

Cambridge Retirement System v. Amneal Pharmaceuticals Inc.

COURT: New Jersey Superior Court, Somerset County
CASE NUMBER: SOM-L-1701-19
CASE TEAM: Robert Kravetz

This Action asserted claims against Amneal Pharmaceuticals, Inc. ("Amneal"), Amneal Pharmaceuticals Holdings, LLC ("Amneal Holdings"), and certain of Amneal's officers and directors under Sections 11 and 12(a)(2) of the Securities Act of 1933 arising from allegedly materially misleading statements and omissions in the registration statements and prospectus for Amneal common stock issued in connection with the business combination of Amneal Pharmaceuticals, LLC ("Legacy Amneal") and Impax Laboratories, Inc ("Impax").

Plaintiff Has Settled the Action for \$25 Million

Plaintiff Cambridge Retirement System, on behalf of itself and the Settlement Class, has settled the Action for \$25,000,000 in cash (the "Settlement").

On August 15, 2022, the Court held a hearing to consider final approval of the Settlement and related matters. On August 16, 2022, the Court entered a final Judgment approving the Settlement and orders approving the Plan of Allocation and awarding attorney's fees and litigation expenses.

The Settlement Class consists of:

all persons and entities who purchased or otherwise acquired publicly traded Class A common stock of Amneal issued in connection with the business combination between Legacy Amneal and Impax pursuant or traceable to, or registered in the Registration Statement, during the period from May 7, 2018 through May 5, 2021, inclusive (the "Settlement Class Period"), and were damaged thereby.

Certain persons and entities are excluded from the Settlement Class by definition (see paragraph 22 of the Notice) or by request.

The Notice can be found in the **Case Documents** list on the right of this page. You may also visit the case website, AmnealSecuritiesLitigation.com, for more information about the Settlement.

The Litigation

On December 18, 2019, Plaintiff filed the initial class action complaint in the Superior Court of New Jersey (Somerset County, Law Division) (the "Court"). On April 9, 2020, BLB&G was appointed interim class counsel by the Court.

On March 11, 2020, Plaintiff filed its Amended Class Action Complaint asserting claims under Section 11 of the Securities Act against all Defendants, under Section 12(a)(2) of the Securities Act against Amneal and Amneal Holdings, and under Section 15 of the Securities Act against the Individual Defendants. In the Amended Complaint, Plaintiff alleged that the registration statement and prospectus issued in connection with the business combination of Legacy Amneal and Impax contained materially untrue statements and omissions of material fact concerning alleged collusive conduct related to the market for generic drugs. Plaintiff alleged that a result of the foregoing,

Defendants' statements in the Registration Statement concerning Amneal's operations, financial results, and exposure to Legacy Amneal's illegal conduct were materially false and misleading.

On March 31, 2020, Defendants filed their motion to dismiss the Amended Complaint. On July 15, 2020, the Court denied Defendants' motion in its entirety.

Discovery in the Action commenced in August 2020. Plaintiff prepared and served Requests for the Production of Documents and Interrogatories on Defendants on August 20, 2020. Additionally, Plaintiff prepared and served document subpoenas on twelve non-parties. Plaintiff exchanged numerous letters and held numerous meet and confers with Defendants concerning discovery issues. Plaintiff also noticed the deposition of a third party and deposed Defendants' expert. Defendants and third parties produced a total of over 1,300,000 pages of documents to Plaintiff, and Plaintiff produced over 22,000 pages of documents to Defendants in response to their discovery requests.

On October 30, 2020, Plaintiff filed its motion for class certification and supporting papers (the "Class Certification Motion"), which was fully briefed. Four depositions were conducted in connection with class certification discovery. On October 6, 2021, Defendants filed a motion to exclude the expert report filed by one of Plaintiff's experts in support of Plaintiff's Class Certification Motion (the "Motion to Exclude").

On March 26, 2021, Plaintiff also filed a motion for leave to file a Second Amended Complaint in response to arguments made by Defendants in their opposition to Plaintiff's Class Certification Motion. Defendants did not oppose this motion, which was then granted by the Court on April 27, 2021. On May 7, 2021, Defendants filed a motion to dismiss the Second Amended Complaint.

The Class Certification Motion, Motion to Exclude, and Defendants' motion to dismiss the Second Amended Complaint were still pending at the time the Settlement was reached.

On April 16, 2021, the Parties engaged in mediation with former United States District Court Judge Layn R. Phillips. While no agreement was reached at the mediation, the Parties continued settlement negotiations and, on December 2, 2021, the Parties accepted a mediator's recommendation from Judge Phillips to settle the Action for \$25 million. On February 7, 2022, the Parties entered a term sheet memorializing the principal terms of the Settlement.

On March 28, 2022, the Parties entered into the Stipulation and Agreement of Settlement, which sets forth the full terms and conditions of the Settlement. On April 29, 2022, the Court preliminarily approved the Settlement and authorized notice of the Settlement to potential Settlement Class Members. On May 3, 2022, the Court entered an amended preliminary approval order that scheduled the Settlement Hearing to consider whether to grant final approval of the Settlement for August 15, 2022.

On August 15, 2022, the Court held the hearing to consider final approval of the Settlement and related matters. On August 16, 2022, the Court entered a final Judgment approving the Settlement and orders approving the Plan of Allocation and awarding attorney's fees and litigation expenses.

The claims administration was completed in April 2024. On April 8, 2024, Plaintiff's Counsel filed a Motion for Approval of Distribution Plan. The Court approved the Distribution Plan on June 7, 2024. The Initial Distribution of settlement funds to eligible claimants occurred in July 2024. Subsequent distributions will occur on a rolling basis, provided that net settlement funds are available.

Case Documents

- Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Hearing; and (III) Motion for Attorneys' Fees and Litigation Expenses ("Notice")
- June 7, 2024 - Order Approving Distribution Plan
- April 8, 2024 - Motion for Approval of Distribution Plan
- August 16, 2022 - Judgment Approving Class Action Settlement
- August 16, 2022 - Order Approving Plan of Allocation of Net Settlement Fund
- August 16, 2022 - Order Awarding Attorneys' Fees and Litigation Expenses
- August 8, 2022 - Reply Memorandum of Law in Support of (I) Plaintiff's Motion for Final Approval of Settlement; and (II) Class Counsel's Motion for Attorneys' Fees and Litigation Expenses
- July 11, 2022 - Notice of Plaintiff's Motion for Final Approval of Settlement and Plan of Allocation
- July 11, 2022 - Memorandum of Law In Support of Plaintiffs Motion For Final Approval of Settlement and Plan of Allocation
- July 11, 2022 - Notice of Class Counsel's Motion for Attorneys' Fees and Litigation Expenses
- July 11, 2022 - Memorandum of Law In Support of Class Counsel's Motion for Attorneys' Fees and Litigation Expenses
- July 11, 2022 - Certification of Lauren A. Ormsbee in Support of (I) Plaintiff's Motion for Final Approval of Settlement and Plan of Allocation; and (II) Class Counsel's Motion for Attorneys' Fees and Litigation Expenses
- May 3, 2022 - Amended Order Preliminarily Approving Settlement and Providing for Notice
- March 28, 2022 - Stipulation and Agreement of Settlement
- May 5, 2021 - Second Amended Class Action Complaint
- July 15, 2020 - Order Denying Defendants' Motion to Dismiss the Complaint
- March 11, 2020 - Amended Class Action Complaint