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**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

SECURITIES AND EXCHANGE COMMISSION, :
100 F Street, N.E. :
Washington, DC 20549 :

Plaintiff,

v.

VERITAS SOFTWARE CORPORATION,
20330 Stevens Creek Blvd.
Cupertino, California 95014

Defendant. :

CASE NUMBER 1:07CV00364

JUDGE: Ricardo M. Urbina

DECK TYPE: General Civil

DATE STAMP: 02/20/2007

COMPLAINT

Plaintiff Securities and Exchange Commission alleges as follows:

SUMMARY

1. This is a financial fraud case. Veritas Software Corporation (“Veritas” or the “Company”) artificially inflated reported revenues in connection with a \$20 million round-trip transaction with America Online, Inc. (“AOL”) and smaller round-trip transactions with two other Internet companies in 2000. In addition, to produce what it believed were exceptional or “museum quality” financial results, Veritas systematically

manipulated its financial results through 2002 by (a) periodically recording and maintaining excess accrued liabilities or cushions in its accrual accounts; (b) cutting off professional service revenue upon reaching internal targets; and (c) inflating its deferred revenue balance. Each of these business practices violated the federal securities laws and constituted an unlawful departure from generally accepted accounting principles (“GAAP”).

2. As a result, the Company reported materially false and misleading financial results in periodic reports filed with the Commission and other public statements from at least January 2000 through 2003, and its January 28, 2004 earnings release of fourth quarter and annual results for 2003.

3. On January 17, 2003, Veritas announced that it would restate its financial statements in order to reverse the \$20 million of improperly recognized revenue from the AOL round-trip transaction and correct the related over-stated expenses (the “2003 Restatement”).

4. On March 15, 2004, the Company announced a second restatement of its financial statements to correct, among other things, the accounting of unsubstantiated accruals of certain expenses, the improper quarterly revenue cut-off of professional services revenues, and the overstatement of deferred revenues (the “2004 Restatement”).

JURISDICTION AND VENUE

5. This Court has jurisdiction over this action under Section 22(a) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. § 77v(a)], and Sections 21(d), 21(e), and 27 of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. §§ 78u(d) and (e) and 78aa]. Defendant, directly or indirectly, made use of the means or

instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities exchange in connection with the transactions, acts, practices, and courses of business alleged in this Complaint.

6. Venue is appropriate in this Court under Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)] and Section 27 of the Exchange Act [15 U.S.C. § 78aa] because the defendant does business in this judicial district and certain acts or transactions constituting the violations occurred in this district.

DEFENDANT

7. Veritas Software Corporation, now a wholly owned subsidiary of Symantec Corporation, is a software company headquartered in Cupertino, California that creates and licenses data storage software. At the time of the events alleged in this Complaint, Veritas' common stock was registered with the Commission pursuant to Section 12(g) of the Exchange Act and was quoted on the Nasdaq National Market. Veritas filed annual, quarterly, and current reports with the Commission on Forms 10-K, 10-Q and 8-K. Veritas registered securities offerings from August 2000 through September 2003 by filing with the Commission Forms S-3, S-4 and S-8. On July 2, 2005, Symantec Corporation acquired Veritas.

