

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
CASE TEAM: John J. Esmay

Lead Plaintiff Has Reached a Settlement of the Action for \$77,500,000

Lead Plaintiff Los Angeles Fire and Police Pensions, on behalf of itself and the Court-certified Class (defined below), has reached a settlement of this Action for \$77,500,000 (the "Settlement"). On December 8, 2023, the Court held a hearing to consider final approval of the Settlement and related matters. Following the hearing, the Court entered a judgment finally approving the Settlement, an order approving the Plan of Allocation for the proceeds of the Settlement, and an order awarding attorney's fees and litigation expenses.

If you are a member of the Class, you are subject to the Settlement. The Class certified by the Court's Order dated December 13, 2021 consists 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. Also excluded from the Class are all persons and entities who excluded themselves by submitting a request for exclusion from the Class pursuant to the Class Notice. A list of all persons and entities who submitted a request for exclusion from the Class pursuant to the Class Notice can be found on the "Court Documents" section of this page.

Please read the Settlement Notice to fully understand your rights and options. A copy of the Settlement Notice can be found under the **Case Documents** section of this page.

More information about the Settlement is available at www.myriadgeneticssecuritieslitigation.com.

The Litigation

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 reimbursement 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 certified the Class defined above, 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. On September 23, 2022, Defendants filed a motion to preserve confidentiality designations for certain deposition transcripts discussing Defendants' GeneSight program. Lead Plaintiffs filed an opposition to this motion on October 7, 2022. The motion remains pending before the Court.

On October 10, 2022, Lead Plaintiffs also filed a motion to strike a number of witnesses belatedly added to Defendants' Initial Disclosures, and on November 2, 2022, Defendants filed an opposition to this motion. Lead Plaintiffs' Reply brief in support of the motion to strike is due November 9, 2022. On November 18, 2022, after oral argument, the Magistrate Judge granted Defendants' motion to preserve confidentiality designations and denied Lead Plaintiffs' motion to strike. In May 2023, the parties thereafter engaged in a mediation which was unsuccessful in reaching an agreement to settle the case.

On June 5, 2023, Lead Plaintiff filed a motion to compel to compel testimony from Myriad pursuant to Rule 30(b)(6) given the designee's prior failure to fully answer questions posed at an earlier deposition. Defendants filed an opposition to the motion on June 12, 2023. On June 20, 2023, the Court directed Lead Plaintiff provide Defendants with a listing of the questions not answered by the original designee and directed the parties to meet and confer in good faith to resolve the disputed issues raised.

The claims administration process has been completed. On September 17, 2024, a Motion for Approval of Distribution Plan was filed seeking the Court's approval to distribute the net settlement fund. The Court issued the

Order Approving the Distribution Plan on October 18, 2024. The initial distribution occurred in December 2024. Subsequent distributions will occur on a rolling basis, provided that net settlement funds are available.

Case Documents

- Notice of (I) Proposed Settlement and Plan of Allocation; (II) Settlement Hearing; and (III) Motion for Attorneys' Fees and Litigation Expenses
- October 18, 2024 - Order Approving Distribution Plan
- September 17, 2024 - Motion for Approval of Distribution Plan
- December 15, 2023 - Order Awarding Attorneys' Fees and Litigation Expenses
- December 15, 2023 - Order Approving Plan of Allocation of Net Settlement Fund
- December 15, 2023 - Judgment Approving Class Action Settlement
- November 3, 2023 - Lead Plaintiff's Motion for Final Approval of Settlement and Plan of Allocation, and Memorandum of Law in Support Thereof
- November 3, 2023 - Lead Counsel's Motion for an Award of Attorneys' Fees and Litigation Expenses, and Memorandum of Law in Support Thereof
- November 3, 2023 - Declaration of Abe Alexander in Support of (A) Lead Plaintiff's Motion for Final Approval of Settlement and Plan of Allocation and (B) Lead Counsel's Motion for an Award of Attorneys' Fees and Litigation Expenses
- August 25, 2023 - Order Preliminarily Approving Settlement and Providing for Notice
- August 3, 2023 - List of Previously Excluded Parties
- August 3, 2023 - Stipulation and Agreement of Settlement
- 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