

In re Novo Nordisk Securities Litigation

COURT: United States District Court for the District of New Jersey
CASE NUMBER: No. 3:17-cv-00209-BRM-LHG
CLASS PERIOD: 02/03/2015 - 02/02/2017
CASE LEADERS: Salvatore J. Graziano, Hannah Ross, Katherine M. Sinderson
CASE TEAM: Sandy Yaklin

Lead Plaintiffs Have Settled the Action for \$100 Million

The Court-appointed lead plaintiffs and class representatives Lehigh County Employees' Retirement System, Oklahoma Firefighters Pension and Retirement System, Boston Retirement System, Employees' Pension Plan of the City of Clearwater, and Central States, Southeast and Southwest Areas Pension Fund (collectively, "Lead Plaintiffs"), on behalf of themselves and the Court-certified Class, have reached a proposed settlement of this Action for \$100,000,000 in cash that resolves all claims in the Action (the "Settlement").

On July 13, 2022, 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.

The Class is defined as:

All persons or entities who purchased the American Depositary Receipts ("ADRs") of Novo Nordisk A/S ("Novo Nordisk" or the "Company") between February 3, 2015 and February 2, 2017, inclusive (the "Class Period"), and who were damaged thereby.

Excluded from the Class are: (i) Novo Nordisk; (ii) any directors and officers of Novo Nordisk during the Class Period and members of their immediate families; (iii) the subsidiaries, parents and affiliates of Novo Nordisk; (iv) any firm, trust, corporation or other entity in which Novo Nordisk has or had a controlling interest; and (v) the legal representatives, heirs, successors and assigns of any such excluded persons or entities. Also excluded from the Class are the persons and entities who excluded themselves by previously submitting a request for exclusion from the Classes in connection with the Notice of Pendency of Class Action ("Class Notice") disseminated to potential Class Members beginning in July 2020. A list of the persons and entities who previously submitted a request for exclusion from the Class in connection with the Class Notice (the "Opt-Out List") is available on the **Case Documents** section of this page.

Please read the Notice of (I) Proposed Settlement and Plan of Allocation; (II) Settlement Hearing; and (III) Motion for Attorneys' Fees and Litigation Expenses (the "Notice") to fully understand your rights and options. The Notice is available on the **Case Documents** section of this page.

You may also visit the case website maintained by the Claims Administrator, www.NovoNordiskSecuritiesLitigation.com, for more information about the Settlement.

The Litigation

This securities class action was filed on behalf of investors who purchased the American Depositary Receipts ("ADRs") of Novo Nordisk A/S ("Novo Nordisk" or the "Company") during the period from February 3, 2015 to February 2, 2017, inclusive (the "Class Period"), against Novo Nordisk and certain of its senior executives

(collectively, “Defendants”). The action alleges claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder.

Novo Nordisk is a pharmaceutical company that primarily produces insulin and other diabetes-treatment drugs. Only a few other companies manufacture insulin-based medicines. Throughout the Class Period, Defendants told investors that the Company’s sales and profits would continue to grow significantly. Although Novo Nordisk’s competitors told investors that their insulin-related revenues would diminish as a result of pricing pressures from pharmacy benefit managers (“PBMs”) who purchase drugs from pharmaceutical companies, Novo Nordisk assured investors that it was not subject to these same pricing pressures and that its sales and profits would continue to grow substantially.

In truth, Novo Nordisk faced the same pricing pressures as its competitors, which was disclosed to the market beginning on August 5, 2016, when the Company announced disappointing earnings and lowered sales and growth forecasts. Defendants nevertheless reassured investors that the Company would grow its profits at a 10% rate. The price of Novo Nordisk’s ADRs dropped significantly on that disclosure, and again on August 8, 2016 on reports that there would be no quick rebound from the Company’s stagnating growth. Finally, on October 28, 2016, Novo Nordisk cut its long-term profit growth forecasts by 50%, specifically citing increased pricing pressures on diabetes drugs. On that news, Novo Nordisk ADRs dropped by 13%, the Company’s largest price decline in more than 14 years.

On June 1, 2017, the Court entered an order appointing (i) Lehigh County Employees’ Retirement System; (ii) Boston Retirement System; (iii) Oklahoma Firefighters Pension and Retirement System; and (iv) Central States, Southeast and Southwest Areas Pension Fund as Co-Lead Plaintiffs. In that order, the Court also appointed BLB&G and co-counsel as Co-Lead Counsel for the Class.

Co-Lead Plaintiffs filed their consolidated amended complaint on August 4, 2017. Defendants moved to dismiss the complaint on October 3, 2017. Following briefing and argument, on August 16, 2018, the Court denied Defendants’ motion to dismiss in its entirety.

Following the Court’s ruling denying Defendants’ motion to dismiss, the parties entered discovery. On January 31, 2020, the Court issued an order certifying the Class as defined above. On June 28, 2021, the case was reassigned to Judge Zahid N. Quraishi.

By July 12, 2021, Defendants’ motion for summary judgment was fully briefed. On March 8, 2022, the Court entered a Preliminary Order Approving Settlement and Providing for Notice. On May 23, 2022, Lead Counsel filed a Notice of Motion and Motion for Final Approval of Settlement and Approval of Plan of Allocation and a Notice of Motion and Motion for Attorneys’ Fees and Litigation Expenses, and Awards to Lead Plaintiffs. On July 13, 2022, the Court entered an Order and Final Judgment Approving Class Action Settlement and an Order Approving Plan of Allocation.

The claims administration concluded in June 2023. On October 30, 2023, the Motion for Approval of Distribution Plan was filed. On March 21, 2024, the Court entered the Order Approving the Distribution Plan. The first distribution of the net settlement fund occurred in June 2024. Subsequent distributions will occur on a rolling basis, provided that net settlement funds are available.

If you wish to discuss this action or have any questions concerning your rights or interests, please contact Salvatore J. Graziano or Katherine M. Sinderson, or Hannah Ross at 212-554-1400.

Case Documents

- Notice of (I) Proposed Settlement and Plan of Allocation; (II) Settlement Hearing; and (III) Motion for Attorneys' Fees and Litigation Expenses
- List of Previously Excluded Parties
- March 21, 2024 - Order Approving Distribution Plan
- October 30, 2023 - Motion for Approval of Distribution Plan
- July 13, 2022 - Order and Final Judgment Approving Class Action Settlement
- July 13, 2022 - Order Approving Plan of Allocation
- July 13, 2022 - Order Awarding Attorneys' Fees and Litigation Expenses and Awards to Lead Plaintiffs Pursuant to 15 U.S.C. Section 78u-4(a)(4)
- May 23, 2022 - Notice of Motion and Motion for Final Approval of Settlement and Approval of Plan of Allocation
- May 23, 2022 - Notice of Motion and Motion for Attorneys' Fees and Litigation Expenses, and Awards to Lead Plaintiffs Pursuant To 15 U.S.C. §78u-4(a)(4)
- March 8, 2022 - Order Preliminarily Approving Settlement and Providing for Notice
- January 31, 2020 - Opinion Granting Motion to Certify Class
- August 16, 2018 - Opinion Denying Defendants' Motion to Dismiss
- August 4, 2017 - Consolidated Amended Class Action Complaint