Shareholder Alert: Bernstein Litowitz Berger & Grossmann LLP Announces the Filing of Securities Class Action Lawsuit Against SolarWinds Corporation, Expanding the Class Period

New York, NY – (PR Newswire) – February 9, 2021 – Today, prominent investor rights law firm Bernstein Litowitz Berger & Grossmann LLP ("BLB&G") filed a class action lawsuit for violations of the federal securities laws in the U.S. District Court for the Western District of Texas against SolarWinds Corporation ("SolarWinds" or the "Company") and certain of the Company's current and former senior executives (collectively, "Defendants"). The complaint expands the class period that was asserted in a previously-filed related securities class action pending against SolarWinds captioned *Bremer v. SolarWinds Corporation*, No. 1:21-cv-00002 (W.D. Tex.), and is brought on behalf of investors in SolarWinds common stock between October 18, 2018 and December 17, 2020, inclusive (the "Class Period").

BLB&G filed this action on behalf of its client, the New York City District Council of Carpenters Pension Fund, and the case is captioned *New York City District Council of Carpenters Pension Fund v. SolarWinds Corporation*, No. 1:21-cv-00138 (W.D. Tex.). The complaint is based on an extensive investigation and a careful evaluation of the merits of this case. A copy of the complaint is available on BLB&G's website by clicking here.

SolarWinds' Alleged Fraud

Based in Austin, Texas, SolarWinds provides infrastructure management software used to monitor and manage networks, systems, and applications. The Company's flagship product is its Orion platform. Orion provides a suite of software products widely used by government agencies and Fortune 500 companies to monitor the health and performance of their information technology networks. The Orion platform accounts for nearly half of the Company's annual revenue.

The complaint alleges that, throughout the Class Period, Defendants falsely touted the Company's robust security controls and commitment to prioritizing customers' security and privacy concerns. The Company also represented that it faced purported risks with regard to its cybersecurity measures. In reality, however, the Company failed to employ adequate cybersecurity safeguards and did not maintain effective monitoring systems to detect and neutralize security breaches. As a result of vulnerabilities in the Company's cybersecurity protections, SolarWinds and its customers were particularly susceptible to cyber-attacks. As a result of Defendants' misrepresentations, shares of SolarWinds common stock traded at artificially inflated prices during the Class Period.

The truth began to emerge on December 13, 2020, when *Reuters* reported that hackers believed to be working for the Russian government had been spying on internal email communications at the U.S. Treasury and Commerce departments. The report further revealed that the hackers were believed to have gained access to the agencies' networks through software updates released by SolarWinds.

The next day, SolarWinds disclosed that hackers had breached its network and inserted malware into its Orion monitoring products, which existed in software updates released to SolarWinds customers between March and June 2020. The Company further revealed that the networks of as many as 18,000 customers may have been compromised by the Orion updates that contained the malicious code.

On December 15, 2020, *Reuters* reported that, in 2019, a security researcher had warned SolarWinds that anyone could access the Company's update server by simply using the password "solarwinds123." Thus, according to the researcher, the SolarWinds breach "could have been done by any attacker, easily." Additionally, according

to another cybersecurity expert, the malicious Orion updates were still available for download days after the Company realized that its software had been compromised.

Then, on December 17, 2020, *Bloomberg News* reported that at least three state governments had been hacked as part of the SolarWinds breach. Moreover, it was reported that the hackers used the SolarWinds intrusion to infiltrate government networks that implicated national security concerns, including the U.S. Department of Energy and its National Nuclear Security Administration, which maintains the country's arsenal of nuclear weapons. As a result of these disclosures, the price of SolarWinds common stock declined precipitously.

The filing of this action does not alter the previously established deadline to seek appointment as Lead Plaintiff. Pursuant to the January 4, 2021 notice published in connection with the *Bremer* action, under the Private Securities Litigation Reform Act of 1995, investors who purchased or otherwise acquired SolarWinds securities during the Class Period may, no later than March 5, 2021, seek to be appointed as Lead Plaintiff for the Class. Any member of the proposed Class may seek to serve as Lead Plaintiff through counsel of their choice, or may choose to do nothing and remain a member of the proposed Class.

If you wish to discuss this action or have any questions concerning this notice or your rights or interests, please contact Scott Foglietta of BLB&G at 212-554-1903, or via e-mail at scott.foglietta@blbglaw.com.

About BLB&G

BLB&G is widely recognized worldwide as a leading law firm advising institutional investors on issues related to corporate governance, shareholder rights, and securities litigation. Since its founding in 1983, BLB&G has built an international reputation for excellence and integrity and pioneered the use of the litigation process to achieve precedent-setting governance reforms. Unique among its peers, BLB&G has obtained several of the largest and most significant securities recoveries in history, recovering over $33 billion on behalf of defrauded investors. More information about the firm can be found online at www.blbglaw.com.

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