

# *In re Cognizant Technology Solutions Corporation Securities Litigation*

**COURT:** United States District Court for the District of New Jersey  
**CASE NUMBER:** 2:16-cv-06509-ES-CLW  
**CLASS PERIOD:** 02/27/2015 - 09/29/2016  
**CASE LEADERS:** John Rizio-Hamilton, Abe Alexander, Jesse L. Jensen  
**CASE TEAM:** Robert Kravetz, Christina Suarez Papp

This is a securities fraud class action case brought by a group of institutional investors on behalf of purchasers of Cognizant Technology Solutions Corporation (“Cognizant” or the “Company”) common stock between February 27, 2015 and September 29, 2016. The case alleges that Cognizant and certain of its executives (collectively, “Defendants”) violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 by making false statements concealing the fact that the company had made illegal payments to Indian governmental officials to secure favorable permits required to build and operate so-called “SEZ facilities” in India, special facilities entitled to lucrative tax breaks and labor benefits. Cognizant has already acknowledged that it improperly paid at least \$6 million to Indian officials to obtain valuable permits, and has admitted that members of the Company’s “senior management” participated in making, or ignored, the corrupt payments. On September 30, 2016, when Cognizant publicly disclosed that it was investigating whether “payments relating to facilities in India were made improperly and in possible violation of the U.S. Foreign Corrupt Practices Act and other applicable laws,” the Company’s stock fell significantly. Notably, the same day Cognizant disclosed its investigation, it also announced the surprise resignation of the Company’s President.

## **Lead Plaintiffs Have Settled the Action for \$95 Million**

The Court-appointed Lead Plaintiffs, Union Asset Management Holding AG, Amalgamated Bank, as Trustee for the LongView Collective Investment Funds, and the Fire and Police Pension Association of Colorado (“Lead Plaintiffs”), on behalf of themselves and the Settlement Class, have settled the Action for \$95,000,000 in cash (the “Settlement”).

On December 20, 2021, the Court held a hearing to consider final approval of the Settlement and related matters. Following the hearing, the Court entered a final Judgment approving the Settlement, an Order approving the Plan of Allocation for the proceeds of the Settlement, and an Order awarding attorney’s fees and litigation expenses.

If you are a member of the Settlement Class, your rights will be affected and you may be eligible for a payment from the Settlement. The Settlement Class consists of:

all persons and entities who purchased or otherwise acquired the common stock of Cognizant during the period from February 27, 2015 through September 29, 2016, inclusive

Certain persons and entities are excluded from the Settlement Class by definition (see paragraph 29 of the Notice) or by request.

Please read the Notice to fully understand your rights and options. Copies of the Notice and Claim Form can be found in the Case Documents list on the right of this page. You may also visit the case website, [www.CognizantSecuritiesLitigation.com](http://www.CognizantSecuritiesLitigation.com), for more information about the Settlement.

To be eligible to receive a payment under the Settlement, you must submit a Claim Form postmarked (if mailed) or submitted on-line by no later than **January 28, 2022**.

Payments to eligible claimants will be made only after the completion of all claims processing. Please be patient, as this process will take some time to complete.

### IMPORTANT DATES AND DEADLINES

January 28, 2022                      **Claim Filing Deadline.** Claim Forms must be *postmarked (if mailed) or submitted on-line no later than January 28, 2022*.

### The Litigation

On February 13, 2017, Judge William H. Walls, U.S. District Court for the District of New Jersey, appointed Union Asset Management Holding AG, Amalgamated Bank, and Fire and Police Pension Association of Colorado as Lead Plaintiffs. Bernstein Litowitz Berger & Grossmann LLP is Lead Counsel for the Class.

Lead Plaintiffs filed an Amended Complaint on April 7, 2017. Defendants' motions to dismiss the Amended Complaint were fully briefed on September 5, 2017. Defendants' motion to strike certain confidential witness allegations in the Complaint was fully briefed on October 10, 2017.

On August 8, 2018, the Court substantially denied Defendants' motions to dismiss, sustaining Section 10(b) claims against Cognizant and Section 20(a) claims against Defendant Gordon Coburn, Cognizant's former President.

In the fall of 2019, Defendant Cognizant sought to appeal the motion to dismiss order under 28 U.S.C. 1292(b). Cognizant's request for an appeal was pending before the Third Circuit when, on February 15, 2019, the U.S. Department of Justice indicted Defendant Coburn and the Company's former General Counsel, Steven Schwartz, on anti-corruption charges arising from the bribery scheme alleged in the Complaint. The Third Circuit granted Lead Plaintiffs' request to deny Cognizant's request for an appeal on the grounds that we would seek leave to amend the complaint to add new allegations relating to the indictment that would obviate the need for the Third Circuit to hear the case. We filed our amended complaint on April 12, 2019. Defendants moved to dismiss the amended complaint on June 10, 2019; Lead Plaintiffs filed their opposition on July 26, 2019.

On February 7, 2020, Lead Plaintiffs and Cognizant participated in an in-person mediation with the Honorable Layn R. Phillips (Ret.). The mediation did not result in an agreement to resolve the Action.

After an extended video-conference hearing on June 5, 2020, Judge Salas, to whom the case has been reassigned, denied Defendants' motions to dismiss and sustained the Section 10(b) claims against the Company and its General Counsel and the Section 20(a) claims against the Company's General Counsel and President.

Following the Court's order sustaining the Complaint, discovery in the Action commenced. Lead Plaintiffs served two sets of document requests on Cognizant, as well as further document requests on Defendants Coburn and Schwartz. On June 16, 2020, the United States Attorney for the District of New Jersey notified the Court that it would seek to intervene in the Action in order to stay discovery in the Action during the pendency of the Criminal

Action against Defendants Coburn and Schwartz. Following discussions, the Parties stipulated to a partial stay of discovery in the Action, pursuant to which Cognizant would produce to Lead Plaintiffs all documents previously produced to the government in connection with the Criminal Action. Pursuant to that stipulation, on September 3, 2020, Cognizant produced to Lead Plaintiffs 124,047 documents, comprised of 660,154 pages, which it had previously produced to the government.

On August 10, 2021, following extensive settlement negotiations that were assisted by Judge Phillips, Lead Plaintiffs and Cognizant reached an agreement in principle to settle the Action in return for \$95,000,000 for the benefit of the Settlement Class. On September 2, 2021, the Parties entered into a Stipulation and Agreement of Settlement, which sets forth the full terms and conditions of the Settlement, and, on September 9, 2021, the Court preliminarily approved the Settlement, authorized notice of the Settlement to be sent to potential Settlement Class Members, and scheduled a final Settlement Hearing for December 20, 2021.

Following the final approval hearing on December 20, 2021, the Court entered a final Judgment approving the Settlement, an Order approving the Plan of Allocation for the proceeds of the Settlement, and an Order awarding attorney's fees and litigation expenses.

## 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")
- Proof of Claim and Release Form ("Claim Form")
- December 20, 2021 - Judgment Approving Class Action Settlement
- December 20, 2021 - Order Approving Plan of Allocation of Net Settlement Fund
- December 20, 2021 - Order Awarding Attorneys' Fees and Litigation Expenses
- December 6, 2021 - Reply Memo in Further Support of (I) Motion for Final Approval of Settlement and (II) Motion for Attorneys' Fees & Expenses
- November 8, 2021 - Notice of Lead Plaintiffs' Motion for Final Approval of Settlement and Plan of Allocation
- November 8, 2021 - Memorandum of Law in Support of Lead Plaintiffs' Motion for Final Approval of Settlement and Plan of Allocation
- November 8, 2021 - Notice of Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses
- November 8, 2021- Memorandum of Law in Support of Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses
- November 8, 2021 - Declaration of John Rizio-Hamilton in Support of (I) Lead Plaintiffs' Motion for Final Approval of Settlement and Plan of Allocation; and (II) Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses
- September 9, 2021 - Order Preliminarily Approving Settlement and Providing for Notice
- September 2, 2021 - Stipulation of Settlement

- June 5, 2020 - Opinion on Defendants' Motions to Dismiss
- April 26, 2019 - Second Amended Class Action Complaint for Violations of the Federal Securities Laws
- August 8, 2018 - Opinion on Original Defendants' Motions to Dismiss
- April 7, 2017 - Amended Class Action Complaint