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

17 NAREN SURI, Derivatively on Behalf of  
 18 C3.AI, INC.,

19 Plaintiff,

20 vs.

21 THOMAS M. SIEBEL, PATRICIA A.  
 HOUSE, RICHARD LEVIN, MICHAEL G.  
 22 MCCAFFERY, CONDOLEEZZA RICE, S.  
 SHANKAR SASTRY, BRUCE SEWELL,  
 23 STEPHEN M. WARD JR., LISA A. DAVIS,  
 24 JIM H. SNABE, AND DAVID BARTER,

25 Defendants,

26 and,

27 C3.AI, INC.,

28 Nominal Defendant.

Civil Action No: 4:22-cv-3031-HSG

**STIPULATION AND ORDER TO  
 STAY DERIVATIVE ACTION**

1 Plaintiff Naren Suri (“Plaintiff”), derivatively on behalf of C3.ai (“C3 AI” or “the  
2 Company”), and Thomas M. Siebel, Patricia A. House, Richard Levin, Michael G. McCaffery,  
3 Condoleezza Rice, S. Shankar Sastry, Bruce Sewell, Stephen M. Ward Jr., Lisa A. Davis, Jim H.  
4 Snabe, and David Barter (“Individual Defendants, and with Nominal Defendant C3 AI,  
5 “Defendants,” and collectively with Plaintiff, the “Parties”) jointly submit this Stipulation to  
6 temporarily Stay the Derivative Litigation (“Stipulation”), and in support thereof state as follows:

7 WHEREAS, Plaintiff Suri filed an action captioned *Suri v. Siebel, et al.*, Civil Action  
8 No. 3:22-cv-3031 (N.D. Cal.) purportedly in the right, and for the benefit of C3 AI against all  
9 Individual Defendants alleging against the Individual Defendants, among other things, breach of  
10 fiduciary duties and violations of Section 10(b) and 21D of the Securities Exchange Act of 1934  
11 (“Exchange Act”) that allegedly caused harm to C3 AI (the “Derivative Action”);

12 WHEREAS, pending in the United States District Court for the Northern District of  
13 California is a putative securities class action captioned *The Reckstin Family Trust v. C3.ai, Inc., et*  
14 *al.*, Civil Action No. 4:22-cv-1413 (the “Securities Action”);

15 WHEREAS, there is overlap between the facts and circumstances alleged in the Derivative  
16 Action and the Securities Action, including the relevance of many of the same documents and  
17 witnesses;

18 WHEREAS, C3 AI, Thomas M. Siebel, David Barter, Patricia A. House, Richard Levin,  
19 Michael G. McCaffery, Condoleezza Rice, S. Shankar Sastry, Bruce Sewell, and Stephen M. Ward,  
20 Jr., named defendants in the Derivative Action, are also named as defendants in the Securities Action  
21 (the “Securities Action Defendants”);

22 WHEREAS, the Securities Action Defendants anticipate filing a motion to dismiss in the  
23 Securities Action for failure to state a claim;

24 WHEREAS, in order to promote economy of time and effort for the Court, for counsel, and  
25 for litigants, the Parties have agreed that, in light of the overlap between the Derivative Action and  
26 the Securities Action, and in light of the stay of discovery that will apply pursuant to the Private  
27 Securities Litigation Reform Act of 1995 (“PSLRA”) following the filing of a motion to dismiss in  
28

1 the Securities Action, the Derivative Action should be voluntarily stayed on the terms set forth  
2 below pending resolution of the Securities Action;

3 WHEREAS, undersigned counsel for Defendant C3 AI is arranging for the Individual  
4 Defendants to retain counsel and to accept service of the summons and complaint in the Derivative  
5 Action, but more time is needed to arrange same;

6 WHEREFORE, the Parties, through their undersigned counsel, hereby agree, stipulate, and  
7 respectfully request that the Court enter an order as follows:

8 1. Defendant C3 AI hereby accepts service of the Summons and Complaint in this  
9 Derivative Action.

10 2. The time for Plaintiff to serve the Individual Defendants under Rule 4 of the  
11 Federal Rules of Civil Procedure is tolled during the pendency of the stay.

12 3. The Derivative Action shall be stayed upon the Court's endorsement of this  
13 Stipulation as an Order of the Court and all current Court dates and deadlines are vacated.

14 4. Defendant C3 AI shall promptly notify Plaintiff upon becoming aware of any  
15 derivative actions or of any Section 220 demands or litigation demands related to the facts and  
16 circumstances alleged in the Derivative Action and the Securities Action.

17 5. The Parties agree that during the pendency of the stay, Defendant C3 AI shall inform  
18 Plaintiff promptly upon the scheduling of any mediation or settlement talks with the plaintiff in the  
19 Securities Action, and shall make a good faith effort to include Plaintiff in any mediation or  
20 settlement talks with the plaintiff in the Securities Action. In the event that Defendant's good faith  
21 efforts do not result in including Plaintiff in the mediation with plaintiff in the Securities Action,  
22 then Defendant agrees to mediate with Plaintiff in the Derivative Action at or about the same time.  
23 The Parties further agree that Defendant shall inform Plaintiff promptly upon the scheduling of any  
24 mediation or settlement talks with any other derivative plaintiffs who have asserted claims  
25 substantially similar to the claims asserted by Plaintiff herein, and shall include Plaintiff in any such  
26 mediation or settlement talks. Plaintiff's ability to attend and participate in any mediation or formal  
27 settlement meeting is contingent upon his agreement to be bound by any confidentiality agreement  
28 or stipulation governing such mediation or formal settlement meeting.

1           6.       The Parties agree that notwithstanding a stay of this Derivative Action, Plaintiff may  
2 file an amended complaint; however, the defendants named in the current complaint, or any  
3 amended complaints, need not answer or otherwise respond to the Complaint or to any other  
4 complaint or amended complaint that is filed in, or consolidated with, the above-captioned action  
5 during the pendency of the stay.

6           7.       In the event that, during the pendency of the stay, Defendant produces in the  
7 Securities Action, or in any related derivative litigation, or pursuant to any stockholder demand for  
8 an inspection of books and records on behalf of C3 AI, any documents that relate to the subject  
9 matter of the Complaint, then copies of such documents shall be provided to Counsel for Plaintiff  
10 within thirty (30) days of such production, subject to the execution by Plaintiff of a reasonable  
11 confidentiality agreement governing the use and disclosure of these materials. Plaintiff hereby  
12 agrees that copies of any documents provided to him pursuant to this paragraph 6 shall be deemed  
13 incorporated by reference into any future amended or consolidated complaint, provided that copies  
14 of such documents are in Plaintiff's possession prior to the filing of such amended or consolidated  
15 complaint and Plaintiff shall not make any argument to the contrary in any motion or otherwise.

16           8.       In the event that any depositions take place in the Securities Action during the  
17 pendency of the stay (other than depositions of plaintiffs in the Securities Action), Defendant shall  
18 either, at its sole and absolute discretion on a witness-by-witness basis: (i) invite Plaintiff to attend  
19 and participate in such depositions, or if Plaintiff declines to attend and participate in said deposition,  
20 (ii) provide Plaintiff copies of the transcripts of such depositions and the exhibits used during such  
21 depositions. If Plaintiff attends and participates in a deposition in the Securities Action, then  
22 Plaintiff shall be precluded from deposing that witness in the Derivative Action or any future  
23 consolidated derivative action that includes the Derivative Action. Plaintiff hereby agrees that  
24 copies of any transcripts or exhibits provided to him pursuant to this Paragraph 7 shall be deemed  
25 incorporated by reference into any future amended or consolidated complaint in the Derivative  
26 Action to the extent that copies of such documents are in Plaintiff's possession prior to the filing of  
27 such future amended or consolidated complaint, and Plaintiff shall not make any argument to the  
28 contrary in any motion or otherwise.



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10 *Attorneys for Plaintiff*

11 DATED: August 22, 2022

12 Respectfully submitted,

13 QUINN EMANUEL URQUHART &  
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15 By: /s/ Harry A. Olivar, Jr.  
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21 *Attorneys for C3.ai, Inc.*

22 **Attestation Pursuant to Civil Local Rule 5-1(h)(3)**

23 Pursuant to Local Rule 5-1(h)(3), I hereby attest that all other signatories listed, and on  
24 whose behalf this filing is jointly submitted, concur in this filing's content and have authorized me  
25 to file this document.

26 /s/ Lauren A. Dean  
27 LAUREN A. DEAN (SBN 174722)

28 **PURSUANT TO THE FOREGOING STIPULATION, IT IS SO ORDERED.**

Dated: 9/7/2022

  
HON. HAYWOOD S. GILLIAM, JR.  
UNITED STATES DISTRICT JUDGE