

In re Johnson & Johnson Derivative Litigation

COURT: United States District Court for the District of New Jersey

CASE NUMBER: 10-2033 (FLW)

CASE LEADERS: Jeroen van Kwawegen

This is a shareholder derivative action brought by Lead Plaintiff Minneapolis Firefighters' Relief Association and other shareholders of Johnson & Johnson ("J&J" or the "Company"), against J&J's senior management and board of directors (the "Board").

Plaintiffs allege that J&J's senior management and the Board breached their fiduciary duties by permitting and fostering a culture of systemic and widespread legal violations in J&J's manufacturing and marketing of numerous drugs and medical devices. On August 17, 2010, the Court consolidated the pending J&J federal derivative actions and appointed BLBG as Co-Lead Counsel.

On December 17, 2010, BLBG filed an amended, consolidated and verified complaint (the "Amended Complaint") alleging, among other things, that J&J's senior management and Board deliberately ignored an avalanche of red flags about persistent legal and compliance violations concerning the Company's drug and medical device manufacturing processes and its drug marketing practices. The Amended Complaint alleged that the recent, historic recalls of high profile brands like Tylenol, Motrin, Roloids and Benadryl are but the tip of the iceberg, and that J&J's unlawful drug manufacturing practices date back to at least 2005, when the FDA required the Company to recall numerous drugs. Similarly, the Amended Complaint alleged that J&J's unlawful promotion of key drugs started years ago and put the Company at risk of significant fines and potential exclusion from federal health care programs like Medicare and Medicaid.

The Amended Complaint sought to hold Defendants accountable for the resulting damage to the Company and to ensure that J&J implements meaningful change to avoid similar legal and compliance violations in the future. To view the Amended Complaint, please refer to the **Case Documents** section at right.

The Parties entered into a Stipulation and Agreement of Settlement on July 12, 2012, in which the Parties agreed to settle the Action in exchange for certain corporate governance reforms. The Court finally approved the settlement of the derivative action on October 26, 2012. The matter is now closed.

Case Documents

- Notice of Proposed Settlement of Derivative Actions, Final Settlement Hearing, and Right to Appear
- October 26, 2012 - Final Order & Judgment
- August 31, 2012 - Plaintiffs' Brief in Support of Final Approval
- August 31, 2012 - Declaration of Harvey Pitt in Support of Settlement
- August 31, 2012 - Report of Mitchell Glass in Support of Settlement

- July 16, 2012 - Order Preliminarily Approving Proposed Settlement, Directing the Issuance of Notice, and Setting a Final Settlement Hearing
- July 12, 2012 - Stipulation and Agreement of Settlement
- July 12, 2012 - Exhibit A to Stipulation and Agreement of Settlement: Governance Reforms
- July 12, 2012 - Exhibit B to Stipulation and Agreement of Settlement: Governance Enhancements and Changes
- December 17, 2010 - Consolidated Amended Complaint
- August 17, 2010 - Order Consolidating Cases and Approving Proposed Organization Structure
- June 24, 2010 - Verified Shareholder Derivative Complaint