

In re Myriad Genetics, Inc. Securities Litigation

COURT: United States District Court for the District of Utah
CASE NUMBER: 2:19-cv-00707-PMW
CLASS PERIOD: 08/09/2017 - 02/06/2020
CASE LEADERS: Hannah Ross, Adam H. Wierzbowski, Abe Alexander
CASE TEAM: Kate Aufses

This is a securities class action filed on behalf of all persons who purchased Myriad Genetics, Inc. (“Myriad” or “the Company”) common stocks from August 9, 2017 until February 6, 2020, inclusive (the “Class Period”), and were damaged thereby (the “Class”). The action is brought against Myriad and certain of the Company’s executives, and asserts claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934.

Myriad is a molecular diagnostics company that develops and markets predictive, personalized, and prognostic medical tests. Myriad offers, among other products, GeneSight, their marquee DNA genotyping test to aid psychotropic drug selection for depressed patients. GeneSight tests a patient for certain genes determined to react negatively to particular psychiatric and anesthetic treatments for depression, Attention Deficit Hyperactive Disorder (“ADHD”), and pain and then recommends particular treatments based on that patient’s genotype. During the Class Period, Defendants continually mischaracterized the evidentiary support for GeneSight in order to maximize sales of the test. The evidentiary support for the efficacy of pharmacogenomic tests is still largely unproven, yet Defendants repeatedly made untrue statements about the test’s accuracy based on methodologically flawed studies. Further, Myriad omitted key facts about the FDA’s investigation into the GeneSight test. During the Class Period, Defendants also materially overstated the Company’s revenue attributable to its hereditary cancer tests, as market pressures and an unfavorable billing code change resulted in lower reimbursements rates for Myriad’s largest product by revenue.

On August 13, 2019, Myriad filed an 8-K with the SEC reporting its disappointing fiscal fourth quarter and full year 2019 financial results. In an earning call with investors and analysts that same day, Myriad additionally revealed for the first time that “the FDA [had] requested changes to the GeneSight test offering” and that Myriad had “been in ongoing discussions with the FDA regarding its request.” On this news, Myriad’s stock price drastically fell \$19.05 per share, or 42.76% of the stock’s total value, to \$25.50 per share by close of trading on August 14, 2019, damaging Myriad investors. On November 4, 2019, the Company revealed for the first time it overstated revenue attributable to its hereditary cancer tests by \$18 million. In response to revelation of these facts, Myriad’s stock again declined sharply, falling more than 40%, from a close of \$35.10 on November 4, 2019 to a close of \$20.93 on November 5, 2019. Finally, on the last day of the Class Period, Myriad shocked investors by announcing that the CEO – who had been with Myriad for 17 years – was suddenly leaving the Company. In response to this news, Myriad’s stock fell by 28%, from \$29.29 at the close of market on February 6, 2020 to close at \$21.02 on February 7, on high trading volume.

In December 2019, the Court appointed the Los Angeles Fire and Police Pensions as Lead Plaintiff, and BLB&G as Lead Counsel for the Class. Lead Plaintiff filed its Amended Complaint on February 21, 2020. Briefing on Defendants’ motion to dismiss was completed in August 2020, and on March 16, 2021, the Court issued a decision denying Defendants’ motion to dismiss in full. The case then proceeded into discovery. On June 7, 2021, Lead Plaintiff filed a

motion for class certification, and briefing on that motion was completed on October 5, 2021. On December 13, 2021, the Court issued a decision granting Lead Plaintiff's motion to certify the class.

The Court certified a Class consisting of:

all persons who purchased or acquired Myriad common stock from August 9, 2017 until February 6, 2020, inclusive (the "Class Period"), and were damaged thereby.

Excluded from the Class by definition are: (a) Defendants; (b) any current or former officers or directors of Myriad; (c) the immediate family members of any Defendant or any current or former officer or director of Myriad; and (d) any entity that any Defendant owns or controls or owned or controlled during the Class Period.

Please review the [Notice of Pendency of Class Action](#) to learn about your rights in the class action. If you wish to request exclusion from the Class, you must submit a request for exclusion in accordance with the instructions in the Notice by **May 16, 2022**.

The certification of the Class means that the ultimate outcome of the Action—whether favorable or unfavorable to the Class or Defendants—will apply in like manner to each Class Member who does not timely elect to be excluded from the Class. There is no judgment, settlement, or monetary recovery at this time, and you are not being asked to submit a claim.

Case Documents

- Notice of Pendency of Class Action
- February 14, 2022 - Order Approving the Form and Manner of Class Notice
- December 13, 2021 - Memorandum Decision and Order Granting Lead Plaintiff's Motion for Class Certification
- March 16, 2021 - Memorandum Decision and Order Denying Defendants' Motion to Dismiss and Granting in Part and Denying in Part Motion to Strike
- February 21, 2020 - Amended Complaint