

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

NICK ISE, Individually and On Behalf of
All Others Similarly Situated,

Plaintiff,

v.

MAZOR ROBOTICS LTD., ORI HADOMI,
ELIYAHU ZEHAVI and SHARON
LEVITA,

Defendants.

)
)
) **Case No.**
)

)
) **CLASS ACTION COMPLAINT**
)

)
) **JURY TRIAL DEMANDED**
)
)
)

CLASS ACTION COMPLAINT

Plaintiff Nick Ise (“Plaintiff”), individually and on behalf of all other persons similarly situated, by his undersigned attorneys, for his complaint against Defendants, alleges the following based upon personal knowledge as to himself and his own acts, and information and belief as to all other matters, based upon, *inter alia*, the investigation conducted by and through his attorneys, 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 Mazor Robotics Ltd. (“Mazor” or the “Company”), analysts’ reports and advisories about the Company, and information readily obtainable on the Internet. Plaintiff believes that substantial evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

NATURE OF THE ACTION

1. This is a federal securities class action on behalf of a class consisting of all persons other than defendants who purchased or otherwise acquired Mazor securities between November 8, 2016 and June 7, 2017, both dates inclusive (the “Class Period”), seeking to recover damages caused by defendants’ violations of the federal securities laws and to pursue remedies under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated thereunder, against the Company and certain of its top officials.

2. Mazor is a medical device company that purportedly develops and markets innovative surgical guidance systems and complementary products. The Company claims that its expertise is computerized and imaging-based systems, primarily in the field of spine surgery, and that its Surgical Guidance Systems enable surgeons to advance from freehand surgical procedures to accurate, pre-planned, state-of-the-art, precision guided procedures.

3. Founded in 2000, the Company was formerly known as “Mazor Surgical Technologies Ltd.” and changed its name to Mazor Robotics Ltd. in 2010. Mazor is headquartered in Caesarea, Israel and the Company’s American Depositary Receipts (“ADRs”) trade on the NASDAQ under the ticker symbol “MZOR.”

4. Throughout the Class Period, Defendants made materially false and misleading statements regarding the Company’s business, operational and compliance policies. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (i) that the Company was engaged in conduct that subjected it to ISA investigation; (ii) that, as such the Company was exposed to potential liability; and (iii) as a result of the foregoing, Mazor’s public statements were materially false and misleading at all relevant times.

5. On June 8, 2017, Mazor disclosed to investors that the Israel Securities Authority (“ISA”) had conducted a search at the Company’s offices in May 2017 and questioned certain of Mazor’s officers in connection with an ISA investigation.

6. On this news, Mazor’s ADR price fell \$3.70, or 9.9%, to close at \$33.67 on June 8, 2017. The next day, the ADR price continued to decline, falling another \$3.08, or 9.1%, to close at \$30.59 on June 9, 2017.

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

JURISDICTION AND VENUE

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

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

10. Venue is proper in this Judicial District pursuant to §27 of the Exchange Act (15 U.S.C. §78aa) and 28 U.S.C. §1391(b). The Company’s ADRs trade on the NASDAQ, located within in this Judicial District.

11. 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 mail, interstate telephone communications and the facilities of the national securities exchange.

PARTIES

12. Plaintiff, as set forth in the attached Certification, acquired Mazor securities at artificially inflated prices during the Class Period and was damaged upon the revelation of the alleged corrective disclosures.

13. Defendant Mazor is organized under the laws of the State of Israel and its headquarters are in Caesarea, Israel. The Company's principal executive offices located at 5 Shacham Street, North Industrial Park, Caesarea 3088900, Israel. Mazor's ADRs trade on the NASDAQ under the ticker symbol "MZOR."

14. Defendant Ori Hadomi ("Hadomi") has served at all relevant times as the Company's Chief Executive Officer ("CEO") and Director.

15. Defendant Eliyahu Zehavi ("Zehavi") co-founded and has served as the Company's Chief Operating Officer ("COO").

16. Defendant Sharon Levita ("Levita") has served at all relevant times as the Company's Chief Financial Officer ("CFO") and Secretary.

17. The defendants referenced above in ¶¶ 14-16 are sometimes referred to herein as the "Individual Defendants."

SUBSTANTIVE ALLEGATIONS

Background

18. Mazor is a medical device company that purportedly develops and markets innovative surgical guidance systems and complementary products. The Company claims that its expertise is computerized and imaging-based systems, primarily in the field of spine surgery, and that its Surgical Guidance Systems enable surgeons to advance from freehand surgical procedures to accurate, pre-planned, state-of-the-art, precision guided procedures.

Materially False and Misleading Statements Issued During the Class Period

19. The Class Period begins on November 8, 2016. On that day, the Company issued a press release entitled “Mazor Robotics Reports Third Quarter Financial Results.” Therein, the Company, in relevant part, stated:

CAESAREA, Israel–(BUSINESS WIRE)– Mazor Robotics Ltd. (TASE: MZOR; NASDAQGM: MZOR), a pioneer and a leader in the field of surgical guidance systems, reported results for the third quarter ended September 30, 2016. As previously announced, Mazor received orders for a record 25 systems in the third quarter, including 15 orders from Medtronic and three additional pre-launch orders for the Mazor X system. Apart from these Mazor X orders, the Company also received purchase orders for seven Renaissance systems, with four in the U.S. and three internationally through its distribution partners in Germany, Australia and Thailand.

THIRD QUARTER HIGHLIGHTS

Unveiled Mazor X, a transformative surgical assurance platform to enhance predictability of spine surgeries for the benefit of patients and those who treat them.

Received three pre-launch orders for the Mazor X system from U.S. customers.

Completed the second equity investment tranche totaling \$20 million from Medtronic.

RECENT OPERATING AND FINANCIAL ACHIEVEMENTS

Commercially launched the Mazor X system on October 26th at the North American Spine Society (NASS) annual meeting.

A major regional institution in the northeast placed an order for three Mazor X systems.

“This was a strong quarter for Mazor as we received purchase orders for 25 surgical guidance systems, a new record and nearly equivalent to the number of systems ordered in all of 2015,” commented Ori Hadomi, Chief Executive Officer. “Our continued momentum in the second half of 2016 is being driven mainly by two of our significant achievements – the strategic agreement signed in May with Medtronic and the unveiling of the Mazor X system in July. In addition, to date, we have received orders for six systems in the fourth quarter, including five Mazor X orders. This momentum combined with the strong interest we are experiencing for our products, clearly position us to maintain market leadership in surgical guidance spine surgeries.”

THIRD QUARTER 2016 FINANCIAL RESULTS ON IFRS BASIS ("GAAP")

Revenue for the three months ended September 30, 2016 increased 52% to \$7.6 million compared to \$5.0 million in the 2015 third quarter. U.S. generated revenue was \$5.7 million compared to \$4.3 million in the 2015 third quarter due to recognition of 6 systems sold during the quarter, including three Mazor X systems sold to Medtronic, the Company's strategic partner, compared to 3 systems sold in the 2015 third quarter. During the third quarter the Company received orders for and delivered four Renaissance systems in the U.S. However, due to the Company's policy enabling new customers of the Renaissance system to exchange for the Mazor X, revenue was recognized for only two of these Renaissance systems. Revenue from the remaining systems is deferred until the Mazor X orders are supplied or the exchange option expires. The Company also received orders for 18 Mazor X systems, which include the 15 Mazor X systems ordered by Medtronic. Of these, four Mazor X were delivered in the third quarter. As previously disclosed, the three pre-launch Mazor X orders received in the third quarter are expected to be delivered to customers by the end of the 2017 first quarter, at which time the revenue will be recognized.

International revenue was \$1.9 million compared to \$0.7 million in the third quarter of 2015. The Company received orders for three Renaissance systems from its international distributors in Germany, Australia and Thailand. The Company also recognized revenue from a system delivered to its distribution partner in China, part of a multi system order received in the second quarter of 2016. In total, four systems were recognized in the international market during third quarter of 2016, compared to no system sales in the 2015 third quarter.

Recurring revenue from system kit sales, service and others increased to \$4.3 million in the third quarter of 2016, representing a 30% increase compared to \$3.3 million in the third quarter of 2015. The increase in recurring revenues is mainly from the increase in the installed base.

The Company's gross margin for the three months ended September 30, 2016 was 65.7% compared to 75.9% in the third quarter of 2015, primarily reflecting the discounted pricing for the Mazor X systems delivered to Medtronic and the recent Renaissance price adjustment to support the Mazor X launch.

Total operating expenses in the third quarter of 2016 were \$10.6 million compared to \$8.9 million in the third quarter of 2015, mainly reflecting increased investment in sales and marketing efforts and reduced by capitalized research and development costs of \$1.3 million dollars. Operating loss was \$5.6 million compared to an operating loss of \$5.1 million in the year-ago third quarter. Net loss for the third quarter of 2016 was \$5.2 million, or \$0.11 per share, compared to a net loss of \$5.2 million, or \$0.12 per share, in the year-ago third quarter.

Cash used in operating activities was \$4.6 million compared to \$2.6 million used in last year's third quarter due to higher operating expense. As of September 30, 2016, cash, cash equivalents and investments totaled \$64.3 million.

THIRD QUARTER 2016 FINANCIAL RESULTS ON NON-GAAP BASIS

The tables below include reconciliation of the Company's GAAP results to non-GAAP results. The reconciliation relates to non-cash expense in the net amount of \$0.4 million with respect to share-based payments and to research and development capitalization in the third quarter of 2016. On a non-GAAP basis, the net loss in the third quarter of 2016 was \$4.9 million, or \$0.11 per share, compared to \$4.2 million, or \$0.10 per share, for the third quarter of 2015.

NINE MONTHS ENDED SEPTEMBER 30, 2016 FINANCIAL RESULTS ON IFRS BASIS ("GAAP")

For the nine months ended September 30, 2016, revenue increased 29.0% and totaled \$22.3 million compared to \$17.3 million for the nine months ended September 30, 2015. This increase is due to higher system sales and an increase in recurring revenue. Recurring revenue totaled \$12.3 million, an increase of 34% compared to \$9.2 million in the nine months ended September 30, 2015. The growth in recurring revenue is attributed to the increased utilization of the Company's Renaissance system, mainly in the U.S. Gross margin for the nine months ended September 30, 2016 was 72.3% compared with 77.5% in the nine months ended September 30, 2015. Net loss for the nine months ended September 30, 2016 was \$14.4 million compared to \$12.5 million in the first nine months of 2015.

NINE MONTHS ENDED SEPTEMBER 30, 2016 FINANCIAL RESULTS ON NON-GAAP BASIS

On a non-GAAP basis, the net loss for the first nine months of 2016 was \$12.9 million, or \$0.29 per share, compared to a net loss of \$10.2 million, or \$0.24 per share, in the first nine months of 2015.

20. On February 16, 2017, Company issued a press release entitled "Mazor Robotics Reports Record Fourth Quarter and Full Year 2016 Results." Therein, the Company, in relevant part, stated:

CAESAREA, Israel – February 16, 2017 – Mazor Robotics Ltd. (TASE: MZOR; NASDAQGM: MZOR), a pioneer and a leader in the field of surgical guidance systems, reported record revenue for the fourth quarter and full year ended December 31, 2016. As previously announced, the Company received purchase orders for 21 systems in the fourth quarter and ended the year with a backlog of

21 systems, including 18 Mazor X systems, its transformative platform for spine surgeries, which was commercially launched in October.

“Our record performance in the fourth quarter and success throughout the year reinforces 2016 as a strategic turning point for the Company,” commented Ori Hadomi, Chief Executive Officer. “We have greatly enhanced our leadership position in the spine market with the implementation of the Medtronic co-marketing and co-promotional agreement and the launch of the transformational Mazor X system. While our systems order growth is impressive, our high utilization rate and recurring revenue growth illustrates the benefits Mazor is bringing to both surgeon and patient. With a strong backlog, we enter 2017 with momentum to continue our growth.

FOURTH QUARTER 2016 FINANCIAL RESULTS ON IFRS BASIS (“GAAP”)

Revenue for the three months ended December 31, 2016 increased 59% to \$14.0 million compared to \$8.8 million in the year-ago fourth quarter. U.S. revenue increased 88% to \$12.6 million compared to \$6.7 million in the year-ago fourth quarter, as the Company recognized revenue from 13 Mazor X and two Renaissance systems, compared to ten Renaissance systems in the year-ago fourth quarter. The Company ended the quarter with a backlog of 21 systems; revenue from these systems is expected to be recorded in 2017, generally, when the systems are supplied. International revenue was \$1.4 million compared to \$2.1 million in the year-ago fourth quarter, as the Company recognized revenue from three Renaissance systems, compared to four Renaissance systems in the year-ago fourth quarter. Recurring revenue from system kit sales, services and other increased 29% to \$4.5 million in the fourth quarter of 2016, compared to \$3.5 million in the year-ago fourth quarter. The increase is attributed to high utilization rates and increase of the install base.

The Company’s gross margin for the three months ended December 31, 2016 was 70.5% compared to 78.0% in the year-ago fourth quarter. The decrease is attributed mainly to discounted price to our distribution partner, Medtronic, and the higher manufacturing costs of the Mazor X, compared to the Renaissance system. Total operating expenses were \$14.2 million compared to \$9.8 million in the year-ago fourth quarter, primarily reflecting the Company’s increased investments in sales and marketing activities. Operating loss was \$4.3 million compared to an operating loss of \$2.9 million in the year-ago fourth quarter. Net loss for the fourth quarter of 2016 was \$4.3 million, or \$0.09 per share, compared to a net loss of \$2.9 million, or \$0.07 per share, for the year-ago fourth quarter.

Cash used in operating activities was \$1.9 million compared to \$4.3 million used in last year’s fourth quarter. The decrease is mainly due to high collection from customers, offset by higher payments to suppliers. As of December 31, 2016, cash, cash equivalents and investments totaled \$61.8 million.

FOURTH QUARTER 2016 FINANCIAL RESULTS ON NON-GAAP BASIS

The tables below include reconciliation of the Company's GAAP results to non-GAAP results. The reconciliation relates to non-cash expenses in the amount of \$1.1 million with respect to amortization of intangible assets and to share-based expenses recorded in the fourth quarter of 2016. On a non-GAAP basis, the net loss in the fourth quarter of 2016 was \$3.1 million, or \$0.07 per share, compared to \$2.1 million, or \$0.05 per share, for the year-ago fourth quarter.

FULL YEAR ENDED DECEMBER 31, 2016 FINANCIAL RESULTS ON IFRS BASIS ("GAAP")

For the full year ended December 31, 2016, revenue increased 39% to \$36.4 million compared to \$26.1 million for the full year ended December 31, 2015. U.S. revenue increased 51% to \$30.7 million compared to \$20.3 million in the full year ended December 31, 2015, as the Company recognized revenue from 30 systems, compared to 16 systems in the full year ended December 31, 2015. International revenue was \$5.7 million compared to \$5.8 million in the full year ended December 31, 2015, as the Company recognized revenue from 11 Renaissance systems, compared to eight Renaissance systems in the full year ended December 31, 2015. Recurring revenue totaled \$16.8 million compared to \$12.7 million for the full year ended December 31, 2015. The growth in recurring revenue is attributed to the increase of the install base of the Company's Renaissance system in the U.S. and globally.

Gross margin for the full year ended December 31, 2016 was 71.6% compared to 77.7% for the full year ended December 31, 2015. The decrease is mainly attributed to the discounted price to our distribution partner, the lower price of Renaissance (effective Q3 2016) and the higher manufacturing costs of the Mazor X, compared to the Renaissance system. Total operating expenses were \$45.1 million compared to \$35.6 million in the full year ended December 31, 2015, primarily reflecting the Company's increased investments in sales and marketing activities. Operating loss was \$19.0 million compared to an operating loss of \$15.3 million in the full year ended December 31, 2015. Net loss for the full year ended December 31, 2016 was \$18.7 million, or \$0.42 per share, compared to \$15.4 million, or \$0.36 per share for the full year ended December 31, 2015.

Cash used in operating activities was \$10.1 million compared to \$11.6 million used in the full year ended December 31, 2015. The decrease is mainly due to high collection from customers.

FULL YEAR ENDED DECEMBER 31, 2016 FINANCIAL RESULTS ON NON-GAAP BASIS

The tables below include reconciliation of the Company's GAAP results to non-GAAP results. The reconciliation relates to non-cash expenses in the amount of

\$2.6 million with respect to capitalization of research and development costs, amortization of intangible assets and to share-based expenses recorded in 2016.

On a non-GAAP basis, the net loss for the full year ended December 31, 2016 was \$16.1 million, or \$0.36 per share, compared to a net loss of \$12.3 million, or \$0.29 per share, for the full year ended December 31, 2015.

21. On April 5, 2017, the Company issued a press release entitled “Mazor Robotics Expects to Report Record First Quarter Revenue of Approximately \$11.5 Million; Received PO for Six Mazor X Systems.” Therein, the Company, in relevant part, stated:

CAESAREA, Israel–(BUSINESS WIRE)– Mazor Robotics Ltd. (TASE: MZOR; NASDAQGM: MZOR), a pioneer and a leader in the field of surgical guidance systems, announced today that driven by the strength in Mazor X system sales and increased procedure volume, the Company expects to report record first quarter revenue of approximately \$11.5 million. During the first quarter the Company received purchase orders for six Mazor X systems in the U.S., including two trade-in orders from customers who had previously purchased Renaissance systems. In addition, it received a purchase order for a Renaissance brain module upgrade in the international market. In the year-ago first quarter, the Company reported revenue of \$6.4 million and received purchase orders for five Renaissance systems.

“The launch of the Mazor X and the rollout of this advanced surgical platform is progressing as planned and to our satisfaction. The first quarter’s results bring the total number of Mazor X systems orders since we began its sale in the second half of 2016 to 40 systems. Additionally, systems have been installed at numerous key sites across the U.S. and have been used clinically in dozens of patient procedures in 2017,” commented Ori Hadomi, Chief Executive Officer. “Our commercial partnership is yielding increased penetration into the U.S. market which leads us to be increasingly optimistic about our growth opportunities in 2017.”

Mazor ended the first quarter with a backlog of 14 Mazor X systems and the Company expects to deliver these systems in 2017. The Company ended 2016 with a total order backlog of 21 Mazor X systems. The Company will report its financial results for the first quarter ended March 31, 2017 in May and will issue a press release with the date, time, dial-in credentials and webcast details.

22. The statements referenced in ¶¶ 19-21 were materially false and misleading because defendants made false and/or misleading statements, as well as failed to disclose material adverse facts about the Company’s business, operational and compliance policies. Specifically, defendants made false and/or misleading statements and/or failed to disclose that:

(i) that the Company was engaged in conduct that subjected it to ISA investigation; (ii) that, as such the Company was exposed to potential liability; and (iii) as a result of the foregoing, Mazor's public statements were materially false and misleading at all relevant times.

The Truth Emerges

23. On June 8, 2017, the Company disclosed that that in May 2017, the ISA conducted a search at the offices of Mazor and questioned certain officers in connection with an investigation held by the ISA. In greater part, the Company stated:

On June 8, 2017, Mazor Robotics Ltd. ("Mazor") announced that in May 2017, the Israeli Securities Authority (the "ISA") conducted a search at the offices of Mazor and also questioned certain officers in connection with an investigation held by the ISA.

Mazor has not been informed as to the subject matter of the investigation, nor has it been charged with any wrongdoing. Mazor is cooperating fully with the ISA.

24. On this news, Mazor's ADR price fell \$3.70, or 9.9%, to close at \$33.67 on June 8, 2017. The next day, the Company's ADR price continued to decline, falling another \$3.08, or 9.1%, to close at \$30.59 per share on June 9, 2017.

25. 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.

PLAINTIFF'S CLASS ACTION ALLEGATIONS

26. 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 or otherwise acquired Mazor securities during the Class Period (the "Class"); and were damaged upon the revelation of the alleged corrective disclosures. Excluded from the Class are defendants herein, 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.

27. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Mazor securities were actively traded on the NASDAQ. While the exact number of Class members is unknown to Plaintiff at this time and can be ascertained only 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 Mazor 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.

28. 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.

29. 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. Plaintiff has no interests antagonistic to or in conflict with those of the Class.

30. 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:

- whether the federal securities laws were violated by defendants' acts as alleged herein;
- whether statements made by defendants to the investing public during the Class Period misrepresented material facts about the business, operations and management of Mazor;

- whether the Individual Defendants caused Mazor to issue false and misleading financial statements during the Class Period;
- whether defendants acted knowingly or recklessly in issuing false and misleading financial statements;
- whether the prices of Mazor securities during the Class Period were artificially inflated because of the defendants' conduct complained of herein; and
- whether the members of the Class have sustained damages and, if so, what is the proper measure of damages.

31. 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.

32. Plaintiff will rely, in part, upon the presumption of reliance established by the fraud-on-the-market doctrine in that:

- defendants made public misrepresentations or failed to disclose material facts during the Class Period;
- the omissions and misrepresentations were material;
- Mazor securities are traded in an efficient market;
- the Company's shares were liquid and traded with moderate to heavy volume during the Class Period;
- the Company traded on the NASDAQ and was covered by multiple analysts;
- the misrepresentations and omissions alleged would tend to induce a reasonable investor to misjudge the value of the Company's securities; and
- Plaintiff and members of the Class purchased, acquired and/or sold Mazor securities between the time the defendants failed to disclose or misrepresented material facts and the time the true facts were disclosed, without knowledge of the omitted or misrepresented facts.

33. Based upon the foregoing, Plaintiff and the members of the Class are entitled to a presumption of reliance upon the integrity of the market.

34. Alternatively, Plaintiff and the members of the Class are entitled to the presumption of reliance established by the Supreme Court in *Affiliated Ute Citizens of the State of Utah v. United States*, 406 U.S. 128, 92 S. Ct. 2430 (1972), as Defendants omitted material information in their Class Period statements in violation of a duty to disclose such information, as detailed above.

COUNT I

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

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

36. This Count is asserted against defendants and is based upon Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder by the SEC.

37. During the Class Period, defendants engaged in a plan, scheme, conspiracy and course of conduct, pursuant to which they knowingly or recklessly engaged in acts, transactions, practices and courses of business which operated as a fraud and deceit upon Plaintiff and the other members of the Class; made various untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and employed devices, schemes and artifices to defraud in connection with the purchase and sale of securities. Such scheme was intended to, and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; (ii) artificially inflate and maintain the market price of Mazor securities; and (iii) cause Plaintiff and other members of the Class to purchase or

otherwise acquire Mazor securities and options 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.

38. Pursuant to the above plan, scheme, conspiracy and course of conduct, each of the defendants participated directly or indirectly in the preparation and/or issuance of the quarterly and annual reports, SEC filings, press releases and other statements and documents described above, including statements made to securities analysts and the media that were designed to influence the market for Mazor securities. Such reports, filings, releases and statements were materially false and misleading in that they failed to disclose material adverse information and misrepresented the truth about Mazor finances and business prospects.

39. By virtue of their positions at Mazor, defendants had actual knowledge of the materially false and misleading statements and material omissions alleged herein and intended thereby to deceive Plaintiff and the other members of the Class, or, in the alternative, defendants acted with reckless disregard for the truth in that they failed or refused to ascertain and disclose such facts as would reveal the materially false and misleading nature of the statements made, although such facts were readily available to defendants. Said acts and omissions of defendants were committed willfully or with reckless disregard for the truth. In addition, each defendant knew or recklessly disregarded that material facts were being misrepresented or omitted as described above.

40. Information showing that defendants acted knowingly or with reckless disregard for the truth is peculiarly within defendants' knowledge and control. As the senior managers and/or directors of Mazor, the Individual Defendants had knowledge of the details of Mazor internal affairs.

41. The Individual Defendants are liable both directly and indirectly for the wrongs complained of herein. Because of their positions of control and authority, the Individual Defendants were able to and did, directly or indirectly, control the content of the statements of Mazor. As officers and/or directors of a publicly-held company, the Individual Defendants had a duty to disseminate timely, accurate, and truthful information with respect to Mazor businesses, operations, future financial condition and future prospects. As a result of the dissemination of the aforementioned false and misleading reports, releases and public statements, the market price of Mazor securities was artificially inflated throughout the Class Period. In ignorance of the adverse facts concerning Mazor business and financial condition which were concealed by defendants, Plaintiff and the other members of the Class purchased or otherwise acquired Mazor securities at artificially inflated prices and relied upon the price of the securities, the integrity of the market for the securities and/or upon statements disseminated by defendants, and were damaged thereby.

42. During the Class Period, Mazor securities were traded on an active and efficient market. Plaintiff and the other members of the Class, relying on the materially false and misleading statements described herein, which the defendants made, issued or caused to be disseminated, or relying upon the integrity of the market, purchased or otherwise acquired shares of Mazor securities at prices artificially inflated by defendants' wrongful conduct. Had Plaintiff and the other members of the Class known the truth, they would not have purchased or otherwise acquired said securities, or would not have purchased or otherwise acquired them at the inflated prices that were paid. At the time of the purchases and/or acquisitions by Plaintiff and the Class, the true value of Mazor securities was substantially lower than the prices paid by Plaintiff and

the other members of the Class. The market price of Mazor securities declined sharply upon public disclosure of the facts alleged herein to the injury of Plaintiff and Class members.

43. By reason of the conduct alleged herein, defendants knowingly or recklessly, directly or indirectly, have violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

44. 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, acquisitions and sales of the Company's securities during the Class Period, upon the disclosure that the Company had been disseminating misrepresented financial statements to the investing public.

COUNT II

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

45. Plaintiff repeats and realleges each and every allegation contained in the foregoing paragraphs as if fully set forth herein.

46. During the Class Period, the Individual Defendants participated in the operation and management of Mazor, and conducted and participated, directly and indirectly, in the conduct of Mazor business affairs. Because of their senior positions, they knew the adverse non-public information about Mazor misstatement of income and expenses and false financial statements.

47. As officers and/or directors of a publicly owned company, the Individual Defendants had a duty to disseminate accurate and truthful information with respect to Mazor financial condition and results of operations, and to correct promptly any public statements issued by Mazor which had become materially false or misleading.

48. Because of their positions of control and authority as senior officers, the Individual Defendants were able to, and did, control the contents of the various reports, press releases and public filings which Mazor disseminated in the marketplace during the Class Period concerning Mazor results of operations. Throughout the Class Period, the Individual Defendants exercised their power and authority to cause Mazor to engage in the wrongful acts complained of herein. The Individual Defendants therefore, were “controlling persons” of Mazor within the meaning of Section 20(a) of the Exchange Act. In this capacity, they participated in the unlawful conduct alleged which artificially inflated the market price of Mazor securities.

49. Each of the Individual Defendants, therefore, acted as a controlling person of Mazor. By reason of their senior management positions and/or being directors of Mazor, each of the Individual Defendants had the power to direct the actions of, and exercised the same to cause, Mazor to engage in the unlawful acts and conduct complained of herein. Each of the Individual Defendants exercised control over the general operations of Mazor and possessed the power to control the specific activities which comprise the primary violations about which Plaintiff and the other members of the Class complain.

50. By reason of the above conduct, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act for the violations committed by Mazor.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff demands judgment against Defendants as follows:

A. Determining that the instant action may be maintained as a class action under Rule 23 of the Federal Rules of Civil Procedure, and certifying Plaintiff as the Class representative;

- B. Requiring Defendants to pay damages sustained by Plaintiff and the Class by reason of the acts and transactions alleged herein;
- C. Awarding Plaintiff and the other members of the Class prejudgment and post-judgment interest, as well as their reasonable attorneys' fees, expert fees and other costs; and
- D. Awarding such other and further relief as this Court may deem just and proper.

DEMAND FOR TRIAL BY JURY

Plaintiff hereby demands a trial by jury.

Dated: June 12, 2017

Respectfully submitted,

POMERANTZ LLP

/s/ Jeremy A. Lieberman

Jeremy A. Lieberman
J. Alexander Hood II
Hui M. Chang
600 Third Avenue, 20th Floor
New York, New York 10016
Telephone: (212) 661-1100
Facsimile: (212) 661-8665
Email: jalieberman@pomlaw.com
ahood@pomlaw.com
hchang@pomlaw.com

POMERANTZ LLP
Patrick V. Dahlstrom
10 South La Salle Street, Suite 3505
Chicago, Illinois 60603
Telephone: (312) 377-1181
Facsimile: (312) 377-1184
Email: pdahlstrom@pomlaw.com

**BRONSTEIN, GEWIRTZ
& GROSSMAN, LLC**
Peretz Bronstein
60 East 42nd Street, Suite 4600
New York, NY 10165

Telephone: (212) 697-6484
Facsimile (212) 697-7296
Email: peretz@bgandg.com

Attorneys for Plaintiff