

In re United Therapeutics Derivative Litigation

COURT: Court of Chancery of the State of Delaware
CASE NUMBER: 4946-CC
JUDGE: Chancellor William B. Chandler III
CASE CONTACTS: Mark Lebovitch

On October 2, 2009, the Retirement Board of Allegheny County (the "Retirement Board") filed a derivative action on behalf of United Therapeutics Corporation ("UTHR" or the "Company") related to inappropriate executive compensation. On October 26, 2009, the Retirement Board moved to consolidate its action with a pending derivative action filed by Jeffrey Benison IRA on behalf of UTHR.

On May 4, 2010, Police & Fire Retirement System of the City of Detroit ("PFRS"), represented by BLB&G, joined the pending consolidated derivative action and the Plaintiffs filed an amended complaint. The amended complaint challenged: (i) an ultra vires grant of stock options to UTHR's CEO, (ii) a share tracking awards plan ("STAP") that UTHR implemented without stockholder approval, and (iii) the unjustified repricing of stock options and STAP awards for members of the UTHR Board and senior management.

During briefing of Defendants' motion to dismiss and Plaintiffs' Motion for Partial Summary Judgment, the parties reached a preliminary settlement.