

In re Willis Towers Watson plc Proxy Litigation

COURT: United States District Court for the Eastern District of Virginia
CASE NUMBER: 1:17-cv-01338-AJT-JFA
CASE LEADERS: Salvatore J. Graziano, John Rizio-Hamilton, Rebecca E. Boon, Scott R. Foglietta, Jesse L. Jensen
CASE TEAM: Megan Taggart

This action (the “Action”) is brought on behalf of shareholders of Towers Watson & Co. (“Towers”) common stock as of both October 1, 2015, the record date for shareholders to be eligible to vote on the Merger of Towers and Willis Group Holdings plc (“Willis”), and January 4, 2016, the date the Merger closed, and concerns alleged materially untrue statements and material omissions made in proxy solicitations distributed to Towers stockholders concerning the Merger.

Lead Plaintiff Has Settled the Action for \$75 Million

The Court-appointed Lead Plaintiff, The Regents of the University of California, on behalf of itself and the Class, has reached a settlement of the Action for \$75,000,000 in cash that resolves the Action (the “Settlement”). In addition, a \$15,000,000 settlement has also been reached in a related action brought in the Delaware Court of Chancery (the “Delaware Settlement”). On May 21, 2021, following a hearing, the Court entered a Judgment approving the Settlement and entered orders approving the Plan of Allocation and Lead Counsel’s motion for attorneys’ fees and litigation expenses.

You may visit the Settlement website, <http://willistowerswatsonshareholderlitigation.com/>, for more information about the Settlement.

The Litigation

The complaint in this matter was filed on November 21, 2017, and brought on behalf of all Towers Watson & Co. (“Towers”) shareholders as of October 1, 2015, the date Towers shareholders were eligible to vote on the merger between Willis Group Holdings plc (“Willis”) and Towers (the “Merger”). Defendants in this action are Willis Towers Watson plc (“Willis Towers Watson” or the “Company”), Towers, Willis, Towers’ former Chairman and CEO John Haley (“Haley”), Willis’ former CEO Dominic Casserley (“Casserley”), ValueAct Capital Management, L.P. (“ValueAct”), and ValueAct’s former CEO Jeffrey Ubben (“Ubben”).

In connection with the Merger, Defendants allegedly made numerous materially untrue statements and omissions of material fact concerning the fact that Haley, ValueAct, and Willis met during the Merger negotiations, including during a meeting in September 2015, and discussed a massive incentive compensation package that Haley would receive as the future CEO of the combined company, valued as high as \$165 million over the three years following the Merger. Defendants allegedly further made numerous materially untrue statements and omissions of material fact concerning the fact that Haley had this conflict and did not seek the maximum additional compensation for Towers shareholders during the renegotiation of the Merger’s terms.

On January 22, 2018, the Regents of the University of California filed a motion for appointment as Lead Plaintiff and for approval of BLB&G as Co-Lead Counsel for the Class. The motion was granted on February 20, 2018. The Regents

filed a consolidated amended complaint on March 9, 2018. Defendants filed motions to dismiss on April 13, 2018, with Towers, Willis, Haley, and Casserley filing one motion to dismiss and ValueAct and Ubben filing a separate motion to dismiss. Lead Plaintiff filed its opposition on May 7, 2018, and Defendants filed their replies on May 14, 2018. The Court heard oral argument on the motions to dismiss on May 18, 2018. On July 12, 2018, the Court granted Defendants' motions to dismiss, finding that the action was not brought within the one-year statute of limitations and that the alleged omissions were not material. The Regents timely appealed to the Fourth Circuit, and the Court held oral argument on May 8, 2019. On August 30, 2019, the Fourth Circuit vacated the District Court's decision and remanded the case to the District Court for further proceedings. On November 8, 2019, Defendants filed additional motions to dismiss Plaintiff's claims. Plaintiff opposed these motions on December 9, 2019, and Defendants filed their replies on December 18, 2019. The District Court heard oral argument on December 20, 2019, and denied Defendants' additional motions to dismiss on January 31, 2020. Defendants' filed a subsequent motion to amend the District Court's opinion and certify the opinion for interlocutory appeal under 28 U.S.C. § 1292(b) on February 4, 2020. The District Court heard oral arguments on Defendants' motion to certify on February 12, 2020 and denied the motion on February 18, 2020. Briefing on class certification was completed on July 20, 2020, and discovery concluded on August 10, 2020.

On September 4, 2020, as later modified on November 4, 2020, the District Court certified a class consisting of all Towers shareholders (both beneficial and record holders) as of both October 1, 2015, the record date for Towers shareholders to be eligible to vote on the Merger, and January 4, 2016, the date the Merger closed, and who were damaged thereby (the "Class").

Starting in October 2020, the parties engaged in several weeks of back and forth settlement negotiations. On November 19, 2020, the parties reached an agreement in principle to settle this action as well as a related action asserting fiduciary-duty claims in Delaware state court for a total of \$90 million, consisting of \$75 million to settle the federal claims and \$15 million to settle the Delaware state claims.

On January 15, 2021, the parties entered into a Stipulation setting forth the full terms and conditions of the Settlement. That same day, Lead Plaintiff filed a motion for preliminary approval of the Settlement. On January 21, 2021, the Court granted preliminary approval and authorized distribution of the notice of settlement to the certified Class. The Court also scheduled the hearing for final settlement approval for May 21, 2021 at 1:00 p.m. Eastern Time.

Following the Settlement Hearing on May 21, 2021, the Court entered a Judgment approving the Settlement and orders approving the Plan of Allocation and Lead Counsel's motion for attorneys' fees and expenses.

The claims administration was completed in February 2022. On February 18, 2022, the Motion for Approval of Distribution Plan was filed. On February 22, 2022, the Court entered the Order Approving the Distribution Plan. The first distribution of the net settlement fund occurred in May 2022. The second distribution occurred in November 2023. The third distribution will take place in the first half of 2025.

Case Documents

- Notice of (I) Pendency of Class Actions and Proposed Settlements; (II) Settlement Fairness Hearings; and (III) Motions for Attorneys' Fees and Litigation Expenses ("Notice")
- February 22, 2022 - Distribution Order Approving Distribution of Funds

- February 18, 2022 - Unopposed Motion for Approval of Distribution Plan
- February 18, 2022 - Unopposed Motion for Approval of Distribution Plan Exhibits A-G.PDF
- May 21, 2021 - Judgment Approving Class Action Settlement
- May 21, 2021 - Order Approving Plan of Allocation of Net Settlement Fund
- May 21, 2021 - Order Awarding Attorneys' Fees and Litigation Expenses
- May 13, 2021 - 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
- March 31, 2021 - Motion for Final Approval of Settlement and Plan of Allocation
- March 31, 2021 - Memorandum of Law in Support of Lead Plaintiff's Motion for Final Approval of Settlement and Plan of Allocation
- March 31, 2021 - Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses
- March 31, 2021 - Memorandum of Law in Support of Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses
- March 31, 2021 - Declaration of Salvatore J. Graziano 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
- January 21, 2021 - Order Preliminarily Approving Settlement and Authorizing Dissemination of Notice of Settlement
- January 15, 2021 - Stipulation and Agreement of Settlement
- November 4, 2020 - Order Modifying the Definition of the Class
- September 4, 2020 - Order Certifying the Class
- March 9, 2018 - Amended Consolidated Class Action Complaint for Violations of the Federal Securities Laws