

In re Spectrum Brands Litigation

COURT: United States District Court for the Western District of Wisconsin
CASE NUMBER: 3:19-CV-00347
CLASS PERIOD: 06/14/2016 - 11/16/2018
CASE LEADERS: Avi Josefson, Katherine M. Sinderson
CASE TEAM: Jai K. Chandrasekhar, Matthew Traylor, Catherine E. van Kampen

Please note the Claim Form is no longer available.

On February 6, 2021, the United States District Court for the Western District of Wisconsin entered an [Order](#) denying without prejudice Lead Plaintiffs' motion for approval of the proposed Settlement of the Spectrum Brands Securities Litigation and Lead Counsel's motion for an award of attorney fees and expenses in this matter. All inquiries regarding the Settlement and the current status of this lawsuit should be directed to Lead Counsel by phone at (212) 554-1407 or email at SpectrumBrands@blbglaw.com. Please continue to check this website for any additional information regarding this litigation.

This is a securities class action lawsuit filed on behalf of all persons who purchased Spectrum Brands Holdings, Inc.'s ("Spectrum") or HRG Group, Inc.'s ("HRG") (collectively, "the Companies") publicly traded securities from January 26, 2017 to November 19, 2018, inclusive (the "Class Period"). The action is brought against Spectrum, HRG, and certain of the Companies' current and former senior executives (collectively, "Defendants"), and asserts claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, 15 U.S.C. §§ 78j(b) and 78t(a), and SEC Rule 10b-5, 17 C.F.R. § 240.10b-5. A copy of the Amended Class Action Complaint is available [here](#).

Spectrum is a consumer-brands company that provides a wide variety of consumer products through its retail partners, including Walmart, Home Depot, and Lowe's. During the Class Period, Defendants falsely stated that Spectrum was successfully executing two major supply-chain consolidation projects in its critical Global Auto Care ("GAC") and Home & Hardware Improvement ("HHI") divisions. From their inception, both consolidations suffered severe logistical, operational, and technical problems such as poor inventory management, product quality control, and employee training and retention policies. These problems materially damaged Spectrum's supply-chain and distribution networks, production lines, and consequently, its customer relationships. While the consolidation projects were experiencing these problems, Defendants repeatedly told the market that the GAC and HHI consolidations were progressing effectively and on schedule, and any problems were merely temporary, transitory, and being quickly corrected. In truth, Defendants knew that the GAC and HHI consolidations were suffering from fundamental logistical, operational, and technical problems that were far more serious than those disclosed to investors.

On April 26, 2018, Spectrum disclosed disappointing financial results for the second quarter of 2018 based on the poorly executed consolidation projects. On the same day, CEO Andreas Rouvé resigned. Spectrum's stock price declined about 22.1%, from \$93.14 to \$72.56 per share. Defendants immediately represented that the problems plaguing the GAC and HHI facilities were being swiftly corrected. Then, on November 16, 2018, the Company disclosed another disastrous quarter driven by a \$92.5 million goodwill write-down for GAC, again due to the poorly executed consolidations. Spectrum's stock price declined another 19%, from \$59.35 to \$48.05 per share. Finally, on January 2, 2019, Spectrum sold its entire GAC division to Energizer Holdings, Inc.

In June 2019, the Court appointed the Public School Teachers' Pension and Retirement Fund of Chicago and the Cambridge Retirement System as Lead Plaintiffs, and BLB&G as Lead Counsel for the Class. In July 2019, Lead Plaintiffs filed an Amended Class Action Complaint on behalf of the class of investors who purchased or otherwise acquired securities of Spectrum or HRG between January 26, 2017 and November 19, 2018, inclusive. In August 2019, Defendants filed a motion to dismiss the Amended Complaint. Lead Plaintiffs' opposition motion was filed in October 2019 and Defendants filed their reply in further support of their motion to dismiss in November 2019.

On August 10, 2020, Lead Plaintiffs and Defendants entered into the Stipulation and Agreement of Settlement setting forth the terms and conditions of the proposed settlement of the Action for \$39 million in cash (the "Settlement"). Pursuant to the Court's September 28, 2020 Order preliminarily approving the proposed Settlement, notice of the Settlement was mailed to potential Class Members beginning on October 28, 2020. On February 6, 2021, the Court denied without prejudice Lead Plaintiffs' motion to approve the proposed Settlement of the Action on account of a class member objection, and requested that Lead Plaintiffs either send out an amended notice or dismiss the claims of class members who purchased HRG stock. On April 2, 2021, Lead Plaintiffs published an amended notice for shareholders of HRG securities pursuant to the Court's order. On June 10, 2021, the Court appointed Jet Capital Master Fund LP as Lead Plaintiff for purchasers of HRG stock. Please continue to check this website for any additional information regarding the Action.

Case Documents

- Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Fairness Hearing; And (III) Motion for an Award of Attorney's Fees and Litigation Expenses
- Proof of Claim and Release Form (No Longer Available)
- February 6, 2020 - Order Denying Lead Plaintiffs' Motion Without Prejudice
- December 24, 2020 - Lead Plaintiffs' Motion for Final Approval of Settlement Agreement and Plan of Allocation
- December 24, 2020 - Memorandum of Law in Support of Lead Plaintiff's Motion for Final Approval of Settlement and Plan of Allocation
- December 24, 2020 - Lead Counsel's Motion for Award of Attorney Fees and Litigation Expenses
- December 24, 2020 - Memorandum of Law in Support of Lead Counsel's Motion for an Award of Attorney Fees and Litigation Expenses
- December 24, 2020 - Declaration of Katherine M. Sinderson in Support of (I) Lead Plaintiff's Motion for Final Approval of Settlement and Plan of Allocation and (II) Lead Counsel's Motion for an Award of Attorneys' Fees and Litigation Expenses
- September 29, 2020 - Order Preliminarily Approving Settlement and Authorizing Dissemination of Notice of Settlement
- August 8, 2020 - Stipulation and Agreement of Settlement
- July 12, 2019 - Amended Class Action Complaint for Violations of the Federal Securities Laws