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Co-Lead Counsel for Plaintiffs

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY**

IN RE SYNCHRONOSS SECURITIES
LITIGATION

No. 3:08-cv-04437-GEB-TJB

CONSOLIDATED CLASS ACTION COMPLAINT AND JURY TRIAL DEMAND

Lead Plaintiffs Herman M. Braude and Richard Kerwick (“Lead Plaintiffs”), on behalf of themselves and others similarly situated, by their attorneys, hereby allege the following based upon information and belief, and upon the investigation by Co-Lead Counsel, which included, among other things, a review of the facts and circumstances alleged herein, including, without limitation: (a) review and analysis of certain filings made by Synchronoss Technologies, Inc.

(“Synchronoss” or the “Company”) with the United States Securities and Exchange Commission (“SEC”); (b) review and analysis of certain press releases, public statements, news articles, and other publications disseminated by or concerning Defendants herein (as defined below) and related parties; (c) review and analysis of certain Synchronoss press conferences, analyst conference calls and conferences, and the corporate website of Synchronoss; (d) review and analysis of securities analyst reports concerning Synchronoss and its operations; (e) interviews with various former employees of Synchronoss and other individuals; and (f) review and analysis of certain other information, documents, and materials concerning Synchronoss and the other Defendants named herein.

Lead Plaintiffs believe that further substantial evidentiary support exists for the allegations in this Consolidated Class Action Complaint (the “Complaint”) and will be available after a reasonable opportunity for discovery. Many of the facts supporting the allegations contained herein are known only to Defendants or are exclusively within their custody and/or control.

NATURE AND SUMMARY OF THE ACTION

1. This is a securities fraud class action against Synchronoss and certain of its officers and directors (the “Defendants”). Lead Plaintiffs bring this class action on behalf of all persons and entities that purchased or otherwise acquired common stock (the “Class”) issued by Synchronoss between and including February 4, 2008 through and including June 9, 2008 (the “Class Period”). Defendants defrauded Lead Plaintiffs and the other members of the Class by making fraudulent material misrepresentations and omissions regarding Synchronoss’ then-current financial condition and future prospects to Lead Plaintiffs, the Company’s shareholders, and the investing public.

2. Synchronoss is a provider of on-demand multi-channel transaction software management platforms that enable communications service providers (“CSPs”) to automate new subscriber activation, order management and service provisioning. Synchronoss provided technology to AT&T, Inc. (“AT&T”) that allowed AT&T, as the exclusive United States service provider of the Apple iPhone, to “lock” Apple iPhones distributed to AT&T’s wireless phone customers to ensure AT&T service exclusivity. In other words, Synchronoss’ technology was to prevent Apple iPhones from being activated with wireless phone carriers other than AT&T. In turn, utilization of this technology allowed Synchronoss to profit every time an Apple iPhone was activated on the AT&T network. Because AT&T accounted for nearly 80% of Synchronoss’ revenue during the Class Period and AT&T was the sole authorized carrier for the blockbuster iPhone product, it was critical to the future success of Synchronoss that AT&T continued to use the Company’s cell phone activation technology.

3. Importantly, before and during the Class Period, Defendants failed to disclose to investors numerous warning signs, then known to or recklessly disregarded by Defendants, that the unauthorized unlocking of iPhones jeopardized Synchronoss’ “multi-year” iPhone contract with AT&T and would adversely impact Synchronoss’ revenues.

4. In fact, Apple iPhones were being unlocked extensively for use with other wireless carriers, yet for months Synchronoss continued to maintain that the iPhone was producing and would produce tremendous results for the Company and that its financial condition was strong. However, on May 6, 2008, after the market closed, the Company announced that it had “materially lowered” its growth expectations for 2008 due in large part to declining revenue associated with Apple’s iPhone. On May 7, 2008, the day after this

announcement, the Company's stock closed at \$13.04, a loss of \$9.86 or 43% in a single trading day.

5. The May 6, 2008 announcement, however, was incomplete. The Company failed to disclose that an additional reason for its lowered guidance was that Synchronoss would not be activating the next generation of the iPhone, the 3G iPhone, despite the fact that Defendants knew this fact throughout the Class Period. In fact, at the beginning of the Class Period, the Company commenced layoffs in recognition of the fact that the Company would have diminished business in light of its exclusion from the 3G project. These layoffs included employees that would have been instrumental to the Company's work on the 3G project had it not been excluded.

6. The full extent of Synchronoss' problems was revealed only after the market closed on June 9, 2008, when AT&T announced that, as Defendants knew but failed to disclose, Synchronoss would not be activating the iPhone 3G, which was to be released in July of 2008. Rather, the iPhone 3G was to be activated in-store, effectively removing Synchronoss from the transaction altogether. The next day, June 10, 2008, the Company confirmed this announcement and admitted that this was a reason for its lowered guidance released the month before. On this news, Synchronoss stock lost another 17%, dropping from \$13.31 to \$11.03.

JURISDICTION AND VENUE

7. This Court has jurisdiction over the subject matter of this action because the claims asserted herein arise under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act"), 15 U.S.C. §§78j(b) and 78t(a), and the rules and regulations promulgated thereunder, including Rule 10b-5, 17 C.F.R. §240.10b-5.

8. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §1331, because this is a civil action arising under the laws of the United States.

9. The Court has personal jurisdiction over Defendants. In connection with the acts and omissions alleged in this Complaint, Defendants, directly and/or indirectly, used the means and instrumentalities of interstate commerce, including, without limitation, interstate telephone communications, the mails and wires, and the facilities of the national securities exchanges.

10. Venue is proper in this District pursuant to Section 27 of the Exchange Act, 15 U.S.C. §78aa. Many of the acts and transactions constituting the violations of law complained of herein, including the dissemination to the public of materially false and misleading statements, occurred in this District. In addition, Synchronoss maintains its principal executive offices in this Judicial District and all other Defendants are top executive officers of Synchronoss and reside in this Judicial District.

THE PARTIES

11. By Order of the Court dated December 30, 2008, Herman M. Braude and Richard Kerwick were appointed Lead Plaintiffs. Each of the Lead Plaintiffs purchased Synchronoss common stock during the Class Period and sustained significant losses as a direct result of Defendants' fraudulent conduct alleged herein. The executed certifications of the Lead Plaintiffs that were previously filed with their motions to be appointed lead plaintiff authorizing their participation in this action, are attached hereto as mandated by the Private Securities Litigation Reform Act in Section 21D(a)(2)(A) of the Exchange Act.

12. Defendant Synchronoss is a Delaware corporation with principal executive offices located at 750 Route 202 South, Suite 600, Bridgewater, New Jersey 08807. Synchronoss is a provider of on-demand multi-channel transaction software management platforms that enable

CSPs to automate new subscriber activation, order management and service provisioning. As of August 27, 2008, the Company had approximately 31.4 million shares outstanding that traded on the NASDAQ under the symbol “SNCR.”

13. Defendant Stephen G. Waldis (“Waldis”) is co-founder, President, Chairman and Chief Executive Officer of Synchronoss. Waldis has served as President and Chief Executive Officer of Synchronoss since he founded the Company in 2000. He has also served as Chairman of the Board of Directors of Synchronoss since 2001. Waldis sold 84,300 Synchronoss shares for \$1,796,594 during the Class Period. According to the Company’s Proxy Statement filed with the SEC on April 9, 2008, in 2007, Waldis received a salary of \$450,000 and a bonus of \$86,450. According to that same Proxy Statement, the amount of salary and non-equity incentive plan compensation Waldis earned in 2007 in proportion to his total compensation reported was only 38%. Defendant Waldis resides at 22 Pruner Farm Road, Lebanon, New Jersey 08833.

14. Defendant Lawrence R. Irving (“Irving”) was, at all relevant times, Chief Financial Officer and Treasurer of Synchronoss. Irving has served as the Company’s Chief Financial Officer and Treasurer since July 2001. Irving sold 13,420 Synchronoss shares for \$289,184 during the Class Period. According to the Company’s Proxy Statement filed with the SEC on April 9, 2008, in 2007, Irving received a salary of \$266,250 and a bonus of \$39,200. According to that same Proxy Statement, the amount of salary and non-equity incentive plan compensation Irving earned in 2007 in proportion to his total compensation reported was only 35%. Defendant Irving resides at 5 Grovers Ct., Princeton Junction, New Jersey 08550.

15. Defendants Waldis and Irving are collectively referred to as the “Individual Defendants.”

16. Defendant Synchronoss and the Individual Defendants are collectively referred to as “Defendants.”

17. During the Class Period, each of the Individual Defendants, as senior executive officers and/or directors of Synchronoss, was privy to non-public information concerning its business, finances, products, markets and present and future business prospects via access to internal corporate documents, conversations, and connections with other corporate officers and employees, attendance at management and Board of Directors meetings and committees thereof and via reports and other information provided to them in connection therewith. Because of their possession of such information, the Individual Defendants knew or recklessly disregarded that the adverse effects specified herein had not been disclosed to, and were being concealed from, the investing public.

18. Each of the Individual Defendants participated in the drafting, preparation, and/or approval of the various public and shareholder and investor reports and other communications complained of herein and were aware of, or recklessly disregarded, the misstatements contained within and omissions therefrom, and were aware of their materially false and misleading nature. Because of their Board membership and/or executive and managerial positions with Synchronoss, each of the Individual Defendants had access to the adverse undisclosed information about Synchronoss’ financial condition, performance and contract status as particularized herein and knew (or recklessly disregarded) that these adverse facts rendered the positive representations, made by or about Synchronoss and its business, issued or adopted by the Company, materially false and misleading.

19. Each of the Individual Defendants is liable as a participant in a fraudulent scheme and course of business that operated as a fraud or deceit on purchasers of Synchronoss common

stock by disseminating materially false and misleading statements and/or concealing material adverse facts. The scheme: (i) deceived the investing public regarding Synchronoss' business, operations and management and the intrinsic value of Synchronoss common stock; and (ii) caused Lead Plaintiffs and other members of the Class to purchase Synchronoss common stock at artificially inflated prices. When the truth was revealed, the price of Synchronoss common stock dropped, thereby damaging Lead Plaintiffs and other members of the Class.

CLASS ACTION ALLEGATIONS

20. Lead Plaintiffs bring this action as a class action pursuant to Federal Rules of Civil Procedure 23(a) and 23(b)(3) on behalf of the Class of all persons who purchased or otherwise acquired Synchronoss common stock during the Class Period, which encompasses February 4, 2008 to June 9, 2008, inclusive, and who were damaged thereby. Excluded from the Class are Defendants, the officers and directors of the Company at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had, during the Class Period, a controlling interest.

21. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Synchronoss' common stock were actively traded on the NASDAQ. As of August 27, 2008, the Company had over 31 million shares of common stock issued and outstanding and traded in the United States. While the exact number of Class members is unknown to Lead Plaintiffs at this time and can only be ascertained through appropriate discovery, Lead Plaintiffs believe that there are hundreds or thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by Synchronoss or its transfer agent and may be notified of the pendency of

this action by mail, using the form of notice similar to that customarily used in securities class actions.

22. Lead Plaintiffs' claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

23. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class include:

a. whether the federal securities laws were violated by Defendants' acts as alleged herein;

b. whether statements made by Defendants to the investing public during the Class Period misrepresented material facts about the business, operations, future prospects and management of Synchronoss; and

c. the extent to which members of the Class have sustained damages and the proper measure of damages.

24. Lead Plaintiffs will fairly and adequately protect the interests of the members of the Class and have retained counsel competent and experienced in class and securities litigation.

25. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation makes it impracticable for members of the Class to individually redress the wrongs done to them. There will be no difficulty in managing this action as a class action.

SUBSTANTIVE ALLEGATIONS

26. Synchronoss creates and licenses software used by wireless service providers in a variety of functions, including the activation of wireless devices.

27. In June of 2007, Apple Inc. (“Apple”) released its highly anticipated combination music player/mobile-phone known as the iPhone. Only AT&T and Apple were authorized to sell iPhones. As part of its agreement with AT&T, Apple receives a portion of the revenue AT&T generates from the wireless subscription fees of customers who purchase the iPhone. Assuming they have not been subject to unauthorized, warranty voiding modifications, iPhones do not function on any wireless network in the United States other than AT&T’s.

28. Synchronoss provided the software allowing U.S. purchasers of the iPhone to activate that device from their home computers for use on AT&T’s network. The Company invested a large amount of time and work in preparing for the June 2007 launch of the iPhone. According to an article which appeared later in the year, on December 30, 2007, in *The Star Ledger*, entitled “I am New Jersey: Stephen Waldis, Striking It Big, Ex-Seton Hall Pitcher Has Found Zone With Startup Synchronoss,” the Company “*spent months prepping for the late June launch*, consulting with executives at Apple and AT&T, which was chosen as the exclusive carrier of the device.” (Emphasis added.)

29. In July of 2007, Synchronoss trumpeted a “multi-year” contract with AT&T pursuant to which Synchronoss provides the activation software for the iPhone (the “iPhone Contract”). In a press release issued over the Business Wire on July 9, 2007, entitled “Synchronoss and AT&T Sign Multi-Year Contract to Support Innovative Activation Experience for the iPhone,” Defendant Waldis stated that “[t]he activation experience that we’ve developed for AT&T and Apple, which allows customers to activate in the comfort of their houses, is a

paradigm shift from the traditional process at retail stores today. Providing the software enablement platform that connects the must-have converged device, for music, video, web and all mobile phone enthusiasts, with the largest wireless carrier in the United States is a significant milestone for us.”

30. Under the iPhone Contract, Synchronoss was to be paid for each transaction its software effectuated. If a consumer purchased an iPhone but did not activate it through a personal computer, Synchronoss did not receive any revenue. For example, if an Apple or AT&T salesperson activated the iPhone in the store, or if for some reason the iPhone was not activated on AT&T’s network or never activated at all, Synchronoss received no payment.

The Importance of the iPhone Contract to Synchronoss

31. Before and during the Class Period, AT&T was by far Synchronoss’ single biggest customer. According to Synchronoss’ Report on Form 10-K for the fiscal year 2007, filed with the SEC February 29, 2008, AT&T accounted for approximately 76% of Synchronoss’ 2007 revenues. Moreover, as detailed in ¶¶ 44, 50 below, Synchronoss had \$123.5 million of revenues in 2007, and the iPhone contributed \$40 million of those revenues. Therefore, the iPhone was a vital and material part of the Company’s business, contributing nearly one-third of the revenue coming into Synchronoss in 2007.

32. The benefits to Synchronoss of the iPhone Contract were not limited to the substantial revenue it derived from its initial participation. At the time the iPhone was released, it was unlike any other phone on the market. Further, most consumer wireless contracts are two years in length. As such, technical journalists and financial analysts, as well as investors, believed that the number of iPhone sales would increase in coming years. This belief allowed Synchronoss to lure investors with the promise of astronomical growth. This promise became all

the more seductive in 2008, becoming a veritable siren song to investors as rumors of the release of a new model iPhone, the 3G iPhone, gained momentum.

33. Synchronoss continually touted its contract with AT&T and its role with the iPhone. When, on July 26, 2007, Synchronoss announced its second quarter 2007 financial results, for the period ended June 30, 2007, it highlighted that, during the second quarter, it “[a]nnounced a multi-year contract with AT&T to support the launch and ongoing operational support of the Apple iPhone(TM). Synchronoss manages and provisions the activation of the iPhone through its ConvergenceNow(TM) software platform, providing an innovative customer experience that streamlines the traditional activation process.”

34. Synchronoss’ statements about the iPhone Contract, coupled with the iPhone’s growing popularity, led to great optimism in the market about the prospects for Synchronoss. On July 23, 2007, three days before the Company released its second quarter 2007 results, ThinkEquity Partners LLC released a “Company Report” which stated that:

We have built a new model for Synchronoss.... The primary delta between our previous and current estimates is the increased expectations for the iPhone. Previously, we anticipated 1.75M iPhones in 2007 and 10M in 2008. Our new estimates are 3.975M in 2007 and 13.25M in 2008. We believe these estimates have a reasonable likelihood of being exceeded, by an iPhone Nano product and an iPhone with 3G connectivity.

The report further stated that “[w]e expect SNCR shares to go much higher as investors better understand that SNCR is a play on WiMax, WiFi, FMC and iPhone.” The iPhone was a material and vital part of the Company’s business, as explained above in ¶ 31. When the Company later disclosed that the iPhone was bringing in much less revenue than expected (*see* ¶ 65), Defendant Waldis admitted that the “decline in our iPhone related revenue is masking the underlying growth and momentum in the rest of our business.” Therefore, the iPhone’s failure to bring in the business that the market expected had a pervasive effect on Synchronoss’ entire business.

35. On July 27, 2007, one day after the Company released its second quarter 2007 results, ThinkEquity Partners LLC released a “Company Report” in which it stated that Synchronoss “blew out our 2Q07 estimates....” It also reported that “[a]s much as the 2Q blowout should affect investor sentiment today, we are more focused on the longer-term opportunity.” Among the reasons for optimism listed by ThinkEquity Partners LLC were “the huge, public success of iPhone, which is generating meaningful inbound queries” and “a full year of iPhone, with perhaps a full product range including 3G and nano devices”.

36. On August 13, 2007, C.E. Unterberg, Towbin issued an “Initiation Report” on Synchronoss entitled “iPhone Sets New Standard, But There’s Much More.” This report stated that:

We believe the unique approach to activation of Apple’s / AT&T’s iPhone is likely to drive change to the historical in-store model, with cost benefits to the carrier and improved convenience to the customer. SNCR’s enablement of remotely activating the iPhone puts the company at the forefront of this emerging trend in wireless activations.

* * *

iPhone launch success a testament to potential. The fact that AT&T would entrust SNCR with the activation of Apple’s iPhone, one of the most significant product launches in the wireless world, we believe is a testament to the quality and depth of the relationship, as well as the strength of SNCR’s platform. We believe this success will likely lead to more customer wins, including in international markets as the iPhone is rolled out globally.

37. In the Company’s press release issued over the Business Wire on October 25, 2007, announcing its third quarter 2007 results, Defendant Waldis stated that “[d]uring the third quarter, our ConvergenceNow(TM) platform handled record transaction volumes with AT&T.com, in addition our platform has now activated 1.2 million Apple iPhones with outstanding results since the launch of the iPhone this past June.” Defendant Waldis announced the number of iPhone activations by the Company’s platform, despite the fact that, later, during

the Class Period, when asked about the gap between iPhones sold and activated, he stated that he was prevented from sharing specifics “due to NDA obligations,” as detailed in ¶¶ 43, 65-67 below.

38. At the beginning of 2008, the market was extremely optimistic about Synchronoss’ business. A ThinkEquity Partners LLC “Company Report,” issued on January 4, 2008, stated that:

Synchronoss has never lost a customer making revenues more predictable. We believe each of Synchronoss’ 3Q07 revenue-gathering customers will contribute more revenues during 4Q07, and will customarily spend more with Synchronoss in every sequential quarter for the foreseeable future. *We find this a most unique and very positive characteristic.* (Emphasis added.)

39. In a January 11, 2008 *TheStreet.com* article, entitled “Four Ways to Play MacWorld,” written in anticipation of Apple’s annual MacWorld expo, financial pundit Chris Versace stated that “what is good for the iPhone bodes well for SNCR shares” and that at MacWorld, “[a]ny announcement of a 3G iPhone as well as new software features and functions...bode [sic] well for SNCR.”

The Unlocking Phenomenon

40. Despite the fact that the iPhone was configured to be activated only on the AT&T network with Synchronoss software, not all consumers who purchased an iPhone did so. Rather, some purchasers of the iPhone modified either the hardware or software to allow the device to function on a network other than AT&T’s. This practice was known as “unlocking” or “jailbreaking.”

41. Although it is not unique to iPhones, unlocking is particularly suited to that device because the iPhone may be activated from home, at the user’s computer, rather than in the store.

42. Because unlocked iPhones are not activated on AT&T’s network, neither Synchronoss nor AT&T receives revenue from such unlocked iPhones. Similarly, although

Apple receives revenue from the sale of the iPhone, it does not receive that portion of the revenue it would have derived pursuant to its agreement with AT&T to share the revenue generated from iPhone users' wireless service agreements.

43. Similarly, after the third quarter 2007 earnings announcement, Synchronoss changed its practice and stopped disclosing to investors how many iPhones it had activated in any period notwithstanding its prior practice of doing so (see ¶ 37). Indeed, despite the importance of the iPhone contract as a whole, Synchronoss did not separately disclose its revenue from that or any other contract. Rather, citing non-disclosure agreements with its customers, Synchronoss informed investors only of its total revenue from operations for each quarter. Therefore, at no point during the Class Period were investors able to determine for themselves the number of iPhones that were being activated versus those that were being unlocked.

Defendants Knew the Effect of the Unlocking Phenomenon on the Company's Business and That the Company was Excluded from the 3G iPhone Project

44. On February 4, 2008, marking the beginning of the Class Period, not only was the unlocking phenomenon known to Defendants, but the adverse effect it would have on its future earnings was known as well. On the first day of the Class Period, during the Company's fourth quarter 2007 earnings conference call, the Company issued guidance for revenues of \$30 million to \$32 million for the first quarter of 2008 and \$151-\$160 million for full year 2008. This was in contrast to revenues of \$21.3 million for the first quarter 2007 and \$123.5 for the fully year 2007. The Company also issued guidance for full year 2008 gross margins in the 56% to 58% range, non-GAAP operating margins of 31% to 33%, and non-GAAP diluted earnings per share of \$0.92 to \$1.01. Additionally, on that conference call, Defendant Waldis stated:

Among the transactions that we were automating, the fourth quarter was the second full quarter of the Apple iPhone's availability, and it was the first holiday

season. We are extremely pleased with the continued high level performance that our ConvergenceNow has delivered relative to the activation of the Apple iPhone. And as we commented last quarter, automation rates for these transactions are exceeding even our most aggressive expectations at the outset of this relationship.

45. Defendant Waldis' statements about the iPhone's automation rates were false and misleading. Notwithstanding the obvious suggestion that the iPhone was being activated at rates beyond the Company's expectations, according to a former Network Engineer at Synchronoss until February 2008, the Company had not activated as many phones as they had expected over Christmas 2007. Yet, despite this, Defendants built a perception in the market that the iPhone was producing stratospheric results for the Company by, for example, stating in the February 4, 2008 conference call that the iPhone was "exceeding even our most aggressive expectations."

46. Moreover, Defendants were also aware that Synchronoss would play no role in the activation of the highly anticipated replacement for the iPhone, the 3G iPhone. Despite this, when Defendants issued their guidance for the Company for full year 2008, they included in that guidance revenue the Company would have received had it participated in the activations of 3G iPhones (see ¶ 52). In reality, however, by the beginning of the Class Period it had been decided that Synchronoss would not be involved. A former QA engineer at Apple in Cupertino, CA advised that, given the June 2008 announcement, it would have been known around February 2008 whether Synchronoss would have been involved with the 3G iPhone.

47. A former Manager of Information Technology at Synchronoss in Bethlehem, PA until March 2008, who was personally involved with the task of purchasing over a million dollars worth of equipment for the development and launch of the 2G phone, stated that it would be a matter of months versus weeks for Synchronoss to gear up for the launch of the 3G iPhone. Moreover, he stated that the Company laid off their most senior technical staff, including the Senior Windows Engineer and the Senior Network Engineer who would have been essential to

working on the 3G iPhone in the months before it was launched. The Company's laying off of its senior technical staff essential that would have been essential to the 3G iPhone is a strong indication that Defendants knew at that time that Synchronoss would play no role in activating the 3G iPhone.

48. While the Company was touting its strong results and making its rosy predictions, Defendants knew that the reality was entirely different. As a result, the Company embarked on extensive layoffs in anticipation of diminished demand as a result of its exclusion from the 3G project. A former Synchronoss Agent Supervisor in Bethlehem, PA from July 2007 through March 2008 stated that the Company terminated many people in February 2008. According to a former Synchronoss software engineer employed by the Company until February 2008, the layoffs in February 2008 were of permanent employees, and were deep cuts that were made with no warning.

49. Rather than simultaneously shock the market about both the drop in revenue from activations of the original iPhone and the fact that the Company would not be involved in the launch of the 3G iPhone, Defendants let this information out into the market piecemeal. After the market closed on May 6, 2008, Synchronoss released its quarterly earnings report for the first quarter of 2008, announced a \$25 million stock buy-back program, and "materially adjusted" its earnings outlook for the year 2008.

50. These "material adjustments" were based on the fact that the Company now expected its revenue from the iPhone to be \$30 million less in 2008 than it was in 2007. Defendants claimed that Synchronoss would still realize an "annual run rate" of approximately \$10 million in iPhone related transactions. This appears to be a 75% drop in iPhone revenue. This announcement was still misleading, however, because the original iPhone was not going to

be sold after the launch of the 3G, which occurred on July 11, 2008. Moreover, during the Company's first quarter 2008 earnings conference call, which took place on May 6, 2008, Defendant Waldis identified only three factors in the declining revenue from the iPhone: (1) the cessation of test transactions; (2) the cessation of the higher than normal price due Synchronoss for transactions; and (3) the "significant" gap between iPhones sold and iPhones activated on the AT&T network. Defendant Waldis admitted in the call, however, that all three factors were known to Defendants when they issued their guidance for the first quarter of 2008. *See* below ¶ 65. The first two factors were expected to occur from the very beginning and had been disclosed by Defendants. As to the third factor, Defendant Waldis discussed the problem of the gap between iPhones sold and activated for the first time but described it as one that "continues" to be significant, thereby admitting that the problem had already been significant in the past, although not disclosed. Therefore, to have issued guidance for the first quarter and full year 2008 that did not take these known factors into account plainly made that guidance materially false and misleading.

51. While Defendants in essence admitted on the May 6 call that they knew their first quarter 2008 guidance was misleading, they continued to mislead the investing public. At the time of the May 6 call, Defendants knew that Synchronoss would not be involved in the activation process of Apple's new 3G iPhone, set to be launched just two months later, on July 11, 2008. They knew that the 3G iPhone would instead be activated "on-site," meaning that they would be activated by the store where the device was sold instead of at the customer's home using Synchronoss software, as the original iPhone had been intended to be activated. Indeed, Defendants admitted as much in a Report on Form 8-K filed with the SEC June 10, 2008, which reads, in relevant part:

After the market close on June 9, 2008, AT&T announced the expansion of its relationship with Apple relative to the much anticipated launch of the 3G Apple iPhone. Synchronoss will continue our relationship with AT&T as it relates to the activation and provisioning of Apple iPhones. However, *Synchronoss will not participate in the on-site, retail store activations associated with the 3G iPhone, which was already taken into consideration when we provided our revised financial outlook on our first quarter 2008 financial results conference call.* (Emphasis added.)

52. By admitting that the revision downward of the Company's full year 2008 guidance was partially due to the fact that the Company would not be involved with the activation of the 3G iPhone, Defendants also admitted that their initial guidance issued on February 4, 2008 was based upon the presumption that the Company would be involved with the 3G, which they already knew was not going to occur.

53. Because its involvement in the activation of the 3G iPhone had been terminated, to the extent it even ever existed, Synchronoss' much trumpeted growth opportunities related to that device were extinguished. Thus, the damage to its business and the relevance to investors was not simply that Synchronoss would not recognize iPhone related revenue in any particular quarter or year, as previously projected, but rather that its working relationship with Apple, and its related long term prospects, had been materially adversely impacted, if not fully eradicated.

54. Rather than disclose this materially adverse development in their business, Defendants sought to achieve a "soft landing" by reducing revenue guidance but misleadingly attributing it to only some of the responsible factors, including the fact that one-time "test transactions" would not recur, the fact that the price per transaction related to the iPhone had lowered as the process became more automated, and the unlocking phenomenon, all described above.

MATERIALLY FALSE AND MISLEADING STATEMENTS

55. At the open of market trading on February 4, 2008 (the first day of the Class Period), Synchronoss' stock was trading at a price of \$23.57 per share. Later that day, Synchronoss issued a press release over the Business Wire announcing its financial results for the fourth quarter and the year ended December 31, 2007. The Company reported increased earnings for both the fourth quarter and the full year 2007, and Defendant Irving stated in that press release that "we are more optimistic about the Company's long-term future than at any point in our history." Within this same press release defendant Waldis stated that:

We believe Synchronoss is well positioned to benefit from multiple growth opportunities, including e-commerce, wireless, VOIP and most importantly, the trend towards converged services. We are optimistic about our ability to take advantage of these opportunities based on Synchronoss' unique ConvergenceNow® platform, relationships with industry leaders in each segment of the communication service provider marketplace, and our demonstrated ability to deliver business value at extreme scalability levels for our customers.

56. Synchronoss highlighted the iPhone contract in its February 4, 2008 earnings call. There, Defendant Waldis stated:

Let me start with AT&T. *During the fourth quarter, our overall relationship with AT&T generated 27.8 million in revenue representing growth of 129% on a year-over-year basis and 4% on a sequential basis. For a full year, our AT&T related revenue was 94.5 million which represented growth of 99% on a year-over-year basis. 2007 was truly a milestone year partly reflected in the significant acceleration in the growth and the highest level in history of our relationship with AT&T.* For 2008, AT&T continues to provide focus and attention to specific growth areas such as converged services, data services, growth in mobility, exciting new handsets and their drive into IPTV services and further e-commerce adoption, all providing tremendous opportunities for us for growth and expansion of our platform within the new AT&T.

* * *

[W]e are optimistic that we will continue to expand the use of ConvergenceNow platform across AT&T. Among the transactions that we are automating, *the fourth quarter was the second full quarter of the Apple iPhone's availability and it was the first holiday season. We are extremely pleased with the continued high level performance that our ConvergenceNow platform has delivered relative to the activation of the Apple iPhone. And, as we commented last quarter, automation rates for these transactions are exceeding even our*

most aggressive expectations at the outset of this relationship. We are clearly thrilled to be part of the AT&T-Apple relationship and the high level of acceptance that has been established in such a short period of time is truly amazing. The success of the iPhone was one of the factors that led to an overall record in wireless handsets sold by AT&T in its most recent quarter. We are pleased to be part of this success particularly when you consider the record volumes that are now going through the AT&T e-commerce channel. (Emphasis added.)

57. Synchronoss further touted the iPhone contract and its supposed growth potential during the call when Defendant Irving stated that Synchronoss expected a brief decline in revenue growth early in 2008, to be followed by “a sequential uptake of several million dollars in the second quarter, followed by a much stronger second half of the year as new transactions and customers ramp, in addition to the second half seasonality we expect to see in consumer related wireless transactions.”

58. In that conference call, Defendant Irving also gave guidance for the Company’s expected financial results for the first quarter 2008. Defendant Irving stated that “[f]or the first quarter 2008, we expect total revenues in the range of \$30 million to \$32 million....” Defendant Irving additionally issued guidance for the full year 2008 which included: (a) revenue between \$151-160 million; (b) gross margins in the 56% to 58% range; (c) non-GAAP operating margins of 31% to 33%; and (d) non-GAAP diluted earnings per share of \$0.92 to \$1.01.

59. On February 29, 2008, the Company filed its 2008 Form 10-K with the SEC. The Form 10-K was signed by Defendants Waldis and Irving. The Form 10-K repeated the Company’s financial results which were released in the Company’s February 4, 2008 press release and discussed in the Company’s February 4, 2008 earnings conference call. The Form 10-K, which was released two-thirds of the way through the first quarter of 2008, did not discuss the materially adverse effect that the unlocking phenomenon was having on the automation rates of the iPhone. The Form 10-K did not discuss the fact that the Company’s first quarter 2008 and

full year guidance did not take into account: (a) the impact of the unlocking phenomenon; (b) the impact of the cessation of test transactions; and (c) the impact of the cessation of the higher than normal price due the Company for iPhone activations. Finally, the Form 10-K did not discuss the fact that the Company would not play any role in the 3G iPhone.

60. The statements contained in ¶¶ 55-59 above were materially false and misleading when made, and were made without a reasonable basis, because they misrepresented and/or omitted the following adverse facts discussed in detail above, that then-existed, the disclosure of which was necessary to make the statements made not materially misleading:

(a) As detailed in ¶¶ 40-45, 50, the unlocking phenomenon was having a materially adverse effect on the automation rates of the iPhone;

(b) As detailed in ¶¶ 40-45, 50, the Company's first quarter 2008 and full year guidance did not take into account the impact that the unlocking phenomenon was having on Synchronoss' revenue and profits from the iPhone;

(c) As detailed in ¶ 50, the Company's first quarter 2008 and full year guidance did not take into account the impact that the cessation of test transactions and the cessation of the higher than normal price due Synchronoss for transactions was having on Synchronoss' revenue and profits from the iPhone; and

(d) As detailed in ¶¶ 46-54, the Company's full year 2008 guidance was calculated falsely assuming the Company would play a role in the 3G iPhone. The Company failed to inform the market that it would have no role in the activation of the 3G iPhone and failed to take this into account when publicly issuing Synchronoss' full year 2008 guidance.

61. Analysts responded positively to this materially false and misleading outlook. For example, in a report issued the day after the February 4, 2008 earnings call, Avondale Partners, LLC stated that Synchronoss continued to have a “strong growth trajectory” and that “the Apple iPhone’s release is expected to offer a solid boost to SNCR’s transactions.”

62. That same day, ThinkEquity Partners released a report on the company in which its revenue estimates assumed 34%-35% growth, which it viewed as “well within the capability” of Synchronoss, in part because of Synchronoss’ “important ecosystem partner product cycle (the 3G iPhone).” As is clear from this comment, even market professionals had expectations, based upon Synchronoss’ prior statements, that Synchronoss’ growth and projections were directly tied to the iPhone, including the anticipated next generation 3G iPhone.

The Truth is Partially Revealed

63. On May 6, 2008, Synchronoss issued a press release over the Business Wire reporting its results for the first quarter 2008. In that press release, the Company announced that it had materially lowered its growth expectations in 2008 due to reduced revenues associated with the iPhone. Moreover, the Company also reported net revenue of \$29.1 million for the first quarter of 2008, missing its projection of \$30-\$32 million for the quarter.

64. Also on May 6, the Company conducted its first quarter 2008 earnings conference call. On that call Defendant Irving stated that “[w]e have updated our 2008 guidance range to between \$115 million and \$120 million. A significant portion of the updated revenue outlook is related to the reduced expectations for iPhone related revenue.” This revised guidance for full year 2008 was significantly lower than the \$151-\$160 million announced by Defendant Irving on the February 4, 2008 conference call. Moreover, Defendant Irving also revised downward its guidance for: (a) full year gross margins from the 56%-58% range to the “low to mid 50%

range;” (b) non-GAAP operating margin from 31%-33% to the 25%-28% range; and (c) non-GAAP diluted earnings per share from \$0.92-\$1.01 to \$0.55-\$0.60. Defendant Irving partially attributed the lowering of gross margins to “the lower mix of higher automated transactions achieved with the iPhone.”¹

65. Specifically, on the May 6, 2008 call, Defendant Waldis stated:

From a summary perspective, our participation in the launch of the iPhone has had a significant impact on our business, both financially and even more so from a fundamental perspective. And while we’re not permitted to quantify the impact at that time, *last year, we repeatedly discussed the fact that we generated material revenue from test transactions as AT&T and Apple prepared for this very successful launch.*

In addition to the fact that these tests transactions did not recur in 2008, there are additional factors that have impacted our iPhone related revenue in 2008. First, as we discussed on our last call, *we initially received a much higher than normal price per transaction as a result of the highest priority being placed on ensuring the success of this major launch. And during the middle of the first quarter of 2008, the price per transaction was brought in line with all of our other activation related transaction pricing.*

Secondly, we cannot share the specifics due to NDA obligations, but *the gap between the number of iPhones expected to be sold and the actual number that we are activating continues to be significant and we expect this trend to continue.* As a reminder, Synchronoss is not paid on the number of iPhones that are sold, but rather than the number that we activate, and, *as a result, we are materially adjusting our expectations as it relates to revenue related to the iPhone during 2008.*

To put these factors into perspective, we currently expect our related transaction revenue from the iPhone to decline by approximately \$30 million in 2008 compared to 2007. *We continue to expect to exit 2008 with an iPhone contribution rate that is in excess of \$10 million annually.*

Even more important, the decline in our iPhone related revenue is masking the underlying growth and momentum of the rest of our business. (Emphasis added.)

¹ This revised guidance was more aligned with the Company’s actual full year 2008 performance. On February 5, 2009, the Company issued a press release announcing the following results for the full year 2008: (a) revenues of \$111 million; (b) non-GAAP gross margin of 53%; (c) non-GAAP operating margin of 23%; and (d) non-GAAP earnings per share of \$0.58. The February 5, 2009 press release attributed the year over year decrease in revenues solely to the iPhone.

66. In response to a question from Liz Grausam, an analyst from Goldman Sachs, Defendant Waldis admitted that the Company knew in January and February 2008 (but which Defendants had then failed to disclose) that the unlocking phenomenon would have a negative effect on the Company's finances:

Well, we certainly think of -- as I said earlier, we definitely see ourselves at an at least 10 million annual run-rate exiting the year as it relates to the iPhone. In terms of how that process gets -- what that forecast looks like, obviously, Liz, is a fair question. We're not allowed to discuss any of the details on the NDA portion of it.

But we did factor that in and we applied that into our guidance view. *Obviously, getting the surprise in January and February*, we looked at it and wanted to make sure that as far as forecasting going forward, that we accounted for it, maybe conservatively. If it ends up being better, that would be great. But we took a position now that we think is pretty fair and, as I said in the call, I think we'll at least end with a \$10 million run-rate at the end of the year. (Emphasis added.)

67. Later in the conference call, the following exchange occurred between Defendant Irving and Thomas Weisel analyst Tom Roderick:

Q – Tom Roderick: Good, thank you. So, Larry, just on your guidance here in terms of the discussion of the iPhone related revenues dropping by 30 million. I guess my first reaction, I was a little surprised, that there is \$30 million to drop. So, in that regard can you -- *a fairly direct question and if you can answer it, it would be tremendously helpful for us. Can you confirm that you will continue processing iPhone transactions later in this year and that the guide down is strictly related to the number of phones being unlocked and the reduced pricing arrangement around that?*

A – Lawrence Irving: I think the best way to answer that, Tom, is that I've tried to provide as much information as I could without violating any NDAs that we have with our customer. With that being said, to answer your last question, the latter part of your question, *I think Steve kind of brought it out in his prepared remarks in a sense that we expect to see a run-rate of somewhere in the neighborhood of about \$10 million for the iPhone related revenue coming out of the year. So, I believe that in itself answers the question that you're asking.*

Q – Tom Roderick: Okay. That's helpful. And then, again, maybe just building on Liz's question with respect to gross margins, the notion that this is a very highly automated transaction type for you. *It would seem like if, in fact, some of the unlocking assumptions come in a little conservative, is there a swing factor*

by which those gross margins could come in higher or is it just mostly related to the increased investment ramp around Sprint and other newer customers?

A – Lawrence Irving: A good question Tom. What I tried to say in the prepared remarks is *it's really a combination of the [sic] both. So it is the initial investment that we are making in a lot of these new businesses and the mix change as it relates to the iPhone, which is a very highly automated transaction. As those transactions are lower than we initially anticipated that has a kind of an impact on our overall gross margins as the year progresses.* (Emphasis added.)

68. The market reaction to these announcements was severe and swift. On May 7, 2008, the price of Synchronoss common stock dropped from a close of \$22.90 the day before to \$13.04 on very heavy trading volume of 21,132,500 shares, versus an average daily trading volume during the class period of 1,348,029 shares.

69. On May 8, 2008, Defendants filed a Report on Form 10-Q with the SEC, signed by Defendant Waldis, which repeated the Company's financial results that were released in the Company's May 6, 2008 press release and discussed in the Company's May 6, 2008 earnings conference call. This Form 10-Q did not disclose that the Company would not play a role in the 3G iPhone.

70. The statements contained in ¶¶ 63-67, 69 above were materially false and misleading when made, and were made without a reasonable basis, because they misrepresented and/or omitted the following adverse facts, discussed in detail above, that then-existed, the disclosure of which was necessary to make the statements made not materially misleading. Specifically, as detailed in ¶¶ 46-54, Defendants failed to reveal that an additional material reason Synchronoss had reduced its revenue outlook was the fact that it would not play a role in the next generation 3G iPhone, and therefore would not be activating *any* iPhones sold after July 11, 2008, at the latest.

71. Although Defendants would later announce (at the end of the Class Period) that they had taken into account the fact that the Company would have no role in the activation of the 3G iPhone when announcing their revised guidance during the May 6 announcement, in fact, Defendants' statements failed to make this clear such that the market had no understanding of that following the disclosure. For example, Collins Stewart reported the next day that "Management reduced iPhone related revenue by \$30 million in 2008 *due to the significant discrepancy between the number of iPhones sold and the number that SNCR activated.*" (Emphasis added.)

72. Similarly, Deutsche Bank reported that same day that the "Company attributed the slowdown to a combination of lower than expected iPhone activations and smaller revenue ramp from new customers" and stated that this was a "minor disappointment relative to what SNCR expected", but that nonetheless, Deutsche Bank "believe[d] *SNCR will continue to activate the new phone when it launches* and estimate[d] a revenue upside up to \$15m and EPS upside of \$0.20" (emphasis added). Indeed, Deutsche Bank, like others, relied on Defendants' statements and reasonably believed, based on Defendants' failure to disclose otherwise, that Synchronoss would "continue to activate" the new 3G iPhone and derive revenues therefrom.

73. In a May 14, 2008 report, Avondale Partners stated that it "continue[d] to believe that SNCR has a strong opportunity ahead of it to ride growth in communications services and e-commerce...." Avondale even listed as a "Potential Catalyst" the "Launch of 3G Apple iPhone/iPhone Subsidies," explaining that "[w]hile it has not yet been announced, it is widely anticipated that Apple will launch a new, 3G version of its iPhone in the June/July 2008 timeframe. At the same time, rumors have circulated that AT&T may apply a \$200 subsidy to

the iPhone.... *Either of these could boost sales of the iPhone, leading to upside for SNCR.*" (Emphasis added.)

74. On June 4, 2008, Brean Murray Carret & Co. ("Brean Murray") initiated coverage of Synchronoss with a "Buy" recommendation, stating that "quarterly revenue and EPS in 3Q08 and beyond *will benefit from stabilization of iPhone activations....*" (Emphasis added.)

75. On June 9, Brean Murray reiterated this sentiment, adding that "*We believe the [3G] launch will be a positive event for Synchronoss, as we believe the launch will benefit sales with Synchronoss continuing to be the activation vehicle for iPhones utilizing AT&T services.*" (Emphasis added.) Again, even market professionals, as late as June 9, 2008, continued to believe, based on Defendants' representations attributing the lowered guidance to the unlocking issue, that Synchronoss would indeed derive revenues from the launch of the 3G iPhone.

The Truth is Ultimately Revealed

76. After the market closed on June 9, 2008, AT&T and Apple announced that all 3G iPhones would be activated in stores by AT&T employees, thus obviating the need for Synchronoss' software.

77. On June 10, 2008, Synchronoss filed a form 8-K with the SEC, signed by Defendant Waldis, confirming this news. The form 8-K read:

After the market close on June 9, 2008, AT&T announced the expansion of its relationship with Apple relative to the much anticipated launch of the 3G Apple iPhone. Synchronoss will continue our relationship with AT&T as it relates to the activation and provisioning of Apple iPhones. However, *Synchronoss will not participate in the on-site, retail store activations associated with the 3G iPhone, which was already taken into consideration when we provided our revised financial outlook on our first quarter [May 6] 2008 financial results conference call.* (Emphasis added.)

78. The market's reaction to this announcement was severe and swift. Synchronoss stock had closed on June 9 at \$13.31. It opened the next day, after the announcement, at \$12.50 and closed at \$11.03, falling an additional 17%, on a trading volume of 6,792,127 shares, versus an average daily volume during the class period of 1,348,029 shares.

ADDITIONAL SCIENTER ALLEGATIONS

79. As alleged herein, Defendants acted with scienter in that Defendants knew that the public documents and statements issued or disseminated by or in the name of the Company were materially false and misleading; knew or recklessly disregarded that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violators of the federal securities laws. Defendants, by virtue of their receipt of information reflecting the true facts regarding Synchronoss' contract with AT&T, their control over the materially misleading misstatements, and/or their associations with the Company which made them privy to confidential information concerning Synchronoss, were active and culpable participants in the fraudulent scheme alleged herein. Defendants knew of and/or recklessly disregarded the false and misleading nature of the information which they caused to be disseminated to the investing public. The true state of Synchronoss' financial condition and operations, as well as the status of its single largest contract, were not and could not have been unknown to the personnel at the highest level of the Company, including the Individual Defendants, at the time of the filing of its quarterly reports.

80. As detailed in ¶¶ 40-45, 50 above, Defendants knew (or were reckless in that they were aware, but acted in a highly unreasonable manner that constituted an extreme departure from the standards of ordinary care by disregarding the fact) that the unlocking phenomenon

would have a large negative impact on the Company's revenues during the first quarter and full year 2008. The number of iPhone activations over the holiday season was below what the Defendants were expecting. Defendants issued the Company's first quarter and full year 2008 guidance on February 4, 2008 even though Defendant Waldis later admitted that the Company got a "surprise" in January and February 2008 with regard to the number of activations. From the beginning of the Class Period until May 6, 2008, even as rumors of the unlocking phenomenon began to surface, Synchronoss simply failed to discuss or acknowledge the issue, or to inform investors of the material threat to its business that the unlocking phenomenon posed.

81. As detailed in ¶ 50 above, Defendants also knew (or were reckless in that they were aware, but acted in a highly unreasonable manner that constituted an extreme departure from the standards of ordinary care by disregarding the fact) that the Company's first quarter and full year 2008 guidance was materially false and misleading because it did not take into account (1) the cessation of test transactions; and (2) the cessation of the higher than normal price due Synchronoss for iPhone activations.

82. As detailed in ¶¶ 46-54 above, Defendants knew (or were reckless in that they were aware, but acted in a highly unreasonable manner that constituted an extreme departure from the standards of ordinary care by disregarding the fact) that Synchronoss would not play a role in the launch and activation of the 3G iPhone. At the beginning of the Class Period, Defendants embarked on massive layoffs at the Company, including those employees that would have played a pivotal role in the launch and activation 3G iPhone, to prepare the Company for lower operating needs in the absence of its participation in the 3G launch. Moreover, according to the former QA engineer at Apple, the decision that Synchronoss would not be involved would necessarily have been made by the beginning of the Class Period (*see* ¶ 46). According to the

former Manager of Information Technology at Synchronoss who was involved in the purchase of equipment for the development and launch of the 2G iPhone, it would have taken months for the Company to gear up for the launch of the 3G iPhone (*see* ¶ 47).

83. Defendants were further motivated to engage in the fraudulent scheme alleged herein in order to enable the Individual Defendants to sell their personally held Synchronoss common stock to the unsuspecting public at artificially inflated prices while they were in the possession of material non-public information about the company. The following chart sets forth the substantial selling (collectively, the “Sales”) by the Individual Defendants during the class period:

Defendant Waldis, Chief Executive Officer and Chairman of the Board:

Input Date	Beginning Date	End Date	Shares	Min Price	Max Price	Value
5/2/2008	5/1/2008	5/1/2008	6,000	\$20.59	\$22.63	\$129,741
4/4/2008	4/2/2008	4/30/2008	54,000	\$20.00	\$23.48	\$1,144,649
3/28/2008	3/26/2008	3/27/2008	12,000	\$20.00	\$20.75	\$243,278
2/6/2008	2/4/2008	2/12/2008	12,300	\$20.00	\$25.00	\$278,926
Total:			84,300			\$1,796,594

Defendant Irving, Chief Financial Officer:

Input Date	Beginning Date	End Date	Shares	Min Price	Max Price	Value
5/7/2008	5/5/2008	5/6/2008	3,080	\$22.80	\$23.42	\$70,843
4/11/2008	4/9/2008	4/24/2008	6,160	\$20.04	\$23.48	\$133,431
3/31/2008	3/27/2008	3/28/2008	3,080	\$20.22	\$20.77	\$62,910
2/14/2008	2/12/2008	2/12/2008	1,100	\$20.00	\$20.00	\$22,000
Total:			13,420			\$289,184

84. The Individual Defendants therefore collectively derived in excess of \$2 million by virtue of these Sales, which took place right up until the eve of the Company’s May 6 announcement downwardly revising the Company’s 2008 guidance. If instead the Sales occurred after the truth about Synchronoss had been revealed and the stock price had fallen to its

true, uninflated value, the sale of the shares would have derived much less money for the Individual Defendants, perhaps in excess of \$1 million less. Accordingly, the Individual Defendants greatly profited by withholding material information and disseminating misleading information as detailed herein to the unsuspecting public.

85. These stock sales were purportedly undertaken pursuant to stock trading plans conforming to Rule 10b5-1 of the SEC Rules (the “Trading Plans”). The applicable Form 4 “Statement of Changes in Beneficial Ownership of Securities” documents filed with the SEC on behalf of Synchronoss in accordance with § 16(a) of the Securities Exchange Act of 1934 (“Form 4s”) was signed by Defendant Irving. Defendant Irving, in conjunction with Defendant Waldis, was responsible for the preparation of the Form 4s. These Trading Plans have never been publicly disclosed.

86. Even if the Sales were made in accordance with the Trading Plans, the Individual Defendants were motivated to withhold the material information and not to reveal the truth about Synchronoss until the Sales were consummated pursuant to the Trading Plans. In withholding the material information and refraining from revealing the truth about Synchronoss, the share price of the Synchronoss stock remained artificially high while the Sales were undertaken purportedly pursuant to the Trading Plans. These Trading Plans were entered into as part of Defendants’ scheme to defraud the investing public.

87. The Individual Defendants were further motivated to sell their stock in order to greatly increase their level of compensation over their normal salaries and bonuses. According to the Company’s Proxy Statement filed with the SEC on April 9, 2008, in 2007, Waldis received a salary of \$450,000 and bonus of \$86,450. According to that same Proxy Statement, the amount of salary and non-equity incentive plan compensation Waldis earned in 2007 in

proportion to his total compensation reported was only 38%. The stock Waldis sold during the first three months of the Class Period, up until the Company's May 6 announcement downwardly revising the Company's 2008 guidance, was over three times as much as Waldis' entire 2007 salary and bonus. Likewise, according to the Company's Proxy Statement filed with the SEC on April 9, 2008, in 2007, Irving received a salary of \$266,250 and bonus of \$39,200. According to that same Proxy Statement, the amount of salary and non-equity incentive plan compensation Irving earned in 2007 in proportion to his total compensation reported was only 35%. The stock Irving sold during the first three months of the Class Period, up until the Company's May 6 announcement downwardly revising the Company's 2008 guidance, was nearly equal to Irving's entire 2007 salary and bonus.

88. Defendants Waldis and Irving therefore depended on the sale of their Company stock to greatly increase their levels of compensation, personal net worth and cash access. This provided a clear motive for Defendants Waldis and Irving to keep the truth from the market about (a) the disappointing level of revenue from the original iPhone (due to the unlocking issue and other factors discussed in ¶ 50); and (b) the fact that the Company would not be involved in the activation with the 3G iPhone.

CAUSATION AND ECONOMIC LOSS

89. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false or misleading statements about Synchronoss' financial, investment and business condition, business practices, and financial and business results, prospects and operations. These material misstatements and omissions had the cause and effect of creating in the market an unrealistically positive assessment of Synchronoss and its financial, investment and business condition, results, prospects and operations, thus causing the

Company's common stock to be overvalued and artificially inflated at all relevant times. Defendants' materially false and misleading statements during the Class Period were widely disseminated to the securities markets, investment analysts and to the investing public, and resulted in Lead Plaintiffs and other members of the Class purchasing the Company's common stock at artificially inflated prices. Moreover, upon the revelation to the market and the investing public of the truth concerning Synchronoss and its results, operations, and prospects for growth, the market price of Synchronoss common stock declined substantially, resulting in significant damages to Lead Plaintiffs and other shareholders.

90. Had the truth about Synchronoss been revealed to the market earlier, Lead Plaintiffs and the Class would not have purchased Synchronoss common stock or would have purchased the stock only at dramatically lower prices.

91. When the truth about Synchronoss was partially revealed on May 6, 2008, as detailed in ¶¶ 4, 63-68 above, a significant portion of the artificial inflation that had been caused by Defendants' materially false and misleading statements and omissions was eliminated from the price of Synchronoss' common stock, causing significant losses to Lead Plaintiffs and the Class. Specifically, on May 7, 2008, the first trading day after these partial revelations, the price of Synchronoss common stock fell 43%, to close at \$13.04, from a previous trading day close of \$22.90, on very heavy trading volume of 21,132,500 shares, versus an average daily trading volume during the class period of 1,348,029 shares.

92. When the truth about Synchronoss was finally fully revealed after the market closed on June 9, 2008, as detailed in ¶¶ 6, 76-78 above, a significant portion of the artificial inflation that had been caused by Defendants' materially false and misleading statements and omissions was further eliminated from the price of Synchronoss' common stock, causing

significant losses to Lead Plaintiffs and the Class. Specifically, on June 10, 2008, the first trading day after the revelations discussed herein, Synchronoss' common stock price fell 17%, to close at \$11.03, from a previous trading day close of \$13.31, on very heavy trading volume of 6,792,127 shares, versus an average daily volume during the class period of 1,348,029 shares.

93. Defendants' conduct, as alleged herein, proximately caused foreseeable losses to Lead Plaintiffs and the other members of the Class.

**APPLICABILITY OF PRESUMPTION OF RELIANCE:
FRAUD ON THE MARKET DOCTRINE**

94. The market for Synchronoss' common stock was open, well-developed and efficient at all relevant times for the following reasons (among others):

a. The Company's common stock met the requirements for listing, and were listed and actively traded on NASDAQ;

b. As a publicly traded and regulated issuer of securities, Synchronoss filed periodic public reports with the SEC;

c. Synchronoss regularly communicated with public investors via established market communication mechanisms, including through regular disseminations of press releases on the national circuits of major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services;

d. The market reacted to public information disseminated by Synchronoss;

e. Synchronoss was followed by numerous material securities analysts employed by major brokerage firms who wrote reports which were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace;

f. The material misrepresentations and omissions alleged herein would tend to induce a reasonable investor to misjudge the value of Synchronoss common stock; and

g. Without knowledge of the misrepresented or omitted material facts, Lead Plaintiffs and the other members of the Class purchased or otherwise acquired Synchronoss common stock between the time Defendants made the material misrepresentations and omissions, during which time the price of Synchronoss common stock was inflated by Defendants' misrepresentations and omissions.

95. As a result of the foregoing, the market for Synchronoss' common stock promptly digested current information regarding Synchronoss from all publicly available sources and reflected such information in Synchronoss' common stock prices. In ignorance of the true financial condition of Synchronoss, Lead Plaintiffs and other members of the Class, relying on the integrity of the market and/or the statements and reports of Synchronoss containing the misleading information, purchased or otherwise acquired Synchronoss common stock at artificially inflated prices during the Class Period. Under these circumstances, all purchasers and acquirers of Synchronoss' common stock during the Class Period suffered similar injury through their purchase or acquisition of Synchronoss' common stock at artificially inflated prices and a presumption of reliance applies.

**THE STATUTORY SAFE HARBOR FOR
FORWARD-LOOKING STATEMENTS IS INAPPLICABLE HERE**

96. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. Many of the specific statements pleaded herein were not identified as "forward-looking statements" when made. To the extent there were any forward-looking statements, there were no meaningful cautionary statements identifying important factors that could cause actual results to

differ materially from those in the purportedly forward-looking statements. Alternatively, to the extent that the statutory safe harbor does apply to any forward-looking statements pleaded herein, defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the particular speaker knew that the particular forward-looking statement was false, and/or the forward-looking statement was authorized and/or approved by an executive officer of Synchronoss who knew that those statements were false when made.

97. The statutory safe harbor provided for forward-looking statements under certain circumstances, moreover, does not apply to false statements or material omissions of existing facts.

COUNT I

Violation of Section 10(b) of the Exchange Act and Rule 10b-5 Promulgated Thereunder Against all Defendants

98. Lead Plaintiffs repeat and reallege each and every allegation contained above as if fully set forth herein.

99. This Count is asserted by Lead Plaintiffs on behalf of themselves and the Class against all the Defendants and is based upon Section 10(b) of the Exchange Act, 15 U.S.C. §78j(b), and Rule 10b-5, 17 C.F.R. §240.10b-5, promulgated thereunder.

100. During the Class Period, the Defendants carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing public, including Lead Plaintiffs and other Class members, as alleged herein; (ii) artificially inflate and maintain the market price of Synchronoss' common stock; and (iii) cause Lead Plaintiffs and other members of the Class to purchase or otherwise acquire Synchronoss'

common stock at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, the Defendants, and each of them, took the actions set forth herein.

101. Defendants, by use of means or instrumentalities of interstate commerce: (i) employed devices, schemes, and artifices to defraud; (ii) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements made not misleading; and (iii) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon the purchasers and acquirers of the Company's common stock in an effort to maintain artificially high market prices for Synchronoss' common stock in violation of Section 10(b) of the Exchange Act and Rule 10b-5.

102. As a result of their making and/or their substantial participation in the creation of affirmative statements and reports to the investing public, the Defendants had a duty to promptly disseminate truthful information that would be material to investors in compliance with the integrated disclosure provisions of the SEC as embodied in SEC Regulation S-K (17 C.F.R. §229.10, *et seq.*) and other SEC regulations, including accurate and truthful information with respect to the Company's operations and performance so that the market prices of the Company's publicly traded securities would be based on truthful, complete and accurate information. Defendants' material misrepresentations and omissions as set forth herein violated that duty.

103. Defendants engaged in the fraudulent activity described above knowingly and intentionally or in such a reckless manner as to constitute willful deceit and fraud upon Lead Plaintiffs and the Class. The Defendants knowingly caused their reports and statements to contain misstatements and omissions of material fact as alleged herein.

104. As a result of Defendants' fraudulent activity, the market price of Synchronoss was artificially inflated during the Class Period.

105. In ignorance of the true financial condition of Synchronoss, Lead Plaintiffs and other members of the Class, relying on the integrity of the market and/or on the statements and reports of Synchronoss containing the misleading information, purchased or otherwise acquired Synchronoss common stock at artificially inflated prices during the Class Period.

106. The market price of Synchronoss' common stock declined materially upon the public disclosure of the true facts which had been misrepresented or concealed as alleged herein.

107. Lead Plaintiffs' (and the Class') losses were proximately caused by Defendants' active and primary participation in Synchronoss' scheme to defraud the investing public by, among other things, failing to fully and accurately disclose to investors adverse material information regarding the Company. Lead Plaintiffs (and the members of the Class) purchased Synchronoss common stock in reliance on the integrity of the market price of that common stock, and Defendants manipulated the price of Synchronoss common stock through their misconduct as described herein. Lead Plaintiffs' (and the Class') losses were a direct and foreseeable consequence of Defendants' concealment of, among other things, the true state of the business operations, growth prospects and financial condition of Synchronoss.

108. Throughout the Class Period, Defendants were aware of material non-public information concerning Synchronoss' fraudulent conduct (including the false and misleading statements described herein). Throughout the Class Period, Defendants willfully and knowingly concealed this adverse information and Lead Plaintiffs' (and the Class') losses were the foreseeable consequence of Defendants' concealment of this information.

109. As a direct and proximate cause of the Defendants' wrongful conduct, Lead Plaintiffs and other members of the Class suffered damages in connection with their respective purchases and sales of Synchronoss common stock during the Class Period.

COUNT II

Violation of Section 20(a) of the Exchange Act Against the Individual Defendants

110. Lead Plaintiffs repeat and reallege each and every allegation contained above as if fully set forth herein.

111. As alleged herein, the Individual Defendants acted as controlling persons of Synchronoss within the meaning of Section 20(a) of the Exchange Act, 15 U.S.C. §78t(a). By virtue of their executive positions, and/or Board membership, as alleged above, these individuals had the power to influence and control and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements which Lead Plaintiffs contend are false and misleading. The Individual Defendants were provided with or had unlimited access to copies of the Company's internal reports, press releases, public filings and other statements alleged by Lead Plaintiffs to be misleading prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the statements or cause the statements to be corrected.

112. In particular, the Individual Defendants had direct involvement in the day-to-day operations of the Company and therefore, are presumed to have had the power to control or influence the particular transactions giving rise to the securities violations as alleged herein, and exercised the same.

113. As set forth above, the Individual Defendants and Synchronoss committed a primary violation of Section 10(b) and Rule 10b-5 of the Exchange Act by the acts and

omissions alleged in this Complaint. By virtue of their positions as controlling persons of Synchronoss, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of the Individual Defendants' wrongful conduct, Lead Plaintiffs and the other members of the Class suffered damages in connection with their purchase or acquisition of Synchronoss common stock during the Class Period.

PRAYER FOR RELIEF

WHEREFORE, Lead Plaintiffs pray for relief and judgment, as follows:

- A. Determining that this action is a proper class action;
- B. Awarding compensatory damages in favor of Lead Plaintiffs and the other class members against all Defendants, jointly and severally, for all damages sustained as a result of the Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;
- C. Awarding Lead Plaintiffs and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and
- D. Awarding such other and further relief as the Court may deem just and proper.

JURY DEMAND

Lead Plaintiffs demand a trial by jury.

Dated: March 13, 2009

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CERTIFICATE OF SERVICE

Notice of this filing will be sent to all counsel of record by operation of the Court's electronic filing system as follows:

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CERTIFICATION OF PROPOSED LEAD PLAINTIFF

I, Herman M. Braude, certify that:

1. I have reviewed the complaint and authorize Milberg LLP to act on my behalf in this matter in applying for Lead Plaintiff status and for all other purposes.
2. I did not acquire the security that is the subject of this action at the direction of plaintiff's counsel or in order to participate in this private action or any other litigation under the federal securities laws.
3. I am willing to serve as a Lead Plaintiff either individually or as part of a group. A Lead Plaintiff is a representative party who acts on behalf of other class members in directing the action, and whose duties may include providing testimony at deposition and trial, if necessary.
4. I represent and warrant that I am authorized to execute this Certification on behalf of the purchasers of the subject securities described herein (including, as the case may be, myself, any co-owners, any corporations or other entities, and/or any beneficial owners).
5. I will not accept any payments for serving as a representative party on behalf of the class beyond the purchaser's pro rata share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the class as ordered or approved by the court.
6. I understand that this is not a claim form, and that my ability to share in any recovery as a member of the class is unaffected by my decision to serve as a representative party or Lead Plaintiff.
7. The number of shares or other securities of Synchronoss Technologies, Inc. (Nasdaq: SNCR) I held immediately **BEFORE** the first day of the Class Period (if any) was: 300 and the type of securities was (check one):
 Common Stock Bonds Preferred Stock Call Put
8. I have listed below all my transactions in the securities of Synchronoss Technologies, Inc. (Nasdaq: SNCR) **DURING** the Class Period as follows:

Type of Security (Common stock, Preferred Stock, Calls, Puts or Bonds)	Purchase/Acquisition or Sale/Disposition	Quantity	Trade Date (mm/dd/yy)	Price per Share/Security (\$)
SEE ATTACHED SCHEDULE A				

(* List additional transactions on separate sheet, if necessary)

These securities were acquired or held in (check all that apply):

- General (non-retirement account) Merger/acquisition/distribution Gift
 IRA Employer-sponsored plan (401k; 403b, etc.)

9. I made the following sales of securities of Synchronoss Technologies, Inc. (Nasdaq: SNCR) during the **90-day period AFTER** the Class Period:

Sales (June 9, 2008 to 90 days later)

Type of Security (Common stock, Preferred Stock, Calls, Puts or Bonds)	Quantity	Trade Date (mm/dd/yy)	Price per Share/Security (\$)
SEE ATTACHED SCHEDULE A			

10. During the three years prior to the date of this Certification, I have not sought to serve and I have not served as a representative party for a class in an action filed under the federal securities laws except as described below (if any):

I declare under penalty of perjury, under the laws of the United States, that the information entered is accurate.

Executed this 12th day of September 2008

Herman M. Braude
 Herman M. Braude

Schedule A

Herman M. Braude Transaction(s) in Synchronoss Technologies, Inc. (NASDAQ:SNCR)

Purchase(s):

Date	Shares	Price
2/29/2008	5,400	16.27
2/29/2008	3,740	16.13
2/29/2008	2,260	16.01
2/29/2008	1,840	16.03
2/29/2008	1,600	16.22
2/29/2008	1,560	16.09
2/29/2008	1,100	16.04
2/29/2008	900	16.19
2/29/2008	700	16.24
2/29/2008	700	16.21
2/29/2008	500	16.20
2/29/2008	500	16.00
2/29/2008	400	16.07
2/29/2008	300	16.13
2/29/2008	300	16.08
2/29/2008	272	16.11
2/29/2008	228	16.10
2/29/2008	200	16.23
3/14/2008	2,866	16.85
3/14/2008	2,730	16.86
3/14/2008	2,486	16.91
3/14/2008	1,111	16.80
3/14/2008	200	16.84
3/14/2008	200	16.82
3/14/2008	182	16.79
3/14/2008	100	16.83
3/14/2008	100	16.81
3/14/2008	25	16.85
5/8/2008	11,000	12.59
5/8/2008	7,000	12.36
5/8/2008	3,600	12.60
5/8/2008	3,450	12.45
5/8/2008	3,000	12.35
5/8/2008	2,920	12.55
5/8/2008	2,100	12.57
5/8/2008	2,000	12.55
5/8/2008	918	12.50

5/8/2008	600	12.56
5/8/2008	300	12.49
5/8/2008	200	12.60
5/8/2008	200	12.47
5/8/2008	100	12.53
5/8/2008	100	12.52
5/8/2008	12	12.51
6/5/2008	5,000	14.48
6/5/2008	1,830	14.41
6/5/2008	1,820	14.41
6/5/2008	1,000	14.40
6/5/2008	300	14.39
6/5/2008	50	14.40

Sales

Date	Shares	Price
5/14/2008	11,288	12.02
5/14/2008	10,300	11.94
5/14/2008	6,816	12.07
5/14/2008	6,413	12.12
5/14/2008	5,374	11.92
5/14/2008	5,105	11.99
5/14/2008	4,770	11.98
5/14/2008	3,900	11.96
5/14/2008	3,184	12.08
5/14/2008	2,987	12.15
5/14/2008	2,526	11.95
5/14/2008	2,500	12.03
5/14/2008	2,100	11.93
5/14/2008	912	12.04
5/14/2008	800	11.96
5/14/2008	600	12.13
5/14/2008	300	12.05
5/14/2008	125	12.00

CERTIFICATION

The individual or institution listed below (the "Plaintiff") authorizes the Rosen Law Firm, P.A. to file an action or amend a current action under the federal securities laws to recover damages and to seek other relief against Synchronoss Technologies, Inc. ("Synchronoss"), and its current and former officers and directors. The Rosen Law Firm, P.A. agrees to prosecute the action on a contingent fee basis not to exceed one-third of any recovery and will advance all costs and expenses. Any legal fees and expenses will be determined by, and payable, only upon order of the U.S. District Court.

Plaintiff declares, as to the claims asserted under the federal securities laws, that:

1. I have reviewed the complaint against Synchronoss and certain of its officers and directors and I retain Rosen Law Firm, P.A. as counsel in this action for all purposes.

2. I did not engage in transactions in the securities that are the subject of this action at the direction of plaintiff's counsel or in order to participate in this or any other litigation under the securities laws of the United States.

3. I am willing to serve as a lead plaintiff either individually or as part of a group. A lead plaintiff is a representative party who acts on behalf of other class members in directing the action, and whose duties may include testifying at deposition and trial.

4. The following is a list of all of the purchases and sales I have made in Synchronoss securities during the Class Period set forth in the complaint. I have made no transactions during the class period in the debt or equity securities that are the subject of this lawsuit except those set forth below.

Number of Shares Purchased or Sold	Date(s) Purchased	Price Paid Per Share	Date(s) Sold (if applicable)	Price Sold Per Share
1,000	2-7-08	\$ 23.73		\$
1000	2-8-08	\$ 21.00		\$
1000	2-8-08	\$ 20.50		\$
1000	2-12-08	\$ 19.25		\$
1000	2-20-08	\$ 19.00		\$
1000	4-21-08	\$ 21.00		\$
1000	5-12-08	\$ 12.84		\$
		\$		\$
		\$		\$
		\$		\$
		\$		\$
		\$		\$
		\$		\$
		\$		\$

PLEASE FAX CERTIFICATION TO ROSEN LAW FIRM: (212) 202-3827

