UNITED STATES DISTRICT COURT

DISTRICT OF COLORADO

SCOTT HUTCHINSON, Individually and On Behalf of All Others Similarly Situated,	**CIVIL ACTION NO.**
Plaintiff,	
vs.	CLASS ACTION COMPLAINT
CROCS, INC., RONALD R. SNYDER and PETER S. CASE	**JURY TRIAL DEMANDED**
Defendants.	

Plaintiff, Scott Hutchinson ("Plaintiff"), alleges the following based upon the investigation by Plaintiff's counsel, which included, among other things, a review of the defendants' public documents, conference calls and announcements made by defendants, United States Securities and Exchange Commission ("SEC") filings, wire and press releases published by and regarding Crocs, Inc. ("Crocs" or the "Company"), securities analysts' reports and advisories about the Company, and information readily available on the Internet, and Plaintiff believes that substantial additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

NATURE OF THE ACTION AND OVERVIEW

1. This is a federal class action on behalf of purchasers of Crocs' securities between July 27, 2007 and October 31, 2007, inclusive (the "Class Period"), seeking to pursue remedies under the Securities Exchange Act of 1934 (the "Exchange Act").

2. Crocs is a designer, manufacturer and marketer of footwear for men, women and children under the "crocs" brand. The Company also markets a line of crocs-branded apparel and accessory items. The Company's closed-cell resin material, which it refers to as croslite, is the primary raw material used in all of its footwear and non-branded products.

3. On October 31, 2007, the Company shocked investors when it announced disappointing third quarter earnings. Following this announcement, the Company held a conference call where it disclosed that it had experienced a significant slowdown in sales during the quarter. The Company admitted that it had missed sales opportunities in Europe and Asia due to an inability to fulfill orders, and that it had "only shipped about 50% of the orders" in these markets. As a result of distribution problems, the Company was unable to capitalize on over $20 million of sales in Europe, as well as on an additional $10 to $15 million of sales in Asia. Further, the Company disclosed that its sales were being negatively impacted as the weather turned colder throughout Europe and Asia. These distribution problems were particularly devastating for the Company's sales during the quarter as its products are subject to seasonal variations and are significantly impacted by weather conditions, and because over 75 percent of the Company's revenues during a quarter are attributable to its fair-weather footwear. As a result of the distribution problems, the Company's inventories increased to $195.3 million for the quarter, as compared to $49.1 million for the prior year's quarter. Most of the increased inventory position for the quarter was as a result of the Company's problems in Europe and Asia, where it admittedly "struggle[d] to keep up with their torrid growth and orders early in the quarter."

4. On this news, the Company's shares fell $27.01 per share, or over 36 percent, to close on November 1, 2007 at $47.74 per share, on unusually heavy trading volume.

5. The Complaint alleges that, throughout the Class Period, defendants failed to disclose material adverse facts about the Company's financial well-being and prospects. Specifically, defendants failed to disclose or indicate the following: (1) that the Company was experiencing significant product distribution problems in Europe and Asia; (2) that these distribution problems were causing the Company to be unable to capitalize on tens of millions of dollars in sales of its products due to their seasonal nature and changing weather conditions in certain markets; (3) as a result, the Company's inventory levels were significantly increasing due to such distribution problems and seasonal product sales; and (4) that, as a result of the foregoing, the Company's statements about its financial well-being and future business prospects were lacking in any reasonable basis when made.

6. 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

7. The claims asserted herein arise under and pursuant to 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 (17 C.F.R. § 240.10b-5).

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

9. Venue is proper in this Judicial District pursuant to Section 27 of the Exchange Act, 15 U.S.C. § 78aa and 28 U.S.C. § 1391(b). Many of the acts and transactions alleged herein, including the preparation and dissemination of materially false and misleading information, occurred in substantial part in this Judicial District. Additionally, Crocs' principal

executive offices are located within this Judicial District.

10. In connection with the acts, conduct and other wrongs alleged in this Complaint, defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including but not limited to, the United States mails, interstate telephone communications and the facilities of the national securities exchange.

PARTIES

11. Plaintiff, Scott Hutchinson, as set forth in the accompanying certification, incorporated by reference herein, purchased Crocs' securities at artificially inflated prices during the Class Period and has been damaged thereby.

12. Defendant Crocs is a Delaware corporation with its principal executive offices located at 6328 Monarch Park Place, Niwot, Colorado.

13. Defendant Ronald R. Snyder ("Snyder") was, at all relevant times, the Company's President and Chief Executive Officer ("CEO").

14. Defendant Peter S. Case ("Case") was, at all relevant times, the Company's Chief Financial Officer ("CFO"), Treasurer and Senior Vice President – Finance.

15. Defendants Snyder and Case 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 Crocs' 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 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

16. Crocs is a designer, manufacturer and marketer of footwear for men, women and children under the "crocs" brand. The Company also markets a line of crocs-branded apparel and accessory items. The Company's closed-cell resin material, which it refers to as croslite, is the primary raw material used in all of its footwear and non-branded products.

Materially False and Misleading Statements Issued During the Class Period

17. On July 27, 2007, the Company issued a press release entitled "Crocs, Inc. Reports Fiscal 2007 Second Quarter Financial Results; Second Quarter Revenues Increased 162% to $224.3 Million vs. $85.6 Million Last Year; Company Reports 2Q07 Diluted EPS of $0.58 vs. $0.19 Last Year; Company Issues 3Q07 Guidance of Revenues between $240 and $250 Million and Diluted EPS of $0.58 to $0.62; Company Raises FY07 Guidance to Revenues of $810 to $820 Million and Diluted EPS of $1.89 to $1.93." Therein, the Company, in relevant part, stated:

> Crocs, Inc. (NASDAQ: CROX) today reported the following record financial results for the quarter ended June 30, 2007.
>
> Revenues for the quarter ended June 30, 2007 increased 162% to $224.3 million compared to $85.6 million for the quarter ended June 30, 2006. Net income for the quarter ended June 30, 2007 was $48.5 million, or $0.58 per diluted share, compared to $15.7

million, or $0.19 per diluted share, for the quarter ended June 30, 2006. Net income per diluted share amounts for the second quarters of 2007 and 2006 are adjusted to reflect the two-for-one stock split that took effect in June 2007. Gross profit for the second quarter of 2007 was $131.9 million, or 58.8% of revenues, compared to $47.0 million, or 54.8% of revenues for the second quarter of 2006. Selling, general and administrative expenses for the quarter ended June 30, 2007 was $63.5 million, or 28.3% of revenues, compared to $23.3 million, or 27.2% of revenues in the quarter ended June 30, 2006.

Ron Snyder, President and Chief Executive Officer of Crocs, Inc. commented, "The positive momentum we experienced at the beginning of the year carried forward into the second quarter, allowing us to exceed both internal and external expectations. We continued to witness robust demand for our expanded footwear collection and growing accessories category throughout the United States and Canada. Additionally, our overseas markets - in particular Europe -remained very strong driven by a broader merchandise assortment, increased distribution, and additional shelf space within our existing retailers. Looking ahead, our order book is coming in better than anticipated which has enabled us to once again increase our outlook for the fiscal year."

Guidance

For the third quarter of 2007, Crocs currently anticipates total revenues to range from $240 million to $250 million and projects its net income per diluted share to range from $0.58 to $0.62

Crocs also raised its fiscal 2007 guidance. Crocs now expects total revenues to range from $810 million to $820 million and net income per diluted share to range from $1.89 to $1.93.

Mr. Snyder concluded, "The first half of 2007 has been a period of rapid expansion and significant growth for Crocs. During this time we have further diversified our business, secured a number of additional partnerships with many of the premier sports and entertainment brands in the world and posted strong financial gains across the board. Equally important, we have continued to invest in our global operating platform, including key personnel and production capacity, as we remain committed to further positioning Crocs for future success. We are excited about the many prospects we believe exist going forward and our entire organization is focused on executing our long-term strategic growth plan." [Emphasis added.]

18. In response to this announcement, the Company's shares increased $4.83 per share, or over 9.5 percent, to close on July 27, 2007 at $55.42 per share, on heavy trading volume.

19. On September 27, 2007, Crocs presented at the Piper Jaffray's Annual London Consumer Conference. During this presentation, Defendant Snyder, in relevant part, stated:

> Our margins have continued to grow as well. We talk about both long-term margins and short-term. Longer term I think we're a mid-50s margin business. We are continuing to invest money back into numerous products, so I would say that long-term we're at mid-50s. Any given quarter, if sales come in higher than expected due to our model, which we will talk about in a minute, we could be a little bit higher than that. So between mid-50s and high 50s.
>
> ***EPS has grown nicely as well over the last few years and last -- same quarter over quarter. Our operating margins have continued to come in around our expected targets of 26 to 28%. We see this being able to continue this rate going forward for the foreseeable future.*** [Emphasis added.]

20. The statements contained in ¶¶ 17 and 19 were materially false and misleading when made because defendants failed to disclose or indicate the following: (1) that the Company was experiencing significant product distribution problems in Europe and Asia; (2) that these distribution problems were causing the Company to be unable to capitalize on tens of millions of dollars in sales of its products due to their seasonal nature and changing weather conditions in certain markets; (3) as a result, the Company's inventory levels were significantly increasing due to such distribution problems and seasonal product sales; and (4) that, as a result of the foregoing, the Company's statements about its financial well-being and future business prospects were lacking in any reasonable basis when made.

The Truth Begins to Emerge

21. On October 31, 2007, the Company shocked investors when it issued a press release entitled "Crocs, Inc. Reports Record Fiscal 2007 Third Quarter Financial Results; Third

Quarter Revenues Increased 130% to $256.3 Million vs. $111.3 Million Last Year; Company Reports 3Q07 Diluted EPS of $0.66 vs. $0.27 Last Year; Company Raises FY07 Guidance to Revenues of $820 to $830 Million and Diluted EPS of $1.94 to $1.98; Company Introduces FY08 Revenues and EPS Growth Targets of 35% to 40%." Therein, the Company, in relevant part, stated:

> Crocs, Inc. (NASDAQ: CROX) today reported the following record financial results for the quarter ended September 30, 2007.
>
> Revenues for the quarter ended September 30, 2007 increased 130% to $256.3 million compared to $111.3 million for the quarter ended September 30, 2006. Net income for the quarter ended September 30, 2007 was $56.5 million, or $0.66 per diluted share, compared to $21.5 million, or $0.27 per diluted share, for the quarter ended September 30, 2006. Net income per diluted share amounts for the third quarters of 2007 and 2006 are adjusted to reflect the two-for-one stock split that took effect in June 2007. Gross profit for the third quarter of 2007 was $155.4 million, or 60.6% of revenues, compared to $64.8 million, or 58.2% of revenues for the third quarter of 2006. Selling, general and administrative expenses for the quarter ended September 30, 2007 was $77.2 million, or 30.1% of revenues, compared to $33.3 million, or 29.9% of revenues in the quarter ended September 30, 2006.
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> Ron Snyder, President and Chief Executive Officer of Crocs, Inc. commented, "We continued to experience exceptionally strong global demand throughout the summer which translated into third quarter sales growth of 130% over the year ago period. At the same time, we were able to expand gross margins 240 basis points to 60.6% and increase earnings per diluted share 144% to a record $0.66. We also executed several important initiatives that have strengthened our operating platform, namely the opening of a new 320,000 square foot European distribution facility that will allow us to better support our future growth in the region. We are very pleased with all our recent accomplishments and we remain confident in our ability to fully capitalize on the many opportunities that are still ahead of us."

22. Also on October 31, 2007, Crocs held an earnings conference call with investors and financial analysts. During this conference, the Individual Defendants, in relevant part,

revealed:

> RON SNYDER: We are also witnessing similar results in Japan with sales up 50% for the third quarter from the second quarter. Like Europe, Japan's growth has been fueled by demand for our classics and our 2006 offerings, where our new styles only began shipping late in the season. We are very encouraged with the acceptance of our brand in Japan and we are optimistic about our prospects there as we move into 2008. Additionally Jibbitz is also gaining momentum in this key market. ***As a result of the summer-only product assortments and the newness of our brand in both Europe and Japan we are experiencing some expected seasonality in these markets like we did in the U.S. a couple years back. Therefore, as expected, we have seen a slow down in sales as the weather has turned colder throughout Europe and in Japan. Needless to say, we are working hard to mitigate this seasonality much the same way we have done here at home.***
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> * * *
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> PETER CASE: With regard to our balance sheet, as of September 30, we had cash and cash equivalents equal to $76.6 million. Our accounts receivable increased 165% to $160.6 million at September 30, from $60.7 million this time a year ago and our DSOs are 58 days.
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> ***With the third quarter our inventories, we ended with $195.3 million compared to $49.1 million at the same time a year ago. Most of our increased inventory position from Q2 resides in both Europe and Japan where we struggle to keep up with their torrid growth and orders early in the quarter.*** In addition we also built inventory in our Southern Hemisphere distribution centers as they are just going into their busy season. We plan to continue to build inventory in Q4 to provide better global customer service which leverages our high velocity, high margin product.
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> * * *
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> [ANALYST]: … Peter you mentioned [guidance] would be stacked a little bit more toward the front end. Could you expand on that a little bit more specifically with respect to Europe and what it sounds like are fairly strong bookings in that market, how should we think about the flow, the seasonal flow of earnings as we move into next year?
>
> RON SNYDER: Peter, I would say that, let me answer for Peter. Jeff, I would say that we will see more of the uptake in Q1 and Q2

because we come off of a fairly low quarter from last year, and our bookings, in both Europe and Japan, ***we were not able to fulfill the demand until the latter part of the summer we were only shipping about 50% of the orders in those areas which have now essentially gone out into Q1***. So we are fairly bullish on Q1 and Q2 of 2008. So without giving you real clarity there I would just skew your models more into the first part of the year than the second.

* * *

[ANALYST]: … So maybe just turning to the inventory, give that the inventory builds took place in the third quarter and ***you had this delay of shipments, maybe a little bit more specifically on that, is it that the orders were there and it took a little longer to ramp up the manufacturing so the inventory ended up there and that was too late to ship the orders at that time?***

RON SNYDER: ***Yes, that is in essence what happened to a little bit of the build in inventory. We very consciously have been aggressive in building inventory because we just haven't been able to catch the wave of demand for our product***, primarily in some of the new markets in Europe and Japan, China, in Southeast Asia, and even some of the Middle East, ***we just haven't been able to get enough product into's these other markets and we even miss some opportunity here in the U.S. as we went through a very strong summer season.***

* * *

[ANALYST]: I guess I have two questions and I apologize if I missed some of these. But I wondered first if you could, I guess it is related to inventory. Did you expect to, ***aside from the $20 million of European products that didn't ship because of the Netherlands, DC, did you expect to see some upside in this quarter in terms of revenue that didn't happen because of the logistical challenges of getting all the products out to the various DCs and distributors in some other way.***

RON SNYDER: ***Yes. We also, we also missed some shipments in Japan and China as well, and to a lesser extent some other markets. So there's probably another 10 million or $15 million on top of that that we missed.*** [Emphasis added.]

23. On this news, the Company's shares fell $27.01 per share, or over 36 percent, to close on November 1, 2007 at $47.74 per share, on unusually heavy trading volume.

PLAINTIFF'S CLASS ACTION ALLEGATIONS

24. 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 Crocs' securities between July 27, 2007 and October 31, 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.

25. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Crocs' securities were actively traded on the NASDAQ. 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. Record owners and other members of the Class may be identified from records maintained by Crocs, 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.

26. 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.

27. 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.

28. 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 misrepresented material facts about the business, operations and management of Crocs; and

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

29. 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 make 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

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

31. During the Class Period, defendants materially misled the investing public, thereby inflating the price of Crocs' securities, by publicly issuing false and misleading

statements and omitting to disclose material facts necessary to make defendants' statements, as set forth herein, not false and misleading. Said statements and omissions were materially false and misleading in that they failed to disclose material adverse information and misrepresented the truth about the Company, its business and operations, as alleged herein.

32. 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 or misleading statements about Crocs' financial well-being and prospects. These material misstatements and omissions had the cause and effect of creating in the market an unrealistically positive assessment of Crocs 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 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

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

34. During the Class Period, Plaintiff and the Class purchased Crocs' securities at artificially inflated prices and were damaged thereby. The price of Crocs' 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

35. 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 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 Crocs, their control over, and/or receipt and/or modification of Crocs' allegedly materially misleading misstatements and/or their associations with the Company which made them privy to confidential proprietary information concerning Crocs, participated in the fraudulent scheme alleged herein.

36. Additionally, during the Class Period, and with the Company's securities trading at artificially inflated prices, Company insiders sold 1,106,690 shares of the Company's stock for gross proceeds of $67,797,778, including over $28.6 million in gross proceeds received by Defendant Snyder. This trading by Company insiders is evidenced by the following chart:

Date of Trade	**Inside Trader**	**Number of Shares**	**Price per Share**	**Gross Proceeds**
October 31, 2007	Smach, Thomas J.	10,000	$75.00	$750,000
October 15, 2007	Smach, Thomas J.	8,807	$69.00	$607,683
October 3, 2007	Snyder. Ronald R.	53,538	$68.50 - $68.80	$3,675,000
October 1, 2007	Margolis, Michael C.	11,669	$66.49 - $67.72	$783,000
October 1, 2007	Snyder. Ronald R.	64,464	$66.49 - $67.72	$4,326,000
September 27, 2007	Croghan, Raymond D.	50,300	$64.90 - $65.60	$3,282,000
September 26, 2007	Croghan, Raymond D.	45,000	$64.90 - $65.08	$2,925,000
September 25, 2007	Snyder. Ronald R.	92,474	$64.60 - $64.81	$5,984,000
September 25, 2007	Croghan, Raymond D.	4,700	$64.90 - $64.93	$305,000

September 4, 2007	Margolis, Michael C.	11,668	$58.50 - $59.63	$689,000
August 27, 2007	Marks, Michael E.	34,220	$60.00 - $60.15	$2,056,000
August 21, 2007	Marks, Michael E.	95,800	$56.50 - $56.81	$5,428,000
August 21, 2007	Marks, Michael E.	4,200	$56.82 - $56.84	$239,000
August 2, 2007	Marks, Michael E.	22,815	$59.65 - $59.84	$1,363,000
August 2, 2007	Marks, Michael E.	66,885	$59.34 - $59.64	$3,979,000
August 2, 2007	Marks, Michael E.	60,300	$59.05 - $59.33	$3,569,000
August 1, 2007	McCarvel, John P.	75,000	$58.27 - $58.48	$4,378,000
August 1, 2007	Margolis, Michael C.	11,668	$56.71 - $58.50	$672,000
August 1, 2007	Marks, Michael E.	50,000	$59.00	$2,950,000
July 31, 2007	Snyder. Ronald R.	2,610	$60.19	$157,095
July 31, 2007	Snyder. Ronald R.	31,284	$59.58 - $59.67	$1,865,000
July 31, 2007	Snyder. Ronald R.	143,395	$59.28 - $59.57	$8,521,000
July 31, 2007	Snyder. Ronald R.	69,893	$59.00 - $59.27	$4,133,000
July 31, 2007	Frasch, Ronald	15,000	$59.75 - $59.97	$898,000
July 31, 2007	Croghan, Raymond D.	3,246	$59.94 - $60.14	$195,000
July 31, 2007	Croghan, Raymond D.	754	$59.94 - $60.04	$45,000
July 31, 2007	Croghan, Raymond D.	67,000	$59.94 - $60.14	$4,023,000
	TOTAL:	**1,106,690 Shares**		**$67,797,778 Gross Proceeds**

Applicability of Presumption of Reliance:
<u>Fraud On The Market Doctrine</u>

37. At all relevant times, the market for Crocs' securities was an efficient market for the following reasons, among others:

(a) Crocs' securities met the requirements for listing, and were listed and actively traded on the NASDAQ, a highly efficient and automated market;

(b) As a regulated issuer, Crocs filed periodic public reports with the SEC and the NASDAQ;

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

(d) Crocs was followed by several securities analysts employed by major brokerage firms who wrote reports which were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace.

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

NO SAFE HARBOR

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

herein, defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the particular speaker knew that the particular forward-looking statement was false, and/or the forward-looking statement was authorized and/or approved by an executive officer of Crocs who knew that those statements were false when made.

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

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

41. 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 Crocs' 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.

42. 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 Crocs' 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.

43. 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 Crocs' financial well-being and prospects, as specified herein.

44. 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 Crocs' 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 omitting to state material facts necessary in order to make the statements made about Crocs 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 Crocs' securities during the Class Period.

45. 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 or recklessly disregarded was materially false and misleading.

46. The defendants had actual knowledge of the misrepresentations and 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 Crocs' financial well-being and prospects from the investing public and supporting the artificially inflated price of its securities. As demonstrated by defendants' overstatements and misstatements of the Company's financial well-being and prospects throughout the Class Period, defendants, if they did not have actual knowledge of the misrepresentations and 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.

47. As a result of the dissemination of the materially false and misleading information and failure to disclose material facts, as set forth above, the market price of Crocs' securities was artificially inflated during the Class Period. In ignorance of the fact that market prices of Crocs' 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 Crocs' securities during the Class Period at artificially high prices and were damaged thereby.

48. At the time of said misrepresentations and 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 Crocs was experiencing, which were not disclosed by defendants, Plaintiff and other members of the Class would not have purchased or otherwise acquired their Crocs 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.

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

50. 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

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

52. The Individual Defendants acted as controlling persons of Crocs 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.

53. 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.

54. As set forth above, Crocs and the Individual Defendants each violated Section 10(b) and Rule 10b-5 by their acts and 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.

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: Respectfully submitted,

By: ______________________________

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