

In re Dendreon Corp. Securities Litigation

COURT: United States District Court for the Western District of Washington
CASE NUMBER: 11-cv-01291-JLR
JUDGE: Hon. James L. Robart
CLASS PERIOD: 04/29/2010 - 08/03/2011
CASE CONTACTS: Jonathan D. Uslaner

BLB&G and San Mateo County Employees' Retirement Association Obtain \$40 Million Settlement

On April 24, 2013, the Court-appointed Lead Plaintiff and the Defendants stipulated to a \$40 million settlement. On April 26, 2013, the Court preliminarily approved the settlement and certified the class. On August 2, 2013, following a hearing, the Court approved the settlement and plan of allocation.

Background

This securities class action arises from materially false and misleading statements and omissions concerning Dendreon Corporation ("Dendreon" or the "Company"). Dendreon is a biotechnology company based in Seattle, Washington that produces the prostate cancer therapy Provenge. Beginning no later than April 29, 2010, Dendreon and its executives, including its (former) Chief Executive Officer Mitchell H. Gold, made a series of false statements and misrepresentations to investors concerning the supposedly strong demand for Provenge. According to Defendants, the demand for Provenge was supposedly so high that it exceeded Dendreon's ability to supply the market. In addition, Defendants repeatedly assured investors that the Company would treat 2,000 patients within the first year of Provenge's launch, and that the Company would meet its revenue guidance of \$350 to \$400 million for Provenge, despite knowing that the Company would not achieve such results. When the truth about these matters was revealed on August 3, 2011, the price of Dendreon common stock plummeted by 67%, destroying over \$3 billion in shareholder equity. In sharp disparity to the substantial shareholder wealth lost as a result of Defendants' fraudulent conduct, Dendreon officers and directors realized over \$85 million in proceeds from insider stock sales during the Class Period.

On December 19, 2011, the Honorable James L. Robart appointed San Mateo County Employees' Retirement Association ("SamCERA") as Lead Plaintiff, and approved SamCERA's selection of Bernstein Litowitz Berger & Grossmann LLP as Lead Counsel for the Class. On February 24, 2012, Lead Plaintiff filed the Consolidated Class Action Complaint For Violations of Federal Securities Laws ("Complaint"). The Complaint asserts claims against Dendreon, its former Chief Executive Officer (Gold), its former Chief Operating Officer (Hans E. Bishop), and its Chief Financial Officer (Gregory T. Schiffman), for violations of Sections 10(b), 20(a), and 20A of the Securities Exchange Act of 1934 and SEC Rule 10b-5. The class action is brought on behalf of all persons and entities who purchased or otherwise acquired the publicly traded securities of Dendreon between April 29, 2010 and August 3, 2011.

Defendants filed a Motion to Dismiss the Consolidated Complaint on April 27, 2012, which lead Plaintiff opposed on June 11, 2012. Defendants followed with a reply in Support of Their Motion to Dismiss on July 11, 2012.