

## In re Akorn, Inc. Securities Litigation

**COURT:** United States District Court for the Northern District of Illinois  
**CASE NUMBER:** 1:18-cv-01713  
**JUDGE:** Hon. Steven Seeger  
**CLASS PERIOD:** 11/03/2016 - 01/08/2019  
**CASE CONTACTS:** John Rizio-Hamilton, Abe Alexander

This is a securities fraud class action filed on behalf of a class of all persons and entities who purchased or otherwise acquired Akorn, Inc. (“Akorn” or the “Company”) common stock from November 3, 2016 through January 8, 2019, inclusive (the “Class Period”), against Akorn and certain of its senior executives (together, “Defendants”).

Akorn is a Louisiana-based pharmaceutical company that develops, manufactures, and markets specialized generic and branded pharmaceuticals, over-the-counter drug products, and animal health products in the United States and internationally. This action arises from allegations of pervasive fraud at the highest levels of Akorn involving the Company’s systemic violations of U.S. Food and Drug Administration (“FDA”) data integrity regulations and the efforts of its most senior executives to cover up those violations. The action alleges, among other things, that key Akorn executives directed Company employees to submit fabricated clinical drug data to the FDA in order to secure approval of its drugs. The action also alleges that, outside consultants hired by Akorn during the Class Period pointedly warned Akorn that its systemic data integrity violations were so serious that the Company could face criminal liability, yet Akorn ignored its consultants’ advice and affirmatively instructed employees to refrain from fixing the Company’s data integrity failures. Plaintiffs allege that Akorn and Defendants made numerous materially false and misleading public statements assuring investors that Akorn complied with FDA regulations and touting the Company’s pipeline of new drug applications it had submitted to the FDA, and that when the truth about Akorn’s systemic data integrity failures was finally revealed to the market, the Company’s stock price plummeted, collapsing approximately 60% in just two trading days.

### **Lead Plaintiffs Have Settled The Action**

The Court-appointed Lead Plaintiffs have reached a settlement resolving all claims in the action.

On March 13, 2020, following a hearing, the Court approved the Settlement and entered the Judgment, an order approving the proposed Plan of Allocation, and an order awarding attorneys’ fees and litigation expenses.

In exchange for mutual releases, including the release by the Settlement Class of any claims against the Defendants, the Settlement Class will receive a recovery consisting of cash, common shares, and contingent value rights. The Settlement provides \$27.5 million in cash for the Settlement Class. The value of the Akorn common shares and contingent value rights is not yet determined. The ultimate value of the Settlement will be determined by the price of Akorn common shares on the dates they are issued to (or sold on behalf of) the Settlement Class and whether other conditions are met for the contingent future components of the Settlement. More details about the proposed settlement are available in the [Notice](#).

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

all persons and entities that purchased or otherwise acquired Akorn’s common stock from November 3, 2016 through January 8, 2019, inclusive, and were damaged thereby, including any and all of their respective successors in interest, predecessors, representatives, trustees, executors, administrators, heirs, assigns or transferees, immediate and remote, and any person or entity acting for or on behalf of, or claiming under, any of them, *except*

for certain persons and entities who are excluded from the Settlement Class by definition (see paragraph 20 of the [Notice](#)) or who request exclusion pursuant to the instructions set forth in the Notice.

Please read the [Notice](#) to fully understand your rights and options. Copies of the [Notice](#) and [Claim Form](#) can be found on the [Case Documents](#) page. You may also visit the Settlement website, [www.Akorn2019SecuritiesSettlement.com](http://www.Akorn2019SecuritiesSettlement.com), for more information about the Settlement.

The deadline for filing a Claim Form to participate in the Settlement was March 5, 2020.

Payments to eligible claimants will be made only if the Court approves the Settlement and a plan of allocation, and 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.