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FOCUS AREAS

Securities Fraud

Fiduciary

SecuritiesTracker™

Arbitration

Direct & Opt-Out

EDUCATION

Syracuse University, Newhouse School
B.S.-Communications 2006, *magna cum laude*

Temple University Beasley School of Law
J.D. 2012, *cum laude*

ADMISSIONS

Pennsylvania

New Jersey

USDC, Eastern District of Pennsylvania

USDC, District of New Jersey

USCA, Second Circuit

USCA, Third Circuit

USCA, Seventh Circuit

Josh Materese is a Partner at Kessler Topaz and litigates class and direct actions arising from securities fraud, violations of shareholder rights, market manipulation, anti-competitive conduct, or other corporate misconduct. He has deep experience with complex litigation from inception through resolution. Josh currently serves as one of the lead attorneys in pending securities class actions involving General Electric, Goldman Sachs, and Coinbase, among others. Josh is also one of the lead partners in direct actions involving Teva Pharmaceutical and Perrigo Co. In this space, Josh previously successfully litigated claims on behalf of over 100 U.S. and international institutional investors in direct actions against Brazil's state-run oil company, Petrobras, arising out of a decade-long bid-rigging scheme—the largest corruption scandal in Brazil's history.

In addition to litigating cases, Josh advises the Firm's institutional clients on potential claims they may have in shareholder litigation. He is one of the partners at the Firm responsible for client relations and outreach in the U.S., and assists with overseeing Kessler Topaz's proprietary portfolio monitoring and claims filing service, *SecuritiesTracker*™.

Josh maintains an active pro bono practice, serving as Co-Chair of the Firm's Pro Bono Committee and as a Board member for the Homeless Advocacy Project of Philadelphia. At present, he represents clients seeking federal disability benefits, felony pardons, or to overturn wrongful convictions.

USDC, Northern District of Illinois

Current Cases

- Boeing Company

CASE CAPTION*In re The Boeing Company Aircraft Securities Litigation***COURT**

United States District Court for the Northern District of Illinois

CASE NUMBER

1:19-cv-02394

JUDGE

Honorable John J. Tharp Jr.

PLAINTIFFS

Public Employees' Retirement System of Mississippi, City of Warwick Retirement System, William C. Houser, Bret E. Taggart, & Robert W. Kegley Sr.

DEFENDANTS

The Boeing Company, Dennis A. Muilenburg, and Gregory D. Smith

CLASS PERIOD

November 7, 2018 through December 16, 2019, inclusive

This securities fraud class action arises out of Boeing's alleged misstatements and concealment of the significant safety issues with its 737 MAX airliner, which caused two horrific plane crashes. In 2011, under pressure after its main competitor developed a fuel-efficient jet, Boeing announced its own fuel-efficient jet, the 737 MAX. In its rush to get the MAX to market, Boeing deliberately concealed safety risks with its updated airliner from regulators. On October 29, 2018, the 737 MAX being flown by Lion Air malfunctioned and crashed, killing 189 people. While Boeing repeatedly assured the public that the 737 MAX was safe to fly, internally, the Company was quietly overhauling the airliner's systems in an attempt to reduce the risk of another fatal malfunction. Despite Boeing's reassurances to the public, on March 10, 2019 another 737 MAX, this time operated by Ethiopian Airlines, experienced malfunctions before crashing and killing 157 people. Even as regulators and Congress investigated the crashes, throughout the Class Period, Boeing continued to convey to the public that the 737 MAX would return to operation while covering up the full extent of the airliner's safety issues. In December 2019, Boeing finally announced it would suspend production of the 737 MAX, causing the dramatic decline of Boeing's stock price and

significant losses and damages to shareholders. Since the 737 MAX catastrophe, the U.S. Securities and Exchange Commission has initiated a civil fraud investigation and the U.S. Department of Justice has initiated a criminal investigation into Boeing's fraudulent conduct.

In February 2020, a Consolidated Class Action Complaint was filed on behalf of a putative class of investors. The complaint alleges Boeing and its former executives—including former President, CEO, and Chairman of the Board Dennis Muilenburg and CFO Gregory Smith—violated Section 10(b) of the Securities Exchange Act by making false and misleading statements regarding the fatal safety issues with its 737 MAX airliner. The complaint additionally alleges violations of Section 20(a) of the Securities Exchange Act against Dennis Muilenburg and Gregory Smith as controlling persons liable for the false and misleading statements made by Boeing.

On August 23, 2022, the Court issued an Opinion and Order denying and granting in part the Defendants' motion to dismiss, finding Plaintiffs had sufficiently pled claims against Defendants Boeing and Mueilenburg. During fact discovery, Plaintiffs filed an amended pleading, which Defendants moved to dismiss. Oral argument on that motion was held in April. The motion is pending before the Court.

[Read Consolidated Class Action Complaint Here](#)

[Read Opinion and Order Denying and Granting in Part Motion to Dismiss Here](#)

- General Electric Company

CASE CAPTION

Sjunde AP-Fonden, et al., v. General Electric Company, et al.

COURT

United States District Court for the Southern District of New York

CASE NUMBER

1:17-cv-08457-JMF

JUDGE

Honorable Jesse M. Furman

PLAINTIFFS

Sjunde AP-Fonden and The Cleveland Bakers and Teamsters Pension Fund

DEFENDANTS

General Electric Company and Jeffrey S. Bornstein

CLASS PERIOD

March 2, 2015 through January 23, 2018, inclusive

This securities fraud class action case arises out of alleged misrepresentations made by General Electric (“GE”) and its former Chief Financial Officer, Jeffrey S. Bornstein (together, “Defendants”), regarding the use of factoring to conceal cash flow problems that existed within GE Power between March 2, 2015, and January 24, 2018 (the “Class Period”).

GE Power is the largest business in GE’s Industrials operating segment. The segment constructs and sells power plants, generators, and turbines, and also services such assets through long term service agreements (“LTSAs”). In the years leading up to the Class Period, as global demand for traditional power waned, so too did GE’s sales of gas turbines and its customer’s utilization of existing GE-serviced equipment. These declines drove down GE Power’s earnings under its LTSAs associated with that equipment. This was because GE could only collect cash from customers when certain utilization levels were achieved or upon some occurrence within the LTSA, such as significant service work.

Plaintiffs allege that in an attempt to make up for these lost earnings, GE modified existing LTSAs to increase its profit margin and then utilized an accounting technique known as a “cumulative catch-up adjustment” to book immediate profits based on that higher margin. In most instances, GE recorded those cumulative catch-up earnings on its income statement long before it could actually invoice customers and collect cash under those agreements. This contributed to a growing gap between GE’s recorded non-cash revenues (or “Contract Assets”) and its industrial cash flows from operating activities (“Industrial CFOA”).

In order to conceal this increasing disparity, Plaintiffs allege that GE increased its reliance on long-term receivables factoring (i.e., selling future receivables to GE Capital, GE’s financing arm, or third parties for immediate cash). Through long-term factoring, GE pulled forward future cash flows, which it then reported as cash from operating activities (“CFOA”). GE relied on long-term factoring to generate CFOA needed to reach publicly disclosed cash flow targets. Thus, in stark contrast to the true state of affairs within GE Power—and in violation of Item 303 of Regulation S-K—GE’s Class Period financial statements did not disclose material facts regarding GE’s factoring practices, the true extent of the cash flow problems that GE was attempting to conceal through receivables factoring, or the risks associated with GE’s reliance on factoring. Eventually, however, GE could no longer rely on this unsustainable practice to conceal its weak Industrial cash flows. As the truth was gradually revealed to investors—in the form of, among other things, disclosures of poor Industrial cash flows and massive reductions in Industrial CFOA guidance—GE’s stock price plummeted, causing substantial harm to Plaintiffs and the Class.

In January 2021, the Court sustained Plaintiffs' claims based on allegations that GE failed to disclose material facts relating its practice of and reliance on factoring, in violation of Item 303, and affirmatively misled investors about the purpose of GE's factoring practices. In April 2022, following the completion of fact discovery, the Court granted Plaintiffs' motion for class certification, certifying a Class of investors who purchased or otherwise acquired GE common stock between February 29, 2016 and January 23, 2018. In that same order, the Court granted Plaintiffs' motion for leave to amend their complaint to pursue claims based on an additional false statement made by Defendant Bornstein. The Court had previously dismissed these claims but, upon reviewing Plaintiffs' motion—based on evidence obtained through discovery—permitted the claim to proceed.

On September 28, 2023, the Court entered an order denying Defendants' motion for summary judgment, sending Plaintiffs' claims to trial. In March 2024, the Court denied Defendants' motion for reconsideration of its summary judgment decision. Trial is set to begin in November 2024.

[Read Fifth Amended Consolidated Class Action Complaint Here](#)
[Read Opinion and Order Granting and Denying in Part Motion to Dismiss Here](#)

[Read Order Granting Motion for Class Certification and for Leave to Amend Here](#)

[Click Here to Read the Class Notice](#)

[Read Opinion and Order Here \(9/28/23\)](#)

[Read Memorandum Opinion & Order Here \(3/21/24\)](#)

- Goldman Sachs Group, Inc.

CASE CAPTION

Sjunde AP-Fonden v. The Goldman Sachs Group, Inc. et al.

COURT

United States District Court for the Southern District of New York

CASE NUMBER

1:18-cv-12084-VSB

JUDGE

Honorable Vernon S. Broderick

PLAINTIFF

Sjunde AP-Fonden ("AP7")

DEFENDANTS

The Goldman Sachs Group ("Goldman Sachs" or the "Company"), Lloyd C. Blankfein, Gary D. Cohn, and Harvey M. Schwartz

CLASS PERIODFebruary 28, 2014 to
December 20, 2018, inclusive

This securities fraud class action case arises out of Goldman Sachs' role in the 1Malaysia Development Berhad ("1MDB") money laundering scandal, one of the largest financial frauds in recent memory.

In 2012 and 2013, Goldman served as the underwriter for 1MDB, the Malaysia state investment fund masterminded by financier Jho Low, in connection with three state-guaranteed bond offerings that raised over \$6.5 billion. Goldman netted \$600 million in fees for the three bond offerings—over 100 times the customary fee for comparable deals.

In concert with Goldman, Low and other conspirators including government officials from Malaysia, Saudi Arabia, and the United Arab Emirates ran an expansive bribery ring, siphoning \$4.5 billion from the bond deals that Goldman peddled as investments for Malaysian state energy projects. In actuality, the deals were shell transactions used to facilitate the historic money laundering scheme. Nearly \$700 million of the diverted funds ended up in the private bank account of Najib Razak, Malaysia's now-disgraced prime minister who was convicted for abuse of power in 2020. Other funds were funneled to Low and his associates and were used to buy luxury real estate in New York and Paris, super yachts, and even help finance the 2013 film "The Wolf of Wall Street." AP7 filed a 200-page complaint in October 2019 on behalf of a putative class of investors alleging that Goldman and its former executives, including former CEO Lloyd Blankfein and former President Gary Cohn, violated Section 10(b) of the Securities Exchange Act by making false and misleading statements about Goldman's role in the 1MDB fraud. As alleged, when media reports began to surface about the collapse of 1MDB, Goldman denied any involvement in the criminal scheme. Simultaneously, Goldman misrepresented its risk controls and continued to falsely tout the robustness of its compliance measures. Following a series of revelations about investigations into allegations of money laundering and corruption at 1MDB, Goldman's stock price fell precipitously, causing significant losses and damages to the Company's investors.

In October 2020, the U.S. Department of Justice announced that Goldman's Malaysia subsidiary had pled guilty to violating the Foreign Corrupt Practices Act ("FCPA") which criminalizes the payment of bribes to foreign officials, and that Goldman had agreed to pay \$2.9 billion pursuant to a deferred prosecution agreement. This amount includes the largest ever penalty under the FCPA.

On June 28, 2021, The Honorable Vernon S. Broderick of the U.S. District Court for the Southern District of New York sustained

Plaintiff's complaint in a 44-page published opinion. On July 31, 2023, the Court granted Plaintiff's motion to amend the complaint to conform the pleadings to the evidence adduced during discovery, which is now complete.

Plaintiff first moved for class certification in November 2021. While that motion was pending, the Court granted Plaintiff's motion to amend the complaint and subsequently ordered that Plaintiff's motion for class certification be newly briefed in light of the amended pleading. On September 29, 2023, Plaintiff renewed its motion for class certification. On April 5, 2024, Magistrate Judge Katharine H. Parker of the U.S. District Court for the Southern District of New York issued a 59-page Report and Recommendation recommending that the District Court grant Lead Plaintiff AP7's motion to certify the class. Meanwhile, expert discovery is ongoing.

[Read Third Amended Class Action Complaint Here](#)

[Read Opinion and Order Granting and Denying in Part Motion to Dismiss Here](#)

[Read the Report and Recommendation on Motion for Class Certification Here](#)

- Lucid Group, Inc.

CASE CAPTION

In re Lucid Group, Inc. Sec. Litig.

COURT

United States District Court for the Northern District of California

CASE NUMBER

3:22-cv-02094-JD

JUDGE

Honorable James Donato

PLAINTIFF

Sjunde AP-Fonden ("AP7")

DEFENDANTS

Lucid Group, Inc., Peter Rawlinson, and Sherry House

CLASS PERIOD

November 15, 2021 to August 3, 2022, inclusive

Defendant Lucid designs, produces, and sells luxury EVs. This securities fraud class action arises out of Defendants' misrepresentations and omissions regarding Lucid's production of its only commercially-available electronic vehicle ("EV"), the Lucid Air, and the factors impacting that production.

To start the Class Period, on November 15, 2021, Defendants told investors that Lucid would produce 20,000 Lucid Airs in 2022. This was false, and Defendants knew it. According to numerous former

Lucid employees, Defendants already knew then that Lucid would produce less than 10,000 units in 2022, and admitted this fact during internal meetings preceding the Class Period. They also knew why Lucid could not meet this production target—the Company was suffering from its own unique and severe problems that were stalling production of the Lucid Air, including internal logistics issues, design flaws, and the key drivers of parts shortages. These problems had not only prevented, but continued to prevent Lucid from ramping up production of the Lucid Air. Despite the actual state of affairs at Lucid, on November 15, 2021, and at all times thereafter during the Class Period, Defendants concealed these severe, internal, Company-specific problems. At every turn, when asked about the pace of production, or to explain the factors causing Lucid’s production delays, Defendants blamed the Company’s woes on the purported impact of external, industrywide supply chain problems and repeatedly assured investors that the Company was “mitigating” that global impact. These misrepresentations left investors with a materially false and misleading impression about Lucid’s actual production and internal ability and readiness to mass produce its vehicles. Against that backdrop, Defendants then lied, time and again, about the number of vehicles Lucid would produce. Even when, in February 2022, Defendants announced a reduced production target of 12,000 to 14,000 units, they continued to point to purported industry-wide supply chain problems and once more assured the market that the Company was thriving in spite of such issues. When the truth regarding Lucid’s false claims about its production and the factors impacting that production finally emerged, Lucid’s stock price cratered, causing massive losses for investors. On December 13, 2022, Plaintiffs filed a 138-page consolidated complaint on behalf of a putative class of investors alleging that Defendants Lucid, Rawlinson, and House violated 10(b) and 20(a) of the Securities Exchange Act. On February 23, 2023, Defendants filed a motion to dismiss. Briefing on that motion was completed in June 2023, and the Court heard oral argument in August 2023. The motion remains pending.

- Natera, Inc.

CASE CAPTION

John Harvey Schneider, et al. v. Natera, Inc., et al.

COURT

United States District Court
for the Western District of
Texas

CASE NUMBER

1:22-cv-00398-LY

JUDGE

Honorable Lee Yeakel

PLAINTIFFS

British Airways Pension

Trustees Limited (“BAPTL”) and Key West Police & Fire Pension Fund (“Key West P&F”)

DEFENDANTS

Natera, Inc., Steve Chapman, Michael Brophy, Matthew Rabinowitz, Paul R. Billings, Roy Baynes, Monica Bertagnolli, Roelof F. Botha, Rowan Chapman, Todd Cozzens, James I. Healy, Gail Marcus, Herm Rosenman, Jonathan Sheena, Morgan Stanley & Co. LLC, Goldman Sachs & Co. LLC, Cowen and Company, LLC, SVB Leerink LLC, Robert W. Baird & Co. Inc., BTIG, LLC, and Craig-Hallum Capital Group LLC

CLASS PERIOD

February 26, 2020 to March 14, 2022, inclusive

This securities fraud class action arises out of Natera’s representations and omissions about the purported “superiority” of its kidney transplant rejection test, Prospera, compared to a competitor’s product, AlloSure, and the revenues and demand associated with the Company’s flagship non-invasive prenatal screening test, Panorama. During the Class Period, Defendants touted Prospera’s superiority over AlloSure based on what they represented as a head-to-head comparison of underlying study data. However, internal Natera emails revealed that Natera recognized that the comparisons were unsupported and misleading. Further, Defendants consistently highlighted the impressive revenue performance and seemingly organic demand for Panorama. However, the market was unaware that Natera employed several deceptive billing and sales practices that inflated these metrics. Meanwhile, Defendants, CEO Steve Chapman, CFO Matthew Brophy, and co-founder and Executive Chairman of the Board, Matthew Rabinowitz, sold more than \$137 million worth of Natera common stock during the Class Period. Natera also cashed in, conducting two secondary public offerings, selling investors over \$800 million of Natera common stock during the Class Period. The truth regarding Prospera’s false claims of superiority and the Company’s deceptive billing and sales practices was disclosed to the public through disclosures on March 9, 2022, and March 14, 2022. Natera’s stock price fell significantly in response to each corrective disclosure, causing massive losses for investors.

On October 7, 2022, Plaintiffs filed an 89-page amended complaint on behalf of a putative class of investors alleging that Natera, Chapman, Brophy, Rabinowitz, and former Chief Medical Officer and Senior Vice President of Medical Affairs, Paul R. Billings, violated Sections 10(b) and 20(a) of the Securities Exchange Act.

Plaintiffs also allege that Defendants Chapman, Brophy, and Rabinowitz violated Section 20A of the Exchange Act by selling personally held shares of Natera common stock, while aware of material nonpublic information concerning Prospera and Panorama. In addition, Plaintiffs claim that Defendants Chapman, Brophy, Rabinowitz, several Natera directors, and the underwriters associated with Natera's July 2021 secondary public offering violated Sections 11, 12(a)(2), and 15 of the Securities Act.

On December 16, 2022, Defendants filed motions to the complaint, which Plaintiffs opposed on February 17, 2023. On September 11, 2023, the Court entered an Order granting in part and denying in part Defendants' motions to dismiss the complaint. In the Order, the Court sustained all claims arising under Sections 10(b), 20(a), and 20(A) of the Exchange Act based on the complaint's Panorama allegations. The Court also sustained Plaintiffs' Securities Act claims based on the Panorama fraud that arose from Defendants' disclosure violations under two SEC regulations (Item 105 and Item 303), both of which required the provision of certain material facts in the Company's offering materials.

The case is now in fact discovery. In May, Defendants filed a motion for judgment on the pleadings, which Plaintiffs opposed. In June, Plaintiffs filed a motion seeking class certification. Briefing on that motion will close in October.

[Read Amended Consolidated Class Action Complaint Here](#)

[Read Motion for Class Certification Here](#)

- Perrigo Co. plc

Carmignac Gestion, S.A. v. Perrigo Co. plc, et al.; First Manhattan Co. v. Perrigo Co. plc, et al.; Nationwide Mutual Funds, on behalf of its series Nationwide Geneva Mid Cap Growth and Nationwide S&P 500 Index Fund, et al. v. Perrigo Co. plc, et al.; Aberdeen Canada Funds – Global Equity Fund, a series of Aberdeen Canada Funds, et al. v. Perrigo Co. plc, et al.; Schwab Capital Trust on behalf of its series Schwab S&P 500 Index Fund, Schwab Total Stock Market Index Fund, Schwab Fundamental U.S. Large

CASE CAPTION

	<i>Company Index Fund, and Schwab Health Care Fund, et al. v. Perrigo Co. plc, et al.; Principal Funds, Inc., et al. v. Perrigo Co. plc, et al.; and Kuwait Investment Authority, et al. v. Perrigo Co. plc, et al.</i>
COURT	United States District Court for the District of New Jersey
CASE NUMBER	No. 2:17-cv-10467-MCA-LDW; No. 2:18-cv-02291-MCA-LDW; No. 2:18-cv-15382-MCA-LDW; No. 2:19-cv-06560-MCA-LDW; No. 2:19-cv-03973-MCA-LDW; No. 2:20-cv-02410-MCA-LDW; No. 2:20-cv-03431-MCA-LDW
JUDGE	Honorable Madeline Cox Arleo and Honorable Leda Dunn Wettre
PLAINTIFFS	Carmignac Gestion, S.A., First Manhattan Co., Schwab Capital Trust, <i>et al.</i> , Principal Funds, Inc., Kuwait Investment Authority, <i>et al.</i> , Nationwide Mutual Funds, <i>et al.</i> , and Aberdeen Canada Funds – Global Equity Fund, <i>et al.</i>
DEFENDANTS	Perrigo Company plc (“Perrigo”), Joseph C. Papa, and Judy L. Brown
CLASS PERIOD	April 21, 2015 through May 3, 2017, inclusive

These seven shareholder opt-out actions stem from drug maker Perrigo’s efforts to mislead investors to stave off a hostile takeover bid by pharmaceutical rival Mylan in 2015. The plaintiff investment funds allege that Perrigo and its senior officers misrepresented the true state of the company’s \$4.5 billion acquisition of Omega Pharma, an over-the-counter healthcare company based in Belgium, and fraudulently touted its ability to withstand pricing pressure from the influx of competing drugs in the generic drug markets.

In 2018, we filed the first of these actions in the United States

District Court for the District of New Jersey on behalf of institutional investors in the United States, the United Kingdom, France, and Kuwait. The Honorable Madeline Cox Arleo denied Defendants' motions to dismiss the actions in 2019. The parties concluded discovery in November 2021 and are awaiting summary judgment motion practice.

[Read Charles Schwab v. Perrigo Amended Complaint Here](#)

[Read First Manhattan v. Perrigo Amended Complaint Here](#)

[Read First Manhattan v. Perrigo Motion to Dismiss Opinion Here](#)

[Read Kuwait v. Perrigo Complaint Here](#)

[Read Nationwide v. Perrigo Complaint Here](#)

[Read Nationwide v. Perrigo Motion to Dismiss Opinion Here](#)

[Read Principal v. Perrigo Complaint Here](#)

[Read Aberdeen v. Perrigo Complaint Here](#)

[Read Carmignac Gestion v. Perrigo Complaint Here](#)

[Read Carmignac Gestion v. Perrigo Motion to Dismiss Opinion Here](#)

- Teva Pharmaceutical Industries Ltd.

Franklin Mutual Series Funds v. Teva Pharmaceutical Ind. Ltd., et al.; Nordea Investment

Management AB v. Teva Pharmaceutical Ind. Ltd., et al.; and State of Alaska, Department of Revenue v. Teva Pharmaceutical Ind. Ltd., et al.

CASE CAPTION

COURT

United States District Court for the District of Connecticut

CASE NUMBER

3:18-cv-01681-SRU; 3:18-cv-01721-SRU and 3:20-cv-01630-SRU

JUDGE

Honorable Stefan R. Underhill

PLAINTIFFS

Franklin Templeton Investment Funds, Nordea Investment Management AB, State of Alaska Department of Revenue, and The Alaska Permanent Fund Corporation

DEFENDANTS

Teva Pharmaceutical Industries Ltd. ("Teva"), Erez Vigodman, Eyal Desheh, Yaacov Altman, Sigurdur Olafsson, Kåre Schultz, and Michael McClellan

CLASS PERIOD

February 6, 2014 through May 10, 2019, inclusive

These securities fraud opt-out actions in Connecticut federal court involve Teva's concealment of its role in an industrywide conspiracy to fix the prices of generic drugs. Our clients allege that Teva failed to disclose that the driving force behind its record revenues between 2013 and 2015 was its participation in the price-fixing scheme and reliance on an unsustainable strategy to systematically raise generic drug prices across its portfolio. When Teva's role in the price-fixing conspiracy and the true financial consequences of its pricing strategy were revealed, plaintiffs suffered substantial investment losses.

In addition to representing multiple U.S. and European investment funds, Kessler Topaz was appointed by U.S. District Judge Stefan R. Underhill to serve as liaison counsel to the Court on behalf of the more than twenty-five opt-out plaintiffs in this consolidated litigation.

On May 1, 2023, Judge Underhill issued a 101-page order and opinion denying Defendants' motion to dismiss the opt-out claims. The cases are now in discovery.

[Read Franklin Mutual Series Funds et al v. Teva Pharmaceutical Ind. Ltd. Complaint Here](#)

[Read Nordea Investment Management AB v. Teva Pharmaceutical Ind. Ltd. First Amended Complaint Here](#)

[Read State of Alaska et al v. Teva Pharmaceutical Ind. Ltd. First Amended Complaint Here](#)

Settled

- Allergan Inc.
Allergan stockholders alleged that in February 2014, Valeant tipped Pershing Square founder Bill Ackman about its plan to launch a hostile bid for Allergan. Armed with this nonpublic information, Pershing then bought 29 million shares of stock from unsuspecting investors, who were unaware of the takeover bid that Valeant was preparing in concert with the hedge fund. When Valeant publicized its bid in April 2014, Allergan stock shot up by \$20 per share, earning Pershing \$1 billion in profits in a single day.
Valeant's bid spawned a bidding war for Allergan. The company was eventually sold to Actavis PLC for approximately \$66 billion.
Stockholders filed suit in 2014 in federal court in the Central District of California, where Judge David O. Carter presided over the case. Judge Carter appointed the Iowa Public Employees Retirement System ("Iowa") and the State Teachers Retirement System of Ohio ("Ohio") as lead plaintiffs, and appointed Kessler Topaz Meltzer & Check, LLP and Bernstein

Litowitz Berger & Grossmann, LLP as lead counsel.

The court denied motions to dismiss the litigation in 2015 and 2016, and in 2017 certified a class of Allergan investors who sold common stock during the period when Pershing was buying.

Earlier in December, the Court held a four-day hearing on dueling motions for summary judgment, with investors arguing that the Court should enter a liability judgment against Defendants, and Defendants arguing that the Court should throw out the case. A ruling was expected on those motions within coming days.

The settlement reached resolves both the certified stockholder class action, which was set for trial on February 26, 2018, and the action brought on behalf of investors who traded in Allergan derivative instruments. Defendants are paying \$250 million to resolve the certified common stock class action, and an additional \$40 million to resolve the derivative case.

Lee Rudy, a partner at Kessler Topaz and co-lead counsel for the common stock class, commented: "This settlement not only forces Valeant and Pershing to pay back hundreds of millions of dollars, it strikes a blow for the little guy who often believes, with good reason, that the stock market is rigged by more sophisticated players. Although we were fully prepared to present our case to a jury at trial, a pre-trial settlement guarantees significant relief to our class of investors who played by the rules."

- J.P. Morgan Chase & Co.

This securities fraud class action in the United States District Court for the Southern District of New York stemmed from the "London Whale" derivatives trading scandal at JPMorgan Chase.

Shareholders alleged that JPMorgan concealed the high-risk, proprietary trading activities of the investment bank's Chief Investment Office, including the highly volatile, synthetic credit portfolio linked to trader Bruno Iksil—a.k.a., the "London Whale"—which caused a \$6.2 billion loss in a matter of weeks. Shareholders accused JPMorgan of falsely downplaying media reports of the synthetic portfolio, including on an April 2012 conference call when JPMorgan CEO Jamie Dimon dismissed these reports as a "tempest in a teapot," when in fact, the portfolio's losses were swelling as a result of the bank's failed oversight.

This case was resolved in 2015 for \$150 million, following U.S. District Judge George B. Daniels' order certifying the class, representing a significant victory for investors.

- Kraft Heinz Company

This securities fraud class action case arises out Defendants' misstatements regarding the Company's financial position, including the carrying value of Kraft Heinz's assets, the

sustainability of the Company's margins, and the success of recent cost-cutting strategies by Kraft Heinz.

Kraft Heinz is one of the world's largest food and beverage manufacturer and produces well-known brands including Kraft, Heinz, Oscar Mayer, Jell-O, Maxwell House, and Velveeta. The Company was formed as the result of the 2015 merger between Kraft Foods Group, Inc. and H.J. Heinz Holding Corporation. That merger was orchestrated by the private equity firm 3G Capital ("3G") and Berkshire Hathaway with the intention of wringing out excess costs from the legacy companies. 3G is particularly well-known for its strategy of buying mature companies with relatively slower growth and then cutting costs using "zero-based budgeting," in which the budget for every expenditure begins at \$0 with increases being justified during every period.

Plaintiffs allege that Kraft misrepresented the carrying value of its assets, sustainability of its margins, and the success of the Company's cost-cutting strategy in the wake of the 2015 merger. During the time that Kraft was making these misrepresentations and artificially inflating its stock price, Kraft's private equity sponsor, 3G Capital, sold \$1.2 billion worth of Kraft stock.

On February 21, 2019, Kraft announced that it was forced to take a goodwill charge of \$15.4 billion to write-down the value of the Kraft and Oscar Mayer brands—one of the largest goodwill impairment charges taken by any company since the financial crisis. In connection with the charge, Kraft also announced that it would cut its dividend by 36% and incur a \$12.6 billion loss for the fourth quarter of 2018. That loss was driven not only by Kraft's write-down, but also by plunging margins and lower pricing throughout Kraft's core business. In response, analysts immediately criticized the Company for concealing and "push[ing] forward" the "bad news" and characterized the Company's industry-leading margins as a "façade."

Heightening investor concerns, Kraft also revealed that it received a subpoena from the U.S. Securities and Exchange Commission in the same quarter it determined to take this write-down and was conducting an internal investigation relating to the Company's side-agreements with vendors in its procurement division. Because of this subpoena and internal investigation, Kraft was also forced to take a separate \$25 million charge relating to its accounting practices. Plaintiffs allege that because of the Company's misrepresentations, the price of Kraft's shares traded at artificially-inflated levels during the Class Period.

On August 11, 2021, The Honorable Robert M. Dow, Jr. sustained Plaintiffs' complaint. In March 2022, Plaintiffs moved for class certification. In January 2023, the parties agreed to resolve the matter in its entirety for \$450 million.

- Seaworld Entertainment Inc.
After over five years of hard-fought litigation, on February 19, 2020, Judge Michael M. Anello of the U.S. District Court for the

Southern District of California granted preliminary approval of a class action settlement brought on behalf of SeaWorld Entertainment, Inc. shareholders. Since December 2014, Kessler Topaz has served as co-lead counsel in the litigation. The case alleges that SeaWorld and its former executives issued materially false and misleading statements during the Class Period about the impact on SeaWorld's business of *Blackfish*, a highly publicized documentary film released in 2013, in violation of Section 10(b) of the Exchange Act of 1934. Defendants repeatedly told the market that the film and its related negative publicity were not affecting SeaWorld's attendance or business at all. When the underlying truth of *Blackfish's* impact on the business finally came to light in August 2014, SeaWorld's stock price lost approximately 33% of its value in one day, causing substantial losses to class members.

In April 2019, after the close of fact and expert discovery, Defendants moved for summary judgment on all claims—their last and best opportunity to avoid a jury trial on the Class's claims through a dispositive motion. After highly contested briefing and oral argument, in November 2019 the Court held in a 98-page opinion that Plaintiffs had successfully shown that the claims should go to a jury.

With summary judgment denied and the parties preparing for a February 2020 trial, the parties reached a \$65 million cash settlement for SeaWorld's investors.

News

- August 19, 2021 - Claims Against Kraft Heinz and 3G Capital Arising From Unprecedented \$15.4 Billion Writedown Proceed to Discovery
- March 31, 2020 - On the Eve of Trial, Investors Reach \$65 Million Settlement in Securities Fraud Class Action Against SeaWorld Entertainment and the Blackstone Group

Awards/Rankings

- Lawdragon 500 Leading Global Plaintiff Lawyers, 2024
- Super Lawyers Pennsylvania Rising Star, 2022

Memberships

- Federal Bar Association
- The Justinian Society of Philadelphia
- Council of Institutional Investors ("CII")
- National Association of Public Pension Attorneys ("NAPPA")
- National Conference of Public Employees Retirement System (NCPERS")

- Georgia Association of Public Pension Trustees ("GAPPT")
- Texas Association of Public Employee Retirement Systems ("TEXPERS")

Community Involvement

- Philadelphia VIP
- Philadelphia Homeless Advocacy Project ("HAP")
- Philadelphia Lawyers for Social Equity ("PLSE")
- Pennsylvania Innocence Project