

Apollo Education Securities Litigation

COURT: United States District Court for the District of Arizona
CASE NUMBER: 2:16-cv-00689-JAT
CLASS PERIOD: 11/13/2013 - 10/21/2015
CASE LEADERS: Jonathan D. Uslaner

Securities fraud class action filed on behalf of all purchasers of Apollo Education Group, Inc. (“Apollo” or the “Company”) securities from November 13, 2013 through October 21, 2015, inclusive (the “Class Period”), alleging claims pursuant to Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 against Apollo and certain of its executive officers.

Lead Plaintiff Has Reached a Settlement for \$7.4 Million

The Court-appointed Lead Plaintiff Government of Guam Retirement Fund has reached a settlement of this action for \$7.4 million in cash that resolves all claims in the action.

On June 26, 2019, following a hearing, the Court approved the Settlement and the Plan of Allocation. The Court entered a Judgment approving the Settlement, an order approving the proposed Plan of Allocation for the proceeds of the Settlement, and an order approving Lead Counsel’s motion for attorneys’ fees and expenses.

The deadline for submission of Claim Forms was January 19, 2019, and claim processing has been completed. The Court has approved the distribution of the net settlement funds to eligible Claimants who qualified for an award under the Plan of Allocation. The Claims Administrator conducted an initial distribution of the settlement funds to eligible claimants in November 2020 and additional distributions in August 2021 and November 2022. The net settlement fund has been fully disbursed. This matter is considered closed.

Background

The case commenced on March 14, 2016. On June 16, 2016, the Court appointed the Government of Guam Retirement Fund as Lead Plaintiff for the Class and BLB&G as Lead Counsel. A consolidated complaint was filed, which the Court dismissed with leave to amend on February 16, 2017. On March 9, 2017, Lead Plaintiff filed the operative Complaint on behalf of purchasers of Apollo’s common stock between November 13, 2013 and October 21, 2015.

The Complaint alleges that Apollo and its top officers made false and misleading statements to investors, and omitted material facts, regarding the status and performance of the Company’s new “online classroom.” In response to Defendants’ statements, the price of Apollo’s shares traded at artificially-inflated levels, reaching a high of almost \$36 per share during the Class Period. When the truth emerged in a series of partial disclosures, the price plunged to less than \$7.50 per share and remained at such levels.

On March 29, 2017, Defendants moved to dismiss the Complaint. Lead Plaintiff opposed the motion. On July 26, 2017, the Court dismissed the Complaint with prejudice. Lead Plaintiff appealed the Court’s ruling dismissing the Complaint to the Ninth Circuit Court of Appeals. At the time the agreement to settle the action was reached, briefing of the appeal had been concluded and the Ninth Circuit was scheduled to hold argument on the appeal on December 21, 2018.

On December 17, 2018, the Parties reached an agreement in principle to settle the Action for \$7,400,000. On February 8, 2019, the Parties entered into the Stipulation and Agreement of Settlement (the “Stipulation”), which sets forth the full terms and conditions of the Settlement. On February 11, 2019, Lead Plaintiff filed its motion for preliminary approval of the Settlement with the Court. On February 21, 2019, the Court entered its Order Preliminarily Approving Settlement and Authorizing Dissemination of Settlement Notice, which scheduled a hearing for June 26, 2019 to consider final approval of the Settlement and related matters.

On June 26, 2019, after the hearing, the Court approved the Settlement and the Plan of Allocation and approved Lead Counsel’s motion for attorneys’ fees and expenses.

Case Documents

- Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Fairness Hearing; and (III) Motion for an Award of Attorneys’ Fees and Reimbursement of Litigation Expenses (“Notice”)
- September 4, 2020 - Order Approving the Distribution Plan
- August 19, 2020 - Unopposed Motion and Memorandum of Law for Approval of Distribution Plan
- August 19, 2020 - Declaration of Adam Walter
- August 19, 2020 - Exhibit A
- August 19, 2020 - Exhibit B
- August 19, 2020 - Exhibit C
- August 19, 2020 - Exhibit D
- August 19, 2020 - Exhibit E
- August 19, 2020 - Exhibit F
- August 19, 2020 - Exhibit G
- June 26, 2019 – Judgment Approving Class Action Settlement
- June 26, 2019 – Order Approving Plan of Allocation of Net Settlement Fund
- June 26, 2019 – Order Awarding Attorneys’ Fees and Litigation Expenses
- June 19, 2019 – Reply Memorandum of Law In Further Support of (I) Lead Plaintiff’s Motion for Final Approval of Class Action Settlement and Plan of Allocation, and (II) Lead Counsel’s Motion for an Award of Attorneys’ Fees and Litigation Expenses
- June 19, 2019 – Supplemental Declaration of Eric Miller Regarding (A) Mailing of Notice and Claim Form and (B) Report on Requests for Exclusion Received
- May 22, 2019 – Lead Plaintiff’s Motion for Final Approval of Class Action Settlement and Plan of Allocation; and Memorandum of Points and Authorities in Support Thereof
- May 22, 2019 – Lead Counsel’s Motion for an Award of Attorneys’ Fees and Litigation Expenses; and Memorandum of Points and Authorities in Support Thereof

- May 22, 2019 – Declaration of Jonathan D. Uslaner In Support of (I) Lead Plaintiff’s Motion for Final Approval of Class Action Settlement and Plan of Allocation, and (II) Lead Counsel’s Motion for an Award of Attorneys’ Fees and Litigation Expenses
- February 21, 2019 - Order Preliminarily Approving Settlement and Authorizing Dissemination of Settlement Notice
- February 8, 2019 - Stipulation and Agreement of Settlement
- March 9, 2017 - Amended Class Action Complaint for Violations of the Federal Securities Laws