



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

GENESEE COUNTY EMPLOYEES'
RETIREMENT SYSTEM, on behalf of
itself and all other similarly situated former
stockholders of CVENT HOLDING
CORP.,

Plaintiff,

v.

VISTA EQUITY PARTNERS
MANAGEMENT, LLC, VISTA EQUITY
PARTNERS FUND VI, L.P., VISTA
EQUITY PARTNERS FUND VI-A, L.P.,
VEPF VI FAF, L.P., VEPF IV AIV VII,
L.P., VEPF IV AIV VII-A, L.P., VEPF III
AIV VI, L.P., VEPF III AIV VI-A, L.P.,
VFF I AIV IV, L.P., VFF I AIV IV-A,
L.P., MANEET SAROYA, DAVID
BREACH, BETTY HUNG, SAM
PAYTON, NICOLAS STAHL, and
RAJEEV AGGARWAL,

Defendants.

C.A. No. 2024-0299-PAF
**Redacted Version Filed
on March 28, 2024**

VERIFIED STOCKHOLDER CLASS ACTION COMPLAINT

Plaintiff Genesee County Employees' Retirement System ("Plaintiff") brings the following Verified Stockholder Class Action Complaint (the "Complaint"), on behalf of itself and all other similarly situated former stockholders of Cvent Holding Corp. ("Cvent" or the "Company") against: (i) Defendant Vista Equity Partners

Management, LLC (together with its affiliated Defendants, Vista Equity Partners Fund VI, L.P., Vista Equity Partners Fund VI-A, L.P., VEPF VI FAF, L.P., VEPF IV AIV VII, L.P., VEPF IV AIV VII-A, L.P., VEPF III AIV VI, L.P., VEPF III AIV VI-A, L.P., VFF I AIV IV, L.P., and VFF I AIV IV-A, L.P., “Vista”) for breaching its fiduciary duties as Cvent’s controlling stockholder in connection with the 2023 sale of the Company to affiliates of Blackstone Inc. (“Blackstone”) (the “Acquisition”), in which Vista received unique consideration not shared with Cvent’s minority stockholders; and (ii) Defendants Maneet Saroya, David Breach, Betty Hung, Sam Payton, and Nicolas Stahl—dual fiduciary members of Cvent’s Board of Directors (the “Board”) who were employees of Vista at the time of the Acquisition—and Rajeev Aggarwal, a member of the Board and Cvent’s Chief Executive Officer (“CEO”) (collectively, the “Individual Defendants”) for breaching their fiduciary duties as directors and/or officers of Cvent in connection with the Acquisition. The allegations of the Complaint are based on the knowledge of Plaintiff as to itself and on information and belief—including based on the investigation of counsel, the review of publicly available information, and the review of certain books and records produced by the Company pursuant to 8 *Del. C.* § 220 (“Section 220”)—as to all other matters.

INTRODUCTION

1. This action challenges the fairness of the take-private Acquisition in which Cvent was acquired by Blackstone. Cvent’s minority stockholders were cashed out for \$8.50 per share—a *discount* to the valuation at which Cvent had been taken public little more than a year earlier—while Cvent’s controlling stockholder, Vista, rolled over \$1.25 billion worth of a seven-year-old investment in Cvent common stock into a new, bespoke, better-than-market preferred security in the newly private company (the “Vista Rollover Investment”).

2. Though Vista indisputably received disparate consideration, the Acquisition was not conditioned on *either* MFW protection.¹ There was no majority-of-the-minority stockholder vote; instead, approval was guaranteed due to Vista’s 80.9% voting power. The Acquisition process was not conducted by an independent special committee; instead, it was overseen by Cvent’s full Board—a majority of which comprised Vista employees—and a four-member *ad hoc* committee (the “Transaction Committee”) that included two Vista employees and Cvent’s CEO, Rajeev Aggarwal (“Aggarwal”), who had a “longstanding

¹ See generally, *Kahn v. M&F Worldwide Corp.*, 88 A.3d 635 (Del. 2014).

relationship”² with Blackstone and stood to remain CEO of the post-Acquisition Company.

3. Accordingly, Vista must demonstrate at trial that the Acquisition was entirely fair to Cvent’s minority stockholders. Vista will be unable to do so, as neither the Acquisition process nor price were fair to the minority.

4. *First*, the \$8.50-per-share cash consideration received by Cvent’s minority public stockholders was unfair. It notably represented a substantial discount to the \$10.00-per-share valuation at which Cvent had been taken public by Vista through a de-SPAC transaction (the “deSPAC”) just fifteen months before the Acquisition was announced. The deSPAC valued Cvent on an enterprise basis at approximately \$5.3 billion; the Acquisition valued Cvent on an enterprise basis at approximately \$4.6 billion. No adverse intervening developments accounted for this discrepancy. Indeed, Cvent’s business—focused on live event management—was poised for significant growth as the pandemic waned, and the Board recognized the Company would *beat* the projections it had disclosed in connection with the deSPAC and was poised to *sextuple* its adjusted EBITDA by 2028.

² Cvent Holding Corp., Definitive Proxy Statement (Schedule 14A) (May 3, 2023) (the “Proxy”) at 32.

5. Significantly, the Vista-dominated Board initially balked at Blackstone’s proposal for a deal in the \$8.00–\$8.50 range—“conclud[ing] that . . . the proposed value [associated with a sale in the \$8 to 8.50 per share range] was not at a value at which the Company would likely transact[.]”³ The Board only changed course and approved the Acquisition *after* Blackstone proposed that Vista roll over \$1.25 billion into the newly-private Company following consummation of the Acquisition. The terms of the Vista Rollover Investment were above-market and effectively diverted merger consideration from Cvent’s minority stockholders to Vista, while also affording Vista the opportunity to receive a guaranteed minimum return and maintain exposure to Cvent’s considerable upside following the Acquisition—an opportunity not shared with the minority. Cvent’s Proxy and curated Section 220 production attempt to paint Vista as preferring the \$8.50 cash consideration and only reluctantly accepting the Vista Rollover Investment—but Vista is not in the business of self-sacrifice, and actions speak louder than carefully lawyered words.

6. *Second*, the process leading to the Acquisition was conflicted, deficient, and unfair. As noted, the process was overseen by Cvent’s Board and an

³ Minutes of a Special Meeting of the Cvent Board Held November 30, 2022 (CVENT220_00000105–107) at CVENT220_00000106.

ad hoc Transaction Committee, both of which were dominated by dual fiduciaries employed by Vista. The Board and Transaction Committee also relied heavily on Cvent’s CEO—Aggarwal—to lead discussions with Blackstone. Cvent’s own Proxy acknowledges Aggarwal’s “longstanding relationship”⁴ with Blackstone predating the Acquisition process and details no fewer than *eight* calls or videoconferences and *three* in-person meetings between Aggarwal and Blackstone in the five months preceding Blackstone’s purportedly unsolicited initial proposal. Though the Proxy claims no potential transaction was discussed at any of the *eleven* meetings or calls between Aggarwal and Blackstone during that five-month period, and that Aggarwal’s continued employment was not discussed at any time prior to the Board’s approval of the Acquisition, it is reasonably conceivable based on Aggarwal’s “longstanding relationship” with Blackstone and the sheer number of meetings and contacts that Aggarwal would have had reason to favor a deal with Blackstone and understood he would ultimately be retained as Cvent’s CEO following the Acquisition (which is what actually happened).

7. The Board’s principal advisor—Qatalyst Partners (“Qatalyst”)—likewise was conflicted. Qatalyst recently received a \$62 million fee for advising

⁴ Proxy at 32.

a Vista portfolio company. Its fee structure in connection with the Acquisition also provided an incentive to broker a deal at all costs, as it stood to receive \$50 million for its advice to the Cvent Board, with *\$45 million* of that sum conditioned on the consummation of a deal.

8. Critically, the Vista Rollover Investment received no meaningful scrutiny. When it became clear that Vista would accept Blackstone’s proposal for a deal in which Vista rolled over a ten-figure investment on terms unavailable to the Company’s public stockholders, the Board formed an eleventh-hour special committee comprised of two purportedly independent directors to rubberstamp the final terms of the Vista Rollover Investment (the “Special Committee”).

9. The Proxy assures stockholders that this Special Committee hired and consulted with a sophisticated financial advisor, J.P. Morgan Securities LLC (“J.P. Morgan”), and “determined that the economic and legal terms of the [Vista Rollover Investment] were not more favorable in the aggregate to Vista than as could be achieved in arm’s-length similar transactions in the prevailing market.”⁵ However, no specific support for that conclusion, example precedent transactions, or analysis of the “prevailing market” are provided in the Proxy.

⁵ Proxy at 48.

10. This omission is explained by the Company’s Section 220 production to Plaintiff: *no such analysis was ever provided to the Special Committee*. Though the Vista Rollover Investment was the Special Committee’s *raison d’être*, the Special Committee never received any analysis from Blackstone, Vista, J.P. Morgan, Qatalyst, or anyone else concerning the value of the Vista Rollover Investment or the purportedly comparable transactions in the “prevailing market.”

11. Moreover, although the Special Committee was formed to review the Vista Rollover Investment, J.P. Morgan *did not* issue a fairness opinion concerning the Vista Rollover Investment. Instead, it issued a fairness opinion as to the \$8.50 cash consideration received by minority stockholders, while *expressly disclaiming* any opinion concerning the value of the Vista Rollover Investment. Its fairness opinion letter states: “[W]e express no opinion as to ... the [Vista Rollover Investment], or as to the underlying decision by the Company to engage in the Transaction.”⁶ In any event, any opinion from J.P. Morgan would have been unreliable as a result of its significant conflicts. In just the two years before the Acquisition, J.P. Morgan had received *more than \$239 million* in fees from Blackstone and *more than \$30 million* in fees from Vista.

⁶ Annex C to Proxy (March 14, 2023 J.P. Morgan Fairness Opinion Letter) at C-2.

12. As detailed below, the Special Committee’s unsubstantiated declaration that the terms of the Vista Rollover Investment were “not more favorable in the aggregate to Vista than as could be achieved in arm’s-length similar transactions in the prevailing market”⁷ is not credible. The terms of the Vista Rollover Investment provided Vista with a guaranteed minimum rate of return and the opportunity to benefit from Cvent’s continued success—a benefit not offered to or shared by Cvent’s minority public stockholders, who were cashed out and will not participate in the future success of Cvent under Blackstone’s management.

13. Given Vista’s undisputable control, the absence of any *MFW* protections, and Vista’s receipt of differential merger consideration, this complaint states clear, nondismissible “entire fairness” claims.

PARTIES

14. Plaintiff was a beneficial owner of Cvent common stock at all relevant times, including as of the Acquisition and of Defendants’ breaches of fiduciary duty.

15. Defendant Vista Equity Partners Management, LLC is a Delaware limited liability company headquartered in Austin, Texas. It is among the largest private equity firms in the world, with over \$100 billion in assets under management. Vista was Cvent’s controlling stockholder prior to the Transaction,

⁷ Proxy at 48.

with Vista and its affiliates beneficially owning approximately 80.9% of Cvent's outstanding common stock.⁸

16. Defendants Vista Equity Partners Fund VI, L.P., Vista Equity Partners Fund VI-A, L.P., VEPF VI FAF, L.P., VEPF IV AIV VII, L.P., VEPF IV AIV VII-A, L.P., VEPF III AIV VI, L.P., VEPF III AIV VI-A, L.P., VFF I AIV IV, L.P., and VFF I AIV IV-A, L.P are Vista-affiliated funds through which Vista has owned and managed its investment in Cvent. As defined above, they are referred to collectively herein—with Vista Equity Partners Management LLC—as “Vista.”

17. Defendant Maneet Saroya was Chairman of the Cvent Board and director from November 2016 through the close of the Acquisition. Saroya is not independent of Vista: he has been a Vista employee since 2008, serving as a Senior Managing Director of Vista at the time of the Acquisition.

18. Defendant David Breach was a member of the Cvent Board from December 2021 through the close of the Acquisition. Breach is not independent of Vista: he has been a Vista employee since at least 2015, serving as Chief Operating Officer of Vista at the time of the Acquisition.

⁸ Proxy at 107.

19. Defendant Betty Hung was a member of the Cvent Board from November 2016 through the close of the Acquisition. Hung is not independent of Vista: she has been a Vista employee since 2007, serving as a Managing Director of Vista at the time of the Acquisition.

20. Defendant Sam Payton was a member of the Cvent Board from December 2021 through the close of the Acquisition. Payton is not independent of Vista: he has been a Vista employee since 2015, serving as a Vice President of Vista's flagship fund at the time of the Acquisition.

21. Defendant Nicholas Stahl was a member of the Cvent Board from May 2019 through the close of the Acquisition. Stahl is not independent of Vista: he has been an employee of Vista since 2012, serving as a Senior Vice President of Vista at the time of the Acquisition.

22. Defendant Rajeev Aggarwal founded Cvent and was the Company's CEO and a member of its board from September 1999 through the close of the Acquisition. Following the close of the Acquisition, Aggarwal continues to serve as Cvent's CEO.

23. Defendants Saroya, Breach, Hung, Payton, Stahl, and Aggarwal are collectively referred to herein as the "Individual Defendants." The Individual Defendants collectively held five of eight Board seats at the time of the Acquisition

and the related breaches of duty challenged herein. Each voted in favor of the Acquisition.

SUBSTANTIVE ALLEGATIONS

A. In 2016, Vista takes Cvent private at a \$1.65 billion valuation.

24. Cvent describes itself as “a leading cloud-based platform of enterprise event marketing and management and hospitality solutions.”⁹ Founded in 1999 by Aggarwal, the Company first went public in 2013 through an initial public offering of 5.6 million shares at \$21 per share. The IPO raised approximately \$117.6 million, reflecting a full-Company equity valuation of approximately \$1.5 billion.

25. Three years later, in 2016, Cvent announced that it had agreed to be acquired by Vista (the “2016 Take-Private”). Under the terms of the 2016 Take-Private, Vista acquired 100% of the Company’s outstanding stock in an all-cash deal valuing the Company at approximately \$1.65 billion.

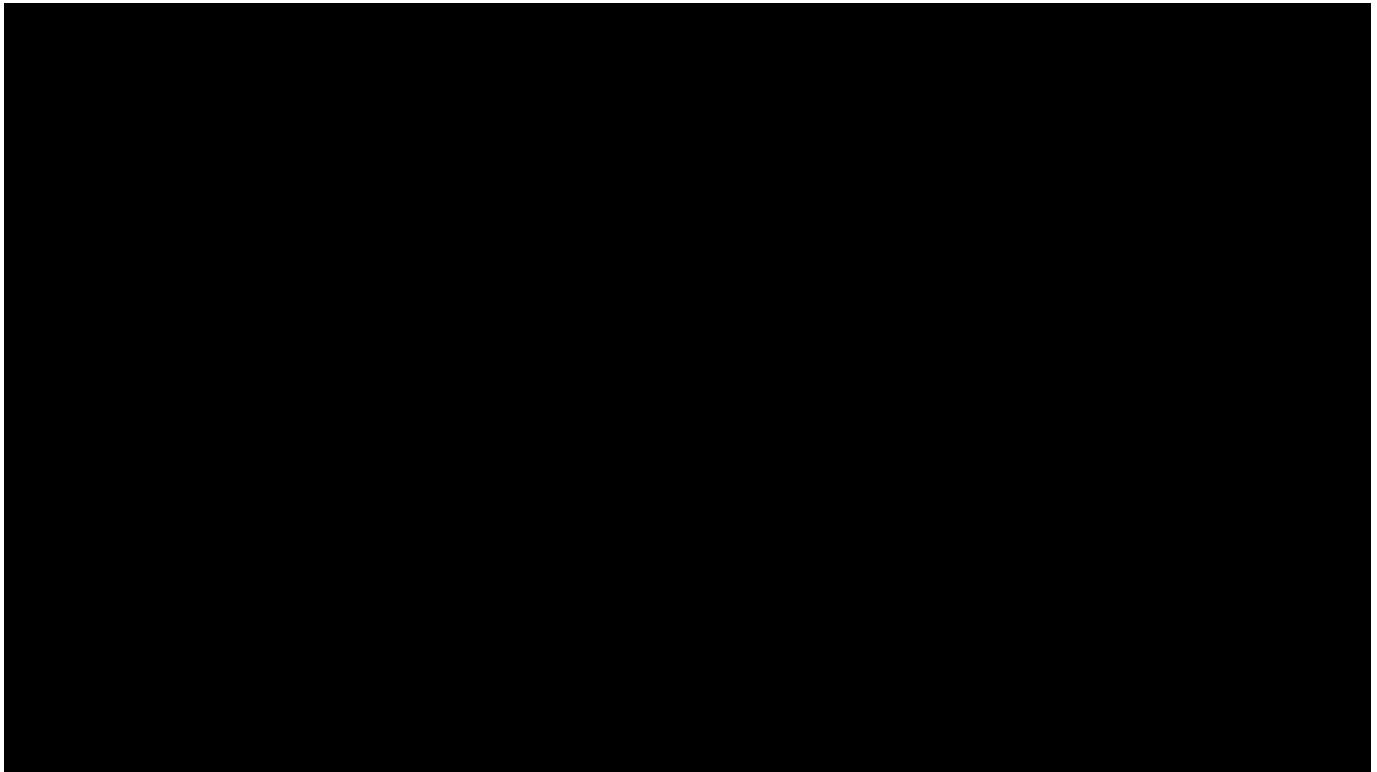
B. In 2021, Vista takes Cvent public again at a \$5.3 billion valuation.

26. Following the 2016 Take-Private, Vista successfully grew the Company into a leader in the live-event management space.

27. As reflected in a Qatalyst presentation produced in response to Plaintiff’s books-and-records demand, Cvent had consistent and impressive revenue

⁹ See Cvent Holding Corp., 2022 Annual Report (Form 10-K) (Mar. 14, 2023) at 6.

growth over the entirety of its corporate existence, interrupted only by a minor and understandable retreat during the global COVID-19 pandemic:¹⁰



28. In December 2021, Vista decided to take Cvent public again at a significantly increased valuation through a deSPAC transaction with Dragoneer Growth Opportunities Corp. II (previously defined as the “deSPAC”).

29. The deSPAC closed on December 8, 2021 at an enterprise valuation of \$5.6 billion and an implied equity valuation of approximately \$4.46 billion, or \$10.00 per share, for the combined Company. The market largely accepted this

¹⁰ November 21, 2022 Presentation from Qatalyst to Cvent Board (CVENT220_00000016–59) at CVENT220_00000031.

valuation, with Cvent’s stock price closing at \$9.75 on the first trading day following the completion of the deSPAC.

30. Vista remained the Company’s controlling stockholder following the deSPAC and, at all times prior to the Acquisition, owned more than 80% of the Company’s single class of common stock. Moreover, pursuant to an Investor Rights Agreement—entered into between the Company and Vista in connection with the deSPAC—Vista had the right to nominate a majority of the members of Cvent’s Board. Indeed, at the time of the Acquisition, Vista employees comprised five of the eight Board members: Saroya, Breach, Hung, Payton, and Stahl. Saroya, who is a Senior Managing Director of Vista and Co-Head of the Vista Flagship Fund, served as the Chairman of the Board.

31. Vista’s control of the Company was unambiguous and indisputable. The Company represented publicly: “Vista controls a majority of our outstanding common stock. As a result, we are a ‘controlled company.’”¹¹

¹¹ See, e.g., Cvent Holding Corp., Annual Proxy Statement (Schedule 14A) (Apr. 8, 2022) at 7.

C. Vista sells Cvent to Blackstone at a \$4.6 billion valuation; minority stockholders are cashed out, while Vista rolls over \$1.25 billion into a bespoke preferred security.

32. Little more than a year after returning to the public market, Cvent announced its agreement to be sold to Blackstone at a significant discount to Cvent's valuation in the deSPAC.

33. Specifically, on March 14, 2023, Cvent announced that it had entered into a definitive agreement to be acquired by Blackstone at an enterprise valuation of approximately \$4.6 billion. Under the terms of the Acquisition, Cvent's public minority stockholders would be cashed out at \$8.50 per share—or 15% below the implied equity valuation of the deSPAC.

34. The timing and valuation of the Acquisition was highly curious, as Cvent appeared poised for success and future growth as the global pandemic waned. The pandemic had created headwinds for Cvent's business given its focus on live-event management, but the Company had navigated those headwinds by expanding its focus on virtual-event management. As the pandemic waned and live events began to flourish again, Cvent stood poised for significant additional growth.

35. Indeed, as of the Acquisition, Cvent management believed that the Company would beat the projections touted in connection with the deSPAC just fifteen months earlier. At the time of the deSPAC, Cvent projected adjusted

EBITDA of \$103 million for 2022 and \$136 million for 2023. By the time of the Transaction, Cvent management was forecasting \$110 million in adjusted EBITDA for 2022 and \$147 million for 2023.¹²

36. Moreover, at the time of the Acquisition, Cvent management was forecasting explosive growth in the years ahead. In January 2023, it projected that Cvent's adjusted EBITDA for 2022 of approximately \$110 million would nearly *triple* to \$327 million in 2025 and nearly *sextuple* to \$640 million in 2028—while the Company's EBITDA margin was projected to dramatically increase from 17.4% to 37.4% over the same time period.

37. Against this backdrop, the Acquisition appeared to be highly opportunistic for Blackstone, yet dubious from the perspective of Cvent's minority stockholders.

38. Cvent's public disclosures also made clear that the Company's controlling stockholder would not be participating in the Acquisition on a *pro rata* basis. While all public stockholders would be cashed out of their investments for \$8.50 per share, Vista would be rolling over around 37% of its Cvent equity stake,

¹² Given that projections disclosed in connection with deSPAC transactions are notorious for being overly optimistic, the Company's outperformance underscores Cvent's bright future. See, e.g., Michael Dambra, et al., *Are SPAC Revenue Forecasts Informative?*, ACCT. REV. (forthcoming) (July 26, 2023) draft available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3933037.

worth approximately \$1.25 billion at the Acquisition price—into a preferred stock investment alongside Blackstone in the new private company.

39. Vista therefore would be able to monetize a portion of its seven-year-old investment *and* reap the benefits of Cvent’s expected future growth. Private equity firms generally exit an investment within “two to six years” and their funds generally must be liquidated within ten years of closing the capital raise.¹³ Vista initially acquired Cvent through the sixth iteration of its flagship fund, which closed its fundraising in May 2017. Thus, Vista was likely reaching the point where it needed to sell regardless of other stockholders’ rational preference to participate in the future growth.

40. Cvent’s public disclosures also made clear that the deal was a *fait accompli*. Despite Vista’s receipt of disparate consideration, the Acquisition would not be subjected to a vote of the Company’s minority stockholders. Vista’s 80.9% voting power would be sufficient to carry the vote, and Vista had signed a voting agreement in support of the Acquisition. Members of management holding an additional 6.6% of the Company’s voting power—who would be keeping their jobs

¹³ Felix Barber & Michael Goold, *The Strategic Secret of Private Equity*, HARV. BUS. REV. (Sept. 2007), <https://hbr.org/2007/09/the-strategic-secret-of-private-equity>.

in connection with the Acquisition—also signed voting agreements in support of the deal. Public stockholders accordingly had no say on the Acquisition.

41. On June 1, 2023, the Company held a special meeting at which the Acquisition was approved. Two weeks later, on June 15, 2023, the deal closed.

D. The Acquisition was not entirely fair to Cvent’s minority stockholders.

42. Because Cvent’s controlling stockholder received disparate consideration in the Acquisition to the detriment of the Company’s minority stockholders, the entire fairness standard of review applies. And because the Acquisition was the result of an unfair process leading to an unfair price, Defendants cannot meet their burden of establishing that the Acquisition was entirely fair.

1. The Acquisition’s price was not entirely fair to Cvent’s minority stockholders.

43. The Acquisition did not provide a fair price to Cvent’s minority stockholders because: (i) the \$8.50 per share cash consideration did not reflect the strength of the Company’s business and growth prospects; and (ii) Vista received unique nonratable benefits—in the form of the Vista Rollover Investment—at the expense of the Company’s minority stockholders.

44. *First*, the \$8.50 per share cash consideration severely undervalued to the Company. The December 2021 deSPAC—completed by Vista approximately

fifteen months before the announcement of the Acquisition—valued Cvent common stock at \$10.00 per share and the full Company at approximately \$5.3 billion. Given that the Company’s business prospects were improving and expected to continue growing substantially, the deSPAC valuation indicated strongly that the Acquisition undervalued the Company.

45. Specifically, at the time of the deSPAC, Vista and Company management recognized that the Company was poised for significant continuing growth as the world emerged from the pandemic and returned to live events. This growth would only be bolstered by the Company’s success in augmenting its business with virtual event management during the course of the pandemic. The proxy statement issued in connection with the deSPAC stated as follows:

In 2020, the meetings and events industry was transformed by the global COVID-19 pandemic, which forced events into virtual environments and accelerated the ongoing digital transformation of the events industry. For virtual events, the event technology is the event venue, video is the primary method of content delivery and virtual attendees create a digital footprint of all of their event engagement that can be captured, analyzed and leveraged to both deliver better event experiences and inform subsequent sales and marketing efforts. Even as the pandemic subsides, Cvent believes virtual events will remain prominent due to their ability to attract and engage vast audiences across the globe. However, Cvent also believes that, in the post-pandemic world, the fundamental and innate desire to meet in-person will mean that organizations’ Total Event Programs will feature a combination of virtual events, in-person events and hybrid events that offer the benefits of both. The hybrid event model enables organizations to harness the advantages of both in-person and virtual

meetings at the same time by reaching both a broader audience and achieving greater levels of engagement across far more attendees, thereby unlocking the potential for maximum return on their events investment.

With three event types now available to organizations, Cvent believes enterprises will host more events, more frequently and with far more registrants, and that they will also significantly expand their event technology spend given the increased complexity of their Total Event Program.¹⁴

46. The projections disclosed in connection with the deSPAC in November 2021 suggested that the Company expected significant growth in the years ahead, forecasting total adjusted EBITDA of \$90 million for 2021, \$102.6 million for 2022, and \$136.1 million for 2023.¹⁵

47. While deSPAC targets have become notorious for failing to meet touted projections, Cvent not only met but exceeded its projections as of the deSPAC. As stated above, it reported adjusted EBITDA of \$103.6 million for 2021¹⁶ and, as of the Acquisition announcement, projected adjusted EBITDA of \$110 million for 2022.¹⁷

¹⁴ Dragoneer Growth Opportunities Corp. II, Proxy Statement Pursuant to Rule 424(b)(3) (Nov. 12, 2021) (“deSPAC Proxy”) at 242-43.

¹⁵ deSPAC Proxy at 168-69.

¹⁶ See Cvent Holding Corp., 2021 Annual Report (Form 10-K) (Mar. 7, 2022) at 79.

¹⁷ Proxy at 69-70.

48. Moreover, as the world emerged from the pandemic, Cvent management projected substantial growth for the years ahead: adjusted EBITDA of \$147 million for 2023, \$228 million for 2024, \$327 million for 2025, \$418 million for 2026, \$522 million for 2027, and \$640 million for 2028. These adjusted EBITDA projections corresponded to unlevered free cash flow of \$86 million for 2023, \$155 million for 2024, \$214 million for 2025, \$294 million for 2026, \$383 million for 2027, and \$476 million for 2028.¹⁸ That is, Cvent management projected the Company was poised to effectively *triple* adjusted EBITDA by 2025 and *sextuple* adjusted EBITDA by 2028, with corresponding gains in unlevered free cash flow.

49. Cvent had consistently grown and outperformed from its founding, to its 2013 IPO at a \$1.5 billion valuation, to Vista's 2016 Take-Private at a \$1.65 billion valuation, to its 2021 deSPAC at a \$5.3 billion valuation. Vista and Cvent management had consistently built the Company into *the* leader in the events management space, with a total addressable market in excess of \$30 billion. Following the deSPAC, with the world emerging from the pandemic and Cvent

¹⁸ *Id.*

completing multiple long-term investments,¹⁹ it stood to only improve its performance, with management repeatedly adjusting its projections and forecasts upward in recognition of these prospects.

50. For example, on November 3, 2022—on the Company’s final earnings call held prior to the announcement of the Acquisition—Cvent raised its revenue and EBITDA guidance for the full year, with Aggarwal commenting:

In short, we feel good about our market position and we plan to continue to invest in our platform, make smart business decisions, and build on our decades of experience to further elevate our competitive position and take our disproportionate share of our \$30 billion TAM.

51. During the same earnings call, Cvent’s Chief Financial Officer, William J. Newman, summarized:

In closing, we’re pleased with our Q3 22.9% revenue growth and 420 basis points of adjusted EBITDA margin sequential expansion, both on a normalized basis. *We believe these results exhibit our strong competitive position and the industry trends that work in our favor.* Every quarter that goes by, we believe we are getting closer to a more normalized state. As Reggie [Aggarwal] mentioned, while we’re not immune from the current macroeconomic environment, our platform approach enables Cvent to power the event landscape regardless of an organization’s budget or how they choose to meet. And longer term, we feel we are well positioned to take our disproportionate share of the \$30 billion TAM.

¹⁹ See December 2022 Cvent Management “Financial Model Overview” Presentation to the Board (CVENT220_00000111-114) at CVENT220_00000113 [REDACTED]

52. Despite the undeniable health of Cvent’s business and its prospects for continued growth in the future, its stock price declined during the year following the deSPAC amidst a market-wide downturn in 2022. Its stock closed at \$6.57 on January 30, 2023, the last trading day before public reports concerning a potential sale of the Company.

53. Cvent was, however, ideally suited to weather this downturn and realize substantial value for its investors as it achieved its projected growth in the years ahead. Selling out to an opportunistic private equity buyer was not in the best interest of Cvent’s public, minority common stockholders.

54. Vista, on the other hand, had reason to support a sale. It had initially invested in Cvent in connection with the 2016 Take-Private, acquiring Cvent for approximately \$1.65 billion. It had already realized a dramatic gain on paper, but the Vista funds through which it principally invested in the Company were reaching the end of their investment horizon, and the vast majority of Vista’s investment in Cvent remained illiquid. Absent a sale, there was no efficient means for Vista to monetize its 80.9% interest in Cvent.

55. Simply put, Vista’s profit margin for the Company at the time of the Acquisition gave it ample room to accept a discount to the fair value of the Company in order to liquidate a portion of its large and aging investment in Cvent.

56. Even then, the Vista-dominated Board did not view a deal in the range of \$8.00–\$8.50 as sufficient to warrant a sale of the Company. According to the Proxy and the documents produced by the Company thus far, the Acquisition process commenced with Blackstone’s November 13, 2022 submission of an unsolicited nonbinding indication of interest to acquire the Company in the range of \$8.00–\$8.50.²⁰ Blackstone’s offer letter stated that while it was open to discussing a potential equity rollover with certain existing stockholders, its proposal did “not contemplate or require any such rollover” and it had “the unique ability to independently commit the full amount of equity capital required to sign definitive agreements on an expedited timeline.”²¹

57. The documents produced to Plaintiff in response to its books-and-records demand indicate that Cvent’s Vista-dominated Board did not view consideration in that range to be sufficient. Specifically, minutes of the Board’s November 30, 2022 special meeting reflect that the Board “conclud[ed] that . . . the proposed value was not at a value at which the Company would likely transact[.]”²²

²⁰ Proxy at 34-35.

²¹ Letter from Blackstone to Cvent Board dated November 13, 2022 (CVENT220_00000676-679) at CVENT220_00000677.

²² Minutes of a Special Meeting of the Board of Directors of Cvent Holding Corp. Held November 30, 2022 (CVENT220_00000105-107) at CVENT220_00000106.

58. The Board only changed course later, after Blackstone submitted proposals in February 2023 that contemplated Vista rolling over a substantial portion of its Cvent investment into a preferred stock investment in the post-Acquisition private Company—*i.e.*, the Vista Rollover Investment. Once the Vista Rollover Investment became available, the Vista-dominated Board approved the Acquisition.²³

59. Under the final terms of the Acquisition, Cvent’s minority public stockholders were all cashed out for \$8.50 per share. Vista received \$8.50 per share for approximately 63% of its Company shares—immediately receiving approximately \$2.13 billion in cash (as compared to the \$1.65 billion valuation at which it had initially acquired Cvent in 2016)²⁴—while also rolling over approximately 37% of its investment in Cvent into the Vista Rollover Investment, which would allow it to participate alongside Blackstone in Cvent’s significant upside post-Acquisition. The terms of the Vista Rollover Investment were negotiated concurrently with the final Acquisition price.

²³ Proxy at 42-48.

²⁴ Vista, moreover, almost certainly financed a portion of its 2016 acquisition of Cvent with debt—making its returns even higher.

60. The terms of the Vista Rollover Investment included above-market dividend rates for Vista, terms enabling Vista to profit from a future IPO or sale of the Company, and bespoke governance rights. Specifically, the terms included, *inter alia*:

- A dividend rate of 10.5% (paid in preferred stock), increasing 0.75% *per annum* beginning on the eighth anniversary of closing (up to 15%);
- A right for Vista to receive a “Catch-Up Payment” in the event of a change in control or IPO in which Blackstone achieves a gross IRR of 20% or greater, whereby Vista would receive payments accounting for a retroactive adjustment to the initial dividend rate to 12.5%;
- A right for Vista to demand Cvent engage in a process to effectuate either an IPO or sale following the tenth anniversary of closing, with a 1% *per annum* increase in dividend rates thereafter if an IPO or sale is not achieved;
- A board observer right for Vista, and various additional information rights, including access to financials and management; and

- Various consent rights for Vista, including in relation to the incurrence of debt, the issuance of superior preferred stock, the payment of dividends, and amendments to organizational documents.²⁵

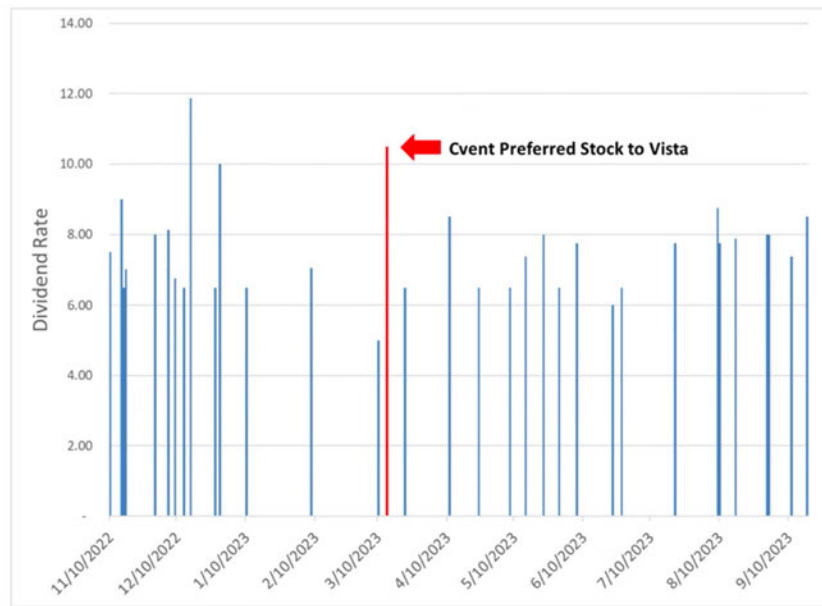
61. The Proxy touts that the terms of the Vista Rollover Investment were “not more favorable in the aggregate to Vista than as could be achieved in arm’s-length similar transactions in the prevailing market.”²⁶ This is, however, not credible. It is clear that even the initial dividend rate provided to Vista by Blackstone was significantly above market.

62. The 10.5% dividend rate was at the very high-end of preferred share issuances during the year surrounding the Acquisition’s announcement, as demonstrated in the chart below showing available Bloomberg data for new preferred stock issuances that year:

²⁵ See Project Capstone Summary of Indicative Principal Terms and Conditions, \$1,250 Million Preferred Shares (CVENT220_00000839-852).

²⁶ Proxy at 48.

NEW PREFERRED STOCK ISSUANCES SEP 2022 – SEP 2023



Source: Bloomberg

63. The available data set includes 40 issuances with dividend rates ranging from 3.5% to 11.88%, with an average dividend rate of approximately 7.34% and a median of just over 7%. These issuances provide evidence of the “market” dividend rate for new preferred stock issuances around the time of the Acquisition.

64. Using a conservative estimate that Vista’s market dividend rate would have been in the range of 8.5% and assuming Vista’s investment will last only ten years with no escalation in dividend rates, the difference in expected value for the Vista Rollover Investment and a market preferred stock investment would easily

stretch into the nine-figure range, without even accounting for the other governance and dividend-acceleration features of the Vista Rollover Investment.

65. Moreover, the “Catch-Up Payment” feature of the Vista Rollover Investment provides Vista with significant additional value, allowing it to benefit from the future success of Cvent following the Acquisition. For example, under the “Catch-Up Payment” provision, Vista would stand to more than *double* the value of its \$1.25 billion rollover investment in Cvent if Blackstone is able to sell or IPO the Company after six years while realizing its own 20% IRR.

66. Thus, the terms of the Vista Rollover Investment provide Vista with above-market value, constituting unique consideration from Blackstone to Vista at the expense of Cvent’s minority public stockholders. Moreover, the Vista Rollover Investment will enable Vista to enjoy continued exposure to Cvent’s significant upside and growth potential—an opportunity denied to minority stockholders.

2. The Acquisition resulted from a deficient process, in which the Vista Rollover Investment received no meaningful scrutiny.

67. The process culminating in the Acquisition also was not fair to Cvent’s minority stockholders.

68. *First*, the process was controlled by conflicted directors. The process was overseen by, and the Acquisition was ultimately approved by, Cvent’s full

eight-member Board. Of the Board's eight members, *five were Vista employees*: Defendants Saroya, Breach, Hung, Payton, and Stahl. Each voted in favor of the Acquisition.

69. The Board established an *ad hoc* Transaction Committee of convenience to consider the Acquisition, but this committee was likewise conflicted. The Transaction Committee consisted of: Saroya, Stahl, Aggarwal (who was the Company's CEO in addition to being a director), and Marcela Martin, a purportedly independent outside director. Two of these four directors, Saroya and Stahl, were Vista employees.

70. A third member of the Transaction Committee, Aggarwal, faced his own unique interests that incentivized him to support a sale to Blackstone, as he knew the benefits he could receive as Cvent's CEO following a private equity buyout. At the time of the 2016 Take-Private, Aggarwal owned approximately 10.3% of the Company. When Vista bought the Company, he realized an immediate cash payment in excess of \$164 million.²⁷ Thereafter, he remained the CEO of the Company and—under Vista's private ownership—re-amassed an approximate 5.07% stake in the Company as of the time of the Acquisition.²⁸ Another take-

²⁷ Cvent Holding Inc., Definitive Proxy Statement (Schedule 14A) (June 9, 2016) at 57.

²⁸ Proxy at 107.

private sale would once again allow him to liquidate his full current stake for cash, while remaining CEO of the Company and re-amassing an equity stake as part of his compensation package for his role at the private company.

71. It is also reasonably conceivable that Aggarwal knew that Blackstone would retain him as CEO of the post-Acquisition company. The Proxy acknowledges that “Aggarwal had a longstanding relationship”²⁹ with Blackstone and details *eight* calls or videoconferences and *three* in-person meetings between Aggarwal and Blackstone in the five months preceding Blackstone’s purportedly unsolicited indication of interest.³⁰ Blackstone’s initial November 13, 2022 offer letter also made clear that intended to retain Aggarwal as it highlighted its [REDACTED]

[REDACTED] and its belief that it was [REDACTED]

[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

[REDACTED]³¹ And despite that longstanding relationship and clear intent embodied in Blackstone’s offer letter, Aggarwal was permitted to lead Cvent’s interactions with Blackstone throughout the process.

²⁹ Proxy at 32.

³⁰ *Id.*

³¹ Letter from Blackstone to Cvent Board dated November 13, 2022 (CVENT220_00000676–679) at CVENT_220_00000677, 676.

72. It is reasonable to infer that Aggarwal knew from these meetings that Blackstone was likely to retain him in the Acquisition. And that is ultimately what happened: Aggarwal was cashed out for proceeds amounting to approximately \$211.8 million, while remaining CEO of the post-Acquisition company.³²

73. *Second*, the terms of the Vista Rollover Investment received no meaningful scrutiny by anyone in advance of the Acquisition’s approval. The Vista-dominated Board initially balked at Blackstone’s November 2022 proposal for a deal in the \$8.00–\$8.50 range and only pivoted to support a deal after Blackstone expressly proposed in February 2023 that Vista roll over a substantial portion of its investment into the post-Acquisition private company. Only then did the Board form an eleventh-hour Special Committee consisting of two facially independent directors, Jim Frankola and Marcela Martin, to review and bless the terms of the Vista Rollover Investment. The Proxy reports that this Special Committee quickly—on March 13, 2023, just one week after its formation on March 6, 2023—reached a determination “that the economic and legal terms of the [Vista Rollover Investment] were not more favorable in the aggregate to Vista than as

³²

See Minutes of a Meeting of the Transaction Committee of the Board Held January 20, 2022 (CVENT220_00000117-119) at CVENT220_00000118.

could be achieved in arm's-length similar transactions in the prevailing market"³³ and blessed the Acquisition.

74. But the books and records provided to Plaintiff confirm that the Special Committee never received a *shred* of written advice or analysis to support that conclusion. Though the Special Committee retained J.P. Morgan to serve as its advisor, the Special Committee never received any presentation or discussion materials concerning the terms of the Vista Rollover Investment or the "prevailing market" that purportedly supported its fairness. And despite the fact that the Vista Rollover Investment was the precise reason for forming the Special Committee, its financial advisor provided *no opinion* as to the fairness of the Vista Rollover Investment or its implications for Cvent's minority public stockholders. Instead, J.P. Morgan only provided an opinion on the \$8.50 cash consideration and *expressly disclaimed* any opinion concerning the value of the Vista Rollover Investment. The fairness opinion letter states: "[W]e express no opinion as to ... the [Vista Rollover Investment], or as to the underlying decision by the Company to engage in the Transaction."³⁴

³³ Proxy at 48.

³⁴ Annex C to Proxy (March 14, 2023 J.P. Morgan Securities LLC Fairness Opinion Letter) at C-2.

75. With the Special Committee’s approval in hand, the full Board met later that day—March 13, 2023—and approved the final terms of the Acquisition: \$8.50 in cash per share, with Vista rolling over a full \$1.25 billion pursuant to the terms of the Vista Rollover Investment.

76. *Third*, both financial advisors engaged in connection with the Acquisition were conflicted. The Board retained Qatalyst as its principal financial advisor. Qatalyst had reasons to favor Vista’s interests. In 2022, it had received \$62 million for its work on behalf of another Vista portfolio company. Its fee structure in connection with the Acquisition likewise incentivized Qatalyst to broker a deal regardless of whether or not it was truly in the best interest of Cvent stockholders. It stood to receive \$50 million for its advice in connection with the Acquisition, with *\$45 million*, or 90%, of that sum conditioned on the consummation of a deal.

77. J.P. Morgan, retained by the eleventh-hour Special Committee, also faced conflicts. During the two years prior to the Acquisition, J.P. Morgan had received *more than \$239 million* in fees from Blackstone and *more than \$30 million* in fees from Vista. J.P. Morgan would have understood that upsetting the apple cart on a deal likely to provide significant opportunistic value to Blackstone and Vista

would threaten its ability to retain lucrative business from these repeat deal players in the future.

78. Kirkland & Ellis, the Board’s legal advisor throughout the process, was also concurrently representing Blackstone on unrelated matters while advising the Board on the sale of Cvent to Blackstone.³⁵

79. In sum, the \$8.50 per share cash consideration provided to Cvent’s minority stockholders did not represent fair price for the Company given the strength of its business and significant growth prospects. The record reflects that the Vista-dominated Board pursued and approved the Acquisition because Vista would monetize a portion of its investment while also receiving disparate consideration in the form of the Vista Rollover Investment—which was not shared with, and in fact diverted consideration from, the minority.

80. The process leading to the Acquisition was likewise unfair to Cvent’s minority stockholders. It was controlled by conflicted directors who had reason to approve the Acquisition regardless of whether it was in the best interest of Cvent’s minority stockholders, with the assistance of conflicted financial advisors. The eleventh-hour Special Committee—formed one week before the Acquisition was

³⁵ Minutes of a Special Meeting of the Cvent Board Held November 30, 2022 (CVENT220_00000105-107) at CVENT220_00000107.

signed, with the principal terms already set—utterly failed in its sole task of reviewing the value and significance of the Vista Rollover Investment, signing off on that side deal without having received any meaningful analysis to support its ultimate conclusion concerning the terms thereof.

81. Minority stockholders received no separate vote on the Acquisition. Vista, with its disparate consideration and unique interests, was permitted to control the stockholder vote in support of the Acquisition.

82. Because the Acquisition was not entirely fair to Cvent's minority stockholders, Vista, the Vista-affiliated members of the Board who approved the Acquisition, and Aggarwal, as the Company's CEO, are liable to Cvent's minority stockholders. They must pay Cvent's minority stockholders the value denied to them in the Acquisition, including sufficient damages to account for Cvent's fair value and for the value diverted from minority stockholders to Vista in the form of the Vista Rollover Investment.

CLASS ACTION ALLEGATIONS

83. Plaintiff brings this action pursuant to Rule 23 of the Rules of the Court of Chancery, individually and on behalf of all other holders of Cvent common stock (except for the Defendants named herein and the members of Cvent management who signed Voting Agreements in support of the Acquisition, and any person or

entity related to or affiliated with the Defendants or the members of management who were party to Voting Agreements) who were injured by the Defendants' wrongful actions alleged in this Complaint (the "Class").

84. This action is properly maintainable as a class action.

85. The Class is so numerous that joinder of all members is impracticable. There were greater than 490 million shares of Cvent common stock issued and outstanding at the time of the Acquisition. Public stockholders unaffiliated with Defendants or other members of Vista's Board and management team held tens of millions of these shares. Accordingly, the Class is believed to include at least thousands of geographically dispersed stockholders.

86. There are questions of law and fact common to the Class, including:

87. Whether Vista, as Cvent's controlling stockholder, breached its fiduciary duties owed to the Class in connection with the Acquisition;

88. Whether the Individual Defendants, as Cvent directors, and Aggarwal, as Cvent's CEO and a director, breached their fiduciary duties owed to the Class in connection with the Acquisition;

89. Whether Plaintiff and the Class were injured by the wrongful conduct alleged herein; and

90. The proper measure of damages or other appropriate relief owed to Plaintiff and the Class.

91. Plaintiff is committed to prosecuting the action and has retained competent counsel experienced in litigation of this nature. Plaintiff's claims are typical of the claims of the other members of the Class, and Plaintiff has the same interests as the other members of the Class.

92. The prosecution of separate actions by individual members of the Class would, moreover, create the risk of inconsistent or varying adjudications with respect to individual members of the Class that would establish incompatible standards of conduct for Defendants or adjudications with respect to individual members of the Class that would as a practical matter be disjunctive of the interests of the other members not party to the adjudications or substantially impair their ability to protect their interests in connection with the subject matter of this action.

COUNT I

INDIVIDUAL AND CLASS CLAIM FOR BREACH OF FIDUCIARY DUTY AGAINST VISTA

93. Plaintiff repeats and realleges each and every allegation above as if set forth in full herein.

94. Vista was the controlling stockholder of Cvent at all relevant times.

95. As Cvent's controlling stockholder, Vista owed the Class the fiduciary duties of loyalty and care.

96. Vista breached its duties, including its duty of loyalty, by elevating its own interests over the interests of the Class and causing Cvent to enter the Acquisition on terms that were not entirely fair to the Class and diverted value from the Class to Vista.

97. As a result of Vista's breaches of fiduciary duty, Plaintiff and the Class have been harmed.

98. Plaintiff and the Class have no adequate remedy at law.

COUNT II

INDIVIDUAL AND CLASS CLAIM FOR BREACH OF FIDUCIARY DUTY AGAINST THE INDIVIDUAL DEFENDANTS

99. Plaintiff repeats and realleges each and every allegation above as if set forth in full herein.

100. The Individual Defendants, as directors of Cvent, owed the Class the fiduciary duties of loyalty and care.

101. The Individual Defendants breached their duties, including their duty of loyalty, by elevating the interests of Vista over the interests of the Class and causing Cvent to enter the Acquisition on terms that were not entirely fair to the Class and diverted value from the Class to Vista.

102. As a result of the Individual Defendants' breaches of fiduciary duty, Plaintiff and the Class have been harmed.

103. Plaintiff and the Class have no adequate remedy at law.

COUNT III

INDIVIDUAL AND CLASS CLAIM FOR BREACH OF FIDUCIARY DUTY AGAINST AGGARWAL, IN HIS CAPACITY AS A CVENT OFFICER

104. Plaintiff repeats and realleges each and every allegation above as if set forth in full herein.

105. Aggarwal, as an officer of Cvent, owed the Class the fiduciary duties of loyalty and care.

106. Aggarwal breached his duties by elevating his own interests and the interests of Vista over the interests of the Class and causing Cvent to enter the Acquisition on terms that were not entirely fair to the Class and diverted value from the Class to himself and to Vista.

107. As a result of Aggarwal's breaches of fiduciary duty, Plaintiff and the Class have been harmed.

108. Plaintiff and the Class have no adequate remedy at law.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, on behalf of itself and on behalf of the Class, request judgment as follows:

- A. Declaring that this action is properly maintainable as a class action;
- B. Finding Vista, in its capacity as Cvent's controlling stockholder, liable for breaching its fiduciary duties owed to Plaintiff and the Class;
- C. Finding the Individual Defendants, in their capacity as Cvent directors, liable for breaching their fiduciary duties owed to Plaintiff and the Class;
- D. Finding Aggarwal, in his capacity as a Cvent officer, liable for breaching his fiduciary duties owed to Plaintiff and the Class;
- E. Awarding Plaintiff and the other members of the Class damages in an amount which may be proven at trial, together with pre-judgment and post-judgment interest thereon;
- F. Ordering the disgorgement of all profits, benefits and other compensation obtained by Defendants as a result of their breaches of fiduciary duty;
- G. Awarding Plaintiff the costs and disbursements of this action, including reasonable attorneys' and experts' fees; and
- H. Awarding such other and further relief as this Court may deem just, equitable, and proper.

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