

In re Henry Schein, Inc. Securities Litigation

COURT: United States District Court for the Eastern District of New York
CASE NUMBER: 1:18-cv-01428
JUDGE: U.S. District Court Judge Margo K. Brodie / U.S. Magistrate Judge Vera M. Scanlon
CLASS PERIOD: 03/07/2013 - 02/12/2018
CASE CONTACTS: James A. Harrod, Michael Mathai

This is a securities fraud class action filed on behalf of a class of all persons and entities who purchased or otherwise acquired common stock of Henry Schein, Inc. (“Henry Schein” or the “Company”) from March 7, 2013 through February 12, 2018, inclusive (the “Class Period”).

Henry Schein, based in Melville, New York, is one of the largest distributors of dental supplies and equipment in the United States.

In this action, Lead Plaintiff alleges that Defendants made false and misleading statements and material omissions about Schein’s North American Dental business, including the operation of that business in a competitive environment and the sources of the dental business’s financial success. Lead Plaintiff alleges that these misstatements inflated the price of Schein’s common stock during the Class Period and that the price declined when several private collusion lawsuits and a Federal Trade Commission action revealed to investors that Defendants had allegedly sought to reduce competition by entering into agreements to refuse to provide discounts to or compete for the business of groups of independent dentists, rather than compete based on price. Lead Plaintiff also alleged that, as a result of these lawsuits, Schein ceased to engage in the allegedly collusive behavior and that the cessation adversely affected the Company’s publicly reported financial results. Defendants have denied those allegations.

Lead Plaintiff Has Settled The Action for \$35 Million

The Court-appointed Lead Plaintiff Miami General Employees’ & Sanitation Employees’ Retirement Trust (“Lead Plaintiff”), on behalf of itself and the Class, has settled the action the Action for \$35,000,000 in cash, resolving all claims in the Action (the “Settlement”).

On September 16, 2020, the Court held a hearing on approval of the Settlement and related matters and announced that it would approve the Settlement. Following the hearing, the Court entered an Order approving the Settlement, the proposed Plan of Allocation, and the attorneys’ fees and litigation expenses, and a final Judgment.

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

all persons and entities who purchased or otherwise acquired Schein common stock during the period from March 7, 2013 through February 12, 2018, inclusive (the “Class Period”) and who were damaged thereby. Excluded from the Class are certain persons and entities who are excluded by definition (see paragraph 23 of the [Notice](#)) or who requested exclusion pursuant to the instructions set forth in the Notice.

Please read the [Notice](#) to fully understand your rights. Copies of the [Notice](#) and [Claim Form](#) can be found on the [Case Documents](#) page. You may also visit the Settlement website, HSICSecuritiesLitigation.com, for more information about the Settlement. Payments to eligible claimants will be made 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.

IMPORTANT DATES AND DEADLINES

September 2, 2020

Background

On February 12, 2018, the Federal Trade Commission (“FTC”) announced that it filed a complaint against Henry Schein and two of the nation’s other largest distributors of dental products alleging violations of the U.S. antitrust laws. The FTC’s complaint detailed communications between executives of Henry Schein and its conspirators evidencing the agreement, as well as attempts to monitor and ensure compliance with the agreement. The disclosure of the FTC complaint caused the price of Henry Schein stock to decline from approximately 7%, to \$67.39 per share.

On June 22, 2018, Magistrate Judge Vera M. Scanlon appointed City of Miami General Employees’ & Sanitation Employees’ Retirement Trust to as Lead Plaintiff and Bernstein Litowitz Berger & Grossmann LLP as Lead Counsel, and on September 14, 2018 Lead Plaintiffs filed their Consolidated Class Action Complaint for Violations of the Federal Securities Laws.

Defendants served their Motion to Dismiss on December 10, 2018, and Lead Plaintiff served its Opposition on January 23, 2019. Defendants’ Motion to Dismiss briefing completed on February 22, 2019. On September 27, 2019, the Court denied, in part, Defendants’ Motion to Dismiss.

On April 30, 2020, the parties reached an agreement to settle the Action for \$35 million that was subject to Court approval. A hearing was scheduled for September 16, 2020 to consider final approval of the Settlement and related matters.

At the September 16, 2020 hearing, the Court approved the Settlement. Following the hearing, the Court entered an Order approving the Settlement and the proposed Plan of Allocation and awarding attorneys’ fees and litigation expenses, and a final Judgment.