

In re Venator Materials PLC Securities Litigation

COURT: United States District Court for the Southern District of Texas
CASE NUMBER: 4:19-cv-03464
CLASS PERIOD: 08/02/2017 - 10/29/2018
CASE LEADERS: John C. Browne, Michael D. Blatchley

This is a securities class action lawsuit against Venator Materials PLC (“Venator” or the “Company”) (NYSE: VNTR), and certain of the Company’s senior executives, the Company’s controlling shareholder, Venator’s Board of Directors, and the lead underwriters of the Company’s Offerings (collectively, “Defendants”). The action asserts claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (“Exchange Act”) on behalf of investors in Venator common stock during the time period of August 2, 2017 through October 29, 2018, inclusive (the “Class Period”). The action also asserts claims under Sections 11, 12(a)(2), and 15 of the Securities Act of 1933 (“Securities Act”) on behalf of all persons who purchased or otherwise acquired Venator common stock in or traceable to the Company’s initial public offering of ordinary shares conducted on or around August 3, 2017 (the “IPO”), and secondary public offering of ordinary shares conducted on or around December 4, 2017 (the “SPO,” and together with the IPO, the “Offerings”) during the class period.

Plaintiffs Have Settled the Action for \$19 Million

Lead Plaintiffs Fresno County Employees’ Retirement Association, City of Miami General Employees’ & Sanitation Employees’ Retirement Trust, and City of Pontiac General Employees’ Retirement System (“Plaintiffs”), on behalf of themselves and the Settlement Class, have settled of the Action for \$19,000,000 in cash (the “Settlement”).

Following a hearing on September 9, 2022, the Court entered, on September 15, 2022, a Judgment finally approving the Settlement; an Order approving the Plan of Allocation, and an Order awarding attorneys’ fees and litigation expenses.

If you are a member of the Settlement Class, your rights will be affected and you may be eligible for a payment from the Settlement. The Settlement Class consists of:

all persons and entities who: (i) purchased or otherwise acquired the publicly traded common stock of Venator between August 2, 2017, and October 29, 2018, inclusive (the “Class Period”); and/or (ii) purchased or otherwise acquired publicly traded Venator common stock either in or traceable to Venator’s August 3, 2017 initial public offering (“IPO”) or Venator’s December 4, 2017 secondary public offering (“SPO”) during the Class Period, and were damaged thereby

Certain persons and entities are excluded from the Settlement Class by definition (see paragraph 29 of the Notice).

Please read the Notice to fully understand your rights and options. Copies of the Notice and Claim Form can be found in the Case Documents list on the right of this page. You may also visit the case website, VenatorSecuritiesLitigation.com, for more information about the Settlement.

To be eligible to receive a payment under the Settlement, you must submit a Claim Form postmarked (if mailed) or submitted on-line by no later than **October 17, 2022**.

Payments to eligible claimants will be made only after the completion of all claims processing. Please be patient, as this process will take some time to complete.

IMPORTANT DATES AND DEADLINES

October 17, 2022 **Claim Filing Deadline.** Claim Forms must be *postmarked (if mailed) or submitted on-line no later than October 17, 2022.*

Background and History of the Litigation

Venator was previously organized as the Pigments & Additives division within Huntsman Corporation (“Huntsman”), a multinational manufacturer of chemical products. In August 2017, Huntsman offered shares of Venator to the public through an initial public offering (“IPO”). Months earlier, however, on January 30, 2017, a fire had ravaged one of Venator’s key chemical manufacturing plants located in Pori, Finland.

The Complaint alleges that in connection with its IPO and its December 2017 secondary stock offering, and continuing throughout the Class Period, Defendants misrepresented the true extent of the fire damage to Venator’s Pori facility, the cost to rehabilitate the facility, and the impact on Venator’s business and operations. The Company also assured investors that the Pori facility would be rebuilt with insurance proceeds within its policy limits. Throughout the Class Period, Venator and its executives continued to assure investors that the rebuild of the Pori facility was on track and that the Company would be able to fully recoup the production capacity lost in the fire. As a result of these misrepresentations, Venator shares traded at artificially inflated prices throughout the Class Period.

The truth began to emerge on July 31, 2018, when Venator revealed that the fire damage at the Pori facility was far more extensive than Defendants had previously represented to investors. Specifically, Venator announced that the cost to repair the facility had climbed to more than \$375 million above the insurance policy limits, more than double the amount disclosed to investors just two months after the IPO. On this news, the price of Venator shares declined from \$15.35 per share to \$14.62 per share.

Then, on September 12, 2018, Venator announced that it was abandoning the Pori facility altogether, despite the Company’s previous assurances that the site would be repaired and restored back to its full operating capacity. The Company also revealed that the facility was still only operating at 20% capacity and thus had not increased production by any meaningful amount during the thirteen months since the IPO. During an investor conference call held later that same day, Venator’s Chief Executive Officer (“CEO”), Defendant Simon Turner, admitted that the Company had misrepresented the true extent of the fire damage. When asked by an analyst whether Venator had provided a “misestimate of the initial amount of damage from the fire” and whether “the actual work that needed to be done was missed,” CEO Turner agreed that “it was a combination of factors, both of which, you’ve mentioned already.” These disclosures caused the price of Venator shares to decline from \$11.35 per share to \$10.81 per share.

Finally, on October 30, 2018, Venator announced that, in addition to the over \$500 million in costs and lost business associated with the Pori fire incurred to date, the Company incurred a restructuring expense of approximately \$415 million and would incur additional “charges of \$220 million through the end of 2024” related to the Pori site. As a result of these disclosures, the Company’s stock price declined from \$8.00 per share to \$6.47 per share, or more than 19%.

In the wake of these disclosures, on July 31, 2019, the City of Miami General Employees' & Sanitation Employees' Retirement Trust filed the first of several federal securities class actions against the Defendants in the Southern District of New York. See *City of Miami General Employees' & Sanitation Employees' Retirement Trust v. Venator Materials PLC*, No. 1:19-cv-07182 (S.D.N.Y.) ("City of Miami"). On September 13, 2019, a related securities class action, captioned *Cambria County Employees Retirement System v. Venator Materials PLC*, No. 4:19-cv-03464 (S.D. Tex.) ("Cambria"), was filed in the Southern District of Texas.

On October 21, 2019, the Honorable Lee H. Rosenthal appointed the City of Miami General Employees' & Sanitation Employees' Retirement Trust, the Fresno County Employees' Retirement Association, and the City of Pontiac General Employees' Retirement System as Lead Plaintiff, and BLB&G as Lead Counsel for the Class.

On October 29, 2019, the *City of Miami* action was transferred to the Southern District of Texas, and the related securities class actions are now consolidated before the Hon. Lee H. Rosenthal under the caption *In re Venator Materials PLC Securities Litigation*, Case No. 4:19-cv-3464 (S.D. Tex.).

On January 17, 2020, Lead Plaintiff filed its Amended Class Action Complaint (the "Amended Complaint") asserting claims against Defendants under Sections 10(b) and 20(a) of the Exchange Act on behalf of investors in Venator ordinary shares during the Class Period and claims under Sections 11, 12(a)(2), and 15 of the Securities Act on behalf of investors who purchased or acquired shares pursuant and/or traceable to the IPO and/or SPO.

On January 21, 2020, the case was reassigned to the Honorable Charles R. Eskridge, III.

On April 14, 2020, briefing on Defendants' motions to dismiss was completed.

On May 14, 2020, the Court held oral argument on Defendants' motions to dismiss.

On March 31, 2021, the Court denied Defendant Russ R. Stolle's motion to dismiss and granted Mahomed Maiter's motion to dismiss.

On July 7, 2021, the Court granted in part and denied in part Defendants' motion to dismiss for failure to state a claim.

On August 16, 2021, Plaintiffs filed the operative complaint in the Action, the Amended Consolidated Class Action Complaint (the "Complaint").

On September 9, 2021, Defendants filed their answers to the Complaint.

Following the filing of Defendants' answers to the Complaint, the Parties issued document requests and Plaintiffs received and reviewed and analyzed thousands of pages of documents produced by Defendants, including in consultation with industry and damages experts.

On November 19, 2021, Plaintiffs filed their motion for certification of the Class. In support of this motion, Plaintiffs submitted an expert report on market efficiency and class-wide damages.

In October 2021, the Parties agreed to engage in private mediation in an attempt to resolve the Action. On December 6, 2021, Lead Counsel and Defendants' Counsel participated in a mediation session before Jed Melnick, Esq., of JAMS (the "Mediator"). In advance of that session, the Parties exchanged detailed mediation statements, which addressed the issues of liability, damages, and class certification. Despite good faith, arm's-length negotiations between the Parties during the mediation session, the Parties were unable to reach agreement on the

terms of a settlement. In an effort to resolve the litigation, at the conclusion of the mediation, the Mediator issued a mediator's proposal that the Action be settled for \$19,000,000 in cash, which the Parties ultimately accepted.

On January 10, 2022, the Action was reassigned from Judge Eskridge to the Honorable George C. Hanks, Jr.

On March 11, 2022, the Parties entered into the Stipulation, which sets forth the full terms and conditions of the Settlement.

On May 19, 2022, the Court preliminarily approved the Settlement, authorized notice of the Settlement to potential Settlement Class Members and scheduled the Settlement Hearing for September 9, 2022 to consider whether to grant final approval of the Settlement.

Following the hearing on September 9, 2022, the Court entered, on September 15, 2022, a Judgment finally approving the Settlement, an Order approving the Plan of Allocation, and an Order awarding attorneys' fees and litigation expenses.

Case Documents

- Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Hearing; and (III) Motion for Attorneys' Fees and Litigation Expenses ("Notice")
- Proof of Claim and Release Form ("Claim Form")
- September 15, 2022 - Judgment Approving Class Action Settlement
- September 15, 2022 - Order Approving Plan of Allocation of Net Settlement Fund
- September 15, 2022 - Order Awarding Attorneys' Fees and Litigation Expenses.
- September 2, 2022 - Reply Memorandum In Further Support of (I) Plaintiffs' Motion for Settlement and (II) Lead Counsel's Motion for Atty Fees and Expenses
- August 5, 2022 - Plaintiffs' Motion for Final Approval of Settlement and Plan of Allocation
- August 5, 2022 - Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses
- August 5, 2022 - Declaration of Michael Blatchley in Support of (A) Plaintiffs' Motion for Final Approval of Settlement and (B) Lead Counsel's Motion for Attorneys' Fees & Expenses
- May 19, 2022 - Order Preliminarily Approving Settlement and Providing for Notice
- March 11, 2022 - Stipulation and Agreement of Settlement
- August 16, 2021 - Amended Consolidated Class Action Complaint