

In re Celgene Corporation Securities Litigation

COURT: United States District Court for the District of New Jersey
CASE NUMBER: 2:18-cv-04772 JMV-JBC
CLASS PERIOD: 01/12/2015 - 04/27/2018
CASE CONTACTS: Salvatore J. Graziano, Adam H. Wierzbowski, Brenna Nelinson

This is a securities fraud class action filed on behalf of all persons and entities who purchased or otherwise acquired Celgene Corporation (Celgene or the Company) common stock between January 12, 2015 and April 27, 2018, inclusive (the Class Period), against Celgene and certain of its senior executives (collectively, Defendants).

Celgene is a global biopharmaceutical company that specializes in the discovery, development and commercialization of therapies for the treatment of cancer and inflammatory diseases. The action arises from allegations that the Defendants concealed material information and made false and misleading statements concerning certain of its key products, including a late-stage developmental treatment for Crohn's disease, GED-0301, Otezla, and Ozanimod.

In particular, it is alleged that the Defendants failed to disclose that GED-0301 had not shown meaningful efficacy through an interim endoscopy trial, and that one of its phase III trials had a materially greater likelihood of failure than publicly disclosed. Company executives claimed that GED-0301 continued to show transformative promise, that the Company's guidance would be met or exceeded, and that Celgene would be able to develop the revenue streams necessary to continue the Company's growth. It also alleged that Defendants misled investors as to the likelihood that their forthcoming blockbuster product, Ozanimod, would be approved by the FDA, while Defendants knew that their testing of Ozanimod was insufficient, and that Defendants misled investors as to the financial success of Otezla.

On October 19, 2017, the Company revealed that it would be abandoning its GED-0301 program and discontinuing ongoing trials and would record a \$1.6 billion impairment charge as a result of the drug's failure. On this news, the price of Celgene stock fell \$14.63 per share to close at \$121.33 per share on October 20, 2017, a one-day decline of nearly 11%. Then, on October 26, 2017, Celgene released its third quarter 2017 results. The Company once again surprised investors by revealing that certain key drugs had missed expectations for the quarter. In the wake of these shocking disclosures, Defendants sought to reassure investors about the Company's product pipeline. On February 27, 2018, Celgene once again stunned investors when it revealed that the FDA had issued a Refusal to File letter for Ozanimod. On this news, the price of Celgene stock dropped 9%, or \$8.66 per share, to close at \$87.12 per share on February 28, 2018.

As a result of Defendants' wrongful acts and omissions, plaintiff and the class purchased Celgene common stock at artificially inflated prices.

The Court-appointed Lead Plaintiff, AMF Pensionsförsäkring AB, filed the Amended Complaint on December 10, 2018.