Roofers Local No. 149 Pension Fund v. GSK plc

COURT: United States District Court for the Eastern District of Pennsylvania
CASE NUMBER: 25-cv-618
CLASS PERIOD: 02/05/2020 - 08/14/2022
CASE LEADERS: Hannah Ross, Scott R. Foglietta, Avi Josefson
CASE TEAM: Brittney Balser, Haley Tobin

On February 4, 2025, Bernstein Litowitz Berger & Grossmann LLP ("BLB&G") filed a class action lawsuit in the U.S. District Court for the Eastern District of Pennsylvania alleging violations of the federal securities laws by GSK plc ("GSK" or the "Company") and certain of the Company's current and former executives (collectively, "Defendants"). The action is brought on behalf of all persons or entities that purchased GSK American Depositary Receipts ("ADRs") between February 5, 2020, and August 14, 2022, inclusive (the "Class Period").

BLB&G filed this action on behalf of its client, Roofers Local No. 149 Pension Fund, and the case is captioned *Roofers Local No. 149 Pension Fund v. GSK plc*, No. 25-cv-618 (E.D. Pa.). 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.

GSK's Alleged Fraud

GSK is a global pharmaceutical company that develops, manufactures, and markets vaccines and medicines worldwide. In the 1980s, a predecessor company to GSK launched a treatment for heartburn and acid reflux: ranitidine, under the brand name Zantac. Over the next four decades, Zantac was used by millions of patients and generated billions of dollars for GSK. In 2019, independent laboratory Valisure found NDMA, a cancer-causing poison, in "every batch of every [Zantac] medication" that it tested. Valisure reported these results to the U.S. Food and Drug Administration ("FDA") and to the public. In September and October 2019, GSK suspended its distribution of Zantac and initiated a voluntary recall. In April 2020, the FDA requested that manufacturers cease selling Zantac and any generic alternatives. Tens of thousands of cancer-stricken patients filed personal injury and product liability lawsuits against GSK in the years that followed. Many of these were unified into a multidistrict litigation proceeding.

The complaint alleges that, throughout the Class Period, Defendants represented to investors that GSK removed Zantac from the market "[b]ased on information available at the time and correspondence with regulators," and that GSK was "continuing with investigations into the potential source of NDMA." Defendants also assured investors that "GSK, the FDA, and the EMA [European Medicines Agency] have all independently concluded that there is no evidence of a causal association between ranitidine therapy and the development of cancer in patients," findings that were "consistent with other ranitidine data published prior to 2019." Finally, Defendants claimed that they could not "quantify or reliably estimate the liability" GSK could face from Zantac-related legal proceedings.

These representations were materially false or misleading and caused GSK ADRs to trade at artificially inflated prices during the Class Period. In truth, GSK was fully aware of the source of NDMA and had been for nearly 40 years before withdrawing Zantac from the market. Furthermore, Defendants' representations about their ability to "quantify or reliably estimate the liability" deceived investors, who did not know that GSK had for decades concealed an internal study that implicated the Company's liability to Zantac users.

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The truth began to emerge on August 10, 2022, when a Deutsche Bank report alerted the market that it seemed "very possible" that GSK and other Zantac distributors "will incur the risk of some degree of shared liability, with the only real questions being what the magnitude of liability may be." While GSK had repeatedly told investors that scientific research did not support a correlation between Zantac and cancer, the Deutsche Bank report forecasted that total liability could be between $5 billion and $10 billion. Then, on August 15, 2022, GSK admitted that it could, in fact, provide guidance and that its liability exposure was between $1 billion and $10 billion. As a result of these disclosures, the price of GSK ADRs declined precipitously.

If you wish to serve as Lead Plaintiff for the Class, you must file a motion with the Court no later than April 7, 2025, which is the first business day on which the U.S. District Court for the Eastern District of Pennsylvania is open that is 60 days after the publication date of February 4, 2025. 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.

Case Documents

- February 4, 2025 - PSLRA Notice
- February 4, 2025 - Initial Complaint

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