

# *Lehigh County Employees' Retirement System v. Novo Nordisk A/S, et al.*

**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, Adam Hollander  
**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, if approved, will resolve all claims in the Action (the "Settlement").

If you are a member of the Class, your rights will be affected, and you may be eligible for a payment from the Settlement. 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. Copies of the Notice and Proof of Claim and Release Form (the "Claim Form") are available on the Case Documents section of this page.

You may also visit the case website maintained by the Claims Administrator, [www.NovoNordiskSecuritiesLitigation.com](http://www.NovoNordiskSecuritiesLitigation.com), for more information about the proposed Settlement.

Payments to eligible claimants will be made only if the Court approves the Settlement and a Plan of Allocation, only after any appeals are resolved, and after the completion of all claims processing. Please be patient, as this process will take some time to complete.

**YOUR LEGAL RIGHTS IN THIS LAWSUIT:**

**SUBMIT A CLAIM FORM POSTMARKED (IF MAILED), OR ONLINE, NO LATER THAN JULY 27, 2022.** This is the only way to be eligible to receive a payment from the Settlement Fund. If you are a Class Member, you will be bound by the Settlement as approved by the Court and you will give up any Released Plaintiffs' Claims (as defined in paragraph 34 of the Notice) that you have against Defendants and the other Defendants' Releasees (as defined in paragraph 35 of the Notice), so it is in your interest to submit a Claim Form.

**OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN JUNE 6, 2022.** If you do not like the proposed Settlement, the proposed Plan of Allocation, or the request for attorneys' fees and Litigation Expenses, you may write to the Court and explain why you do not like them. You cannot object to the Settlement, the Plan of Allocation, or the fee and expense request unless you are a Class Member.

**ATTEND A HEARING ON JUNE 27, 2022 AT 11:00 A.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN JUNE 6, 2022.** Filing a written objection and notice of intention to appear by June 6, 2022 allows you to speak in Court, at the discretion of the Court, about the fairness of the proposed Settlement, the Plan of Allocation, and/or the request for attorneys' fees and Litigation Expenses. The June 27, 2022 hearing will be conducted by video conference (see paragraphs 53-54 of the Notice). If you submit a written objection, you may (but you do not have to) participate in the hearing and, at the discretion of the Court, speak to the Court about your objection.

**DO NOTHING.** If you are a member of the Class and you do not submit a valid Claim Form, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the Class, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Action.

**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 judgement was fully briefed.

If you wish to discuss this action or have any questions concerning your rights or interests, please contact Salvatore J. Graziano, Katherine M. Sinderson, or Adam D. Hollander 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
- Proof of Claim and Release Form
- List of Previously Excluded Parties
- 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