

Logan v. ProPetro Holding Corp., et al.

COURT: United States District Court for the Western District of Texas
CASE NUMBER: 7:19-cv-217-DC
CLASS PERIOD: 03/17/2017 - 08/08/2019
CASE LEADERS: James A. Harrod

This is a securities class action on behalf of all purchasers of the securities of Propetro Holding Corp. (“ProPetro” or “the Company”) between March 17, 2017 and August 8, 2019, inclusive (the “Class Period”), alleging violations of the federal securities laws by the Company and certain of its senior executives.

Defendant ProPetro is a corporation headquartered in Midland, Texas. The Company provides hydraulic fracturing and complementary services to upstream oil and gas companies. On March 17, 2017, the first day of the Class Period, ProPetro’s stock began trading on the New York Stock Exchange (“NYSE”).

The action alleges that during the Class Period, Defendants repeatedly made statements affirming ProPetro’s compliance, code of ethics, related-party transaction policies, and internal controls, while failing to disclose that ProPetro improperly reimbursed its executives, made transactions with related parties, and lacked adequate controls and procedures and internal controls over financial reporting. As a result, Defendant’s statements were materially false and/or misleading, causing ProPetro securities prices to be artificially inflated during the Class Period.

After the market closed on August 8, 2019, ProPetro disclosed that it would be unable to timely file its quarterly report for the second quarter of 2019, citing an ongoing investigation by its audit committee. The Company stated that the review concerned expense reimbursements and related-party transactions and disclosed that the Company had improperly reimbursed \$370,000 to members of senior management, with the lion’s share (\$346,000) going to ProPetro’s Chief Executive Officer, Dale Redman, for expenses that were wrongly recorded as Company expenses.

As a result of these disclosures, ProPetro’s stock price declined by \$4.59 per share, or over 26%, to close at \$12.75 per share on August 9, 2019, on unusually high trading volume, causing significant damage to the shareholder class.

In December 2019, the Court appointed BLB&G as Co-Lead Counsel.

Lead Plaintiff filed the Amended Complaint on February 13, 2020. Lead Plaintiff filed the Second Amended Complaint on April 14, 2020, and the Third Amended Complaint on July 30, 2020. Pursuant to the schedule entered by the court, Defendants filed their motions to dismiss the Third Amended Complaint on August 31, 2020, and Lead Plaintiff filed an omnibus opposition to those motions to dismiss on September 30, 2020. Defendants filed their replies to Lead Plaintiff’s opposition brief by October 30, 2020.

Case Documents

- April 14, 2020 - Amended Complaint