

# *In re Allergan, Inc. Proxy Violation Securities Litigation*

**COURT:** United States District Court for the Central District of California  
**CASE NUMBER:** 14-cv-2004  
**CLASS PERIOD:** 02/25/2014 - 04/21/2014  
**CASE LEADERS:** Jeremy P. Robinson, Michael D. Blatchley, Edward G. Timlin

This case involves allegations of insider trading and is brought on behalf of a class of investors who sold the common stock of Allergan, Inc. (“Allergan”) during the period from February 25, 2014 through April 21, 2014.

## **Class Representatives Have Reached a Settlement for \$250 Million**

The Court-appointed representatives for the Class, State Teachers Retirement System of Ohio, Iowa Public Employees Retirement System, and Patrick T. Johnson, on behalf of themselves and the other members of the Class, have reached a settlement with Defendants for \$250,000,000 in cash that resolves all claims in the Action.

On June 12, 2018, the Court held a hearing to consider final approval of the Settlement and related matters. On August 14, 2018, the Court entered a Judgment approving the Settlement as fair, reasonable and adequate, entered an order approving the Plan of Allocation for the proceeds of the Settlement, and entered an order awarding attorneys’ fees and reimbursement of litigation expenses.

If you are a member of the Class and you did not previously request exclusion from the Class in connection with the Class Notice previously mailed in 2017, your rights will be affected by the Settlement and you may be eligible for a payment. The Class consists of:

all persons who sold Allergan common stock during the period February 25, 2014 through April 21, 2014, inclusive, and were damaged thereby

For the full definition of the Class, including persons and entities excluded from the Class, please read the [Settlement Notice](#).

Please read the [Settlement Notice](#) to fully understand your rights and options in connection with Settlement. A copy of the [Settlement Notice](#) can be found on the **Case Documents** page. You may also visit the Settlement website, [www.AllerganProxyViolationSecuritiesLitigation.com](http://www.AllerganProxyViolationSecuritiesLitigation.com), for more information about the Settlement.

The deadline for submission of Claim Forms was August 7, 2018, and claim processing has been completed. The Claims Administrator conducted an initial distribution of the settlement funds to eligible claimants in January 2020 and an additional distribution in October 2022.

## **Background**

The Action alleges that, during the Class Period from February 25, 2014 through April 21, 2014, inclusive, hedge fund manager Bill Ackman, his fund Pershing Square Capital Management and related entities (the “Pershing Defendants”) acquired a 9.7% stake in Allergan while in possession of material nonpublic information relating to a contemplated takeover attempt for Allergan by Valeant Pharmaceuticals International, Inc., Valeant Pharmaceuticals International, and J. Michael Pearson (collectively, the “Valeant Defendants”).

On April 21 and 22, 2014, the Valeant Defendants announced their takeover bid and the Pershing Defendants disclosed their stake. Allergan's stock price increased about 15% in the immediate aftermath of that announcement. The Pershing Defendants' profits from their Class Period transactions grew to well over \$2 billion after a third-party, Actavis plc, agreed to acquire Allergan for cash and stock valued at approximately \$219 per Allergan share. Of this amount, the Pershing Defendants paid approximately \$400 million to the Valeant Defendants pursuant to a February 2014 agreement that the Pershing Defendants would share their gains with the Valeant Defendants in the event that a competing offer for Allergan was successful, and retained the rest.

The federal securities laws expressly prohibit anyone from trading on nonpublic information about an upcoming tender offer. The purpose of the securities laws that govern tender offers such as this one is to create a level and fair playing field so that insiders with knowledge about an upcoming tender offer cannot profit from trading with unsuspecting investors who are not privy to such information. The action asserts claims under Section 14(e) and Rule 14e-3 of the Securities Exchange Act on behalf of Allergan investors that sold their shares during February 25, 2014 and April 21, 2014 (the "Class Period") – the period during which Ackman was secretly acquiring his stake in Allergan.

On May 5, 2015, the Court appointed BLB&G client the State Teachers Retirement System of Ohio as Co-Lead Plaintiff, together with its Co-Lead Plaintiff the Iowa Public Employees Retirement System. On August 7, 2015, Defendants moved to dismiss the claims against them. Lead Plaintiffs opposed the motion and, on November 9, 2015, the Court denied Defendants' motion in its entirety.

On March 15, 2017 the Court entered an Order certifying the Action to proceed as a class action on behalf of the Class defined above, appointing State Teachers Retirement System of Ohio, Iowa Public Employees Retirement System, and Patrick T. Johnson as Class Representatives, and appointing BLB&G and co-counsel Kessler Topaz Meltzer & Check, LLP as Class Counsel. Notice of the pendency of the class action was mailed to potential Class Members beginning in July 2017. If Class Members wished to exclude themselves from the Class, they were required to have submitted a request for exclusion by September 11, 2017.

Between January 2016 and June 2017, the Parties completed extensive fact and expert discovery in the Action, including conducting over 50 depositions and producing more than 1.5 million pages of documents in document discovery. Defendants' motions for summary judgment, both Plaintiffs' and Defendants' motions to exclude the other side's expert testimony, and Plaintiffs' motion to bifurcate the trial were full briefed and pending before the Court at the time the Parties reached their agreement to Settlement. In addition, the Parties had engaged in substantial preparations for trial before the Settlement was reached.

On February 26, 2018, the Parties entered into the Stipulation and Agreement of Settlement. On June 12, 2018, the Court held a hearing to consider final approval of the Settlement and related matters. On August 14, 2018, the Court entered a Judgment approving the Settlement as fair, reasonable and adequate and entered related orders. The Settlement settles and releases all claims asserted in the Action in return for a \$250 million cash payment.

## Case Documents

- Notice of (I) Proposed Settlement and Plan of Allocation; (II) Settlement Fairness Hearing; and (III) Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses
- November 20, 2019 - Order Approving Distribution Plan

- August 14, 2018 - Judgment Approving Class Action Settlement
- August 14, 2018 - Order Approving Plan of Allocation of Net Settlement Fund
- August 14, 2018 - Order Awarding Attorneys' Fees and Reimbursement of Litigation Expenses
- April 25, 2018 - Plaintiffs' Notice of Motion and Motion for Final Approval of Class Action Settlement and Approval of Plan of Allocation; and Memorandum of Points and Authorities in Support
- April 25, 2018 - Lead Counsel's Notice of Motion and Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses; and Memorandum of Points and Authorities in Support
- April 25, 2018 Joint Declaration of Mark Lebovitch and Lee Rudy in Support of (I) Plaintiffs' Motion for Final Approval of the Proposed Settlement and Plan of Allocation and (II) Lead Counsel's Motion for Award of Attorney's Fees and Reimbursement of Litigation Expenses
- March 19, 2018 - Order Preliminarily Approving Settlement and Providing for Notice
- January 26, 2018 - Stipulation and Agreement of Settlement
- July 13, 2017 - Notice of Pendency of Class Action
- April 21, 2016 - Second Amended Complaint
- November 9, 2015 - Order Denying Motion to Dismiss
- June 26, 2015 - Amended Complaint