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County of Orange

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Clerk of the Superior Court
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6 *and the Proposed Class*

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8
9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
10 **COUNTY OF ORANGE**

11 JACOB SCHEINER, On Behalf of Himself)
12 and All Others Similarly Situated,)

13 Plaintiff,)

14 vs.)

15 INGRAM MICRO INC.,)
16 HOWARD I. ATKINS,)
17 DAVID BARNES,)
18 LESLIE S. HEISZ,)
19 JOHN R. INGRAM,)
20 DALE R. LAURANCE,)
21 LINDA FAYNE LEVINSON,)
22 SCOTT MCGREGOR,)
23 CAROL MILLS,)
ALAIN MONIÉ,)
24 WADE OOSTERMAN,)
TIANJIN TIANHAI INVESTMENT)
25 COMPANY, LTD.,)
GCL ACQUISITION, INC., and)
DOES 1-25, inclusive,)

26 Defendants.)

Case No. 30-2016-00839447-CU-SL-CXC
CX-101 Judge Gail A. Andler

CLASS ACTION

**COMPLAINT FOR BREACH
OF FIDUCIARY DUTIES**

JURY TRIAL DEMANDED

1 Plaintiff Jacob Scheiner (“Plaintiff”), on behalf of himself and all others similarly situated,
2 after an examination and inquiry conducted by and through his counsel, alleges the following for his
3 Complaint:

4 **NATURE AND SUMMARY OF THE ACTION**

5 1. This is a stockholder class action brought by Plaintiff on behalf of himself and all
6 other public stockholders of Ingram Micro Inc. (“Ingram Micro” or the “Company”) against the
7 members of Ingram Micro’s Board of Directors (the “Board” or the “Individual Defendants”),
8 arising out of their breaches of fiduciary duties and/or the aiding and abetting of such breaches in
9 connection with the Board’s agreement to sell the Company to Tianjin Tianhai Investment
10 Company, Ltd. (“Tianjin Tianhai” or “Parent”) through its wholly-owned subsidiary, GCL
11 Acquisition, Inc. (“Merger Sub”) (the “Proposed Transaction”). Parent and Merger Sub are
12 affiliates of and controlled by HNA Group Co., Ltd. (“HNA”) a Hainan-based Fortune Global 500
13 enterprise group and the largest stockholder of Tianjin Tianhai.
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15 2. On February 17, 2016, Ingram Micro and Tianjin Tianhai issued a joint press release
16 announcing that they entered into an Agreement and Plan of Merger (the “Merger Agreement”) to
17 sell Ingram Micro to Tianjin Tianhai. Subject to the terms of the Merger Agreement, Ingram Micro
18 stockholders will receive \$38.90 in cash for each share of Ingram Micro they own (the “Merger
19 Consideration”). Following consummation of the Proposed Transaction, Merger Sub will merge
20 with and into Ingram Micro with the Company surviving as a wholly-owned subsidiary of Tianjin
21 Tianhai and as an indirect subsidiary of HNA. After the Proposed Transaction, Ingram Micro
22 would become the largest member enterprise of HNA in terms of revenue, and facilitate the
23 internationalization process of the group. The Proposed Transaction is valued at approximately \$6
24 billion.
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26 3. As further described below, both the value to Ingram Micro stockholders
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1 contemplated in the Proposed Transaction and the process by which defendants propose to
2 consummate the Proposed Transaction are fundamentally unfair to Plaintiff and the other public
3 stockholders of the Company. The Individual Defendants' conduct constitutes a breach of their
4 fiduciary duties owed to Ingram Micro stockholders, and a violation of applicable legal standards
5 governing the Individual Defendants' conduct. Given Ingram Micro's excellent prospects for
6 growth and the significant benefits HNA will receive from the merger, the Merger Consideration
7 undervalues the Company.
8

9 4. In addition, the Board agreed to lock up the deal with a number of unreasonable deal
10 protection devices in the Merger Agreement, including: (i) a "no-solicitation" clause that prevents
11 the Company from soliciting, and subject to minimal exceptions, from providing non-public
12 information to potential alternate bidders; (ii) an "information rights" provision that requires Ingram
13 Micro to provide Tianjin Tianhai with the identity of any competing bidder and all material terms
14 and conditions of such a proposal; (iii) "matching rights" that allow Tianjin Tianhai five (5)
15 business days to match any superior offer, plus an additional three (3) business day period following
16 a material amendment to the terms and conditions of a superior offer or the submission of a new
17 offer; and (iv) a provision requiring Ingram Micro to pay a termination fee of \$120 million if it
18 decides to pursue a competing bid. The collective effect of these provisions is to strongly deter any
19 potential post-deal market check.
20

21 5. For these reasons and as set forth in detail herein, Plaintiff seeks to enjoin defendants
22 from taking any steps to consummate the Proposed Transaction or, in the event the Proposed
23 Transaction is consummated, to recover damages resulting from the Individual Defendants'
24 violations of their fiduciary duties.
25

26 **JURISDICTION AND VENUE**

27 6. The court has jurisdiction over the cause of action asserted pursuant to the California
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1 Constitution, Article VI, § 10, and California Code of Civil Procedure §410.10, because this is a
2 cause not given by statute to other trial courts.

3 7. The court has jurisdiction over defendants because their principal place of business is
4 in California, they conduct business in California directly or through agents, and/or are citizens of
5 California. This action is not removable.

6 8. Venue is proper in this Court pursuant to California Code of Civil Procedure §395
7 because Ingram Micro maintains its principal place of business in Orange County and the conduct at
8 issue took place and had an effect in this county.
9

10 **THE PARTIES**

11 9. Plaintiff is, and has been at all times relevant hereto, a stockholder of Ingram Micro.

12 10. Ingram Micro, a Delaware corporation, is an American electronics company and
13 information technology distributor. It is the world's largest wholesale technology products
14 distributor. The Company's corporate headquarters are located at 3351 Michelson Drive, Suite 100,
15 Irvine, California 92612. Its common stock is traded on the New York Stock Exchange under the
16 ticker symbol "IM."
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18 11. Defendant Howard I. Atkins ("Atkins") has been a director of the Company since
19 April 2004. Defendant Atkins is Chair of the Human Resources Committee and is a member of the
20 Executive, Audit and IT Committees.

21 12. Defendant David Barnes ("Barnes") has been a director of the Company since June
22 2014. Defendant Barnes is a member of the Audit and Executive Committees.
23

24 13. Defendant Leslie S. Heisz ("Heisz") has been a director of the Company since March
25 2007. Defendant Heisz is Chair of the Audit Committee, and is a member of the Executive and
26 Governance Committees.
27
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1 14. Defendant John R. Ingram (“Ingram”) has been a director of the Company since
2 April 1996, and is a member of the Governance and Human Resources Committees. Defendant
3 Ingram previously served as acting Chief Executive Officer (“CEO”) of the Company from May
4 1996 to August 1996.

5 15. Defendant Dale R. Laurance (“Laurance”) has been a director of the Company since
6 May 2001. Defendant Laurance is Chairman of the Board and is Chair of the Executive Committee.

7 16. Defendant Linda Fayne Levinson (“Levinson”) has been a director of the Company
8 since August 2004. Defendant Levinson is a member of the Governance, Human Resources and IT
9 Committees.
10

11 17. Defendant Scott McGregor (“McGregor”) has been a director of the Company since
12 June 2010. Defendant McGregor is Chair of the Governance Committee, and is a member of the
13 Audit and Executive Committees.

14 18. Defendant Carol Mills (“Mills”) has been a director of the Company since June
15 2014. Defendant Mills is a member of the Governance, Human Resources and IT Committees.
16

17 19. Defendant Alain Monié (“Monié”) has been a director of the Company since
18 November 2011. Defendant Monié has been CEO of the Company since January 2012, and
19 previously served as President and Chief Operating Officer (“COO”) of the Company from 2007 to
20 2010. Defendant Monié is a member of the Executive Committee. Defendant Monié will continue
21 as CEO of Ingram Micro following consummation of the Proposed Transaction.

22 20. Defendant Wade Oosterman (“Oosterman”) has been a director of the Company
23 since September 2013. Defendant Oosterman is a member of the Audit, Human Resources and IT
24 Committees.
25

26 21. Defendants set forth in paragraphs 11 through 20 are referred to herein as the
27 “Individual Defendants.” By virtue of their positions as directors and/or officers of Ingram Micro,
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1 the Individual Defendants are in a fiduciary relationship with Plaintiff and the other public
2 stockholders of Ingram Micro.

3 22. Each of the Individual Defendants at all relevant times had the power to control and
4 direct Ingram Micro to engage in the misconduct alleged herein. The Individual Defendants'
5 fiduciary obligations required them to act in the best interest of Plaintiff and all Ingram Micro
6 stockholders.

7 23. Each of the Individual Defendants owes fiduciary duties of loyalty, good faith, due
8 care, and full and fair disclosure to Plaintiff and the other members of the Class. The Individual
9 Defendants are acting in concert with one another in violating their fiduciary duties as alleged
10 herein, and, specifically, in connection with the Proposed Transaction.

11 24. Plaintiff alleges herein that the Individual Defendants, separately and together, in
12 connection with the Proposed Transaction, violated, and are continuing to violate, the fiduciary
13 duties they owe to Plaintiff and the Company's other public stockholders, due to the fact that they
14 have engaged in all or part of the unlawful acts, plans, schemes, or transactions complained of
15 herein.
16

17 25. Defendant Parent, a joint stock company existing under the laws of the People's
18 Republic of China, is a Shanghai-based company principally engaged in marine transportation
19 services. According to the Merger Agreement, Parent's mailing address for notice is 4F, Shanghai
20 NHA Building, 898 Puming Road, Shanghai, People's Republic of China.
21

22 26. Defendant Merger Sub is a Delaware corporation and an indirect wholly-owned
23 subsidiary of Parent.
24

25 27. Defendants Ingram Micro, the Individual Defendants, Parent and Merger Sub are
26 collectively referred to as the "Defendants."
27

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1 **OTHER RELEVANT ENTITIES**

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3 28. HNA is a conglomerate founded in 1993 as a local aviation transportation operator.
4 Today, HNA's operations include aviation, holdings, capital, tourism and logistics. HNA has assets
5 valued at over RMB 600 billion, has 11 listed companies, revenues of nearly RMB 190 billion and
6 has nearly 180,000 employees worldwide. According to the guarantee agreement executed in
7 connection with the Proposed Transaction, HNA's mailing address for notice is 29 Haixiu Road,
8 Haikou, Hainan Province, People's Republic of China.

9
10 29. Parent and Merger Sub are affiliates of and controlled by HNA.

11 **INDIVIDUAL DEFENDANTS' FIDUCIARY DUTIES**

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13 30. By reason of Individual Defendants' positions with the Company as officers or
14 directors, they are in a fiduciary relationship with Plaintiff and the other public shareholders of
15 Ingram Micro and owe them, as well as the Company, a duty of care, loyalty, good faith, and
16 independence.

17 31. To diligently comply with their fiduciary duties, the Individual Defendants may not
18 take any action that:

- 19 (a) adversely affects the value provided to the corporation's shareholders;
20 (b) favors themselves or will discourage or inhibit alternative offers to purchase
21 control of the corporation or its assets;
22 (c) adversely affects their duty to search and secure the best value reasonably
23 available under the circumstances for the corporation's shareholders; or
24 (d) will provide the Individual Defendants with preferential treatment at the
25 expense of, or separate from, the public shareholders.
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1 32. In accordance with their duties of loyalty and good faith, the Individual Defendants
2 are obligated to refrain from:

3 (a) participating in any transaction where the Individual Defendants' loyalties are
4 divided;

5 (b) participating in any transaction where the Individual Defendants receive, or
6 are entitled to receive, a personal financial benefit not equally shared by the public shareholders of
7 the corporation; or

8 (c) unjustly enriching themselves at the expense or to the detriment of the public
9 shareholders.
10

11 33. Plaintiff alleges herein that the Individual Defendants, separately and together, in
12 connection with the Proposed Transaction, are knowingly or recklessly violating their fiduciary
13 duties, including their duties of care, loyalty, good faith, and independence owed to Plaintiff and
14 other public shareholders of Ingram Micro.

15 **CONSPIRACY, AIDING AND ABBETTING, AND CONCERTED ACTION**
16

17 34. In committing the wrongful acts alleged herein, Defendants have pursued, or joined
18 in the pursuit of, a common course of conduct, and acted in concert with and conspired with one
19 another, in furtherance of their common plan or design. In addition to the wrongful conduct herein
20 alleged as giving rise to primary liability, Defendants further aided and abetted or assisted each
21 other in breach of their respective duties as herein alleged.

22 35. Each Defendant herein aided and abetted and rendered substantial assistance in the
23 wrongs complained of herein. In taking such actions as particularized herein, to substantially assist
24 the commission of the wrongdoing complained of, each Defendant acted with knowledge of the
25 primary wrongdoing, substantially assisted the accomplishment of that wrongdoing, and was aware
26 of his or her overall contribution to, and furtherance of, the wrongdoing. Defendants' acts of aiding
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1 and abetting, included the acts each of them are alleged to have committed in furtherance of the
2 conspiracy, common enterprise and common course of conduct complained of herein.

3 CLASS ACTION ALLEGATIONS

4 36. Plaintiff brings this action as a class action pursuant to §382 of the California Code
5 of Civil Procedure on behalf of all persons and entities that own Ingram Micro common stock (the
6 “Class”). Excluded from the Class are Defendants and their affiliates, immediate families, legal
7 representatives, heirs, successors or assigns and any entity in which Defendants have or had a
8 controlling interest.
9

10 37. The Class is so numerous that joinder of all members is impracticable. While the
11 exact number of Class members is unknown to Plaintiff at this time and can only be ascertained
12 through discovery, Plaintiff believes that there are thousands of members in the Class. As of
13 February 12, 2016, 148,375,659 shares of common stock were represented by the Company as
14 outstanding. All members of the Class may be identified from records maintained by Ingram Micro
15 or its transfer agent and may be notified of the pendency of this action by mail, using forms of
16 notice similar to that customarily used in securities class actions.
17

18 38. Questions of law and fact are common to the Class, including, *inter alia*, the
19 following:

20 (a) whether the process implemented and set forth by the Defendants for the
21 Proposed Transaction, including but not limited to, the Merger Agreement, the Proposed
22 Transaction, and the negotiations concerning the Merger Agreement and the Proposed Transaction
23 is entirely fair to the members of the Class;
24

25 (b) whether the Individual Defendants breached their fiduciary duties of loyalty,
26 good faith, or due care with respect to Plaintiff and the other members of the Class in connection
27 with the Proposed Transaction;
28

1 (c) whether the Individual Defendants, in bad faith and for improper motives,
2 have impeded or erected barriers to discourage other offers for the Company and its assets;

3 (d) whether Ingram Micro, Parent and Merger Sub have aided and abetted the
4 Individual Defendants' breaches of fiduciary duties;

5 (e) whether Plaintiff and the other members of the Class would be irreparably
6 harmed if Defendants are not enjoined from effectuating the Proposed Transaction as a result of the
7 wrongful conduct described herein; and

8 (f) whether Plaintiff and the Class are entitled to injunctive relief, damages or
9 other relief.
10

11 39. Plaintiff's claims are typical of the claims of the other members of the Class.
12 Plaintiff and the other members of the Class have sustained damages as a result of Defendants'
13 wrongful conduct as alleged.

14 40. Plaintiff will fairly and adequately protect the interests of the Class, and has no
15 interests contrary to or in conflict with those of the Class that Plaintiff seeks to represent.
16

17 41. A class action is superior to all other available methods for the fair and efficient
18 adjudication of this controversy. Plaintiff knows of no difficulty to be encountered in the
19 management of this action that would preclude its maintenance as a class action.

20 **SUBSTANTIVE ALLEGATIONS**

21 **The Proposed Transaction**

22 42. On February 17, 2016, Ingram Micro and Tianjin Tianhai issued a joint press release
23 announcing the Proposed Transaction. The press release stated, in pertinent part:

24 February 17, 2016 – Ingram Micro Inc. (NYSE: IM) and Tianjin Tianhai Investment
25 Company, Ltd. (Tianjin Tianhai) (SSE A Share: 600751 and SSE B Share: 900938)
26 today announced that they have entered into a definitive merger agreement under
27 which Tianjin Tianhai will acquire Ingram Micro for \$38.90 per share in an all-cash
28 transaction with an equity value of approximately \$6.0 billion. Upon close of the
merger, Ingram Micro will become a part of HNA Group, a Hainan-based Fortune
Global 500 enterprise group and a leader in aviation, tourism and logistics and the

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largest stockholder of Tianjin Tianhai. The transaction, which has been unanimously approved by both Ingram Micro’s and Tianjin Tianhai’s boards of directors, represents a premium of approximately 39% over the average closing share price of Ingram Micro for the 30 trading days ended February 16, 2016.

Following the close of the transaction, which is expected in the second half of 2016, Ingram Micro will operate as a subsidiary of Tianjin Tianhai, consolidated under HNA Group, the largest stockholder of Tianjin Tianhai (via HNA Group’s subsidiaries). Ingram Micro is expected to remain headquartered in Irvine, California, and Ingram Micro’s executive management team will remain in place, with Alain Monié continuing to lead as CEO. All Ingram Micro lines of business and all regional and country operations are expected to continue unaffected.

Adam Tan, Vice Chairman of the Board of Directors and CEO of HNA Group, said, “Ingram Micro has clearly established itself as a leading distributor and global provider of IT products and services. The Company has a proven and talented team and we believe Ingram Micro is unrivaled in its ability to offer industry-leading, differentiated and easy-to-manage solutions to vendor and customer partners worldwide. We look forward to supporting Ingram Micro’s management team and strategies, including continued expansion into new geographies, while also offering their vendor and customer partners access to new and complementary offerings. We share Ingram Micro’s commitment to integrity, innovation and performance and we are confident this transaction will enable Ingram Micro to continue to distinguish itself in the marketplace and meet the needs of its vendor and customer partners better than ever before.”

Mr. Tan also said, “After the transaction, Ingram Micro would become the largest member enterprise of HNA Group in terms of revenue, and facilitate the internationalization process of the group. With the help of Ingram Micro, HNA Group would have access to business opportunities in emerging markets, which have higher growth rates and better profitability. Furthermore, the addition of Ingram Micro would help the logistics sector of HNA Group transform from a logistics operator to a supply chain operator, and provide one-stop services while improving efficiencies.”

Alain Monié, Ingram Micro CEO, said, “Our agreement to join HNA Group delivers near-term and compelling cash value to our stockholders and we expect it to provide exciting new opportunities for our vendors, customers and associates. Innovation, new services introduction, brand management and ensuring the stability and continuity of the businesses joining their enterprise are fundamental to HNA Group’s overall strategy. As a part of HNA Group, we will have the ability to accelerate strategic investment, as we continue to capitalize on the constant evolution of technology and emerging trends by adding expertise, capabilities and geographic reach. Additionally, Ingram Micro will now be part of a larger organization that has complementary logistics capabilities and a strong presence in China that can further support the growth and profitability objectives of our vendor and customer partners.”

1 Mr. Monié continued, “HNA Group is committed to maintaining the leadership
2 teams and core values that have made Ingram Micro a trusted partner and industry
3 leader, and as a part of a larger organization, our global associates will have the
4 added opportunity to expand their career objectives while remaining dedicated to
5 Ingram Micro’s core principles. We are delighted to join forces with HNA Group, a
6 partner who shares our vision for Ingram Micro and is committed to accelerating the
7 growth of our business to provide innovative solutions across the IT ecosystem.”

8 Dale R. Laurance, Chairman of the Board of Directors of Ingram Micro, said, “HNA
9 Group has a long and successful history of investing in and supporting leading global
10 brands to advance the companies’ business objectives. HNA Group has a stated
11 focus to grow globally and to invest further in the operations they acquire. The Board
12 and I are confident that this transaction is in the best interest of our stockholders and
13 that it will create an even stronger partner and value proposition for Ingram Micro’s
14 vendors and customers around the world.”

15 In conjunction with this announcement, Ingram Micro is suspending its quarterly
16 dividend payment and its share repurchase program prior to the closing of the
17 transaction.

18 The transaction is subject to regulatory approvals in various jurisdictions, as well as
19 the approval of Ingram Micro’s and Tianjin Tianhai’s stockholders and the
20 satisfaction of other customary closing conditions.

21 China International Capital Corporation Limited and Bravia Capital jointly acted as
22 lead financial advisors to HNA Group. Weil, Gotshal & Manges LLP acted as HNA
23 Group’s legal counsel.

24 Morgan Stanley & Co. LLC acted as financial advisor to Ingram Micro and Davis
25 Polk & Wardwell LLP acted as Ingram Micro’s legal counsel.

26 **Background of the Company**

27 43. Ingram Micro was founded in 1979 as a subsidiary of the privately owned Ingram
28 Industries group, and has risen to become the 62nd ranked corporation on the Fortune 500. The
Company is the world’s largest wholesale technology products distributor, with a large variety of
electronics sourced from manufacturers including Apple, Cisco, Hewlett-Packard, IBM, Lenovo,
Microsoft, Samsung and others. Other ventures have included cloud computing and other
computer-related services.

44. The Company has built an extensive sales and distribution network throughout North
America, Europe, the Middle East, Africa, Latin America and the Asia Pacific region. Ingram

1 Micro maintains local sales offices or representatives in 38 countries, has 122 distribution centers
2 worldwide, and serves more than 200,000 customers in approximately 160 countries. Notably, the
3 Company is the only global broad-based IT distributor with a significant Asia Pacific region
4 presence.

5 45. Ingram Micro is positioned for future growth and success.

6 46. On July 30, 2015, Ingram Micro issued a press release announcing its second quarter
7 of 2015 financial results. For the second quarter, the Company reported worldwide sales of \$10.6
8 billion, a 5% increase on a currency neutral basis year over year. Non-GAAP operating income of
9 \$151 million was up 3%, or up 12% on a currency neutral basis year over year. Non-GAAP
10 operating margin was 1.43%, an increase of 9 basis points year over year. Commenting on the
11 financial results, Defendant Monié stated:
12

13 Our teams are doing a great job delivering increasingly rich and innovative products
14 and services to our customers and vendor partners through product and macro-
15 economic cycles. The results are evident in our second quarter performance, as we
16 grew revenue 5 percent in local currencies, strongly leveraged our cost basis to
improve non-GAAP operating margin by 9 basis points and at the same time
generated excellent operating cash flow.

17 ***

18 As illustrated by our second quarter results and our guidance for the third quarter,
19 our strategies are working, our performance is increasing and our commitment to
deliver on our longer term targets is only stronger.

20 47. On October 29, 2015, Ingram Micro announced its financial results for the third
21 quarter of 2015. The Company reported worldwide sales of \$10.6 billion, a 2% increase on a
22 currency neutral basis year over year. Non-GAAP operating income of \$169 million was up 5%, or
23 15% on a currency neutral basis year over year. Non-GAAP operating margin was 1.60%, an
24 increase of 17 basis points year over year, the highest level for a third quarter in more than a decade.
25 Commenting on the quarter, Defendant Monié stated:
26

27 We had a great quarter, reflecting continued execution on our strategy. We drove
28 strong operating leverage while continuing to build our capabilities in key strategic

1 areas such as advanced solutions, lifecycle services, commerce and fulfillment
2 solutions and cloud. Our teams remained focused on generating strong returns on
3 capital, which resulted in expanded margins, with non-GAAP operating margin
4 reaching the highest level for a third quarter in more than a decade, a 21% increase in
5 non-GAAP earnings per share on a currency neutral basis versus last year and \$340
6 million in operating cash flow for the quarter. Our focus on structurally improving
7 our cash conversion cycle is yielding results and we now expect to generate more
8 than \$1 billion in operating cash flow for the full year, even as we deploy capital to
9 support revenue growth in our seasonally strongest fourth quarter.

10 ***

11 In addition to strong execution across the business, this quarter we continued to
12 deliver on our commitment to return capital to shareholders, paying our first ever
13 quarterly dividend and repurchasing more than \$160 million in stock during the third
14 quarter, bringing total repurchases to \$206 million since we resumed our program
15 this May.

16 48. Then, on December 20, 2015, the Company announced that it would continue its
17 Asia Pacific expansion with a new cloud marketplace in India, offering channel partners immediate
18 access to Microsoft Office 365. Commenting on the announcement, Ingram Micro India Pvt. Ltd.
19 Senior Vice President and Chief Executive Jaishankar Krishnan stated:

20 With cloud adoption growing steadily in India, we are pleased to deliver the
21 platform, innovative solutions and expertise needed to support cloud business
22 transformation. The availability of the Cloud Marketplace empowers channel
23 partners to lift their customers' businesses to the cloud while growing their own
24 profitability and cloud presence.

25 49. Shortly thereafter, on December 21, 2015, the Company issued a press release
26 announcing that had completed its acquisition of the e-commerce fulfillment activities of DOCdata
27 International B.V. According to the press release, DOCdata is one of the leading European
28 providers of order fulfillment, returns logistics and online payment services, providing critical
29 commerce solutions to major retailers, brands and promising start-ups. In the October 13, 2015
30 press release announcing the DOCdata transaction, Defendant Monié stated:

31 Adding Docdata's broad-based suite of commerce solutions to our existing portfolio
32 of global services will bring critical mass to our commerce and fulfillment solutions
33 business in Europe. Docdata is a well-established e-commerce fulfillment company
34 and is highly respected by brands and retailers for its ability to deliver a timely and

1 cost-effective buyer experience. Docdata's solutions are an excellent complement to
2 our existing commerce and fulfillment offerings, including our rapidly expanding
3 Shipwire service delivery platform. This acquisition is fully aligned with our
4 strategic objective to leverage Ingram Micro's broad geographic reach and world
class vendor and customer relationships, and we expect to accelerate Docdata's
ability to drive rapid expansion of its services offerings across the continent and
beyond.

5 50. Also on December 21, 2015, Ingram Micro issued a press release announcing that it
6 had completed its acquisition of certain assets from Parallels Holdings Ltd., including the Odin
7 Service Automation platform, associated cloud management technologies, intellectual property and
8 the Odin brand. A press release issued on December 21, 2015 announcing the Parallels transaction
9 noted that the transaction “solidifies Ingram Micro's position as a leading master Cloud Services
10 Provider (mCSP), with a comprehensive offering designed to support partner transformation and
11 cloud enablement to help businesses take advantage of a rapidly expanding portfolio of cloud
12 solutions.”

13
14 51. The next day, the Company issued a press release announcing that it had completed
15 its acquisition of Sao Paulo, Brazil-based Grupo AÇÃO, one of Latin America's leading providers
16 of critical value-added IT solutions. In a press release issued on October 20, 2015 announcing the
17 Grupo AÇÃO acquisition, Defendant Monié stated:

18
19 As evidenced by a history of strong operating margin contribution, Ingram Micro has
20 been extremely successful in rapidly expanding our high value business in Latin
21 America, particularly in Brazil, where we are already established as one of the
22 leading overall technology distributors and have enjoyed strong double digit growth
23 rates in local currency for many quarters. AÇÃO's position as a key solutions value-
24 added distributor is a perfect complement to our rapidly growing higher margin
25 business in the region. The company has a long history of strong business
26 fundamentals, and brings experienced management in an emerging geography that
27 remains attractive for Ingram Micro over the long-term. We expect to realize
28 meaningful vendor cross-selling opportunities in the countries we share, as together
we will have a significantly expanded portfolio of high value offerings to better serve
our customers. We look forward to AÇÃO joining Ingram Micro and we are
confident the addition will enable us to build further on the region's revenue and
profitability contribution.

52. On January 26, 2016, Ingram Micro announced that Dell Software joined the

1 Company's Federal Advantage Program and that Dell Software's products have been added to an
2 Ingram Micro subsidiary's U.S. General Services Administration schedule. Commenting on
3 expanding the Company's Dell business, Ingram Micro Vertical Markets executive director
4 Anthony Vottima stated:

5 There's tremendous business value in having a distribution partner who is authorized
6 to sell and support both the hardware and software business from any one vendor --
7 especially a channel favorite such as Dell. It's rewarding to have Dell expand their
8 footprint within our Ingram Micro Federal Advantage Program and add the Dell
9 Windows Management, Information Management, Data Protection, SonicWALL,
10 Identity and Access Management and KACE solutions to Promark's GSA schedule.

11 53. On February 25, 2016, the Company issued a press release announcing its financial
12 results for the fourth quarter ended January 2, 2016. Ingram Micro reported worldwide sales of
13 \$11.3 billion, cash flow from operations of \$500 million, and non-GAAP operating margin of
14 2.11%, up from 1.77% year over year. The Company also repurchased 1.7 million shares during the
15 fourth quarter. Commenting on the quarter, Defendant Monié stated: "We had a solid close to a
16 strong year of execution, and we are pleased with the progress we are making against our strategic
17 initiatives."

18 **The Inadequate Merger Consideration**

19 54. Given the Company's potential for increased growth and strong earnings, the
20 Proposed Transaction fails to adequately compensate Ingram Micro's stockholders for the intrinsic
21 value of the Company, as well as the significant benefits HNA will receive from the Proposed
22 Transaction.

23 55. The Company's potential for increased growth and strong earnings is exemplified by
24 its non-GAAP earnings increase from \$0.98 during the fourth quarter of 2014 to \$1.01 during the
25 fourth quarter of 2015. Ingram Micro's gross margin was 6.8%, compared to 5.6% year over year.
26 The Company also generated cash flow of approximately \$1.455 billion from operational activities
27 for the year ended January 31, 2016. Unfortunately, by pursuing the Proposed Transaction at this
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1 time, the Individual Defendants are attempting to prevent Ingram Micro stockholders from enjoying
2 the foreseeable business prospects and strong earnings potential on the horizon.

3 56. Importantly, the Proposed Transaction fails to adequately compensate Ingram
4 Micro's stockholders for the significant benefits that HNA will receive from the merger. In the
5 February 17, 2016 joint press release, Adam Tan, Vice Chairman of the board of director and CEO
6 of HNA Group touted the benefits to HNA, stating:

7
8 Ingram Micro has clearly established itself as a leading distributor and global
9 provider of IT products and services. The Company has a proven and talented team
10 and we believe Ingram Micro is unrivaled in its ability to offer industry-leading,
11 differentiated and easy-to-manage solutions to vendor and customer partners
12 worldwide. We look forward to supporting Ingram Micro's management team and
13 strategies, including continued expansion into new geographies, while also offering
14 their vendor and customer partners access to new and complementary offerings. We
15 share Ingram Micro's commitment to integrity, innovation and performance and we
16 are confident this transaction will enable Ingram Micro to continue to distinguish
17 itself in the marketplace and meet the needs of its vendor and customer partners
18 better than ever before.

19 57. Unfortunately for Ingram Micro's stockholders, despite the tremendous potential of
20 the Company and the significant benefits to HNA, the Board members failed to secure a fair deal
21 for the Company, either for the intrinsic value of its assets or the value of the Company's assets to
22 HNA in a combined entity.

23 **The Unfair Deal Protection Devices**

24 58. In addition to concerns regarding the inadequate Merger Consideration, the Merger
25 Agreement features several provisions that work to preclude other bidders from stepping forward
26 with a superior alternative offer. At best, these provisions place stockholders in an unfortunate
27 position and, at worst, question the impartiality of the Individual Defendants in the negotiation
28 process.

59. In a breach of their fiduciary duties, the Individual Defendants have agreed to the
following unreasonable deal protection devices:

1 • A “no-solicitation” clause that prevents Ingram Micro from soliciting, or its
2 directors and officers from even participating in discussions that may lead to a superior proposal
3 from any bidder (Merger Agreement, Section 6.03(a));

4 • An “information rights” provision whereby the Company must notify Parent,
5 as promptly as practicable and within forty-eight hours, of any proposals or inquiries received from
6 other parties, including, *inter alia*, the material terms and conditions of the proposal and the identity
7 of the party making the proposal (Merger Agreement, Section 6.03(b));

8 • A “matching rights” provision obligating Ingram Micro to provide Parent
9 with five (5) business days’ notice of its intent to accept a superior proposal and consider, in good
10 faith, any subsequent offers from Parent, plus an additional three (3) business day period following
11 a material amendment to the terms and conditions of a superior offer or the submission of a new
12 offer (Merger Agreement, Section 6.03(c)); and

13 • A termination fee of \$120 million payable by the Company to Parent if
14 Ingram Micro decides to pursue a competing bid (Merger Agreement, Section 11.04).

15
16 60. The “no-solicitation” clause, the “information rights” provision, the “matching
17 rights” provision, and the termination fee unfairly restrain the Individual Defendants’ ability to
18 solicit or engage in negotiations with any third party regarding a proposal to acquire all or a
19 significant interest in the Company. The circumstances under which the Board may respond to a
20 third party’s written bona fide proposal for an alternative acquisition that constitutes or would
21 reasonably be expected to constitute a superior proposal are too narrowly circumscribed to provide
22 an effective “fiduciary out” under the circumstances.

23
24 61. The reason behind these deal protection devices is clear: the absence of a meaningful
25 premium for stockholders creates the very real potential that a third party bidder will attempt to
26 usurp Tianjin Tianhai and submit a higher bid for Ingram Micro. The possibility that a third-party
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1 bidder will emerge motivated Tianjin Tianhai to “lock-up” the Proposed Transaction by co-opting
2 the Board and forcing them to adopt unreasonable deal protection devices that would ensure that
3 Tianjin Tianhai could purchase the Company for less than would otherwise be possible.

4 **Insiders’ Interests in the Proposed Transaction**

5 62. Ingram Micro insiders are the primary beneficiaries of the Proposed Transaction, not
6 the Company’s public stockholders. The Board and the Company’s executive officers are conflicted
7 and in breach of their fiduciary duties because they will receive unique benefits from the Proposed
8 Transaction not available to Plaintiff and the public stockholders of Ingram Micro.
9

10 63. If the Proposed Transaction closes, Defendant Monié and the current
11 management team will continue leading Ingram Micro under HNA ownership. As the CEO of
12 Ingram Micro, Defendant Monié owes a fiduciary duty to the Company’s shareholders.
13 Defendant Monié is conflicted regarding the Proposed Transaction because he will be retained
14 to lead Ingram Micro under HNA ownership and has significant reasons to support the
15 Proposed Transaction, which is otherwise against the best interest of Ingram Micro
16 shareholders. By encouraging shareholders to accept the unfair Merger Consideration,
17 Defendant Monié and the other Individual Defendants are reaping undue personal gain at the
18 expense of Ingram Micro public shareholders. Tianjin Tianhai was able to secure preferential
19 treatment from the Board, in part, by promising Defendant Monié and the present management
20 team post-merger positions in the Company.
21

22 64. Further, on December 15, 2015, the Board’s Human Resources Committee adopted the
23 Executive Change in Control Severance Plan (the “CIC Plan”) to replace the previous change in control
24 plan adopted in September 2010. Adopted just over two months prior to the announcement of the
25 Proposed Transaction, the CIC Plan’s participants include Defendant Monié, the other named
26 executive officers, and the Company’s executive vice presidents (the “CIC Plan Participants”).
27
28

1 65. The CIC Plan Participants are expected to realize significant cash payments and
2 other benefits as a result of the Proposed Transaction. Specifically, these individuals will be
3 eligible to: (i) receive a lump sum cash payment equal to (a) a multiple (which is 2.5 for the chief
4 executive officer and 2.0 for all other current Participants) times the sum of the Participant's base
5 salary and target annual bonus, (b) a fractional amount of the target annual bonus for the year in
6 which the Qualifying Termination occurs based upon the number of days elapsed in that calendar
7 year, and (c) the annualized cost of the premiums required for continuation of the Company-
8 sponsored medical, dental and vision insurance benefits for the fiscal year in which the termination
9 occurs, payable generally within 60 days after the date of the Participant's separation from service;
10 (ii) cash out their currently illiquid holdings in Company stock; and (iii) enjoy immediate vesting of
11 equity-based awards with a period of two years following the date of termination to exercise any
12 such stock options.
13

14 66. Accordingly, the CIC Plan Participants stand to receive significant benefits and thus
15 have reason to support the Proposed Transaction, which is otherwise against the best interests of the
16 Company's stockholders.
17

18 67. As a result of the Individual Defendants' breaches of fiduciary duties, Plaintiff and
19 the Class will suffer irreparable injury in that they have not and will not receive their fair portion of
20 the value of Ingram Micro's assets and business and will be prevented from obtaining the intrinsic
21 value of their equity ownership of the Company.
22

23 68. Unless enjoined by this Court, the Individual Defendants will continue to breach
24 their fiduciary duties owed to Plaintiff and the Class, and may consummate the Proposed
25 Transaction, to the irreparable harm of the Class.

26 69. Plaintiff and the other members of the Class are immediately threatened by the
27 wrongs complained of herein, and lack an adequate remedy at law.
28

1 **CLAIMS FOR RELIEF**

2 **COUNT I**

3 **Breach of Fiduciary Duties**
4 **(Against All Individual Defendants)**

5 70. Plaintiff repeats all previous allegations as if set forth in full.

6 71. The Individual Defendants have violated the fiduciary duties owed to the public
7 shareholders of Ingram Micro and have acted to put their personal interests ahead of the interests of
8 Ingram Micro shareholders or acquiesced in those actions by fellow Individual Defendants. The
9 Individual Defendants have failed to take adequate measures to ensure that the interests of Ingram
10 Micro's shareholders are properly protected and have embarked on a process that avoids
11 competitive bidding and provides Tianjin Tianhai with an unfair advantage by effectively excluding
12 other alternative proposals.
13

14 72. By the acts, transactions, and courses of conduct alleged herein, the Individual
15 Defendants, individually and acting as a part of a common plan, will unfairly deprive Plaintiff and
16 other members of the Class of the true value of their Ingram Micro investment. Plaintiff and other
17 members of the Class will suffer irreparable harm unless the actions of these Defendants are
18 enjoined and a fair process is substituted. These harmful acts include, *inter alia*, agreeing to the
19 \$120 million termination fee, as well as agreeing to the restrictive no-solicitation provision,
20 information rights provision, and a matching rights provision as contained in the Merger
21 Agreement.
22

23 73. The Individual Defendants have breached their duties of loyalty, good faith, and due
24 care by not taking adequate measures to ensure that the interests of Ingram Micro's public
25 shareholders are properly protected from overreaching by Tianjin Tianhai.
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1 74. By reason of the foregoing acts, practices, and courses of conduct, the Individual
2 Defendants have failed to exercise due care and diligence in the exercise of their fiduciary
3 obligations toward Plaintiff and the other members of the Class.

4 75. As a result of the actions of the Individual Defendants, Plaintiff and the Class have
5 been, and will be, irreparably harmed in that they have not, and will not, receive full and fair value
6 for their ownership interest in Ingram Micro's stock and businesses.

7 76. Plaintiff and members of the Class have no adequate remedy at law. Only through
8 the exercise of this Court's equitable powers can Plaintiff and the Class be fully protected from the
9 immediate and irreparable injury which these actions threaten to inflict.
10

11 **COUNT II**

12 **Claim for Aiding and Abetting**
13 **(Against Ingram Micro, Parent and Merger Sub)**

14 77. Plaintiff repeats all previous allegations as if set forth in full.

15 78. Defendants Ingram Micro, Parent and Merger Sub are well aware that the Individual
16 Defendants have not sought, and are not seeking, to obtain the best possible transaction for the
17 Company's public shareholders.

18 79. Ingram Micro, Parent and Merger Sub have aided and abetted the Individual
19 Defendants' breaches of fiduciary duties by causing the Board members to accept inadequate
20 consideration for the Company's public shareholders and negotiating unreasonably preclusive deal
21 protection terms.
22

23 80. As a result, Plaintiff and the Class members are being harmed.

24 81. Plaintiff and the Class have no adequate remedy at law.
25

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1 **PRAYER FOR RELIEF**

2
3 WHEREFORE, Plaintiff demands judgment and preliminary and permanent relief, including
4 injunctive relief, in his favor and in favor of the Class and against Defendants as follows:

5
6 A. Declaring that this action is properly maintainable as a class action, and certifying
7 Plaintiff as class representative and Plaintiff’s counsel as Class counsel;

8 B. Declaring that the Individual Defendants have breached their fiduciary duties to
9 Plaintiff and the Class;

10 C. Declaring that Ingram Micro, Parent and Merger Sub have aided and abetted the
11 Individual Defendants’ breaches of their fiduciary duties;

12 D. Declaring that the Merger Agreement was entered into in breach of the Individual
13 Defendants’ fiduciary duties and is therefore unlawful and unenforceable;

14 E. Preliminarily and permanently enjoining Defendants and all those acting in concert
15 with them from consummating the Proposed Transaction until such time that the Individual
16 Defendants have adequately undertaken all appropriate and available methods to obtain a
17 transaction which is in the best interests of Ingram Micro’s shareholders and remove any conflict of
18 interest that has clouded the process and the Individual Defendants’ judgment;

19 F. In the event that the Proposed Transaction is consummated, rescinding the merger,
20 and awarding Plaintiff and the Class compensatory damages and rescissory damages;

21 G. Awarding Plaintiff the costs and disbursements of this action, including a reasonable
22 allowance for Plaintiff’s attorneys’ fees, expenses and experts’ fees; and

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H. Granting such other and further relief as this Court may deem to be just and proper.

JURY DEMAND

Plaintiff demands a trial by jury.

Dated: March 7, 2016

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