

# Key West Police & Fire Pension Fund v. Dentsply Sirona Inc.

**COURT:** United States District Court for the Southern District of New York  
**CASE NUMBER:** 24-cv-9819  
**CLASS PERIOD:** 05/06/2021 - 11/06/2024  
**CASE LEADERS:** Hannah Ross, Avi Josefson, Scott R. Foglietta

On December 19, 2024, Bernstein Litowitz Berger & Grossmann LLP (“BLB&G”) filed a class action lawsuit in the U.S. District Court for the Southern District of New York alleging violations of the federal securities laws by Dentsply Sirona Inc. (“Dentsply” or the “Company”) and certain of the Company’s current and former executives (collectively, “Defendants”). The action is brought on behalf of all purchasers of Dentsply common stock between May 6, 2021, and November 6, 2024, inclusive (the “Class Period”). This case is related to two previously filed securities class actions pending against Dentsply captioned *North Collier Fire Control and Rescue District Firefighters Retirement Plan v. Dentsply Sirona Inc.*, No. 24-cv-9083 (S.D.N.Y.) (“*North Collier*”), which asserts a class period of December 1, 2022 through November 6, 2024; and *Calvin v. Dentsply Sirona Inc.*, No. 24-cv-9764 (S.D.N.Y.), which asserts a class period of February 28, 2022 through November 6, 2024.

BLB&G filed this action on behalf of its client, Key West Police & Fire Pension Fund, and the case is captioned *Key West Police & Fire Pension Fund v. Dentsply Sirona Inc.*, No. 24-cv-9819 (S.D.N.Y.). The complaint is based on an extensive investigation and a careful evaluation of the merits of this case. To view the complaint, see the **Case Documents** section of this page.

## Dentsply’s Alleged Fraud

Dentsply is a manufacturer of dental products and technology. The Company produces a wide array of dental supplies, ranging from anesthetics, plaque and gum disease prevention, tooth polishers, and artificial teeth. On December 31, 2020, prior to the start of the Class Period, Dentsply acquired Byte LLC (“Byte”), a direct-to-consumer clear aligner company, for \$1.04 billion.

The complaint alleges that, throughout the Class Period, Defendants made numerous materially false and misleading statements and omissions concerning Byte’s aligner device, including the quality of the product and its reception by customers. Specifically, Defendants repeatedly represented to investors that Byte customers were overseen by an “expansive nationwide network of independent licensed dentists and orthodontists” to ensure compliance with the rules and regulations pertaining to dentistry, that Byte’s customer satisfaction scores were “high” and “improving,” and that a “focused funnel” of targeted potential customers led to high rates of conversion to paying customers. As a result of these misrepresentations, Dentsply common stock traded at artificially inflated prices throughout the Class Period.

In reality, Byte aligners had been causing serious injuries to patients since at least May 2021. Furthermore, Byte did not have a system in place to report these injuries to the Food and Drug Administration, despite being required to do so within 30 days of learning of them. Finally, rather than a “focused funnel” of high-quality potential customers, sales employees and overseeing dentists were incentivized to enroll “contraindicated” patients who were medically ineligible for Byte treatment, improperly driving up conversion rates.

The truth began to emerge on October 24, 2024, when Dentsply announced that it was suspending the sale and marketing of Byte Aligner Systems and Impression Kits “while the Company conducts a review of certain regulatory requirements related to these products.” The Company further announced that it expected to record a goodwill impairment of \$450 to \$550 million. In response to these disclosures, Dentsply common stock declined by \$1.10 per share, or 4.5%.

Then, on November 7, 2024, Dentsply adjusted its earnings per share (“EPS”) outlook downwards by approximately 8%, due in part to the suspension of Byte. The Company told investors that it was not in a position to make a decision concerning Byte but was considering discontinuing some or all of the Byte business. Dentsply also confirmed an impairment to goodwill of \$495 million in relation to Byte. Additionally, the Company admitted that Byte was one of a few “significant hurdles” to achieving the Company’s long-term EPS targets. These disclosures caused Dentsply common stock to decline by \$6.72 per share, or more than 28%.

The filing of this action does not alter the previously established deadline to seek appointment as Lead Plaintiff. Pursuant to the November 26, 2024 notice published in connection with the North Collier action, under the Private Securities Litigation Reform Act of 1995, investors who purchased Dentsply common stock during the Class Period may, no later than January 27, 2025, seek to be appointed as Lead Plaintiff for the Class. Any member of the proposed Class may seek to serve as Lead Plaintiff through counsel of their choice, or may choose to do nothing and remain a member of the proposed Class.

If you wish to discuss this action or have any questions concerning this notice or your rights or interests, please contact Scott R. Foglietta of BLB&G at 212-554-1903, or via e-mail at [scott.foglietta@blbglaw.com](mailto:scott.foglietta@blbglaw.com).

## Case Documents

- December 19, 2024 - Initial Complaint
- December 19, 2024 - PSLRA Notice