

FILED

09 CIV 4147

JS 44C/SDNY
REV. 1/2008

CIVIL COVER SHEET

The JS-44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for use of the Clerk of Court for the purpose of initiating the civil docket sheet.

PLAINTIFFS: ANGELA TYLER
DEFENDANTS: LIZ CLAIBORNE, INC., TRUDY F. SULLIVAN, WILLIAM L. MCCOMB

ATTORNEYS (FIRM NAME, ADDRESS, AND TELEPHONE NUMBER): GLANCY BINKOW & GOLDBERG LLP, 1801 Avenue of the Stars, Suite 311, Los Angeles, CA 90067 (310) 201-9150
ATTORNEYS (IF KNOWN):
APR 28 2009

CAUSE OF ACTION (CITE THE U.S. CIVIL STATUTE UNDER WHICH YOU ARE FILING AND WRITE A BRIEF STATEMENT OF CAUSE) (DO NOT CITE JURISDICTIONAL STATUTES UNLESS DIVERSITY)
15 U.S.C. sections 78j(b), 78t(a); 17 C.F.R. section 240.10b-5

Has this or a similar case been previously filed in SDNY at any time? No? Yes? Judge Previously Assigned _____

If yes, was this case Vol. Invol. Dismissed. No Yes If yes, give date _____ & Case No. _____

(PLACE AN (x) IN ONE BOX ONLY) NATURE OF SUIT

Table with columns: TORTS, ACTIONS UNDER STATUTES, CONTRACT, PERSONAL INJURY, PERSONAL INJURY, FORFEITURE/PENALTY, LABOR, BANKRUPTCY, OTHER STATUTES, REAL PROPERTY. Includes various legal categories and codes.

686495

Check if demanded in complaint:

CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

DO YOU CLAIM THIS CASE IS RELATED TO A CIVIL CASE NOW PENDING IN S.D.N.Y.? IF SO, STATE:

DEMAND \$ _____ OTHER _____ JUDGE _____ DOCKET NUMBER _____

Check YES only if demanded in complaint
JURY DEMAND: YES NO

NOTE: Please submit at the time of filing an explanation of why cases are deemed related.

ORIGINAL

(PLACE AN X IN ONE BOX ONLY)

ORIGIN

- 1 Original Proceeding
- 2a. Removed from State Court
- 2b. Removed from State Court AND at least one party is pro se.
- 3 Remanded from Appellate Court
- 4 Reinstated or Reopened
- 5 Transferred from (Specify District)
- 6 Multidistrict Litigation
- 7 Appeal to District Judge from Magistrate Judge Judgment

(PLACE AN X IN ONE BOX ONLY)

BASIS OF JURISDICTION

- 1 U.S. PLAINTIFF
- 2 U.S. DEFENDANT
- 3 FEDERAL QUESTION (U.S. NOT A PARTY)
- 4 DIVERSITY

IF DIVERSITY, INDICATE CITIZENSHIP BELOW. (28 USC 1322, 1441)

CITIZENSHIP OF PRINCIPAL PARTIES (FOR DIVERSITY CASES ONLY)

(Place an [X] in one box for Plaintiff and one box for Defendant)

CITIZEN OF THIS STATE	PTF DEF [] 1 [] 1	CITIZEN OR SUBJECT OF A FOREIGN COUNTRY	PTF DEF [] 3 [] 3	INCORPORATED and PRINCIPAL PLACE OF BUSINESS IN ANOTHER STATE	PTF DEF [] 5 [] 5
CITIZEN OF ANOTHER STATE	[] 2 [] 2	INCORPORATED or PRINCIPAL PLACE OF BUSINESS IN THIS STATE	[] 4 [] 4	FOREIGN NATION	[] 6 [] 6

PLAINTIFF(S) ADDRESS(ES) AND COUNTY(IES)

Angela Tyler
 175 Eaglehurst Drive
 Jerome, MI 49249
 Hillsdale County

DEFENDANT(S) ADDRESS(ES) AND COUNTY(IES)

Liz Claiborne
 1441 Broadway
 New York, NY 10018

DEFENDANT(S) ADDRESS UNKNOWN

REPRESENTATION IS HEREBY MADE THAT, AT THIS TIME, I HAVE BEEN UNABLE, WITH REASONABLE DILIGENCE, TO ASCERTAIN THE RESIDENCE ADDRESSES OF THE FOLLOWING DEFENDANTS:

Check one: THIS ACTION SHOULD BE ASSIGNED TO: WHITE PLAINS MANHATTAN
 (DO NOT check either box if this a PRISONER PETITION.)

DATE: 4-27-09
 RECEIPT #
 SIGNATURE OF ATTORNEY OF RECORD: *K. Den Bleyker*

ADMITTED TO PRACTICE IN THIS DISTRICT
 NO
 YES (DATE ADMITTED Mo. 07 Yr. 2008)
 Attorney Bar Code # KD1245

Magistrate Judge is to be designated by the Clerk of the Court.

Magistrate Judge MAG. PECK is so Designated.

J. Michael McMahon, Clerk of Court by _____ Deputy Clerk, DATED _____

UNITED STATES DISTRICT COURT (NEW YORK SOUTHERN)

ORIGINAL

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

09 CIV 4147

ANGELA TYLER, Individually and on Behalf of All Others Similarly Situated,)	No.
)	
Plaintiff,)	<u>CLASS ACTION</u>
)	
v.)	COMPLAINT FOR VIOLATIONS
)	OF THE FEDERAL SECURITIES
)	LAWS
)	
LIZ CLAIBORNE, INC., TRUDY F. SULLIVAN, AND WILLIAM L. MCCOMB,)	
)	
Defendants.)	<u>DEMAND FOR JURY TRIAL</u>

FILED
2009 FEB 28 11:11 AM '09
SEC. DIV.

Plaintiff Angela Tyler, by and through her attorneys, alleges the following upon information and belief, except as to those allegations concerning Plaintiff, which are alleged upon personal knowledge. Plaintiff's information and belief is based upon, among other things, her counsel's investigation, which includes without limitation: (a) review and analysis of regulatory filings made by Liz Claiborne, Inc. ("Liz Claiborne" or the "Company") with the United States Securities and Exchange Commission ("SEC"); (b) review and analysis of press releases and media reports issued by and disseminated by Liz Claiborne; and (c) review of other publicly available information concerning Liz Claiborne.

NATURE OF THE ACTION AND OVERVIEW

1. This is a federal class action on behalf of purchasers of Liz Claiborne's securities between February 28, 2007 and April 30, 2007, inclusive (the "Class Period"), seeking to pursue remedies under the Securities Exchange Act of 1934 (the "Exchange Act").

ORIGINAL

2. Liz Claiborne is engaged primarily in the design and marketing of a broad range of apparel, accessories, and fragrances. During the Class Period, the Company operated in the following business segments: Wholesale Apparel, Wholesale Non-Apparel, and Retail. Liz Claiborne's largest customer was, at all relevant times, Macy's, Inc. ("Macy's").

3. On October 5, 2006, Liz Claiborne and J.C. Penney Company, Inc. ("JCPenny") issued a press release announcing the introduction of a new brand for women called "Liz & Co." and for men called "CONCEPTS by Clairborne" that would be sold exclusively at JCPenney.

4. On May 1, 2007, Liz Claiborne shocked the market when the Company reported an approximately 65 percent drop in earnings, forecasted an unexpected decline in annual profit, and disclosed massive cutbacks in orders from Macy's. Moreover, the Company revealed that Macy's reduced orders were a reaction to the new Liz & Co. and CONCEPTS by Claiborne brands launched at JCPenney.

5. On this news, shares of Liz Claiborne declined \$7.72 per share, more than 17%, to close on May 1, 2007 at \$37.00 per share, on unusually heavy volume.

6. Throughout the Class Period, Defendants made false and/or misleading statements, as well as failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants made false and/or misleading statements and/or failed to disclose: (1) that the Company's wholesalers were significantly reducing orders; (2) that, specifically, Macy's, Liz Claiborne's largest customer, slashed orders in response to Liz Claiborne's decision to partner with JCPenney and launch the Liz & Co. and CONCEPTS by Claiborne brands at JCPenney; (3) that this fact had been known to defendants as early as November 22, 2006; and (4) that, as a result of the foregoing, the statements made by the company and management lacked

a reasonable basis.

7. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiff and other Class members have suffered significant losses and damages.

JURISDICTION AND VENUE

8. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

9. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §1331 and Section 27 of the Exchange Act (15 U.S.C. §78aa).

10. Venue is proper in this Judicial District pursuant to 28 U.S.C. §1391(b) and Section 27 of the Exchange Act (15 U.S.C. §78aa(c)). Substantial acts in furtherance of the alleged fraud or the effects of the fraud have occurred in this Judicial District. Many of the acts charged herein, including the preparation and dissemination of materially false and/or misleading information, occurred in substantial part in this District. Additionally, Liz Claiborne maintains its principal executive offices within this Judicial District.

11. In connection with the acts, transactions, and conduct alleged herein, Defendants directly and indirectly used the means and instrumentalities of interstate commerce, including the United States mail, interstate telephone communications, and the facilities of a national securities exchange.

PARTIES

12. Plaintiff Angela Tyler, as set forth in the accompanying certification, incorporated

by reference herein, purchased Liz Claiborne common stock during the Class Period, and suffered damages as a result of the federal securities law violations and false and/or misleading statements and/or material omissions alleged herein.

13. Defendant Liz Claiborne is a Delaware corporation and maintains its principal executive offices at 1441 Broadway, New York, New York 10018.

14. Defendant Trudy F. Sullivan (“Sullivan”) was, at all relevant times, President of Liz Claiborne.

15. Defendant William L. McComb (“McComb”) was, at all relevant times, CEO and a director of Liz Claiborne since November 6, 2006.

16. Defendants Sullivan and McComb are collectively referred to hereinafter as the "Individual Defendants." The Individual Defendants, because of their positions with the Company, possessed the power and authority to control the contents of Liz Claiborne’s reports to the SEC, press releases and presentations to securities analysts, money and portfolio managers and institutional investors, *i.e.*, the market. Each defendant was provided with copies of the Company's reports and press releases alleged herein to be misleading prior to, or shortly after, their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of their positions and access to material non-public information available to them, each of these defendants knew that the adverse facts specified herein had not been disclosed to, and were being concealed from, the public, and that the positive representations which were being made were then materially false and/or misleading. The Individual Defendants are liable for the false statements pleaded herein, as those statements were each "group-published" information, the result of the collective actions of the Individual Defendants.

SUBSTANTIVE ALLEGATIONS

Background

17. Liz Claiborne is engaged primarily in the design and marketing of a broad range of apparel, accessories, and fragrances. During the Class Period, the Company operated in the following business segments: Wholesale Apparel, Wholesale Non-Apparel, and Retail.

18. Macy's (formerly known as Federated Department Stores, Inc.), accounted for approximately 22% of Liz Claiborne's 2006 wholesale sales (including sales to customers previously owned by the May Department Stores Company, which was acquired by Federated Department Stores, Inc. in August 2005) and 24% of 2005 wholesale sales (including sales to customers previously owned by May Department Stores Company) or 16% of 2006 and 18% of 2005 total sales.

19. On October 5, 2006, Liz Claiborne and J.C. Penney Company, Inc. ("JCPenney") issued a press release entitled, "JCPenney to Introduce Exclusive New Brands for Women and Men from Liz Claiborne Inc. Liz & Co. and CONCEPTS by Claiborne Designed to Provide Refined Casual Style and Quality for JCPenney Customers Spring 2007 Introduction in Stores and on JCP.com." Therein, in relevant part, Liz Claiborne and JCPenney, stated:

J. C. Penney Company, Inc. (NYSE: JCP) and Liz Claiborne Inc. (NYSE: LIZ) announce the launch of Liz & Co. for women and CONCEPTS by Claiborne for men to be sold exclusively at JCPenney. The new lines, designed for the casual needs of JCPenney's customers, will launch in JCPenney stores and online at jcp.com in spring 2007.

Targeting JCPenney's traditional female customer, Liz & Co. features a range of refined casual, versatile sportswear, along with handbags and fashion jewelry and accessories. The CONCEPTS by Claiborne line will also feature casual sportswear as well as a collection of suits, suit separates, dress pants, dress shirts, neckwear, belts and outerwear, targeting JCPenney's modern male customer.

"As we continue to refine our merchandise assortments, we see a big opportunity to further expand our traditional and modern lifestyle segments," said Ken Hicks, JCPenney president and chief merchandising officer. "Liz & Co. and CONCEPTS by Claiborne reflect the quality and value our customers have come to expect from JCPenney and will further reinforce us as a key shopping destination for exclusive and private brands."

Trudy Sullivan, president of Liz Claiborne Inc., commented: "The core of our business strategy at Liz Claiborne Inc. is to offer a diverse portfolio of quality brands that meets the widest range of consumers' fashion needs. The new Liz & Co. and CONCEPTS by Claiborne lines are designed to address the style and value preferences of JCPenney customers, and as such, they will be complete lifestyle offerings of refined casual styles in a wide range of merchandise including apparel, accessories and jewelry, all priced approximately 20 percent to 30 percent lower than our Liz Claiborne and Claiborne lines."

**Materially False and Misleading
Statements Issued During the Class Period**

20. The Class Period begins on February 28, 2007. On this day, Liz Claiborne held a conference call with analysts to discuss the Company's financial results for the 2006 fourth quarter and full year announced in a press release issued by the Company that day. Therein, in relevant part, Defendant Sullivan, stated:

[Defendant Sullivan:]

Recently, we announced the launch of Liz & Co. and Concepts by Claiborne, which are debuting this spring in JCPenney. We remain focused on maintaining a clear distinction between these core brands and the diffusion line by continuing to elevate the product offering for department stores, and by enhancing the image of the core brands through greater marketing commitments, both in in-store support as well as a meaningful increase in national advertising.

Our department store partners realize these new launches are geared toward a distinct and separate consumer, one who shops in a different venue and in a different price zone. They acknowledge our intent to preserve the marked differences in the product offering, as well as the consumer's esteem and desire for both Liz Claiborne and Claiborne in store stores. It is precisely for these reasons that our department store accounts remain focused on the performance of these businesses, and remain committed to servicing these brand-loyal consumers.

(Emphasis added).

21. During the February 28, 2007 conference call, Defendant McComb, in relevant part, stated:

[Jeffery Edelman - Analyst:]

Bill, a simple question for you -- what was your single biggest takeaway after meeting with your larger customers? Are they looking to do more business with you? Is it going to be a struggle to maintain your business relationship? If they want diversification and differentiation, can Liz provide it, or are they going elsewhere?

[Defendant McComb:]

I think that our customers -- there are always I will call it executional or tactical or even specific strategic issue with one brand or another brand, and there's always attention back and forth about distribution. But by and large, what my biggest takeaway is that our customers see the vast capability that we have and our ability to buy brands, to market brands, to take them globally and to build brand power. So I see a significant openness and eagerness to partner with our company, in spite of any specific tensions that might exist on a given brand or on a given issue.

So I would say that we remain very well-regarded as a partner, and the conversations that I have had are very, very future-oriented and talking about what we can do to power up their particular strategies. I think that that's the way the conversations need to go.

I will say that you do here a strong theme in my conversation with you about the emphasis on building irresistible product. That comes out of the number-one point that our wholesale customers have to say to me is that more than anything, that's what they need our company to do. They want us to deliver strong brand propositions, because that helps deliver customers in their stores.

Unlike the packaged goods environment that I come from, we reinvent our product lines at least five times a year. The product is the brand, and having a very strong capability and culture around product is what the retailers are looking for us to do. Therefore, you're seeing that emphasis in the conversations that I'm having.

22. During the February 28, 2007 conference call, Defendants Sullivan and McComb, in relevant part, further stated:

[David Glick - Analyst:]

Just a few follow-up questions on the core Liz Claiborne brand. First of all, Trudy, congratulations on the great progress you all made in the Liz Claiborne wholesale sales in Q4.

However, do you have some potential concerns, or are there concerns over the Liz & Co. launch in Penney's among other departments store executives? Can you sustain the same kind of momentum you saw in the Liz Claiborne wholesale business in Q4 throughout 2007?

What is the tone of the -- you alluded to it in your opening comments. What's the tone now among other retailers? Are they still concerned? Are they over it? Are they encouraged by the selling? Are there any floorspace or quality-of-location issues as potential fallout? I just wanted to get a little more color on that.

[Defendant Sullivan:]

It's kind of all of the above. I think that there's a tremendous -- initially, there was a lot of what I would call robust discussion around the wisdom of it. I think our department store accounts are pleased with what they're seeing about Liz Claiborne. They want to see it sustainable over time, as do we.

So we are pleased with where we have brought it. They clearly know the esteem and regard that their customers have for both Claiborne and Liz Claiborne, and that has never been in question. Our commitment to them is that we will have very separate and distinct and elevated lines in department stores that are absolutely suitable for what our customers are telling us they want to find in their stores.

I would say, for the most part, they are tracking right along with us. That's a very valuable consumer to them, and they want this consumer well-served. They want us to do a good job in terms of the lines that we put into the market. That's what we're focused on doing, and so I would say that it certainly is our intention to maintain this momentum.

[Defendant McComb:]

It does reflect back on the Group President realignment, though. I mean, central to this initiative, in theory, is segmentation. As Trudy said, the Liz Claiborne apparel lines in the traditional department stores have a distinctive and elevated product presentation versus what we're doing with the diffused line.

[Defendant Sullivan:]

It's important also to understand that there's a very attractive consumer in the midtier world, that shops at a different price level and is in a different consumer segment, and that these brands are strong enough to be able to pursue this kind of segmentation approach. You could certainly look at the market and see that there are other strong brands that have successfully done this as well. So we are equally as excited about the quality of what we're putting into the market under Liz & Co. and Concepts by Claiborne, and we're very committed to the success of those lines for JCPenney as well.

(Emphasis added).

23. The statements contained in ¶¶20-22 were materially false and/or misleading when made because defendants failed to disclose or indicate the following: (1) that the Company's wholesalers were significantly reducing orders; (2) that, specifically, Macys, Liz Claiborne's largest customer, slashed orders in response to Liz Claiborne's decision to partner with JCPenney and launch the Liz & Co. and CONCEPTS by Claiborne brands at JCPenney; (3) that this fact had been known to defendants as early as November 22, 2006; and (4) that, as a result of the foregoing, the statements made by the company and management lacked a reasonable basis.

Disclosures at the End of the Class Period

24. On May 1, 2007, Liz Claiborne shocked investors when it issued a press release entitled, "Liz Claiborne Inc. Reports 1st Quarter Sales And EPS." The Company reported that its first-quarter earnings had plunged approximately 65% and forecasted an unexpected decline in annual profit. For the first-quarter, Liz Claiborne reported net income of \$16.2 million, or \$0.16 per share, a significant decline from \$46.9 million, or \$0.45 per share, reported a year earlier. The Company said that clothing sales to chains such as Federated Department Stores Inc.'s Macy's declined 7.4% and that first-quarter sales fell 1.6% to \$1.15 billion. Excluding some expenses, profit was \$0.22 per share, well below the consensus estimate of analysts for a profit of \$0.60 per share on

sales of \$1.26 billion. The Company forecasted profit for 2007, excluding restructuring costs, between \$1.90 and \$2.05 per share, which was well below the average estimate of \$3.13 per share among eight analysts surveyed by Bloomberg. In the press release, Defendant McComb, in relevant part, stated:

Clearly, we wish we could have reported better first quarter earnings and provided a stronger outlook for the year. Our first quarter results reflect significant challenges in our domestic wholesale business, partially offset by improved direct to consumer performance. ***Results were driven by lower than anticipated domestic wholesale re-orders***, higher levels of markdowns across the domestic wholesale channel and changes in the retail calendar that shifted some shipments into the second quarter. Beyond these first quarter results, ***we have seen an acceleration of many of the negative trends that have impacted our wholesale business over the past few years, resulting in Fall orders that are substantially below those levels originally discussed with several of our major retail partners. Due to this increasing pressure in our domestic wholesale business, we now expect a significant shortfall in projected 2007 earnings compared to both our internal plan and last year's results.***

It is clear that these projected results mark a sea change in how we must run our wholesale business. We must evolve our operating platform to deal with near-term challenges and achieve sustainable growth. We expect to build on our strengths, particularly our high-potential brands and rapidly growing retail segment. The actions we are taking are aimed at building the business not for one quarter but for the long haul.

(Emphasis added).

25. On May 1, 2007, Liz Claiborne held a conference call with analysts to discuss the Company's financial results for the 2007 fiscal first quarter announced in the press release issued that day. Therein, in relevant part, the Company stated:

Macy's too is right-sizing orders for a leaner and more productive inventory management, but it is also taking that further step of reducing the sales plan for the Liz Claiborne apparel brand in the back half. ***We believe that our decision to launch Liz & Co. at JC Penney's was a contributing factor to this reduction, regardless of the fact that the Liz & Co. brand offering differs in targeted consumer, product,***

price point and promotion strategy. The combined impact at Macy's accounts for approximately 50% of our overall reduced fall bookings corporately.

Notwithstanding this news, we believe Liz Claiborne apparel can remain an important brand for Macy's, a view supported by consumer research that shows that some of Macy's most loyal and valuable shoppers favor the Liz Claiborne brand. We realize, however, that we will have to make changes in how we do business. To that end, we are rethinking our market cycles, we're refining our sales and shipping models and reviewing our product strategy again. While it will take time to adapt our Wholesale business model, these changes will enhance our ability to serve that retailer.

(Emphasis added).

26. On this news, shares of Liz Claiborne declined \$7.72 per share, or 17.26%, to close on May 1, 2007 at \$37.00 per share, on unusually heavy volume.

CLASS ACTION ALLEGATIONS

27. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who purchased Liz Claiborne's securities between February 28, 2007 and April 30, 2007, inclusive (the "Class Period") 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 a controlling interest.

28. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Liz Claiborne's securities were actively traded on New York Stock Exchange ("NYSE"). While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are hundreds or thousands of members in the proposed Class. Millions of Liz Claiborne shares were

traded publicly during the Class Period on the NYSE and as of April 20, 2007, shortly near the end of the Class Period, the Company had 104,531,967 shares of common stock outstanding. Record owners and other members of the Class may be identified from records maintained by Liz Claiborne 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.

29. Plaintiff's 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.

30. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

31. 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 are:

(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 omitted and/or misrepresented material facts about the business, operations, and prospects of Liz Claiborne; and

(c) To what extent the members of the Class have sustained damages and the proper measure of damages.

32. 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 impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

UNDISCLOSED ADVERSE FACTS

33. The market for Liz Claiborne's securities was open, well-developed and efficient at all relevant times. As a result of these materially false and/or misleading statements, and/or failures to disclose, Liz Claiborne's securities traded at artificially inflated prices during the Class Period. Plaintiff and other members of the Class purchased or otherwise acquired Liz Claiborne's securities relying upon the integrity of the market price of the Company's securities and market information relating to Liz Claiborne, and have been damaged thereby.

34. During the Class Period, Defendants materially misled the investing public, thereby inflating the price of Liz Claiborne's securities, by publicly issuing false and/or misleading statements and/or omitting to disclose material facts necessary to make Defendants' statements, as set forth herein, not false and/or misleading. Said statements and omissions were materially false and/or misleading in that they failed to disclose material adverse information and/or misrepresented the truth about Liz Claiborne's business, operations, and prospects as alleged herein.

35. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused or were a substantial contributing cause of the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Liz Claiborne's financial well-being and prospects. These material misstatements and/or omissions had the cause and effect of creating in the market an unrealistically positive

assessment of the Company and its financial well-being and prospects, thus causing the Company's securities to be overvalued and artificially inflated at all relevant times. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at artificially inflated prices, thus causing the damages complained of herein.

LOSS CAUSATION

36. Defendants' wrongful conduct, as alleged herein, directly and proximately caused the economic loss suffered by Plaintiff and the Class.

37. During the Class Period, Plaintiff and the Class purchased Liz Claiborne's securities at artificially inflated prices and were damaged thereby. The price of the Company's securities significantly declined when the misrepresentations made to the market, and/or the information alleged herein to have been concealed from the market, and/or the effects thereof, were revealed, causing investors' losses.

SCIENTER ALLEGATIONS

38. As alleged herein, Defendants acted with scienter in that Defendants knew that the public documents and statements issued or disseminated in the name of the Company were materially false and/or misleading; knew 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 violations of the federal securities laws. As set forth elsewhere herein in detail, Defendants, by virtue of their receipt of information reflecting the true facts regarding Liz Claiborne, his/her control over, and/or receipt and/or modification of Liz Claiborne's allegedly materially misleading misstatements and/or their

associations with the Company which made them privy to confidential proprietary information concerning Liz Claiborne, participated in the fraudulent scheme alleged herein.

APPLICABILITY OF PRESUMPTION OF RELIANCE
(FRAUD-ON-THE-MARKET DOCTRINE)

39. The market for Liz Claiborne's securities was open, well-developed and efficient at all relevant times. As a result of the materially false and/or misleading statements and/or failures to disclose, Liz Claiborne's securities traded at artificially inflated prices during the Class Period. On February 28, 2007 the price of the Company's common stock closed at a Class Period high of \$44.93 per share. Plaintiff and other members of the Class purchased or otherwise acquired the Company's securities relying upon the integrity of the market price of Liz Claiborne's securities and market information relating to Liz Claiborne, and have been damaged thereby.

40. During the Class Period, the artificial inflation of Liz Claiborne's stock was caused by the material misrepresentations and/or omissions particularized in this Complaint causing the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Liz Claiborne's business, prospects, and operations. These material misstatements and/or omissions created an unrealistically positive assessment of Liz Claiborne and its business, operations, and prospects, thus causing the price of the Company's securities to be artificially inflated at all relevant times, and when disclosed, negatively affected the value of the Company stock. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at such artificially inflated prices, and each of them has been damaged as a result.

41. At all relevant times, the market for Liz Claiborne's securities was an efficient market for the following reasons, among others:

(a) Liz Claiborne stock met the requirements for listing, and was listed and actively traded on the NYSE, a highly efficient and automated market;

(b) As a regulated issuer, Liz Claiborne filed periodic public reports with the SEC and the NYSE;

(c) Liz Claiborne regularly communicated with public investors *via* established market communication mechanisms, including through regular dissemination 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; and

(d) Liz Claiborne was followed by securities analysts employed by major brokerage firms who wrote reports about the Company, and these reports 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.

42. As a result of the foregoing, the market for Liz Claiborne's securities promptly digested current information regarding Liz Claiborne from all publicly available sources and reflected such information in Liz Claiborne's stock price. Under these circumstances, all purchasers of Liz Claiborne's securities during the Class Period suffered similar injury through their purchase of Liz Claiborne's securities at artificially inflated prices and a presumption of reliance applies.

NO SAFE HARBOR

43. 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. The

statements alleged to be false and misleading herein all relate to then-existing facts and conditions. In addition, to the extent certain of the statements alleged to be false may be characterized as forward looking, they were not identified as “forward-looking statements” when made and 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. In the alternative, to the extent that the statutory safe harbor is determined to 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 speaker had actual knowledge that the forward-looking statement was materially false or misleading, and/or the forward-looking statement was authorized or approved by an executive officer of Liz Claiborne who knew that the statement was false when made.

FIRST CLAIM
Violation of Section 10(b) of
The Exchange Act and Rule 10b-5
Promulgated Thereunder Against All Defendants

44. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

45. During the Class Period, 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 Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and other members of the Class to purchase Liz Claiborne’s securities at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, defendants, and each of them, took the actions set forth herein.

46. Defendants (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 not misleading; and (iii) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities in an effort to maintain artificially high market prices for Liz Claiborne's securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5. All Defendants are sued either as primary participants in the wrongful and illegal conduct charged herein or as controlling persons as alleged below.

47. Defendants, individually and in concert, directly and indirectly, by the use, means or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a continuous course of conduct to conceal adverse material information about Liz Claiborne's financial well-being and prospects, as specified herein.

48. These defendants employed devices, schemes and artifices to defraud, while in possession of material adverse non-public information and engaged in acts, practices, and a course of conduct as alleged herein in an effort to assure investors of Liz Claiborne's value and performance and continued substantial growth, which included the making of, or the participation in the making of, untrue statements of material facts and/or omitting to state material facts necessary in order to make the statements made about Liz Claiborne and its business operations and future prospects in light of the circumstances under which they were made, not misleading, as set forth more particularly herein, and engaged in transactions, practices and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities during the Class Period.

49. Each of the Individual Defendants' primary liability, and controlling person liability, arises from the following facts: (i) the Individual Defendants were high-level executives and/or

directors at the Company during the Class Period and members of the Company's management team or had control thereof; (ii) each of these defendants, by virtue of their responsibilities and activities as a senior officer and/or director of the Company, was privy to and participated in the creation, development and reporting of the Company's internal budgets, plans, projections and/or reports; (iii) each of these defendants enjoyed significant personal contact and familiarity with the other defendants and was advised of, and had access to, other members of the Company's management team, internal reports and other data and information about the Company's finances, operations, and sales at all relevant times; and (iv) each of these defendants was aware of the Company's dissemination of information to the investing public which they knew and/or recklessly disregarded was materially false and misleading.

50. The defendants had actual knowledge of the misrepresentations and/or omissions of material facts set forth herein, or acted with reckless disregard for the truth in that they failed to ascertain and to disclose such facts, even though such facts were available to them. Such defendants' material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose and effect of concealing Liz Claiborne's financial well-being and prospects from the investing public and supporting the artificially inflated price of its securities. As demonstrated by Defendants' overstatements and/or misstatements of the Company's business, operations, financial well-being, and prospects throughout the Class Period, Defendants, if they did not have actual knowledge of the misrepresentations and/or omissions alleged, were reckless in failing to obtain such knowledge by deliberately refraining from taking those steps necessary to discover whether those statements were false or misleading.

51. As a result of the dissemination of the materially false and/or misleading information

and/or failure to disclose material facts, as set forth above, the market price of Liz Claiborne's securities was artificially inflated during the Class Period. In ignorance of the fact that market prices of the Company's securities were artificially inflated, and relying directly or indirectly on the false and misleading statements made by Defendants, or upon the integrity of the market in which the securities trades, and/or in the absence of material adverse information that was known to or recklessly disregarded by Defendants, but not disclosed in public statements by Defendants during the Class Period, Plaintiff and the other members of the Class acquired Liz Claiborne's securities during the Class Period at artificially high prices and were damaged thereby.

52. At the time of said misrepresentations and/or omissions, Plaintiff and other members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff and the other members of the Class and the marketplace known the truth regarding the problems that Liz Claiborne was experiencing, which were not disclosed by Defendants, Plaintiff and other members of the Class would not have purchased or otherwise acquired their Liz Claiborne securities, or, if they had acquired such securities during the Class Period, they would not have done so at the artificially inflated prices which they paid.

53. By virtue of the foregoing, Defendants have violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

54. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases and sales of the Company's securities during the Class Period.

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

55. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

56. The Individual Defendants acted as controlling persons of Liz Claiborne within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions, and their ownership and contractual rights, participation in and/or awareness of the Company's operations and/or intimate knowledge of the false financial statements filed by the Company with the SEC and disseminated to the investing public, the Individual Defendants 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 Plaintiff contends are false and misleading. The Individual Defendants were provided with or had unlimited access to copies of the Company's reports, press releases, public filings and other statements alleged by Plaintiff 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.

57. In particular, each of these Defendants had direct and supervisory involvement in the day-to-day operations of the Company and, therefore, is 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.

58. As set forth above, Liz Claiborne and the Individual Defendants each violated Section 10(b) and Rule 10b-5 by their acts and/or omissions as alleged in this Complaint. By virtue

of their positions as controlling persons, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and other members of the Class suffered damages in connection with their purchases of the Company's securities during the Class Period.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

- (a) Determining that this action is a proper class action under Rule 23 of the Federal Rules of Civil Procedure;
- (b) Awarding compensatory damages in favor of Plaintiff and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;
- (c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and
- (d) Such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

DATED: April 28, 2009

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Attorneys for Plaintiff Angela Tyler

SWORN CERTIFICATION OF PLAINTIFF

Liz Claiborne, Inc., SECURITIES LITIGATION

I, Angela Tyler, certify that:

1. I have reviewed the complaint and authorized its filing.
2. I did not purchase Liz Claiborne, Inc., the security that is the subject of this action at the direction of plaintiff's counsel or in order to participate in any private action arising under this title.
3. I am willing to serve as a representative party on behalf of a class and will testify at deposition and trial, if necessary.
4. My transactions in Liz Claiborne, Inc., during the class period set forth in the Complaint are as follows:

I bought 235 shares on 3/10/07 at \$ 42.95 per share.
I bought _____ shares on _____ at \$ _____ per share.
I bought _____ shares on _____ at \$ _____ per share.
I bought _____ shares on _____ at \$ _____ per share.
I bought _____ shares on _____ at \$ _____ per share.

I sold 216 shares on 3/1/07 at \$ 43.76 per share.
I sold _____ shares on _____ at \$ _____ per share.
I sold _____ shares on _____ at \$ _____ per share.
I sold _____ shares on _____ at \$ _____ per share.
I sold _____ shares on _____ at \$ _____ per share.

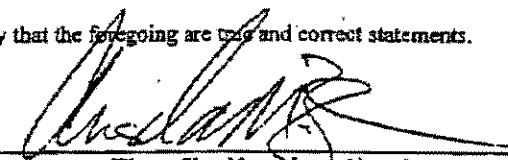
(List Additional Transactions on a Separate Page if Necessary)

5. I have not served as a representative party on behalf of a class under this title during the last three years except as stated:
6. I will not accept any payment for serving as a representative party, except to receive my pro rata share of any recovery or as ordered or approved by the court including the award to a representative plaintiff of reasonable costs and expenses (including lost wages) directly relating to the representation of the class.

Check here if you are a current employee or former employee of the defendant Company.

I declare under penalty of perjury that the foregoing are true and correct statements.

Dated: 4/23/19


(Please Sign Your Name Above)