

Homyk v. ChemoCentryx, Inc. et al.

COURT: United States District Court for the Northern District of California
CASE NUMBER: 4:21-cv-03343-JST
CLASS PERIOD: 11/26/2019 - 05/06/2021
CASE LEADERS: Salvatore J. Graziano, Jonathan D. Uslaner
CASE TEAM: Lauren M. Cruz, Chloe Jasper

This is a securities fraud class action on behalf of persons who purchased or otherwise acquired the common stock of ChemoCentryx, Inc. (“ChemoCentryx” or the “Company”) between November 26, 2019 and May 6, 2021, inclusive (the “Class Period”), and were damaged thereby. This case arises from false and misleading statements and omissions made by ChemoCentryx and its CEO, Defendant Thomas J. Schall, about the safety, efficacy, and application for FDA approval of the Company’s single most important product: a proprietary vasculitis drug called avacopan. Current “standard of care” treatment for vasculitis, a rare immune disease, includes substantial steroid dosing, which, while effective, is associated with meaningful safety risks. Defendants hailed avacopan as a far safer replacement for steroid-based therapy – a drug that would “change the treatment paradigm” for vasculitis by “mak[ing] steroids and their noxious side effects irrelevant.” As Defendants told investors, avacopan was poised to become the new, safer standard of vasculitis care, giving the drug “multi-billion dollar market potential.”

Throughout the Class Period, Defendants touted the results of ChemoCentryx’s ADVOCATE study, the Company’s key clinical trial of avacopan and the basis for its approval application to the FDA. Defendants told investors that the ADVOCATE results confirmed avacopan’s core value proposition and demonstrated that the drug was far safer, but no less effective, than steroid-based therapy. Further, Defendants told investors that “all” of the Company’s interactions with the FDA in connection with its New Drug Application (“NDA”) for avacopan, which was built on the ADVOCATE data, had been “straightforward and routine” and that the agency had raised no serious or unexpected issues that might jeopardize approval with the broad label ChemoCentryx sought.

On May 4 and 6, 2021, investors finally learned the truth when, in connection with a meeting of outside experts convened by the FDA to review the avacopan NDA the FDA not only disclosed numerous “uncertainties about the interpretability of [the ADVOCATE] data and the clinical meaningfulness of these results,” but revealed, to investors’ astonishment, that “during the avacopan clinical development, including the phase 3 design stages, the Agency communicated many of the [same] concerns” directly to ChemoCentryx. In response to this news, ChemoCentryx stock plummeted by more than 80%, wiping out billions in shareholder value.

On January 28, 2022, the Honorable Jon S. Tigar appointed Indiana Public Retirement System as Lead Plaintiff and BLB&G as Lead Counsel for the potential Class. On March 28, 2022, Lead Plaintiff filed the Amended Consolidated Class Action Complaint, which can be found in the **Case Documents** section immediately to the right of this description. Defendants moved to dismiss the Complaint on May 19, 2022. Lead Plaintiff opposed the motion on July 1, 2022, and Defendants filed their reply on August 12, 2022. On February 23, 2023, the Court issued an order denying the motion to dismiss, which also can be found in the **Case Documents** section of this page. The case is proceeding in discovery.

Defendants filed their answer to the complaint on April 27, 2023. After full briefing and a hearing, on March 6, 2024, Judge Tigar issued his decision, which can be found in the **Case Documents** section of this page, granting in full Lead Plaintiff’s motion to certify the class. On March 22, 2024, Defendants filed a petition for permission to

appeal Judge Tigar's class certification decision to the Ninth Circuit, which the Ninth Circuit denied on May 24, 2024.

Please review the Notice of Pendency of Class Action, which can be found in the **Case Documents** section of this page, to learn about your rights in the class action. The deadline for submitting a request for exclusion from the Class was January 14, 2025.

Case Documents

- February 5, 2025 - Declaration of Robert Cormio Regarding (A) Dissemination of Class Notice; (B) Publication of the Summary Class Notice; and (C) Report on Requests for Exclusion Received
- November 15, 2024 - Notice of Pendency of Class Action
- October 17, 2024 - Order Approving Form and Manner of Class Notice
- March 6, 2024 - Order Granting Motion to Certify Class
- February 23, 2023 - Order Granting in Part and Denying in Part Motion to Dismiss
- March 28, 2022 - Amended Consolidated Class Action Complaint