UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

DAN MCGILL, Plaintiff, – against – PALO ALTO NETWORKS, INC., and DARREN ESTRIDGE, *in his individual and professional capacities*, Defendants.	**Case No.** **COMPLAINT** **JURY TRIAL DEMANDED**

Plaintiff Dan McGill, by his attorneys, Filippatos PLLC, hereby alleges against Palo Alto Networks, Inc. ("Palo Alto" or the "Company") and Darren Estridge ("Mr. Estridge") (collectively, "Defendants") as follows:

NATURE OF THE CASE

1. Palo Alto Networks, Inc. is one of the world's biggest publicly traded cybersecurity solutions provider. It is a business built on trust and integrity. Clients entrust Palo Alto to ensure the security of its utmost important and sensitive information and data. A company that carries such critical responsibilities must itself be above reproach and must act with honesty and integrity at all times.

2. However, Palo Alto has repeatedly broken this trust by lying to and misleading regulators, the public, and investors by overstating its revenues on fraudulent earnings reports filed with the Securities and Exchange Commission (the "SEC").

3. Worse, the Company has not hesitated to punish those who dare to question and object to its fraudulent practices, ensuring their silence through fear and intimidation.

4. Plaintiff Dan McGill, a former highly accomplished Regional Vice President with ten years of experience at Palo Alto, was terminated for challenging direct instructions from his supervisor, Defendant Darren Estridge, to participate in accounting fraud-related practices in violation of the Sarbanes-Oxley Act of 2002 ("SOX").

5. After he raised concerns to Mr. Estridge about the Company's efforts to fraudulently misrepresent certain yet-to-be-completed transactions as booked sales in order to boost the Company's purported earnings reported on public disclosures on multiple occasions, Palo Alto and Mr. Estridge strung Mr. McGill along so he could secure Palo Alto its largest deal in State and Local Government business history, before viciously firing him for false allegations of "behavior not conducive to corporate policy," which was mere pretext for retaliation for engaging in protected activity.

6. As a result of Defendants' unlawful conduct, Mr. McGill brings this action for unlawful retaliation in violation of the whistleblower protection provisions of SOX, 18 U.S.C. § 1514A, and New York Labor Law ("NYLL") § 740.

JURISDICTION AND VENUE

7. This Court has federal question jurisdiction over this action pursuant to 28 U.S.C. §1331 because Plaintiff is asserting claims arising under 18 U.S.C. § 1514A.

8. This Court has supplemental jurisdiction over Plaintiff's state law claims pursuant to 28 U.S.C. § 1367(a) as they are so related to his SOX whistleblower claims that they form part of the same case or controversy under Article III of the U.S. Constitution.

9. Venue is proper in this district pursuant to 28 U.S.C. § 1391(b) because a substantial part of the acts complained of occurred and/or originated therein, including the situs of Plaintiff's employment.

ADMINISTRATIVE REQUIREMENTS

10. On September 26, 2025, Plaintiff filed a whistleblower retaliation complaint under SOX against Palo Alto and Mr. Estridge with the U.S. Department of Labor's Occupational Safety and Health Administration ("OSHA").

11. More than 210 days have passed since Plaintiff filed his OSHA complaint, the Secretary of Labor has not issued a final decision, and there has been no showing that such delay is due to any bad faith on the part of Plaintiff. Accordingly, Plaintiff is entitled to bring this action for de novo review pursuant to 18 U.S.C. § 1514A(b)(1)(B).

PARTIES

12. At all times relevant hereto, Plaintiff was and is a resident of the State of New York and the County of Westchester.

13. At all times relevant hereto, Palo Alto was a multinational cybersecurity company, organized under the laws of Delaware, with its principal place of business located at 3000 Tannery Way, Santa Clara, California 95054.

14. Palo Alto is a publicly traded company whose shares trade on the Nasdaq stock exchange under the ticker symbol "PANW," and it is subject to SEC reporting obligations, pursuant to which it publicly files quarterly and annual reports.

15. At all times relevant hereto, Plaintiff was an employee at Palo Alto.

16. At all relevant times, Defendant Darren Estridge was an officer, employee, or agent of Palo Alto, holding the title of Vice President, and a resident of Texas. Mr. Estridge joined Palo Alto on or about May 1, 2023. At all relevant times, Mr. Estridge was Plaintiff's direct supervisor and participated in and/or heavily influenced Palo Alto's termination of Plaintiff's employment.

FACTUAL ALLEGATIONS

I. Mr. McGill is Hired by Palo Alto and is Extremely Successful

17. On or about June 5, 2015, Mr. McGill was hired by Palo Alto.

18. Mr. McGill is an experienced sales professional who previously worked as an account executive selling enterprise application solutions to state and local governments and higher education institutions.

19. Mr. McGill was hired as Palo Alto's first dedicated public sector account executive.

20. As a public sector account executive, Mr. McGill sold next generation firewalls, subscriptions for the firewalls, and professional engineering services to government clients.

21. Based on his exemplary performance which included multiple President Club awards, Mr. McGill was promoted to Client Director in September 2020.

22. Mr. McGill continued to excel, and in February 2021, he was promoted to District Sales Manager.

23. In July 2023, based on his continued strong performance, Mr. McGill was promoted to Regional Vice President ("RVP") for the East Region with the State, Local, and Education ("SLED") business.

24. As RVP, Mr. McGill was responsible for overseeing four districts, including the Great Lakes, the Mid-Atlantic, New York, and New England.

25. As RVP, Mr. McGill earned a base salary of $252,000, with the potential to earn an additional $252,000 in commissions if he achieved his plan objectives. Mr. McGill also received stock compensation and was eligible for bonuses, which regularly brought his annual income into seven figures.

26. Mr. McGill's performance reviews were consistently excellent. His ratings were typically "exceptional" or "exceeding expectations," with only an occasional "achieving" rating.

27. Throughout his tenure, Mr. McGill generated over $400 million in revenue for Palo Alto—by far the most of any seller in the government space. He achieved 140% year-over-year growth, demonstrating his extraordinary value to the Company.

28. Most notably, in late 2024, Mr. McGill worked tirelessly to secure a **$75 million deal** – the largest in Palo Alto's State and Local Government business history.

29. As a demonstration of his dedication, Mr. McGill took only three days off in 2024 and even worked on New Year's Eve to secure this deal.

30. Mr. McGill's exceptional performance was recognized by Dan Campbell, President of North America Sales, who stated that if Mr. McGill closed the deal, he would get "the gold medal—the trophy."

II. Mr. McGill Complains About Fraudulent Practices and is Retaliated Against

31. Palo Alto has a multi-party sales and distribution process – typically contracting (through a purchase order or "PO") with a distributor who contracts with a value-add reseller ("VAR") who contracts with the customer.

32. When governmental agency customers such as the City of New York or the State of New York purchase goods and services from Palo Alto, Palo Alto is considered an original equipment manufacturer ("OEM") vendor, since it makes the specific product and associated software that it sells. In order to initiate the purchasing of such goods and services from Palo Alto and legitimize the order, a customer issues a purchase order that memorializes its intent to purchase the goods and services from Palo Alto.

33. Once a purchase order is created and signed by the customer, the customer sends the purchase order to an intermediatory company, or value-added reseller ("VAR").

34. Using a VAR allows a customer to avoid having to go through a government oversight agency for approvals, allowing the customer to save roughly six months of paperwork and delays.

35. In exchange for taking on transactional risks, a VAR adds a profit margin to the transaction by charging the customer more for the goods and services (up to 15% percent more at times) than the price quoted by Palo Alto.

36. After a customer sends a purchase order to a VAR, the VAR sends the purchase order to a distributor who acts as a line of credit to pay for the deal and imposes its own profit margin between what Palo Alto charges and what the customer pays for the goods and services.

37. The distributor then sends the purchase order to Palo Alto, and Palo Alto "books" the order, meaning that it memorializes the purchase order on its financial records to show that a sale has been made (i.e., puts a deal "on the books.").

38. Palo Alto must ensure that the purchase has in fact been authorized by the customer before it can "book" an order, which is usually demonstrated through the existence of a purchase order signed or issued by the customer.

39. However, a VAR could theoretically issue a purchase order to a distributor before receiving an actual signed purchase order from the customer, and the distributor could in tum issue this purchase order to Palo Alto.

40. However, since the customer would not have authorized or approved such a deal, reporting it as a booked sale would be materially false and misleading.

41. Nevertheless, Palo Alto has repeatedly done exactly that. It records unapproved transactions as completed sales to inflate its reported revenue and claim that it met quarterly and annual sales targets in its SEC filings.

42. Put simply, this practice is fraudulent, deceiving the public and investors about Palo Alto's true financial performance.

43. Individuals at Palo Alto, including Vice President Darren Estridge, Mr. McGill's supervisor, would directly and/or indirectly coerce VARs into issuing purchase orders to distributors that had not been approved or authorized by a customer so that Palo Alto can prematurely "book," i.e., "pre-book," the sale in its financial statements to meet quarterly or yearly sales targets reported on public SEC filings, ostensibly to please and attract investors.

44. Mr. Estridge or another Palo Alto officer would contact individuals on Palo Alto's order fulfillment team who were responsible for reporting sales on financial documents and falsely notify them that certain deals were completed before they actually were and without legitimate purchase orders approved by the customer. In tum, these Palo Alto employees would unknowingly book improper and illegitimate purchase orders as completed sales based on the word of Mr. Estridge or other officials, without verifying that a legitimate customer-issued purchase order existed for the entire transaction.

45. Mr. McGill's supervisors, including Mr. Estridge, directed Mr. McGill on multiple occasions to fraudulently book purchase orders ranging in value from hundreds of thousands of dollars to several million dollars without there being legitimate customer-issued purchase orders in place.

46. Palo Alto's objective was to artificially inflate publicly reported quarterly and annual revenue numbers.

47. Senior Palo Alto leadership, including former Board member and Chief Executive Officer Mark McLaughlin, directly approved specific practices meant to artificially inflate Palo Alto's quarterly and annual revenue figures by millions of dollars by inducing VARs, including Dyntek Services, Inc., to prematurely issue purchase orders that had not been formally approved by a customer by offering them additional margin incentives, or financial rewards, discounts, or compensation that would increase the VAR's profit margins.

48. Palo Alto offered VARs these kinds of incentives to motivate them to issue purchase orders for high-value deals without having legitimate purchase orders signed by customers in place so that Palo Alto could report sales prematurely on financial statements to meet revenue targets or deadlines.

49. In fact, multiple Palo Alto executives explicitly instructed Mr. McGill not to document these irregular transactions through an "exception," or an acknowledgement that a particular deal needed to be reviewed before it could be reported on financial statements, despite Mr. McGill's repeated requests to do so to ensure accurate financial reporting.

50. Specifically, at the end of each quarter, Palo Alto's practice was to email employees who worked on deals that were being reported on the Company's financial statements a link to a website where they can certify whether or not an "exception" to a deal should be taken.

51. An employee who checks off "yes" would need to explain what the irregularities or other issues with a deal were, ostensibly so the issue could be reviewed and resolved before the deal gets reported (if at all) on Palo Alto's financial statements.

52. Multiple executives instructed Mr. McGill never to speak about these fraudulent practices to anyone inside or outside the Company, demonstrating the Company's awareness of its illegal practices and desperation to keep them "hush-hush."

53. Mr. McGill had no personal financial incentive to participate in these fraudulent schemes and was coerced into participating by his superiors solely to enable the Company to meet certain revenue targets and numbers in its quarterly reports to the SEC.

a. The Pre-Booked July 2023 FDNY Transaction

54. In July 2023, Mr. Estridge specifically directed Mr. McGill to engage in conduct that directly led to accounting fraud to meet quarterly revenue targets.

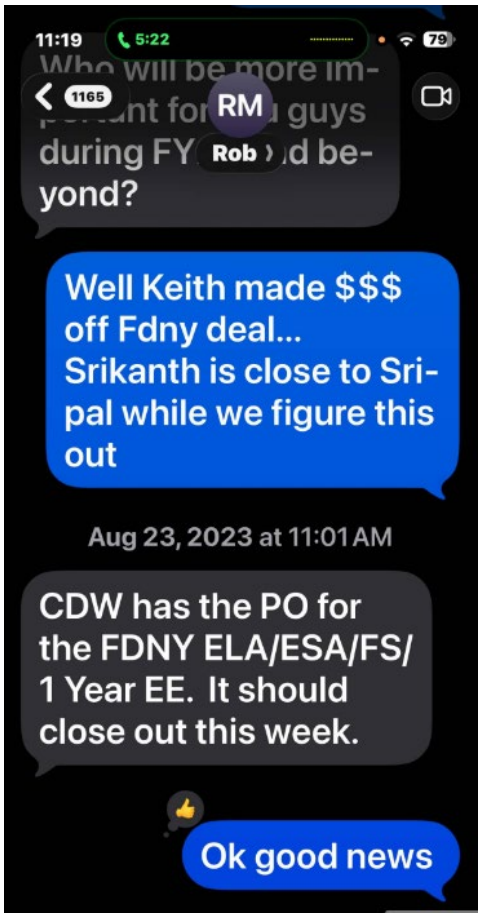
55. Palo Alto had secured an approximately $4 million deal commitment with the Fire Department of New York ("FDNY"), but no legitimate purchase order for the transaction had yet been issued by the FDNY, nor would one be issued before the end of the fiscal year 2023 (ending July 31, 2023).

56. Mr. Estridge instructed Mr. McGill to have the second-level VAR – in this instance, a VAR (and also a MWBE, or Minority/Woman-owned Business Enterprise) named QnA – draw up a purchase order for $4 million without the FDNY's knowledge, so Palo Alto could include the transaction as booked revenue on its financial statements for that fiscal year. To put it differently, QnA agreed to issue a purchase order at Mr. Estridge's request that was used to fraudulently report earnings.

57. In fact, upon information and belief, the FDNY did not issue a purchase order for this transaction until on or about August 22, 2023, approximately three weeks after the close of Palo Alto's 2023 fiscal year.

58. Nor, critically, did the FDNY know about or approve the creation of a falsified purchase order in connection with this transaction by the VAR, QnA, that was issued to the distributor – here, a distributor named Carahsoft – in order for the deal to be booked as a completed order in Palo Alto's financial reports.

59. In fact, on August 23, 2023, Mr. McGill received the text message embedded below (Mr. McGill's texts are in blue) from a Palo Alto account representative with direct knowledge about the FDNY deal confirming that "CDW has the PO for the FDNY ELA/ESA/FS/1 Year EE. It should close out this week." In other words, the customer purchase order for the FDNY transaction issued by the actual customer, the FDNY, was not in the hands of the first-level VAR, CDW, until weeks *after* Palo Alto had already booked the deal as fiscal year 2023 revenue in its financial statements, meaning that this FDNY deal was fraudulently prebooked.



60. Mr. McGill protested to Mr. Estridge that only the customer, in this case the FDNY, could issue a legitimate purchase order that could be booked, and that it would be fraudulent to treat a purchase order issued by the VAR as a booked sale on the Company's

financial statements before the transaction was fully known to and authorized by the customer. However, Mr. Estridge insisted that Mr. McGill get it done regardless.

61. As a result, the Company and its senior management violated Generally Accepted Accounting Principles ("GAAP"), the Securities Exchange Act of 1934 (the "1934 Act") and SOX, respectively, by soliciting falsified financial information, recognizing this deal as booked revenue without a legitimate purchase order, and listing revenue from this deal in its financial statements and earnings reports filed with the SEC, intentionally misleading investors, the public, and the SEC.

62. This intentionally misleading conduct, which Mr. Estridge directed Mr. McGill to carry out at his behest, artificially and inaccurately inflated Palo Alto's revenue on its financial statements, which ultimately flowed through to the Company's SEC submissions and filings and misled its shareholders, in clear violation of SOX.

63. These compliance and reporting violations went unchecked, despite Mr. McGill's efforts at flagging the fraudulent transactions to Mr. Estridge.

64. In other words, Mr. Estridge not only ignored Mr. McGill's concerns, but in fact, ordered Mr. McGill to engage in conduct that aided Palo Alto to violate the law as well.

65. Further, at the end of the first fiscal quarter of 2024, Mr. McGill asked Mr. Estridge whether he should take an exception to document and report the irregular nature and pre-booking of the FDNY transaction so that Palo Alto's financial reports would not be materially misleading.

66. Mr. McGill did not believe Palo Alto was operating in a legally compliant manner and protested such behavior by trying to rectify it through formal channels.

67. Mr. Estridge, displeased that Mr. McGill would raise such a concern, was adamant that Mr. McGill ***not*** take an exception.

b. The Pre-Booked April 2024 NYSOITS Transaction

68. Similarly, in April 2024, near the end of Palo Alto's third fiscal quarter, Mr. McGill secured a $5 million multi-year opportunity with the New York State Office of Information Technology Services ("NYSOITS").

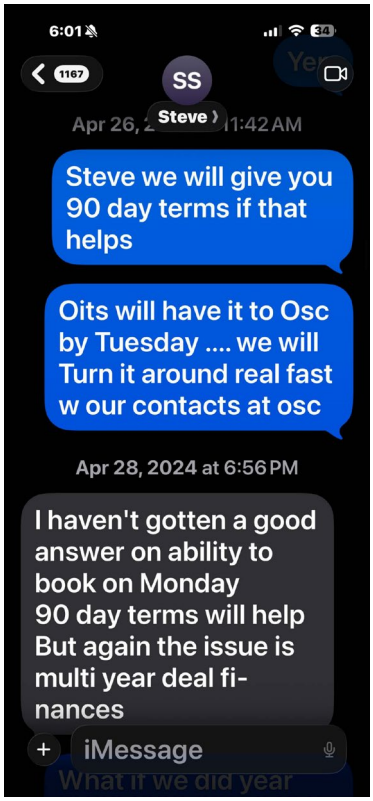
69. Although NYSOITS had issued a purchase order on March 22, 2024, for the first year of the deal, no customer purchase order covered the remaining years of the three-year term or the additional products that Palo Alto would later book.

70. Nonetheless, in late- April 2024, prior to the close of that fiscal quarter, Mr. Estridge directed Mr. McGill to book the full multi-year order despite the absence of a customer purchase order covering it, and to offer additional "extra points," or financial incentives, to the VAR to induce it to book the order prematurely.

71. Specifically, text messages between Mr. McGill and Steven Sanchez, Director of Sales at the VAR on the transaction, Dyntek, from April 26, 2024, to April 30, 2024, confirm that Dyntek issued its purchase order for the NYSOITS transaction in the final days of the quarter so that Palo Alto could pre-book a multi-year order that no legitimate customer-issued purchase order covered.

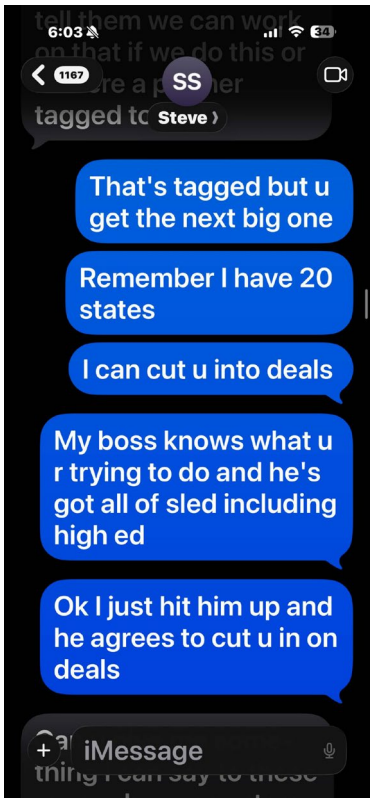
72. On April 26, 2024, Mr. McGill wrote to Mr. Sanchez that Palo Alto would "give you 90 day terms if that helps," and that NYSOITS "will have it to Osc by Tuesday," referring to the New York State Office of the State Comptroller, which had not yet processed the State's purchase.

73. On April 28, 2024, Mr. Sanchez responded that he had not "gotten a good answer on ability to book on Monday" and that "the issue is multi year deal finances."



74. Then on April 29, 2024, Mr. Sanchez asked whether there was "anything else I can offer these guys," referring to Dyntek's new ownership, to issue a premature purchase order for the NYSOITS transaction, and Mr. McGill responded, "I'll give u any deal u want in my region u tell them."

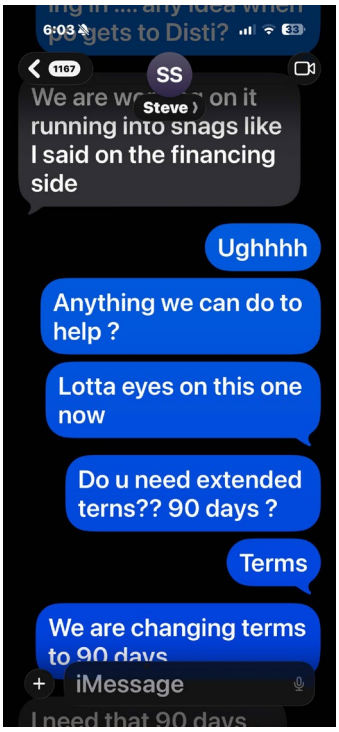
75. Mr. McGill then told Mr. Sanchez that his boss, Mr. Estridge, "knows what u r trying to do," and, after checking with Mr. Estridge, reported that "he agrees to cut u in on deals." These messages confirm that the inducements offered to Dyntek were authorized and directed by Mr. Estridge.



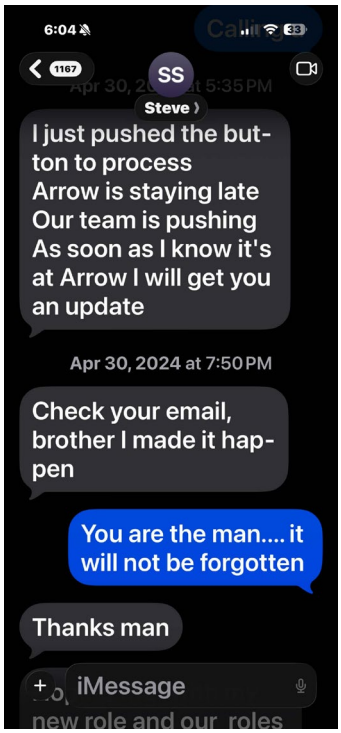
76. Later that day, Mr. McGill told Mr. Sanchez, "I'll work your points thru Disti for now," referring to the "extra points" that Mr. Estridge directed Mr. McGill to offer the VAR to induce it to book the order prematurely, "Disti" being shorthand for distributor, who, in this transaction, was a company named Arrow.

77. On April 30, 2024, the last day of Palo Alto's fiscal third quarter, Mr. McGill asked Mr. Sanchez when the purchase order issued by Dyntek would get to the distributor, and Mr. Sanchez responded that Dyntek was "running into snags like I said on the financing side."

78. To push the order through before the quarter closed, Palo Alto approved extended 90-day payment terms through the distributor, Arrow.

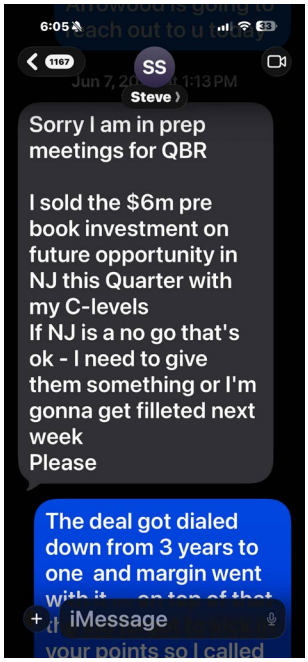


79. Ultimately, that evening, Mr. Sanchez wrote, "I just pushed the button to process. Arrow is staying late," and then, "Check your email, brother I made it happen."



80. In other words, in order to fraudulently account for this multi-million-dollar deal with the NYSOITS as booked revenue in its April 2024 financial disclosures, Palo Alto induced the VAR, Dyntek, to issue a purchase order to the distributor, Arrow, about which the customer, NYSOITS, had not been aware nor authorized.

81. If there was ever any doubt of the existence and execution of this fraudulent scheme, a few weeks later, in early-June 2024, Mr. Sanchez acknowledged to Mr. McGill of having "sold the $6m pre book investment on future opportunity in NJ this Quarter with my C-levels," and pleaded that he needed "to give them something or I'm gonna get filleted next week," i.e., additional business opportunities from Palo Alto.



82. Mr. Sanchez's own words confirm that Dyntek issued its purchase order as a "pre book investment" in exchange for promises of future business, so that Palo Alto could fraudulently record the NYSOITS deal as revenue for the quarter ending April 30, 2024.

83. Mr. McGill, again recognizing that these practices violated GAAP, the 1934 Act, and SOX, approached Mr. Estridge at the end of the fiscal quarter ending April 2024 about taking

an "exception" with respect to the NYSOITS deal just as he had pushed with the FDNY deal, but a bewildered Mr. Estridge instructed him not to do so, ensuring that the improper and fraudulent accounting remained concealed.

c. Mr. Estridge Retaliates Against Mr. McGill For Objecting to Fraudulent Conduct

84. Mr. McGill's willingness to challenge leadership and the Company's engagement in accounting fraud made him a target for retaliation.

85. In August 2024, shortly after Mr. McGill was admonished by Mr. Estridge for pushing back on his scheme to fraudulently pre-book the NYSOITS deal, Mr. Estridge removed two districts — the Mid-Atlantic and Great Lakes — from Mr. McGill's portfolio.

86. This change left Mr. McGill as the only RVP with just three districts, while the other RVPs at Palo Alto had at least four or more districts.

87. Moreover, Mr. McGill's team was only staffed with about seventeen sales representatives, whereas other RVP teams were staffed with over thirty.

88. Further, the representatives on Mr. McGill's team each had a quota of $10 million, which was almost double that of sales representatives on other teams, whose quotas were about $4-5 million per representative.

89. Despite having fewer districts than any other RVP with half as many sales representatives on his team, Mr. McGill was required to meet the second highest quota in the State, Local, and Education ("SLED") organization. In other words, Mr. Estridge was both setting up Mr. McGill for failure and diminishing his earning potential.

90. Even with these obstacles, however, Mr. McGill continued to meet his quotas, exemplifying his incredible value to Palo Alto.

III. Palo Alto Summarily Terminates Mr. McGill in Retaliation for His Protected Activity

91. Shortly after Mr. McGill closed the largest deal in Palo Alto's State and Local Government business history worth $75 million, in mid-March 2025, Mr. McGill attended the National Association of State Technology Directors ("NASTD") conference in Detroit, Michigan.

92. At the conference, Mr. McGill was alleged to have made a joking comment to an employee at a competitor named Jonathan Shaw to "stay the hell out of New York" — a playful reference to the competitive nature between sales representatives — that allegedly led to some sort of altercation.

93. Individuals who were with Mr. McGill that evening later confirmed that he had no such confrontation with Mr. Shaw.

94. Upon information and belief, the unfounded allegation that Mr. McGill had been in an altercation with another sales representative was reported to Mr. Estridge, who took the opportunity to escalate the complaint internally within Palo Alto, and control how the Company handled and responded to it.

95. On or about March 19, 2025, Palo Alto instructed two of Mr. McGill's subordinates, Rob Rittgers and Jon Radamacher, not to communicate with Mr. McGill, indicating that the Company had already begun taking adverse action against him even though both individuals affirmed that they saw no wrongdoing that evening.

96. Evidently, Mr. Shaw informed the NASTD that the incident was a "non-issue" and recommended that the NASTD close out the investigation. In fact, Mr. Shaw ultimately admitted that the incident had been completely blown out of proportion and stated that he wanted nothing to do with any investigation into it.

97. Nevertheless, on March 21, 2025, Palo Alto placed Mr. McGill on administrative leave pending an investigation into the alleged incident.

98. While on leave, Mr. McGill's access to the Company's communications systems was terminated, and his Slack account was deactivated with a message indicating he was no longer employed by Palo Alto, signaling that the decision to terminate his employment had already been made before any investigation was completed.

99. On April 3, 2025, Kevin Boswell from Palo Alto's Human Resources department reached out to Mr. McGill.

100. On their call, Mr. Boswell informed Mr. McGill that he was being terminated because "his behavior was not conducive to corporate policy."

101. However, Mr. Boswell did not offer an explanation for what this meant or the behavior in which the Company believed Mr. McGill had engaged.

102. At no point had Mr. McGill ever engaged in any misconduct, whether on or off-site, nor had he ever behaved in a way that was not conducive to Palo Alto's purported "corporate policy."

103. When Mr. McGill tried to explain the NASTD incident from his perspective, Mr. Boswell told Mr. McGill, "I don't want to get into that," and hung up the phone.

104. Palo Alto later revealed to Mr. McGill, following his termination, that Mr. Estridge had falsely accused Mr. McGill of making vile, derogatory remarks to him. There were, conveniently, no witnesses to these alleged slurs, nor was Mr. McGill ever presented with this accusation and given a chance to defend himself against this falsehood before he was terminated. To be abundantly clear, Mr. McGill categorially denies ever making any such derogatory remarks.

105. Rather, the so-called "investigation" into the alleged incident at the NASTD conference was nothing more than a conveniently timed charade used to establish a pretext for terminating Mr. McGill's employment in retaliation for his protected activities under SOX, specifically his refusal to participate in, and objections to, accounting fraud.

106. Further, immediately after terminating Mr. McGill, Palo Alto replaced Mr. McGill with an individual whom the Company, specifically Mr. Estridge, had been recruiting to join Palo Alto well before Mr. McGill's firing, with the two parties being previously unable to come to an agreement on salary terms.

107. However, based on the amount of money Palo Alto saved by terminating Mr. McGill's employment, Palo Alto was finally able to offer this individual compensation terms that were agreeable.

108. The fact that Palo Alto was already looking to replace Mr. McGill well before the Company fired him for purported misconduct suggests that the proffered reason for Mr. McGill's termination was clearly pretext.

109. Moreover, Palo Alto has assigned the individual who replaced Mr. McGill a quota for Fiscal Year 2026 that is approximately $22 million less than Mr. McGill's Fiscal Year 2025 quota of $182 million. Prior to his termination, Mr. McGill's yearly sales quota had only increased year-over-year, typically by 20-30% each year.

110. This stark contrast in performance metrics and expectations evinces Palo Alto's intent to set Mr. McGill up for failure while actively positioning his replacement for success.

111. Following Mr. McGill's termination, Palo Alto continued its retaliatory conduct by ignoring his unemployment benefits request for two months, causing him additional financial hardship.

112. Moreover, upon information and belief, Palo Alto has engaged in a campaign to destroy Mr. McGill's professional reputation within the industry by spreading false statements about the circumstances of his termination.

113. Specifically, individuals within the Company have been spreading outright lies that Mr. McGill was terminated because he physically assaulted Mr. Shaw by "choking him," which is completely false and designed to further retaliate against and denigrate Mr. McGill and prevent him from obtaining future employment in the industry.

114. Employees at Palo Alto circulated these statements throughout the Company and the broader cybersecurity industry, which continues to cause irreparable harm to Mr. McGill's professional reputation and future employment prospects.

115. Palo Alto and Darren Estridge engaged in blatant retaliation against Mr. McGill in clear violation of SOX's whistleblower protections.

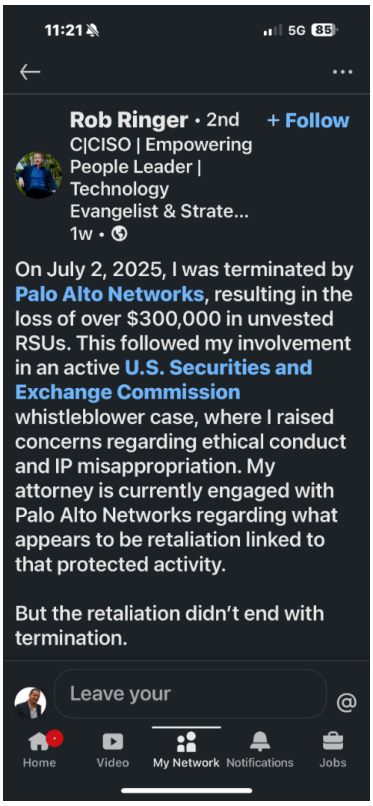
116. Palo Alto's treatment of Mr. McGill was part of a larger pattern of retaliating against whistleblowers in violation of SOX's whistleblower protections.

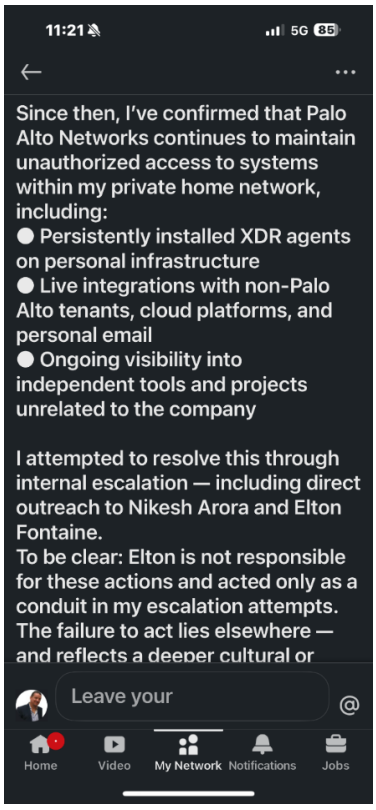
117. Around July 2025, Rob Ringer, a former colleague at Palo Alto, described similar retaliatory treatment to that which Mr. McGill faced in LinkedIn postings he made.

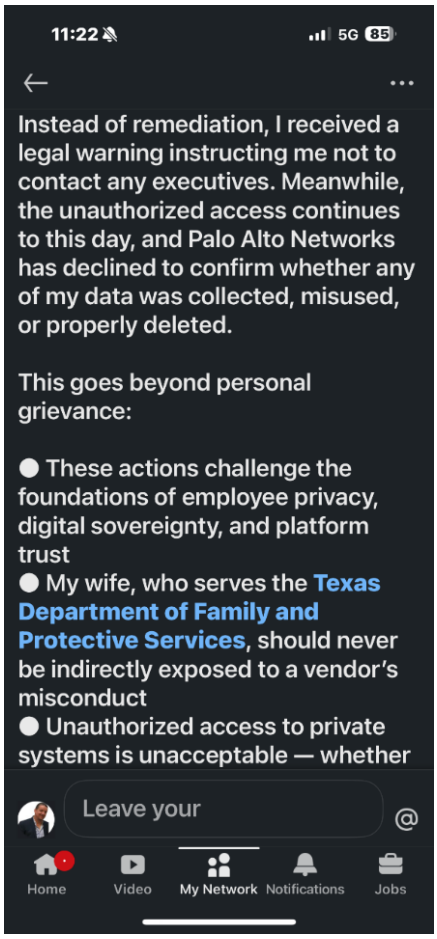
118. Specifically, Mr. Ringer's stated, "On July 2, 2025, I was terminated by Palo Alto Networks . . . follow[ing] my involvement in an active U.S. Securities and Exchange Commission whistleblower case, where I raised concerns regarding ethical conduct and IP misappropriation."

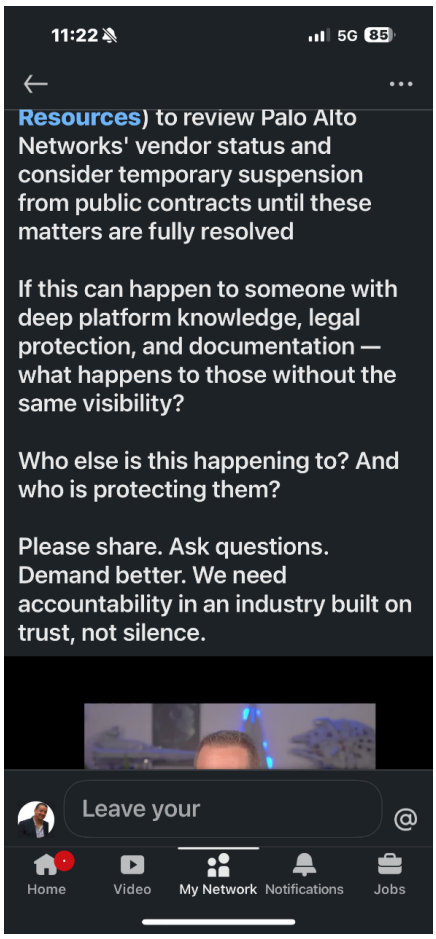
119. The post went on to state, "But the retaliation didn't end with termination," and escalated to Palo Alto accessing his private home network and surveilling his network activity without Mr. Ringer's authorization.

120. When Mr. Ringer purportedly tried to raise his complaints through internal channels at Palo Alto, the Company sent him a legal warning not to contact any executives at the Company.









121. Based on the foregoing, it is apparent that Palo Alto has a pattern and practice of retaliating against anyone who dares to call it out for violating the law, just as it had done to Mr. McGill.

IV. Defendants' Shifting and Pretextual Justifications

122. As referenced above, in response to Mr. McGill's OSHA complaint, Defendants offered a new rationale for his termination that Mr. Boswell never mentioned: that, while the investigation was pending, Mr. McGill called Mr. Estridge and used offensive language, which Palo Alto deemed a violation of its Respect in the Workplace Policy.

123. Defendants' accusation is untrue. Mr. McGill did not use any discriminatory slur during his call with Mr. Estridge or at any other time.

124. When Palo Alto terminated Mr. McGill, it never told him that he was being fired for using a slur. Mr. Boswell said only that his "behavior was not conducive to corporate policy," offered no explanation, and refused to discuss the matter.

125. Palo Alto identifies no witness to the alleged statements other than Mr. Estridge himself, nor has it produced any recording, notes, or other contemporaneous record of the call.

126. Palo Alto also failed to follow its own Respect in the Workplace Policy. That policy requires the investigator to interview the victim, the reporting party, relevant witnesses, and the accused; to prepare a written report or summary of the actions taken and findings reached; and to notify the accused in writing whether a policy violation was found.

127. Palo Alto did none of this. By its own account, the alleged victim did not participate and Palo Alto could not identify a single first-hand witness. Palo Alto attached no written investigation report or summary to its position statement. Mr. McGill never received written notice of any finding; he learned of his termination in a brief phone call in which Mr. Boswell refused to explain the decision.

128. Palo Alto's departure from its own investigation procedures is further evidence that the investigation was a pretext for a decision that had already been made.

129. An after-the-fact accusation, sourced solely to the supervisor whose fraud Mr. McGill opposed, is a pretext for retaliation, not a legitimate reason for termination.

130. By Palo Alto's own account, the source of that accusation was Mr. Estridge, the very supervisor whose fraudulent directives Mr. McGill had opposed and who had already stripped Mr. McGill of two districts.

131. Defendants' shifting explanations, moving from "behavior not conducive to corporate policy," to an uncorroborated allegation about the NASTD conference, to a policy

violation reported by Mr. Estridge himself, are evidence that the stated reasons for Mr. McGill's termination are pretext for retaliation.

132. Mr. McGill, a sales professional with decades of experience selling to government customers, subjectively and reasonably believed that recording the FDNY and NYSOITS transactions as booked revenue without customer purchase orders would cause Palo Alto's SEC filings to misstate its revenue, in violation of the securities laws, SEC rules and regulations, and federal law relating to fraud against shareholders. He communicated that belief directly to Mr. Estridge, his supervisor, who therefore knew of Mr. McGill's protected activity. While a number of months passed between Mr. McGill's protected activity and his termination, Palo Alto had every reason to wait: Mr. McGill was in the midst of securing a $75 million deal, the largest in the history of Palo Alto's State and Local Government business. Palo Alto strung Mr. McGill along until that deal closed and then fired him. In the interim, Mr. Estridge retaliated against Mr. McGill by removing two of his districts in August 2024, just months after Mr. McGill objected to the fraudulent NYSOITS pre-booking. The chain that links Palo Alto's fraudulent activity to Mr. McGill's protected activity to Defendants' retaliatory actions against him is strong and unmistakable.

FIRST CAUSE OF ACTION
UNLAWFUL WHISTLEBLOWER RETALIATION
UNDER SARBANES OXLEY ACT (SOX) 18 U.S.C. §1514A

133. Plaintiff repeats and realleges each and every allegation made in the above paragraphs of this complaint as if fully set forth herein.

134. Sarbanes Oxley Act (SOX) §1514A provides that:

> (a) Whistleblower protection for employees of publicly traded companies.--No company with a class of securities registered under section 12 of the Securities Exchange Act of 1934 (15 U.S.C. 78*l*), or that is required to file reports under section 15(d) of the Securities Exchange Act of 1934 (15

> U.S.C. 78*o*(d)) including any subsidiary or affiliate whose financial information is included in the consolidated financial statements of such company, or nationally recognized statistical rating organization (as defined in section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c), or any officer, employee, contractor, subcontractor, or agent of such company or nationally recognized statistical rating organization, may discharge, demote, suspend, threaten, harass, or in any other manner discriminate against an employee in the terms and conditions of employment because of any lawful act done by the employee—
>
> (1) to provide information, cause information to be provided, or otherwise assist in an investigation regarding any conduct which the employee reasonably believes constitutes a violation of section 1341, 1343, 1344, or 1348, any rule or regulation of the Securities and Exchange Commission, or any provision of Federal law relating to fraud against shareholders, when the information or assistance is provided to or the investigation is conducted by—
>
> (A) a Federal regulatory or law enforcement agency;
>
> (B) any Member of Congress or any committee of Congress; or
>
> (C) a person with supervisory authority over the employee (or such other person working for the employer who has the authority to investigate, discover, or terminate misconduct); or
>
> (2) to file, cause to be filed, testify, participate in, or otherwise assist in a proceeding filed or about to be filed (with any knowledge of the employer) relating to an alleged violation of section 1341, 1343, 1344, or 1348, any rule or regulation of the Securities and Exchange Commission, or any provision of Federal law relating to fraud against shareholders.

135. Plaintiff is an "employee" of Defendants within the meaning of SOX Act.

136. Palo Alto is a publicly traded company subject to SEC reporting obligations, and is a company covered by 18 U.S.C. § 1514A(a). Defendant Estridge is an officer, employee, or agent of Palo Alto within the meaning of 18 U.S.C. § 1514A(a).

137. As alleged herein, Plaintiff engaged in conduct protected from retaliatory actions within the meaning of 18 U.S.C. §1514A by providing information to a person with supervisory authority over him, Defendant Estridge, regarding conduct he reasonably believed constituted

securities fraud, violations of SEC rules and regulations, and fraud against shareholders, and by objecting to and refusing to participate in the Company's fraudulent accounting practices.

138. Defendants knew of Plaintiff's protected activity because Plaintiff raised his objections directly with Defendant Estridge.

139. As alleged herein, Defendants, as Plaintiff's employer, engaged in unlawful retaliation against Plaintiff by taking adverse actions culminating in the termination of Plaintiff's employment.

140. Plaintiff's protected activity was a contributing factor in Defendants' decision to terminate his employment and in the other adverse actions alleged herein.

141. As a result of the acts and conduct complained of herein, Plaintiff has suffered, and will continue to suffer, damages, including, but not limited to, economic and pecuniary losses (past and future) – such as lost income, salary, benefits, bonuses, commission and other compensation that his employment entailed, and other non-pecuniary losses and special damages.

142. Accordingly, as a result of Defendants' unlawful conduct, Plaintiff has been damaged as set forth herein and is entitled to the maximum compensation available under this law.

SECOND CAUSE OF ACTION
UNLAWFUL WHISTLEBLOWER RETALIATION
UNDER NEW YORK LABOR LAW § 740

143. Plaintiff repeats and realleges each and every allegation made in the above paragraphs of this complaint as if fully set forth herein.

144. New York Labor Law § 740(2) provides that:

> "An employer shall not take any retaliatory action against an employee, whether or not within the scope of the employee's job duties, because such employee does any of the following:

> (a) discloses […] to a supervisor or to a public body an activity, policy or practice of the employer that the employee reasonably believes is in violation of law, rule or regulation …; [or]
>
> (c) objects to or refuses to participate in any such activity, policy or practice.

145. Plaintiff is an "employee" of Defendants within the meaning of NYLL § 740(1)(a).

146. Defendants are Plaintiff's "employers" within the meaning of NYLL § 740(1)(b).

147. Defendant Estridge is a "supervisor" within the meaning of NYLL § 740(1)(f).

148. GAAP, the 1934 Act, and SOX are each a "Law, rule or regulation" within the meaning of NYLL § 740(1)(c).

149. As alleged herein, Plaintiff engaged in conduct protected from retaliatory actions within the meaning of NYLL § 740 by complaining internally about the Company's engagement in fraudulent activity that violated GAAP, the 1934 Act, and SOX.

150. As alleged herein, Defendants, as Plaintiff's employer, engaged in unlawful retaliation against Plaintiff by taking adverse actions culminating in the termination of Plaintiff's employment.

151. As a result of the acts and conduct complained of herein, Plaintiff has suffered, and will continue to suffer, damages, including, but not limited to, economic and pecuniary losses (past and future) – such as lost income, salary, benefits, bonuses, commission and other compensation that his employment entailed, and other non-pecuniary losses and special damages.

152. Accordingly, as a result of Defendants' unlawful conduct, Plaintiff has been damaged as set forth herein and is entitled to the maximum compensation available under this law.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests a judgment against Defendants:

A. Declaring that Defendants engaged in unlawful practices prohibited by SOX, 18 U.S.C. § 1514A, and New York Labor Law § 740 by retaliating against Plaintiff for engaging in protected activity;

B. Awarding Plaintiff compensation for lost wages, including bonuses (including but not limited to the stocks units and/or cash value of any securities or the like that would have been granted as part of his compensation), various performance-based compensation, deferred compensation, benefits, and all other remuneration necessary to make Plaintiff whole;

C. Awarding Plaintiff back pay, with interest, and compensation for special damages, including litigation costs, expert witness fees, and reasonable attorneys' fees, pursuant to 18 U.S.C. § 1514A(c);

D. An order requiring Defendants to abate and refrain from any further violations of SOX and § 740 of the NYLL;

E. An order finding that reinstatement is inappropriate;

F. An order prohibiting Defendants from disclosing disparaging information about Plaintiff to prospective employers, or otherwise interfering with any applications he might make in the future;

G. Awarding Plaintiff attorneys' fees, costs, disbursements, and expenses incurred in the prosecution of this action; and

H. Awarding Plaintiff such other and further relief as the Court may deem equitable, just, and proper to remedy Defendants' unlawful practices.

JURY DEMAND

Plaintiff hereby demands a trial by jury on all issues of fact and damages stated herein.

Dated: November 25, 2026
White Plains, New York

Respectfully submitted,

FILIPPATOS PLLC

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