
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

SCHEDULE TO

**Tender Offer Statement under Section 14(d)(1) or 13(e)(1)
of the Securities Exchange Act of 1934
(Amendment No. 1)**

CafePress Inc.
(Name of Subject Company (Issuer))

Snapfish Merger Sub, Inc.
A wholly owned subsidiary of

Snapfish, LLC
(Names of Filing Persons (Offeror))

Common Stock, par value \$0.0001 per share
(Title of Class of Securities)

12769A103
(CUSIP Number of Class of Securities)

**Snapfish Merger Sub, Inc.
Snapfish, LLC
10501 Rhode Island Ave.
Beltsville, MD 20705
Attention: Jeffrey Sim
Tel: (301) 595-5651**

(Name, Address and Telephone Numbers of Person Authorized to Receive Notices and Communications on Behalf of Filing Persons)

Copy to:

**Richard Gale
Jeffrey E. Jordan
Arent Fox LLP LLP
1717 K Street, NW
Washington, DC 20006
(202) 857-6473**

CALCULATION OF FILING FEE

| Transaction Valuation(1) | Amount of Filing Fee(2) |
|--------------------------|-------------------------|
| \$26,689,340.20 | \$3,234.75 |

- (1) Estimated solely for purposes of calculating the filing fee. The transaction valuation was calculated as the sum of (i) 17,157,467 outstanding shares of common stock, par value \$0.0001 per share (the "*Shares*"), of CafePress Inc. (excluding restricted shares which are addressed in clause (ii)) multiplied by \$1.48 and (iii) 875,871 Shares issuable pursuant to outstanding restricted stock units, performance-based restricted stock units and restricted stock awards that have vested (or are anticipated to vest prior to the completion of the transaction) multiplied by \$1.48. The calculation of the filing fee is based on information provided by CafePress Inc. as of October 11, 2018, the most recent practicable date.
- (2) The filing fee was calculated in accordance with Rule 0-11 under the Securities Exchange Act of 1934, as amended, and Fee Rate Advisory #1 for Fiscal Year 2018, issued August 24, 2017, by multiplying the transaction value by 0.00012120.

- Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) of the Securities Exchange Act of 1934 and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: \$3,234.75
Form or Registration No.: Schedule TO

Filing Party: Snapfish, LLC and Snapfish Merger Sub, Inc.
Date Filed: October 12, 2018

- Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- third-party tender offer subject to Rule 14d-1.
- issuer tender offer subject to Rule 13e-4.
- going-private transaction subject to Rule 13e-3.
- amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

If applicable, check the appropriate box(es) below to designate the appropriate rule provision(s) relied upon:

- Rule 13e-4(i) (Cross-Border Issuer Tender Offer)
 - Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)
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This Amendment No. 1 (this "Amendment") amends and supplements the Tender Offer Statement on Schedule TO (together with any amendments or supplements thereto, the "Schedule TO") filed by Snapfish Merger Sub, Inc., a Delaware corporation ("Purchaser") and a wholly owned subsidiary of Snapfish, LLC, a California limited liability company ("Parent"), with the U.S. Securities and Exchange Commission on October 12, 2018. The Schedule TO relates to the offer by Purchaser to purchase all outstanding shares of common stock, par value \$0.0001 per share (the "Shares"), of CafePress Inc., a Delaware corporation (the "Company"), at a price per Share of \$1.48 (such price as it may be amended from time to time in accordance with the Agreement and Plan of Merger, dated as of September 28, 2018, among Parent, Purchaser and the Company, the "Offer Price"), net to the seller in cash, without any interest, but subject to and reduced by any required withholding of taxes upon the terms and subject to the conditions set forth in the Offer to Purchase dated October 12, 2018 (together with any amendments or supplements thereto, the "Offer to Purchase") and in the related Letter of Transmittal (together with any amendments or supplements thereto, the "Letter of Transmittal") and, together with the Offer to Purchase, the "Offer"), which are annexed to and filed with the Schedule TO as Exhibits (a)(1)(A) and (a)(1)(B), respectively. This Amendment is being filed on behalf of Purchaser and Parent. Unless otherwise indicated, references to sections in this Amendment are references to sections of the Offer to Purchase. Except as otherwise indicated below, the information set forth in the prior Schedule TO remains unchanged and is incorporated herein by reference to the items in this Amendment.

ITEM 11. ADDITIONAL INFORMATION.

The information set forth in the Offer to Purchase under "The Offer—Section 15—Certain Legal Matters" and Item 11 of the Schedule TO, to the extent such Item incorporates by reference the information contained in the Offer to Purchase, are hereby amended and supplemented by adding the following subsection at the end of Section 15:

“Legal Proceedings Related to the Merger. On October 17, 2018, Stephen Bushansky, a purported stockholder of the Company, filed a putative class action complaint in the United States District Court for the District of Delaware, captioned Stephen Bushansky v. CafePress Inc. et al., Civil Action No. 1:18-cv-01607-UNA (the "Bushansky Complaint") against the Company and all members of the Company Board. Among other things, the Bushansky Complaint alleges that the Company, and the members of the Company Board, omitted to state material information in the Schedule 14D-9, rendering it false and misleading and in violation of Sections 14(d)(4), 14(e) and 20(a) of the Exchange Act and SEC Rule 14d-9. The alleged omissions concern certain standstill agreements, alleged discussions and negotiations between Snapfish and CafePress executive officers concerning continued employment and inputs and assumptions underlying the fairness opinion given by Needham & Company. In addition, the Bushansky Complaint alleges that the members of the Company Board acted as controlling persons of the Company within the meaning and in violation of Section 20(a) of the Exchange Act to influence and control the dissemination of the allegedly defective Schedule 14D-9. The Bushansky Complaint seeks, among other things, an order that the action may be maintained as a class action, an order preliminarily and permanently enjoining proceeding with, consummating or closing the Offer and the Merger, rescission of the Offer and the Merger if they have already been consummated or rescissory damages, and an award of costs, including attorneys' fees and experts' fees.

On October 18, 2018, Adam Franchi, a purported stockholder of the Company, filed a putative class action complaint in the United States District Court for the District of Delaware, captioned Adam Franchi v. CafePress Inc. et al., Civil Action No. 1:18-cv-01620-UNA (the "Franchi Complaint") against the Company, all members of the Company Board, Parent and Purchaser. Among other things, the Franchi Complaint alleges that the Company, the members of the Company Board, Parent and Purchaser omitted to state material information in the Schedule 14D-9, rendering it false and misleading and in violation of Sections 14(d), 14(e), and 20(a) of the Exchange Act and SEC Rule 14d-9. The alleged omissions concern certain standstill agreements, alleged discussions and negotiations between Snapfish and CafePress executive officers concerning continued employment and inputs and assumptions underlying the fairness opinion given by Needham & Company. In addition, the Franchi Complaint alleges that the members of the Company Board, Parent and Purchaser acted as controlling persons of the Company within the meaning and in violation of Section 20(a) of the Exchange Act to influence and control the dissemination of the allegedly defective Schedule 14D-9. The Franchi Complaint seeks, among other things, an order preliminarily and permanently enjoining proceeding with, consummating or closing the Offer and the Merger, rescission of the Offer and the Merger if they have already been consummated or rescissory damages, an order directing the defendants to file a corrected Schedule 14D-9 and an award of costs, including attorneys' fees and experts' fees.”

ITEM 12. EXHIBITS.

Item 12 of the Schedule TO is hereby amended and supplemented by adding the following exhibits:

- (a)(5)(B) Complaint filed by Stephen Bushansky against CafePress Inc., et al. (filed October 17, 2018), No. 1:18-cv-01607-UNA (D. Del.)
- (a)(5)(C) Complaint filed by Adam Franchi against CafePress Inc., et al. (filed October 18, 2018), No. 1:18-cv-01620-UNA (D. Del.)

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: October 23, 2018

SNAPFISH, LLC

By: /s/ Jasbir Patel

Name: Jasbir Patel

Title: Chief Executive Officer and President

SNAPFISH MERGER SUB, INC.

By: /s/ Jeffrey Sim

Name: Jeffrey Sim

Title: Chief Financial Officer

EXHIBIT INDEX

- (a)(1)(A) Offer to Purchase, dated October 12, 2018*
- (a)(1)(B) Form of Letter of Transmittal*
- (a)(1)(C) Form of Notice of Guaranteed Delivery*
- (a)(1)(D) Form of Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees*
- (a)(1)(E) Form of Letter to Clients for Use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees*
- (a)(1)(F) Internal Revenue Service Form W-9 (Request for Taxpayer Identification Number and Certification), including instructions for completing the form*
- (a)(1)(G) Summary Advertisement, published October 12, 2018 in The New York Times*
- (a)(2) Not applicable
- (a)(3) Not applicable
- (a)(4) Not applicable
- (a)(5)(A) Joint Press Release of Parent and the Company, dated September 28, 2018 (incorporated by reference to Exhibit 99.2 to the Current Report on Form 8-K filed by the Company with the Securities and Exchange Commission on September 28, 2018)*
- (a)(5)(B) Complaint filed by Stephen Bushansky against CafePress Inc., et al. (filed October 17, 2018), No. 1:18-cv-01607-UNA (D. Del.)
- (a)(5)(C) Complaint filed by Adam Franchi against CafePress Inc., et al. (filed October 18, 2018), No. 1:18-cv-01620-UNA (D. Del.)
- (b) Not applicable
- (d)(1) Agreement and Plan of Merger, dated as of September 28, 2018, among Parent, Purchaser and the Company (incorporated by reference to the Current Report on Form 8-K filed by the Company with the Securities and Exchange Commission on September 28, 2018)*
- (d)(2) Form of Support Agreement, dated as of September 28, 2018 among Parent, Purchaser and each of the stockholders named therein (incorporated by reference to Exhibit 99.1 to the Current Report on Form 8-K filed by the Company with the Securities and Exchange Commission on September 28, 2018)*
- (d)(3) Confidentiality Agreement, dated as of April 5, 2018, between the Company and District Photo, Inc.*
- (d)(4) Reciprocal Confidentiality Agreement, dated as of August 16, 2018, between the Company and District Photo, Inc.*
- (d)(5) Exclusivity Agreement, dated as of August 16, 2018, between the Company and District Photo, Inc.*
- (g) Not applicable
- (h) Not applicable

* Previously filed.

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

| | | |
|--|---|---------------------|
| STEPHEN BUSHANSKY, On Behalf of |) | |
| Himself and All Others Similarly Situated, |) | |
| |) | |
| Plaintiff, |) | |
| |) | |
| v. |) | Case No. _____ |
| |) | |
| CAFEPRESS INC., FRED E. DURHAM, III, |) | JURY TRIAL DEMANDED |
| ANTHONY C. ALLEN, MARY ANN |) | |
| ARICO, KENNETH T. MCBRIDE and |) | CLASS ACTION |
| ALAN B. HOWE, |) | |
| |) | |
| Defendants. |) | |

COMPLAINT FOR VIOLATION OF THE FEDERAL SECURITIES LAWS

Plaintiff Stephen Bushansky (“Plaintiff”), by and through his undersigned counsel, for his complaint against defendants, alleges upon personal knowledge with respect to himself, and upon information and belief based upon, *inter alia*, the investigation of counsel as to all other allegations herein, as follows:

NATURE OF THE ACTION

1. This is a class action brought on behalf of the public stockholders of CafePress Inc. (“CafePress” or the “Company”) against CafePress and the members of its Board of Directors (the “Board” or the “Individual Defendants”) for their violations of Sections 14(d)(4), 14(e) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”), 15 U.S.C. §§ 78n(d)(4), 78n(e), 78t(a), and U.S. Securities and Exchange Commission (“SEC”) Rule 14d-9, 17 C.F.R. §240.14d-9(d) (“Rule 14d-9”) and to enjoin the expiration of a tender offer (the “Tender Offer”) on a proposed transaction, pursuant to which CafePress will be acquired by

Snapfish, LLC (“Snapfish”) through its wholly owned subsidiary Snapfish Merger Sub, Inc. (“Merger Sub”) (the “Proposed Transaction”).

2. On September 28, 2018, CafePress and Snapfish issued a joint press release announcing that they had entered into an Agreement and Plan of Merger (the “Merger Agreement”) to sell CafePress to Snapfish. Pursuant to the terms of the Merger Agreement, on October 12, 2018, Merger Sub commenced the Tender Offer to purchase all outstanding shares of CafePress for \$1.48 in cash per share of CafePress common stock (the “Offer Price”). The Tender Offer is scheduled to expire at midnight, New York time, on November 8, 2018.

3. On October 12, 2018, defendants filed a Solicitation/Recommendation Statement on Schedule 14D-9 (the “Recommendation Statement”) with the SEC. The Recommendation Statement, which recommends that CafePress stockholders tender their shares in favor of the Proposed Transaction, omits or misrepresents material information concerning, among other things: (i) the background leading to the Proposed Transaction; (ii) potential conflicts of interest faced by Company insiders; and (iii) the data and inputs underlying the financial valuation analyses that support the fairness opinion provided by Needham & Company, LLC (“Needham”). The failure to adequately disclose such material information constitutes a violation of Sections 14(d), 14(e) and 20(a) of the Exchange Act as CafePress stockholders need such information in order to make a fully informed decision whether to tender their shares in support of the Proposed Transaction or seek appraisal.

4. In short, the Proposed Transaction will unlawfully divest CafePress’ public stockholders of the Company’s valuable assets without fully disclosing all material information concerning the Proposed Transaction to Company stockholders. To remedy defendants’

Exchange Act violations, Plaintiff seeks to enjoin the expiration of the Tender Offer unless and until such problems are remedied.

JURISDICTION AND VENUE

5. This Court has jurisdiction over the claims asserted herein for violations of Sections 14(d)(4), 14(e) and 20(a) of the Exchange Act and SEC Rule 14d-9 promulgated thereunder pursuant to Section 27 of the Exchange Act, 15 U.S.C. § 78aa, and 28 U.S.C. § 1331 (federal question jurisdiction).

6. This Court has jurisdiction over the defendants because each defendant is either a corporation that conducts business in and maintains operations within this District, or is an individual with sufficient minimum contacts with this District so as to make the exercise of jurisdiction by this Court permissible under traditional notions of fair play and substantial justice.

7. Venue is proper under 28 U.S.C. § 1391(b) because a substantial portion of the transactions and wrongs complained of herein occurred in this District.

PARTIES

8. Plaintiff is, and has been at all times relevant hereto, a common stockholder of CafePress.

9. Defendant CafePress is a Delaware corporation and maintains its principal executive offices at 11909 Shelbyville Road, Louisville, Kentucky 40243. Founded in 1999, CafePress is the recognized pioneer of customizable products. Its global online platform enables people to express themselves through engaging community generated designs and licensed and personalized one-of-a-kind products. CafePress' common stock is traded on the NASDAQ Global Market under the ticker symbol "PRSS."

10. Defendant Fred E. Durham, III ("Durham") is a Co-Founder, Chairman of the

Board and Chief Executive Officer (“CEO”) of the Company and has been a director of the Company since August 1999. Defendant Durham previously served as CEO and Chief Product Officer of the Company from 1999 to 2011 and returned to his leadership role as CEO in August 2014.

11. Defendant Anthony C. Allen (“Allen”) has been a director of CafePress since May 2015.

12. Defendant Mary Ann Arico (“Arico”) has been a director of CafePress since July 2016.

13. Defendant Kenneth T. McBride (“McBride”) has been a director of CafePress since May 2015.

14. Defendant Alan B. Howe (“Howe”) has been a director of CafePress since February 2018.

15. Defendants Durham, Allen, Arico, McBride and Howe are collectively referred to herein as the “Board” or the “Individual Defendants.”

OTHER RELEVANT ENTITIES

16. Snapfish is a California limited liability company headquartered in San Francisco, California. Founded in 1999, Snapfish is the leader in online photo printing services providing high-quality photo products to consumers looking for great value and selection. The company operates in multiple countries around the world and supports blue-chip companies’ photo efforts.

17. Merger Sub is a Delaware corporation and a wholly-owned subsidiary of Snapfish.

CLASS ACTION ALLEGATIONS

18. Plaintiff brings this action as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure on behalf of all persons and entities that own CafePress common stock (the "Class"). Excluded from the Class are defendants and their affiliates, immediate families, legal representatives, heirs, successors or assigns and any entity in which defendants have or had a controlling interest.

19. Plaintiff's claims are properly maintainable as a class action under Rule 23 of the Federal Rules of Civil Procedure.

20. The Class is so numerous that joinder of all members is impracticable. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through discovery, Plaintiff believes that there are thousands of members in the Class. As of October 1, 2018, there were 17,157,334 shares of Company common stock outstanding. All members of the Class may be identified from records maintained by CafePress or its transfer agent and may be notified of the pendency of this action by mail, using forms of notice similar to those customarily used in securities class actions.

21. Questions of law and fact are common to the Class and predominate over questions affecting any individual Class member, including, *inter alia*:

(a) Whether defendants have violated Section 14(d)(4) of the Exchange Act and Rule 14d-9 promulgated thereunder;

(b) Whether the Individual Defendants have violated Section 14(e) of the Exchange Act;

(c) Whether the Individual Defendants have violated Section 20(a) of the Exchange Act; and

(d) Whether Plaintiff and the other members of the Class would suffer irreparable injury were the Proposed Transaction consummated.

22. Plaintiff will fairly and adequately protect the interests of the Class, and has no interests contrary to or in conflict with those of the Class that Plaintiff seeks to represent. Plaintiff has retained competent counsel experienced in litigation of this nature.

23. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy. Plaintiff knows of no difficulty to be encountered in the management of this action that would preclude its maintenance as a class action.

24. Defendants have acted on grounds generally applicable to the Class with respect to the matters complained of herein, thereby making appropriate the relief sought herein with respect to the Class as a whole.

SUBSTANTIVE ALLEGATIONS

Company Background

25. CafePress, founded in 1999, is an online retailer of stock and user-customized on demand products. The Company is a leading provider of personalized products offering a wide variety of expressive gifts and accessories, including t-shirts and apparel, mugs and drinkware and home goods such as custom shower curtains and bed coverings. CafePress conducts most of its business on its primary United States-based domain, CafePress.com, and operates CafePress branded websites for markets in the United Kingdom, Canada and Australia. The Company also sells CafePress branded products in the United States and various locations in Europe through its online retail partners such as Amazon and Walmart.

26. Most of the Company's net revenue is generated from sales of customized products through its e-commerce websites (collectively referred to as "CafePress.com"),

associated Retail Partner Channel or through storefronts hosted by CafePress. In addition, the Company generates limited revenue from third-party printing and fulfillment services.

27. On May 2, 2018, the Company issued a press release announcing its first quarter 2018 financial results and actions to drive the Company's performance, with defendant Durham commenting:

As previously stated, our top priority is to return to profitability and begin generating positive cash flow. During the first quarter, we took actions to simplify the organization and drive business performance that served to reduce normalized, annual fixed costs and software development spend by \$7 million. In addition, we made significant progress toward completing the modernization of CafePress.com and demolishing the old site and are pleased to announce that we achieved another critical milestone during April, having released the new search pages to our primary, US domain. These new search pages are designed to improve the search engine optimization and regain revenue lost from lower traffic related to changes in search engine algorithms beginning in the second quarter of 2017.

Growth in the Retail Partner Channel continued within the quarter as we benefited from international expansion and the catalog build out of Walmart.com. During April, we began taking orders through our newest partner, eBay, and expect that the product catalog build out during 2018 will drive future growth.

28. On July 31, 2018, the Company issued a press release announcing its second quarter 2018 financial results. Defendant Durham commented on the positive impact to the Company from the actions the Company had taken in the first quarter to improve its performance, stating:

The actions we took in the first quarter to drive business performance and return to profitability are positively impacting results. During the second quarter, we experienced higher gross margins, a reduction in net loss and positive Adjusted EBITDA. In addition, we made significant progress toward completing the modernization of CafePress.com and demolishing the old site. Although we continue to experience lower traffic and revenue through CafePress.com, we are seeing improved crawling and indexing rates on our US domain and a slow, sequential rebound in traffic. We continue to believe the new, modern website will ultimately result in improved search engine optimization and the return of revenue lost from lower traffic. Our Board of Directors and management team

consistent with its fiduciary duty continues to carefully consider all options to enhance shareholder value.

Growth in the Retail Partner Channel continued within the quarter as we benefited from both domestic and international expansion and the catalog build out of Walmart.com and eBay. We anticipate continued growth in retail partner channels as we build out existing channels and integrate new marketplaces.

The Sale Process

29. In connection with its ongoing review of potential strategic opportunities, CafePress's Board retained Needham in March 2018 to serve as its financial advisor to, among other things, help it explore strategic alternatives and work with management to identify a list of parties that might be interested in pursuing a potential strategic transaction.

30. During the period from April 5, 2018 to June 20, 2018, the Company entered into a Form Confidentiality Agreement with each of District Photo, an affiliate of Snapfish, Company B (a strategic party), Company C (a financial sponsor), Company D (a financial sponsor), Company E (a strategic party), Company F (a strategic party), Company G (a financial sponsor), Company H (a strategic party), Company I (a strategic party), Company J (a strategic party), Company K (a strategic party), Company L (a financial sponsor) and Company M (a strategic party).

31. As a result of the sale process, the Company received indications of interest from Company A, Company H and Snapfish.

32. On July 31, 2018, Snapfish submitted an indication of interest to acquire all of the outstanding common stock of CafePress in an all-cash transaction for an aggregate purchase price of \$25 million, which represented approximately \$1.39 per share. The indication of interest also included a 90-day exclusivity period.

33. On August 16, 2018, the Company and Snapfish entered into an Exclusivity

Agreement.

34. On September 14, 2018, Snapfish proposed to acquire all of the outstanding common stock of CafePress at a price of \$1.50 per share in cash. That same day, the Company agreed to extend the exclusivity period to October 5, 2018.

35. After negotiations during the exclusivity period, on September 26, 2018, Jasbir Patel (“Patel”), CEO of Snapfish, advised Needham that Snapfish was tentatively prepared to sign a definitive agreement with CafePress at a price of \$1.48 in cash per share if the parties could agree on final outstanding issues, which included the treatment of unvested equity awards and certain representations and warranties.

36. Thereafter, on September 27, 2018, the Board met and considered the Proposed Transaction and Needham rendered its fairness opinion. The Board approved the Merger Agreement and the Proposed Transaction. The parties subsequently executed the Merger Agreement.

The Proposed Transaction

37. On September 28, 2018, CafePress issued a press release announcing the Proposed Transaction. The press release stated, in relevant part:

SAN FRANCISCO and LOUISVILLE, Ky., Sept. 28, 2018 — To expand its photo and non-photo product offerings, Snapfish, LLC (“Snapfish”) the premier personalized photo service and CafePress (NASDAQ:PRSS), a leading retailer of engaging merchandise and personalized gifts, today announced that they have entered into an Agreement and Plan of Merger pursuant to which Snapfish would acquire CafePress. Under the terms of the agreement, which was approved by the Boards of Directors of both companies, a subsidiary of Snapfish will commence a tender offer for all the outstanding shares of CafePress common stock. The acquisition would create a combined platform of photo and non-photo-based products that would produce hundreds of thousands of personalized products for consumers globally.

“We are looking forward to welcoming CafePress and its employees into the Snapfish organization and working with them during the next phases of each company’s evolution,” said Jasbir Patel, CEO of Snapfish. “Since its beginning in

1999, CafePress has been a leader in print-on-demand, personalized and custom merchandise because of its design community and best-in-class manufacturing capabilities. We look forward to leveraging CafePress' highly efficient and innovative manufacturing process to further enhance our manufacturing capabilities. We are excited to combine our efforts to provide our customers more options and more value.”

“Today marks a critical turning point in our pursuit to return CafePress to its market leading position in the personalized and expressive gift category. We are excited about the opportunity to accelerate growth by leveraging our content portfolio across Snapfish's distribution channels,” said Fred Durham, founder and CEO of CafePress, Inc. “We take great pride in being the pioneer of offering personalized and custom merchandise to consumers and believe this transaction provides an opportunity to further our leading position as well as return value to our stockholders.”

The transaction is expected to provide additional scale to two companies with almost 40 years of combined experience in the photo and personalization space. The transaction, once closed, would enable Snapfish to access over one billion content items, and a massive array of designs that are crowdsourced from a global community of more than two million independent designers. The transaction is also expected to bring partnerships to Snapfish with major entertainment properties. Additionally, following the closing of the transaction, CafePress would have access to additional manufacturing, marketing, and merchandising capabilities to expand its scope.

Snapfish has received Support Agreements from certain CafePress stockholders, directors and management totaling approximately 51% of the outstanding common stock of CafePress. The transaction is expected to close in early November and is subject to customary closing conditions, including the tender into the offer by CafePress stockholders of shares representing at least a majority of the outstanding common stock.

The Recommendation Statement Contains Material Misstatements or Omissions

38. The defendants filed a materially incomplete and misleading Recommendation Statement with the SEC and disseminated it to CafePress' stockholders. The Recommendation Statement misrepresents or omits material information that is necessary for the Company's stockholders to make an informed decision whether to tender their shares in favor of the Proposed Transaction or seek appraisal.

39. Specifically, as set forth below, the Recommendation Statement fails to provide Company stockholders with material information or provides them with materially misleading information concerning: (i) the background leading to the Proposed Transaction; (ii) potential conflicts of interest faced by Company insiders; and (iii) the data and inputs underlying the financial valuation analyses that support the fairness opinion provided by Needham. Accordingly, CafePress stockholders are being asked to make a tender or appraisal decision in connection with the Proposed Transaction without all material information at their disposal.

Material Omissions Concerning the Background Process of the Proposed Transaction

40. The Recommendation Statement omits material information relating to the sale process leading up to the Proposed Transaction.

41. In connection with CafePress' outreach to potentially interested parties, the Recommendation Statement sets forth that:

During the period from April 16, 2018 to May 30, 2018, the Company entered into a Form Confidentiality Agreement with each of Company B (a strategic party), Company C (a financial sponsor), Company D (a financial sponsor), Company E (a strategic party), Company F (a strategic party), Company G (a financial sponsor), Company H (a strategic party), Company I (a strategic party), Company J (a strategic party), Company K (a strategic party) and Company L (a financial sponsor).

Recommendation Statement at 15. The Recommendation Statement further discloses that “[o]n June 20, 2018, CafePress executed a Form Confidentiality Agreement with Company M, a strategic party” *Id.* at 17. Yet, the Recommendation Statement fails to disclose whether the confidentiality agreements CafePress entered into with these 12 bidders include standstill provisions that are still in effect and/or contain “don’t-ask-don’t-waive” (“DADW”) standstill provisions that are presently precluding either of these prospective bidders from making a topping bid for the Company.

42. The disclosure of the terms of the standstill provisions in the confidentiality agreements CafePress entered into with potential buyers is crucial to CafePress stockholders being fully informed of whether their fiduciaries have put in place restrictive devices to foreclose a topping bid for the Company.

43. The omission of this information renders the statements in the “Background of the Transactions” section of the Recommendation Statement false and/or materially misleading in contravention of the Exchange Act.

Material Omissions Concerning Company Insiders’ Potential Conflicts of Interest

44. The Recommendation Statement fails to disclose material information concerning the potential conflicts of interest faced by CafePress insiders.

45. The Recommendation Statement sets forth that:

Although it is possible that certain CafePress employees will enter into arrangements with Parent or its affiliates regarding employment, compensation or benefits prior to consummation of the Transactions, no such arrangements have been entered into by the CafePress executive officers or directors as of the date of this Solicitation/Recommendation Statement.

Recommendation Statement at 11. Yet, the September 28, 2018 joint press release announcing the Proposed Transaction quoted Snapfish CEO Patel as stating: “We are looking forward to welcoming CafePress and its employees into the Snapfish organization and working with them during the next phases of each company’s evolution” The Recommendation Statement, however, fails to disclose the details of all employment and retention-related discussions and negotiations that occurred between Snapfish and CafePress executive officers, including who participated in all such communications, when they occurred and their content, as well as whether any of Snapfish’s prior proposals or indications of interest mentioned management retention in the combined company.

46. Communications regarding post-transaction employment during the negotiation of the underlying transaction must be disclosed to stockholders. This information is necessary for stockholders to understand potential conflicts of interest of management and the Board, as that information provides illumination concerning motivations that would prevent fiduciaries from acting solely in the best interests of the Company's stockholders.

47. The omission of this information renders the statements in the "Background of the Transactions" and "Compensation and Benefits of Continuing Employees" sections of the Recommendation Statement false and/or materially misleading in contravention of the Exchange Act.

Material Omissions Concerning Needham's Financial Analyses

48. The Recommendation Statement describes Needham's fairness opinion and the various valuation analyses performed in support of its opinion. However, the description of Needham's fairness opinion and analyses fails to include key inputs and assumptions underlying the analyses. Without this information, as described below, CafePress' public stockholders are unable to fully understand these analyses and, thus, are unable to determine what weight, if any, to place on Needham's fairness opinion in determining whether to tender their shares in favor of the Proposed Transaction or seek appraisal. This omitted information, if disclosed, would significantly alter the total mix of information available to Needham's stockholders.

49. With respect to Needham's *Discounted Cash Flow Analysis ("DCF")*, the Recommendation Statement fails to disclose: (i) the unlevered free cash flows Needham utilized in its DCF calculation based on the sensitivities to the September Projections and the underlying line items; (ii) quantification on an implied per share basis of the impact of each of Needham's respective sensitivity assumptions (iii) quantification of the inputs and the assumptions underlying the discount rates ranging from 22.0% to 26.0%; (iv) the implied perpetuity growth

rate range resulting from the analysis; and (v) the Company's net cash as of August 31, 2018, utilized by Needham in its analysis.

50. With respect to the Needham's *Selected Companies Analysis* and *Selected Transactions Analysis*, the Recommendation Statement fails to disclose the individual multiples and financial metrics for the companies and transactions observed by Needham in its respective analyses.

51. When a banker's endorsement of the fairness of a transaction is touted to stockholders, the valuation methods used to arrive at that opinion as well as the key inputs and range of ultimate values generated by those analyses must also be fairly disclosed.

52. The omission of this information renders the statements in the "Opinion of Needham & Company, LLC" section of the Recommendation Statement false and/or materially misleading in contravention of the Exchange Act.

53. The Individual Defendants were aware of their duty to disclose the above-referenced omitted information and acted negligently (if not deliberately) in failing to include this information in the Recommendation Statement. Absent disclosure of the foregoing material information prior to the expiration of the Tender Offer, Plaintiff and the other members of the Class will be unable to make a fully-informed tender or appraisal decision in connection with the Proposed Transaction and are thus threatened with irreparable harm warranting the injunctive relief sought herein.

CLAIMS FOR RELIEF

COUNT I

Class Claims Against All Defendants for Violations of Section 14(d) of the Exchange Act and SEC Rule 14d-9

53. Plaintiff repeats all previous allegations as if set forth in full.

54. Defendants have caused the Recommendation Statement to be issued with the intention of soliciting CafePress stockholders to tender their shares in the Tender Offer.

55. Section 14(d)(4) of the Exchange Act and SEC Rule 14d-9 promulgated thereunder require full and complete disclosure in connection with tender offers.

56. The Recommendation Statement violates Section 14(d)(4) and Rule 14d-9 because it omits material facts, including those set forth above, which omission renders the Recommendation Statement false and/or misleading.

57. Defendants knowingly or with deliberate recklessness omitted the material information identified above from the Recommendation Statement, causing certain statements therein to be materially incomplete and therefore misleading. Indeed, while defendants undoubtedly had access to and/or reviewed the omitted material information in connection with approving the Proposed Transaction, they allowed it to be omitted from the Recommendation Statement, rendering certain portions of the Recommendation Statement materially incomplete and therefore misleading.

58. The misrepresentations and omissions in the Recommendation Statement are material to Plaintiff and the Class, who will be deprived of their right to make an informed decision whether to tender their shares or seek appraisal if such misrepresentations and omissions are not corrected prior to the expiration of the Tender Offer. Plaintiff and the Class have no adequate remedy at law. Only through the exercise of this Court's equitable powers can Plaintiff and the Class be fully protected from the immediate and irreparable injury that defendants' actions threaten to inflict.

COUNT II

Class Claims Against All Defendants for Violations of Section 14(e) of the Exchange Act

59. Plaintiff repeats all previous allegations as if set forth in full.

60. Defendants violated Section 14(e) of the Exchange Act by issuing the Recommendation Statement in which they made untrue statements of material facts or failed to state all material facts necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading, or engaged in deceptive or manipulative acts or practices, in connection with the Tender Offer commenced in conjunction with the Proposed Transaction.

61. Defendants knew that Plaintiff would rely upon their statements in the Recommendation Statement in determining whether to tender his shares pursuant to the Tender Offer commenced in conjunction with the Proposed Transaction.

62. As a direct and proximate result of these defendants' unlawful course of conduct in violation of Section 14(e) of the Exchange Act, absent injunctive relief from the Court, Plaintiff has sustained and will continue to sustain irreparable injury by being denied the opportunity to make an informed decision in deciding whether or not to tender his shares or seek appraisal.

COUNT III

**Class Claims Against the Individual Defendants for
Violation of Section 20(a) of the Exchange Act**

63. Plaintiff repeats all previous allegations as if set forth in full.

64. The Individual Defendants acted as controlling persons of CafePress within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their positions as officers or directors of CafePress and participation in or awareness of the Company's operations

or intimate knowledge of the false statements contained in the Recommendation Statement filed with the SEC, they 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.

65. Each of the Individual Defendants was provided with or had unlimited access to copies of the Recommendation Statement and other statements alleged by Plaintiff to be misleading prior to 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.

66. In particular, each of the Individual 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. The Recommendation Statement at issue contains the unanimous recommendation of each of the Individual Defendants to approve the Proposed Transaction. They were, thus, directly involved in the making of this document.

67. In addition, as the Recommendation Statement sets forth at length, and as described herein, the Individual Defendants were each involved in negotiating, reviewing, and approving the Proposed Transaction. The Recommendation Statement purports to describe the various issues and information that they reviewed and considered — descriptions which had input from the Individual Defendants.

68. By virtue of the foregoing, the Individual Defendants have violated section 20(a) of the Exchange Act.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff demands judgment and preliminary and permanent relief, including injunctive relief, in his favor on behalf of CafePress, and against defendants, as follows:

- A. Ordering that this action may be maintained as a class action and certifying Plaintiff as the Class representative and Plaintiff's counsel as Class counsel;
- B. Preliminarily and permanently enjoining defendants and all persons acting in concert with them from proceeding with, consummating, or closing the Proposed Transaction;
- C. In the event defendants consummate the Proposed Transaction, rescinding it and setting it aside or awarding rescissory damages to Plaintiff and the Class;
- D. Awarding Plaintiff the costs of this action, including reasonable allowance for Plaintiff's attorneys' and experts' fees; and
- E. Granting such other and further relief as this Court may deem just and proper.

JURY DEMAND

Plaintiff demands a trial by jury on all claims and issues so triable.

Dated: October 17, 2018

O'KELLY ERNST & JOYCE, LLC

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Attorneys for Plaintiff

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

| | | |
|--|---|---------------------|
| ADAM FRANCHI, Individually and On |) | |
| Behalf of All Others Similarly Situated, |) | |
| |) | |
| Plaintiff, |) | Case No. _____ |
| |) | |
| v. |) | JURY TRIAL DEMANDED |
| |) | |
| CAFEPRESS INC., FRED E. DURHAM III, |) | <u>CLASS ACTION</u> |
| ANTHONY C. ALLEN, MARY ANN |) | |
| ARICO, KENNETH T. MCBRIDE, ALAN |) | |
| B. HOWE, SNAPFISH LLC, and SNAPFISH |) | |
| MERGER SUB, INC., |) | |
| |) | |
| Defendants. |) | |

COMPLAINT FOR VIOLATION OF THE SECURITIES EXCHANGE ACT OF 1934

Plaintiff, by his undersigned attorneys, for this complaint against defendants, alleges upon personal knowledge with respect to himself, and upon information and belief based upon, *inter alia*, the investigation of counsel as to all other allegations herein, as follows:

NATURE OF THE ACTION

1. This action stems from a proposed transaction announced on September 28, 2018 (the “Proposed Transaction”), pursuant to which CafePress Inc. (“CafePress” or the “Company”) will be acquired by Snapfish, LLC (“Parent”) and Snapfish Merger Sub, Inc. (“Merger Sub,” and together with Parent, “Snapfish”).

2. On September 28, 2018, CafePress’s Board of Directors (the “Board” or “Individual Defendants”) caused the Company to enter into an agreement and plan of merger (the “Merger Agreement”) with Snapfish. Pursuant to the terms of the Merger Agreement, Merger Sub commenced a tender offer (the “Tender Offer”) to acquire all of Snapfish’s outstanding common stock for \$1.48 per share in cash. The Tender Offer is set to expire on November 8, 2018.

3. On October 12, 2018, defendants filed a Schedule 14D-9 Solicitation/Recommendation Statement (the “Solicitation Statement”) with the United States Securities and Exchange Commission (“SEC”) in connection with the Proposed Transaction.

4. The Solicitation Statement omits material information with respect to the Proposed Transaction, which renders the Solicitation Statement false and misleading. Accordingly, plaintiff alleges herein that defendants violated Sections 14(e), 14(d), and 20(a) of the Securities Exchange Act of 1934 (the “1934 Act”) in connection with the Solicitation Statement.

JURISDICTION AND VENUE

5. This Court has jurisdiction over all claims asserted herein pursuant to Section 27 of the 1934 Act because the claims asserted herein arise under Sections 14(e), 14(d), and 20(a) of the 1934 Act and Rule 14a-9.

6. This Court has jurisdiction over defendants because each defendant is either a corporation that conducts business in and maintains operations within this District, or is an individual with sufficient minimum contacts with this District so as to make the exercise of jurisdiction by this Court permissible under traditional notions of fair play and substantial justice.

7. Venue is proper under 28 U.S.C. § 1391 because a substantial portion of the transactions and wrongs complained of herein occurred in this District.

PARTIES

8. Plaintiff is, and has been continuously throughout all times relevant hereto, the owner of CafePress common stock.

9. Defendant CafePress is a Delaware corporation and maintains its principal executive offices at 11909 Shelbyville Road, Louisville, Kentucky 40243. CafePress’s common stock is traded on the NasdaqGS under the ticker symbol “PRSS.”
CafePress is a party to the

Merger Agreement.

10. Defendant Fred E. Durham III (“Durham”) is Chairman of the Board and Chief Executive Officer of CafePress.

11. Defendant Anthony C. Allen is a director of CafePress.

12. Defendant Mary Ann Arico is a director of CafePress.

13. Defendant Kenneth T. McBride is a director of CafePress.

14. Defendant Alan B. Howe is a director of CafePress.

15. The defendants identified in paragraphs 10 through 14 are collectively referred to herein as the “Individual Defendants.”

16. Defendant Parent is a California limited liability company and is a party to the Merger Agreement.

17. Defendant Merger Sub is a Delaware corporation, a wholly-owned subsidiary of Parent, and a party to the Merger Agreement.

CLASS ACTION ALLEGATIONS

18. Plaintiff brings this action as a class action on behalf of himself and the other public stockholders of CafePress (the “Class”). Excluded from the Class are defendants herein and any person, firm, trust, corporation, or other entity related to or affiliated with any defendant.

19. This action is properly maintainable as a class action.

20. The Class is so numerous that joinder of all members is impracticable. As of September 21, 2018, there were approximately 17,135,730 shares of CafePress common stock outstanding, held by hundreds, if not thousands, of individuals and entities scattered throughout the country.

21. Questions of law and fact are common to the Class, including, among others,

whether defendants will irreparably harm plaintiff and the other members of the Class if defendants' conduct complained of herein continues.

22. Plaintiff is committed to prosecuting this action and has retained competent counsel experienced in litigation of this nature. Plaintiff's claims are typical of the claims of the other members of the Class and plaintiff has the same interests as the other members of the Class. Accordingly, plaintiff is an adequate representative of the Class and will fairly and adequately protect the interests of the Class.

23. The prosecution of separate actions by individual members of the Class would create the risk of inconsistent or varying adjudications that would establish incompatible standards of conduct for defendants, or adjudications that would, as a practical matter, be dispositive of the interests of individual members of the Class who are not parties to the adjudications or would substantially impair or impede those non-party Class members' ability to protect their interests.

24. Defendants have acted, or refused to act, on grounds generally applicable to the Class as a whole, and are causing injury to the entire Class. Therefore, final injunctive relief on behalf of the Class is appropriate.

SUBSTANTIVE ALLEGATIONS

Background of the Company and the Proposed Transaction

25. Founded in 1999, CafePress is a recognized pioneer of customizable products.

26. The Company's global online platform enables people to express themselves through engaging community generated designs and licensed and personalized one-of-a-kind products.

27. On July 31, 2018, the Company issued a press release wherein it reported its results for the second quarter of 2018. The Company reported that average order size on CafePress.com

increased 8% compared to the prior year; revenue from the Retail Partner Channel increased \$0.9 million and accounted for 35% of second quarter revenue; and revenue increased from the Amazon marketplace due to improved sales in both domestic and international markets.

28. In the July 31, 2018 press release, Individual Defendant Durham commented: “[W]e made significant progress toward completing the modernization of CafePress.com and demolishing the old site. . . we are seeing improved crawling and indexing rates on our US domain and a slow, sequential rebound in traffic. We continue to believe the new, modern website will ultimately result in improved search engine optimization and the return of revenue lost from lower traffic.”

29. Durham concluded: “Growth in the Retail Partner Channel continued within the quarter as we benefited from both domestic and international expansion and the catalog build out of Walmart.com and eBay. We anticipate continued growth in retail partner channels as we build out existing channels and integrate new marketplaces.”

30. On September 28, 2018, CafePress’s Board caused the Company to enter into the Merger Agreement with Snapfish.

31. Pursuant to the terms of the Merger Agreement, CafePress stockholders will receive \$1.48 cash per share of CafePress.

32. According to the press release announcing the Proposed Transaction:

To expand its photo and non-photo product offerings, Snapfish, LLC (“Snapfish”) the premier personalized photo service and CafePress (NASDAQ:PRSS), a leading retailer of engaging merchandise and personalized gifts, today announced that they have entered into an Agreement and Plan of Merger pursuant to which Snapfish would acquire CafePress. Under the terms of the agreement, which was approved by the Boards of Directors of both companies, a subsidiary of Snapfish will commence a tender offer for all the outstanding shares of CafePress common stock. The acquisition would create a combined platform of photo and non-photo-based products that would produce hundreds of thousands of personalized products for consumers globally. . . .

The transaction is expected to provide additional scale to two companies with almost 40 years of combined experience in the photo and personalization space. The transaction, once closed, would enable Snapfish to access over one billion content items, and a massive array of designs that are crowdsourced from a global community of more than two million independent designers. The transaction is also expected to bring partnerships to Snapfish with major entertainment properties. Additionally, following the closing of the transaction, CafePress would have access to additional manufacturing, marketing, and merchandising capabilities to expand its scope.

Snapfish has received Support Agreements from certain CafePress stockholders, directors and management totaling approximately 51% of the outstanding common stock of CafePress. The transaction is expected to close in early November and is subject to customary closing conditions, including the tender into the offer by CafePress stockholders of shares representing at least a majority of the outstanding common stock.

The Solicitation Statement Omits Material Information, Rendering It False and Misleading

33. Defendants filed the Solicitation Statement with the SEC in connection with the Proposed Transaction.

34. The Solicitation Statement omits material information with respect to the Proposed Transaction, which renders the Solicitation Statement false and misleading.

35. First, the Solicitation Statement omits material information regarding the analyses performed by the Company's financial advisor in connection with the Proposed Transaction, Needham & Company, LLC ("Needham").

36. With respect to the Needham's Selected Companies Analysis, the Solicitation Statement fails to disclose the individual multiples and financial metrics for the companies observed by Needham in the analysis.

37. With respect to the Needham's Selected Transactions Analysis, the Solicitation Statement fails to disclose the individual multiples and financial metrics for the transactions observed by Needham in the analysis.

38. With respect to Needham's Premiums Paid Analysis, the Solicitation Statement fails to disclose the transactions observed by Needham in the analysis as well as the premiums paid in the transactions.

39. With respect to Needham's Discounted Cash Flow Analysis, the Solicitation Statement fails to disclose: (i) the unlevered free cash flows used by Needham in the analysis and all underlying line items; (ii) the range of terminal values for the Company; (iii) the inputs and the assumptions underlying the discount rates ranging from 22.0% to 26.0%; and (iv) the Company's net cash.

40. When a banker's endorsement of the fairness of a transaction is touted to shareholders, the valuation methods used to arrive at that opinion as well as the key inputs and range of ultimate values generated by those analyses must also be fairly disclosed. Moreover, the disclosure of projected financial information is material because it provides stockholders with a basis to project the future financial performance of a company, and allows stockholders to better understand the financial analyses performed by the company's financial advisor in support of its fairness opinion.

41. Second, the Solicitation Statement fails to disclose the timing and nature of all communications regarding future employment and directorship of the Company's officers and directors, including who participated in all such communications.

42. Communications regarding post-transaction employment during the negotiation of the underlying transaction must be disclosed to stockholders. This information is necessary for stockholders to understand potential conflicts of interest of management and the Board, as that information provides illumination concerning motivations that would prevent fiduciaries from acting solely in the best interests of the Company's stockholders.

43. Third, the Solicitation Statement fails to disclose whether the Company entered into any confidentiality agreements that contained standstill and/or “don’t ask, don’t waive” provisions that are or were preventing the counterparties from submitting superior offers to acquire the Company.

44. Without this information, stockholders may have the mistaken belief that, if these potentially interested parties wished to come forward with a superior offer, they are or were permitted to do so, when in fact they are or were contractually prohibited from doing so.

45. The omission of this material information renders the Solicitation Statement false and misleading, including, *inter alia*, the following section of the Solicitation Statement: The Solicitation or Recommendation.

46. The above-referenced omitted information, if disclosed, would significantly alter the total mix of information available to the Company’s stockholders.

COUNT I

(Claim for Violation of Section 14(e) of the 1934 Act Against Defendants)

47. Plaintiff repeats and realleges the preceding allegations as if fully set forth herein.

48. Section 14(e) of the 1934 Act states, in relevant part, that:

It shall be unlawful for any person to make any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading . . . in connection with any tender offer or request or invitation for tenders[.]

49. Defendants disseminated the misleading Solicitation Statement, which contained statements that, in violation of Section 14(e) of the 1934 Act, in light of the circumstances under which they were made, omitted to state material facts necessary to make the statements therein not misleading.

50. The Solicitation Statement was prepared, reviewed, and/or disseminated by

defendants.

51. The Solicitation Statement misrepresented and/or omitted material facts in connection with the Proposed Transaction as set forth above.

52. By virtue of their positions within the Company and/or roles in the process and the preparation of the Solicitation Statement, defendants were aware of this information and their duty to disclose this information in the Solicitation Statement.

53. The omissions in the Solicitation Statement are material in that a reasonable shareholder will consider them important in deciding whether to tender their shares in connection with the Proposed Transaction. In addition, a reasonable investor will view a full and accurate disclosure as significantly altering the total mix of information made available.

54. Defendants knowingly or with deliberate recklessness omitted the material information identified above in the Solicitation Statement, causing statements therein to be materially incomplete and misleading.

55. By reason of the foregoing, defendants violated Section 14(e) of the 1934 Act.

56. Because of the false and misleading statements in the Solicitation Statement, plaintiff and the Class are threatened with irreparable harm.

57. Plaintiff and the Class have no adequate remedy at law.

COUNT II

(Claim for Violation of 14(d) of the 1934 Act Against Defendants)

58. Plaintiff repeats and realleges the preceding allegations as if fully set forth herein.

59. Section 14(d)(4) of the 1934 Act states:

Any solicitation or recommendation to the holders of such a security to accept or reject a tender offer or request or invitation for tenders shall be made in accordance with such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors.

60. Rule 14d-9(d) states, in relevant part:

Any solicitation or recommendation to holders of a class of securities referred to in section 14(d)(1) of the Act with respect to a tender offer for such securities shall include the name of the person making such solicitation or recommendation and the information required by Items 1 through 8 of Schedule 14D-9 (§ 240.14d-101) or a fair and adequate summary thereof[.]

Item 8 requires that directors must “furnish such additional information, if any, as may be necessary to make the required statements, in light of the circumstances under which they are made, not materially misleading.”

61. The Solicitation Statement violates Section 14(d)(4) and Rule 14d-9 because it omits the material facts set forth above, which renders the Solicitation Statement false and/or misleading.

62. Defendants knowingly or with deliberate recklessness omitted the material information set forth above, causing statements therein to be materially incomplete and misleading.

63. The omissions in the Solicitation Statement are material to plaintiff and the Class, and they will be deprived of their entitlement to make a fully informed decision with respect to the Proposed Transaction if such misrepresentations and omissions are not corrected prior to the expiration of the tender offer.

64. Plaintiff and the Class have no adequate remedy at law.

COUNT III

(Claim for Violation of Section 20(a) of the 1934 Act Against the Individual Defendants and Snapfish)

65. Plaintiff repeats and realleges the preceding allegations as if fully set forth herein.

66. The Individual Defendants and Snapfish acted as controlling persons of CafePress

within the meaning of Section 20(a) of the 1934 Act as alleged herein. By virtue of their positions as directors of CafePress and participation in and/or awareness of the Company's operations and/or intimate knowledge of the false statements contained in the Solicitation Statement filed with the SEC, they 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 that plaintiff contends are false and misleading.

67. Each of the Individual Defendants and Snapfish was provided with or had unlimited access to copies of the Solicitation Statement 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 them to be corrected.

68. In particular, each of the Individual 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 and influence the particular transactions giving rise to the violations as alleged herein, and exercised the same. The Solicitation Statement contains the unanimous recommendation of the Individual Defendants to approve the Proposed Transaction. They were thus directly connected with and involved in the making of the Solicitation Statement.

69. Snapfish also had direct supervisory control over the composition of the Solicitation Statement and the information disclosed therein, as well as the information that was omitted and/or misrepresented in the Solicitation Statement.

70. By virtue of the foregoing, the Individual Defendants and Snapfish violated Section 20(a) of the 1934 Act.

71. As set forth above, the Individual Defendants and Snapfish had the ability to exercise control over and did control a person or persons who have each violated Section 14(e) of

the 1934 Act and Rule 14a-9, by their acts and omissions as alleged herein. By virtue of their positions as controlling persons, these defendants are liable pursuant to Section 20(a) of the 1934 Act.

72. As a direct and proximate result of defendants' conduct, plaintiff and the Class are threatened with irreparable harm.

73. Plaintiff and the Class have no adequate remedy at law.

PRAYER FOR RELIEF

WHEREFORE, plaintiff prays for judgment and relief as follows:

A. Enjoining defendants and all persons acting in concert with them from proceeding with, consummating, or closing the Proposed Transaction;

B. In the event defendants consummate the Proposed Transaction, rescinding it and setting it aside or awarding rescissory damages;

C. Directing the Individual Defendants to file a Solicitation Statement that does not contain any untrue statements of material fact and that states all material facts required in it or necessary to make the statements contained therein not misleading;

D. Declaring that defendants violated Sections 14(e), 14(d), and 20(a) of the 1934 Act, as well as Rule 14a-9 promulgated thereunder;

E. Awarding plaintiff the costs of this action, including reasonable allowance for plaintiff's attorneys' and experts' fees; and

F. Granting such other and further relief as this Court may deem just and proper.

JURY DEMAND

Plaintiff hereby demands a trial by jury.

Dated: October 18, 2018

RIGRODSKY & LONG, P.A.

OF COUNSEL:

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Attorneys for Plaintiff

CERTIFICATION OF PLAINTIFF

I, Adam Franchi (“Plaintiff”), hereby declare as to the claims asserted under the federal securities laws that:

1. Plaintiff has reviewed the complaint and authorizes its filing.

2. Plaintiff did not purchase 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.

3. Plaintiff is willing to serve as a representative party on behalf of the class, either individually or as part of a group, and I will testify at deposition or trial, if necessary. I understand that this is not a claim form and that I do not need to execute this Certification to share in any recovery as a member of the class.

4. Plaintiff’s purchase and sale transactions in the CafePress Inc. (NasdaqGS: PRSS) security that is the subject of this action during the class period is/are as follows:

PURCHASES

SALES

| <u>Buy Date</u> | <u>Shares</u> | <u>Price per Share</u> | <u>Sell Date</u> | <u>Shares</u> | <u>Price per Share</u> |
|---------------------|---------------|----------------------------|----------------------|---------------|----------------------------|
| 6/27/18 | 18 | \$1.3399 | | | |

Please list additional transactions on separate sheet of paper, if necessary.

5. Plaintiff has complete authority to bring a suit to recover for investment losses on behalf of purchasers of the subject securities described herein (including Plaintiff, any co-owners, any corporations or other entities, and/or any beneficial owners).

6. During the three years prior to the date of this Certification, Plaintiff has not moved to serve as a representative party for a class in an action filed under the federal securities laws.

7. Plaintiff will not accept any payment for serving as a representative party on behalf of the class beyond Plaintiff'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.

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

Executed this 17th day of October, 2018.

/s/ Adam Franchi
Adam Franchi