange Act for the violations committed by Amdocs.  
21

22 **PRAYER FOR RELIEF**

23 **WHEREFORE**, Plaintiff demands judgment against Defendants as follows:  
24

25 A. Determining that the instant action may be maintained as a class action under  
26 Rule 23 of the Federal Rules of Civil Procedure, and certifying Plaintiff as the Class  
27 representative;  
28

1 B. Requiring Defendants to pay damages sustained by Plaintiff and the Class by  
2 reason of the acts and transactions alleged herein;

3  
4 C. Awarding Plaintiff and the other members of the Class prejudgment and post-  
5 judgment interest, as well as their reasonable attorneys' fees, expert fees and other costs;  
6 and

7  
8 D. Awarding such other and further relief as this Court may deem just and  
9 proper.

10  
11 **DEMAND FOR TRIAL BY JURY**

12 Plaintiff hereby demands a trial by jury.

13 Dated: April 9, 2021

14 Respectfully submitted,

15 POMERANTZ LLP

16 /s/ Jennifer Pafiti

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