

Israel Sanchez v. Centene Corp

COURT: United States District Court for the Eastern District of Missouri
CASE NUMBER: 4:17-cv-00806-AGF
CLASS PERIOD: 05/24/2016 - 07/25/2016
CASE LEADERS: Jonathan D. Uslaner
CASE TEAM: Lauren M. Cruz

This is a securities fraud class action on behalf of all purchasers of Centene Corporation common stock between May 24, 2016 and July 25, 2016, inclusive (the “Class Period”), alleging claims pursuant to Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 against Centene and two of its top officers, Michael Neidorff (its CEO and Board Chairman) and Jeffrey Schwaneke (its CFO).

Lead Plaintiff Settled The Action for \$7.5 Million

The Court-appointed Lead Plaintiff Louisiana Sheriffs’ Pension & Relief Fund, on behalf of itself and the Settlement Class, has settled the Action for \$7,500,000 in cash (the “Settlement”).

On October 26, 2020, the Court held a hearing on approval of the Settlement and related matters and announced that it would approve the Settlement. On October 28, 2020, the Court entered a Judgment approving the Settlement and orders approving the proposed Plan of Allocation and awarding attorneys’ fees and litigation expenses.

The Settlement Class consists of:

all persons and entities who purchased the common stock of Centene during the period from May 24, 2016 through July 25, 2016, inclusive (the “Class Period”) and who were damaged thereby. Certain persons and entities are excluded from the Settlement Class by definition (see paragraph 20 of the **Notice**) or who requested exclusion pursuant to the instructions set forth in the Notice (see paragraphs 69-72 of the **Notice**).

Please read the **Notice** to fully understand your rights and options. A copy of the **Notice** can be found on the **Case Documents** page.

Background

The case commenced on November 14, 2016. On May 1, 2017, the Court appointed Louisiana Sheriffs’ Pension & Relief Fund as Lead Plaintiff for the Class and BLB&G as Lead Counsel. On July 17, 2017, Lead Plaintiff filed the operative Complaint on behalf of purchasers of Centene common stock between April 26, 2016 and July 25, 2016.

The Complaint alleges that Centene and certain of its top officers made false and misleading statements to investors, and omitted material facts, regarding the financial condition and liabilities of Health Net, Inc., which Centene acquired shortly before the Class Period. When the truth emerged, the price of Centene’s common stock plunged precipitously, causing significant losses to investors.

On September 15, 2017, Defendants filed a motion to dismiss the Complaint, which Plaintiffs opposed. On August 30, 2019, the Court denied in part and granted in part the Defendants’ motion to dismiss, reducing the Class Period to the two-month period from May 24, 2016 through July 25, 2016.

On January 29, 2020, following a mediation before Michelle Yoshida of Phillips ADR, the Parties reached an agreement in principle to settle the Action in return for a cash payment of \$7,500,000.

On March 5, 2020, the Parties entered into the Stipulation and Agreement of Settlement, which sets forth the full terms and conditions of the Settlement. On October 28, 2020, the Court entered orders approving the final settlement, plan of allocation for the net settlement funds, and attorneys' fees and litigation expenses. The processing of claims and a data integrity audit were concluded in the first quarter of 2021. On April 19, 2021, Lead Plaintiff filed a motion with the Court for permission to conduct the initial distribution of the settlement funds to eligible class members. The Court approved the Distribution Motion on May 4, 2021, and in July 2021, the Claims Administrator conducted the Initial Distribution to Court-approved Claimants. A second distribution was completed in April 2022. The claims administration process has concluded and the net settlement fund has been fully disbursed. This matter is considered closed.

Case Documents

- Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Fairness Hearing; and (III) Motion for Attorneys' Fees and Litigation Expenses ("Notice")
- May 4, 2021 - Order Approving Distribution Plan
- April 19, 2021 - Lead Plaintiff's Unopposed Motion for Approval of Distribution Plan
- April 19, 2021 - Proposed Order Approving Distribution Plan
- April 19, 2021 - Memorandum of Law in Support of Lead Plaintiff's Unopposed Motion for Disbursement of Funds
- April 19, 2021 - Declaration of Luiggy Segura in Support of Lead Plaintiff's Unopposed Motion for Approval of Distribution Plan
- April 19, 2021 - Exhibit A Deficiency Notice
- April 19, 2021 - Exhibit B Deficiency Email
- April 19, 2021 - Exhibit C Deficiency Spreadsheet
- April 19, 2021 - Exhibit D Timely Eligible Claims
- April 19, 2021 - Exhibit E Late But Otherwise Eligible Claims
- April 19, 2021 - Exhibit F Rejected Claims
- April 19, 2021 - Exhibit G -Invoices
- October 28, 2020 - Judgment Approving Class Action Settlement and Order of Dismissal
- October 28, 2020 - Order Approving Plan of Allocation of Net Settlement Fund
- October 28, 2020 - Order Awarding Attorneys' Fees and Litigation Expenses
- October 19, 2020 - Supplemental Declaration of Luiggy Segura Regarding: (A) Mailing of the Notice and Claim Form and (B) Report on Requests for Exclusion Received

- October 19, 2020 – Reply Memorandum of Law in Further Support of (A) Lead Plaintiff’s Motion for Final Approval of Settlement and Plan of Allocation and (B) Lead Counsel’s Motion for Attorneys’ Fees and Litigation Expenses
- October 13, 2020 - Order Providing That Final Settlement Hearing Scheduled for October 26, 2020 Will Be Conducted By Videoconference
- September 21, 2020 - Lead Plaintiff’s Motion for Final Approval of Settlement and Plan of Allocation
- September 21, 2020 - Memorandum of Law in Support of Lead Plaintiff’s Motion for Final Approval of Settlement and Plan of Allocation
- September 21, 2020 - Lead Counsel’s Motion for Attorneys’ Fees and Litigation Expenses
- September 21, 2020 - Memorandum of Law in Support of Lead Counsel’s Motion for Attorneys’ Fees and Litigation Expenses
- September 21, 2020 - Declaration of Jonathan D. Uslaner in Support of (I) Lead Plaintiff’s Motion for Final Approval of Settlement and Plan of Allocation, and (II) Lead Counsel’s Motion for Attorneys’ Fees and Litigation Expenses
- June 23, 2020 – Order Preliminarily Approving Settlement and Authorizing Dissemination of Notice of Settlement
- March 12, 2020 – Memorandum of Law in Support of Lead Plaintiff’s Unopposed Motion for an Order Preliminarily Approving Class Action Settlement and Authorizing Dissemination of Notice of Settlement
- March 5, 2020 – Stipulation and Agreement of Settlement
- August 30, 2019 - Memorandum and Order Denying in Part and Granting in Part Defendants' Motion to Dismiss Plaintiffs' Consolidated Complaint
- July 17, 2017 - Consolidated Class Action Complaint