In re Allergan Generic Drug Pricing Securities Litigation

COURT: United States District Court for the District of New Jersey
CASE NUMBER: 16-cv-9449
CLASS PERIOD: 10/29/2013 - 11/02/2016
CASE LEADERS: Lauren A. Ormsbee
CASE TEAM: Michael Mathai, Erika Connolly

Please note the Claim Form is no longer available.

This is a securities fraud class action on behalf of a class of persons and entities who purchased or otherwise acquired the common and/or preferred stock of Allergan plc (formerly doing business as Actavis plc) ("Allergan") between October 29, 2013 and November 2, 2016, both dates inclusive (the "Class Period"), and were damaged thereby.

Lead Plaintiffs Have Settled the Action for $130 Million

The Court-appointed Lead Plaintiffs Union Asset Management Holding AG and Sjunde AP-Fonden ("Lead Plaintiffs"), on behalf of themselves and the Settlement Class, have reached a proposed settlement of the Action for $130,000,000 in cash.

On November 17, 2021, the Court conducted the Settlement Hearing to consider final approval of the Settlement, the proposed Plan of Allocation, and Lead Counsel's motion for attorneys' fees and expenses. On November 22, 2021, the Court entered a Judgment finally approving the Settlement and orders approving the proposed Plan of Allocation for the proceeds of the Settlement and awarding attorney's fees and litigation expenses to Plaintiffs' Counsel.

The Litigation

This case asserts claims against Allergan and its top executives for violation of Sections 10(b) and 14(a) of the Securities Exchange Act of 1934. Specifically, Lead Plaintiffs allege that Defendants reported robust financial results to the market, attributed those results to entirely legitimate business factors and conditions, and assured investors that both the Company's pricing practices and the generic drug market in which it operated were highly competitive. The Complaint alleges that, in truth, Allergan's financial results were driven in material part by the Company's collusion with competitors to dramatically increase the prices of at least six generic drugs. The Complaint further alleges that the truth about Allergan's price fixing scheme was revealed to investors in two disclosures on August 6, 2015 and November 3, 2016.

On February 2, 2017, the Court appointed Union Asset Management as co-Lead Plaintiff for the action along with Sjunde AP-Fonden. On May 1, 2017, Lead Plaintiffs filed an initial Amended Complaint. Defendants moved to dismiss that complaint. That motion was fully briefed when, on October 31, 2017, a consortium of 46 state Attorneys General filed a complaint charging Allergan as an alleged co-conspirator in an antitrust price-fixing conspiracy. This complaint described several "smoking gun" calls, emails and text between Allergan executives and other co-conspirators. On November 28, 2017, Lead Plaintiffs filed a Second Amended Complaint, which included newly-discovered information, including information revealed in the Attorneys General's complaint.

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Defendants filed a renewed motion to dismiss on January 22, 2018. The motion was fully briefed in April 2018, and was argued on April 11, 2019.

On August 6, 2019, the Court denied Defendants' motion to dismiss, and discovery in the case commenced. Plaintiffs' motion for class certification was filed on March 20, 2020, and was fully briefed on January 14, 2020. Fact discovery closed on March 31, 2021, with expert discovery scheduled to close on October 29, 2021.

On July 9, 2021, a Stipulation and Agreement of Settlement was filed. The Court issued an Order Preliminarily Approving Settlement and Authorizing the Dissemination of Notice of Settlement. On October 13, 2021, Lead Counsel filed a Motion for an Award of Attorneys' Fees and Litigation Expenses. On November 10, 2021, Lead Counsel filed a Reply Memorandum of Law in Further Support of Lead Plaintiffs' Motion for Final Approval of Settlement and Plan of Allocation and Lead Counsel's Motion for an Award of Attorneys' Fees and Litigation Expenses. On November 21, 2021, the Court issued the Judgement Approving the Class Action Settlement and an Order Approving Plan of Allocation of Net Settlement Fund.

Claims administration commenced in the fall of 2021 and was completed in the summer of 2023. On August 28, 2023, Lead Counsel filed its Distribution Motion. On December 27, 2023, the Court approved the Distribution Motion. The Initial Distribution will occur in March 2024.

Case Documents

- Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Hearing; and (III) Motion for an Award of Attorneys' Fees and Litigation Expenses ("Notice")
- December 27, 2023 - Distribution Motion Order
- August 28, 2023 - Motion for Approval of Distribution Plan
- August 28, 2023 - Memorandum in Support of Motion for Approval of Distribution Plan
- August 28, 2023 - Declaration of Adam Walter in Support of Motion for Approval of Distribution Plan
- August 28, 2023 - Proposed Order
- November 21, 2021 - Judgment Approving Class Action Settlement
- November 21, 2021 - Order Approving Plan of Allocation of Net Settlement Fund
- November 21, 2021 - Order Awarding Attorneys' Fees and Litigation Expenses
- November 10, 2021 – Reply Memorandum of Law in Further Support of A) Lead Plaintiffs' Motion for Final Approval of Settlement and Plan of Allocation; and B) Lead Counsel's Motion for an Award of Attorneys' Fees and Litigation Expenses
- November 10, 2021 – Declaration of John C. Browne in Support of the Reply Memorandum of Law in Further Support of A) Lead Plaintiffs' Motion for Final Approval of Settlement and Plan of Allocation; and B) Lead Counsel's Motion for an Award of Attorneys' Fees and Litigation Expenses
- October 13, 2021 – Lead Plaintiffs' Motion for Final Approval of Settlement and Plan of Allocation
- October 13, 2021 – Lead Counsel's Motion for an Award of Attorneys' Fees and Litigation Expenses

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- October 13, 2021 – Joint Declaration of Matthew L. Mustokoff and John C. Browne in Support of (A) Lead Plaintiffs' Motion for Final Approval of Settlement and Plan of Allocation; and (B) Lead Counsel's Motion for an Award of Attorneys' Fees and Litigation Expenses
- July 9, 2021 - Stipulation and Agreement of Settlement
- July 30, 2021 - Order Preliminarily Approving Settlement and Authorizing Dissemination of Notice of Settlement
- November 28, 2017 - Consolidated Second Amended Class Action Complaint

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