

In re Celera Corporation Shareholder Litigation

COURT: Delaware Court of Chancery
CASE NUMBER: C.A. 6034-VCP
JUDGE: Vice Chancellor Donald F. Parsons
CASE CONTACTS: Mark Lebovitch

Shareholder class action filed on behalf of Court-appointed lead plaintiff New Orleans Employees' Retirement System ("NOERS") challenging the acquisition of diagnostic testing company Celera Corporation (NASDAQ: CRA) by Quest Diagnostics Incorporated (NYSE: DGX).

The Court granted expedited proceedings and following extensive document review, depositions of key company officers and directors, and the filing of a motion for preliminary injunction and supporting brief, the parties reached a settlement wherein Celera and Quest agreed to alter key features of their merger agreement that NOERS, on behalf of all Celera shareholders, had asserted harmed the corporate sales process and inhibited obtaining maximum value for shareholders.

Over the course of an extensive and expedited discovery process, NOERS and Court-appointed Co-Lead Counsel BLB&G challenged a provision agreed to by certain participants in the company's prior sales process that prohibited those participants from seeking a waiver of the standstill restrictions that were a condition to gaining access to diligence materials.

This contractual prohibition, asserted NOERS and its counsel, was unenforceable and constituted a violation of Delaware law.

As part of a settlement reached on April 18, 2011, the standstill provisions were waived, effectively eliminating the challenged prohibition. The parties entered into a formal stipulation of settlement which was executed on August 9, 2011. The final approval hearing for the settlement is scheduled for November 17, 2011. Copies of the stipulation and other court documents relating to this action are included on the "Case Documents" page.