

In re Green Mountain Coffee Roasters, Inc. Securities Litigation

COURT: United States District Court for the District of Vermont
CASE NUMBER: 2:11-cv-289
CLASS PERIOD: 02/02/2011 - 11/09/2011
CASE LEADERS: Rebecca E. Boon

Securities fraud class action filed on behalf of a class of persons and entities who purchased or acquired common stock issued by Green Mountain Coffee Roasters, Inc. ("GMCR" or "Company") between February 2, 2011 and November 9, 2011 (the "Class Period"). Defendants include the Company, its Chief Executive Officer, Lawrence Blanford, and its Chief Financial Officer, Frances Rathke (collectively, "Defendants"). GMCR is a Vermont-based leader in the specialty coffee and coffee maker businesses.

On April 27, 2012, Louisiana Municipal Public Employees' Retirement System, Sjunde AP-Fonden, Board of Trustees of the City of Fort Lauderdale General Employees' Retirement System, Employees Retirement System of the Government of the Virgin Islands, and the Public Employees' Retirement System of Mississippi were appointed as co-Lead Plaintiffs and BLB&G was appointed as co-Lead Counsel.

Plaintiffs alleged that during the Class Period, Defendants misrepresented Green Mountain as a company that was straining capacity and struggling to build enough inventory to satisfy demand. Defendants, however, knew or should have known that the Company was, in fact, experiencing serious problems with inventory controls and concerns about ballooning inventory levels. The truth was finally revealed on November 9, 2011, when Green Mountain revealed that inventories had increased 156% year-over-year and that the Company had missed sales expectations for the first time in 15 quarters. In response to this news, Green Mountain's stock price plunged nearly 39%, from \$67.02 to \$40.89.

This action sought to recover the damages caused by the Defendants' misconduct.

Settlement

On June 18, 2018, the parties entered into the Stipulation and Agreement of Settlement setting forth the terms and conditions of the settlement of this action for \$36.5 million in cash (the "Settlement").

Following an October 22, 2018 final approval hearing, the Court granted (i) Lead Plaintiffs' motion for final approval of the Settlement and Plan of Allocation; and (ii) Lead Counsel's motion for an award of attorneys' fees and reimbursement of litigation expenses. The claims administration was completed in October 2019. On January 14, 2020, the Motion for Approval of Distribution Plan was filed. On May 12, 2020, the Court entered the Order Approving the Distribution Plan. The first distribution of the net settlement fund occurred on July 13, 2020. The second distribution occurred in September 2021. The third distribution occurred in November 2022.

More information about the Settlement can be found at: www.GreenMountainSecuritiesLitigation.com.

Case Documents

- Notice of (I) Pendency of Class Action and Class Certification; (II) Proposed Settlement; and (III) Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses; and (IV) Settlement Fairness Hearing
- May 12, 2020 - Order Approving the Distribution Plan
- January 14, 2020 - Class Representatives' Unopposed Motion for Approval of Distribution Plan
- October 22, 2018 - Judgment Approving Class Action Settlement
- October 22, 2018 - Order Approving Plan of Allocation of Net Settlement Fund
- October 22, 2018 - Order Awarding Attorneys' Fees and Expenses
- September 17, 2018 - Notice of Class Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses
- September 17, 2018 - Notice of Class Representatives' Motion for Final Approval of Class Action Settlement and Plan of Allocation
- September 17, 2018 - Joint Declaration of Matthew L. Mustokoff, John C. Browne, and Mark R. Rosen in Support of: (I) Class Representatives' Motion for Final Approval of Class Action Settlement and Plan of Allocation; and (II) Class Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses
- July 7, 2018 - Order Preliminarily Approving Settlement and Providing for Notice
- June 19, 2018 - Stipulation and Agreement of Settlement