

1 prescriptions. In addition, for non-insured or cash paying consumers, PBMs typically
2 require pharmacies to accept discount cards, like GoodRx’s core product, to remain in
3 the PBMs pharmacy network. Through discount card providers like GoodRx, PBMs
4 are able to expand their prescription volume by having access to a cash paying market.

5 3. Because GoodRx’s prescription discount card is free to consumers, the
6 Company’s revenues from its prescription discount card business come from the fees
7 paid to it by the PBMs, who furnish GoodRx with the prescription drug discount
8 pricing.

9 4. GoodRx has been in business since 2011. On August 28, 2020, the
10 Company issued a press release announcing that it was launching an initial public
11 offering (“IPO”). Defendants completed GoodRx’s IPO on September 23, 2020,
12 raising more than \$1 billion in total gross proceeds from public investors.

13 5. Unbeknownst to investors, however, the IPO was effectuated by means
14 of a materially misleading Registration Statement (defined herein) and prospectus.
15 Specially, the Registration Statement and prospectus issued in connection with the
16 IPO repeatedly touted GoodRx’s competitive advantage, portraying the Company as a
17 “market leader with significant scale and brand advantage over our competitors” and
18 boasted about the Company’s partnerships across the healthcare industry, its “deep
19 competitive moat” and the “highly competitive prices” it offered. The Registration
20 Statement also assured investors that GoodRx had contract provisions in place that
21 “prevent[ed] PBMs from circumventing our platform, redirecting volumes outside of
22 our platform and other protective measures” and that for many of its PBM partners
23 GoodRx was their only “significant direct-to-consumer channel.”

24 6. But contrary to these self-described competitive advantages and
25 assurances that GoodRx had the market locked up with its PBM partners, defendants
26 knew but failed to disclose that tech giant Amazon.com, Inc. (“Amazon”) was
27 preparing to enter the market with its own competing product that would also give
28

1 consumers the same access to prescription discounts at thousands of pharmacies
2 nationwide, including major chains.

3 7. At the time of the IPO GoodRx knew of Amazon's plans to enter the
4 prescription drug discount market because of close and longstanding business
5 relationships GoodRx had with both Amazon and the company Amazon was
6 partnering with to supply the discounted prescription prices PrimeRx was offering
7 Amazon's Prime members. In fact, at the time of the IPO, GoodRx had been a
8 longstanding partner with Express Scripts/Inside Rx and Inside Rx used GoodRx's
9 digital platform to offer prescription discounts to cash paying consumers. Moreover,
10 GoodRx had long partnered with Amazon's subsidiary PillPack to provide
11 prescription discounts to PillPack users. These relationships gave defendants access
12 to inside information about Amazon's plans before investors were made aware of
13 them. Indeed, after the news about Amazon's intentions were initially announced,
14 defendants admitted to GoodRx's long-standing partnership with Inside Rx and that
15 they regularly communicated with Amazon, the Company's soon to be competitor.

16 8. Armed with this inside information about Amazon's plans, defendants
17 pushed to complete the IPO before Amazon introduced its competing product. The
18 IPO made more than \$1 billion from public investors. Defendants and GoodRx
19 insiders also personally profited from the IPO. Through a limited liability company
20 called Idea Men, LLC, defendants Douglas Hirsch ("Hirsch") and Trevor Bezdek
21 ("Bezdek") were able to unload 3.77 million shares of GoodRx stock in the IPO for
22 proceeds of over \$124.5 million. Other insiders, including Andrew Slutsky
23 ("Slutsky"), the Company's Consumer President, and Spectrum Equity VII, L.P.
24 ("Spectrum"), an entity whose managing directors included defendant Stephen
25 LeSieur ("LeSieur"), likewise piggy-backed on GoodRx's IPO and were able to sell
26 over 7 million shares of GoodRx stock for proceeds of almost \$232 million. In fact,
27 the GoodRx stock sold by defendants Hirsch and Bezdek and insiders Slutsky and
28 Spectrum, represented over 30% of the stock sold in GoodRx's IPO. In total,

1 defendants Hirsch and Bezdek, Slutsky and Spectrum collectively reaped proceeds of
2 more than \$356 million from the sale of GoodRx common stock in the IPO.

3 9. Within just weeks of the IPO, investors began learning the truth about the
4 direct competition GoodRx was facing from Amazon, a company that exceeded
5 GoodRx in both scale and marketing dollars. On November 17, 2020 Amazon
6 publicly announced Amazon Pharmacy and the offering of a new prescription drug
7 savings program, PrimeRx, which was identical to GoodRx's core business. Amazon
8 announced that through PrimeRx its millions of Amazon Prime members could access
9 prescription drug savings of up to 80% at thousands of pharmacies nationwide, almost
10 identical to GoodRx's discount model. In response to Amazon's announcement,
11 GoodRx's stock price plummeted 23% on the highest trading volume day since the
12 Company went public just weeks earlier.

13 10. Following Amazon's announcement, defendants immediately sought to
14 downplay the threat the tech giant's entry into the market posed to GoodRx.
15 Defendants continued to make materially misleading statements in conference calls
16 with investors by failing to disclose that Amazon was continuing to expand its
17 PrimeRx product and would soon introduce a drug price comparison tool identical to
18 GoodRx's and add thousands of additional participating pharmacies to its network.

19 11. The truth about Amazon's continued expansion in the prescription drug
20 discount market came out on May 11, 2021, when Amazon announced an upgrade to
21 PrimeRx whereby, like GoodRx, consumers could compare prescription drug prices
22 online and that PrimeRx was adding an additional 10,000 participating pharmacies to
23 its discount program. In response to the news that Amazon's competitive efforts were
24 becoming more aggressive, GoodRx's stock price dropped almost 8% over the next
25 two trading days, to a price below the \$33 per share IPO price, showing that
26 GoodRx's IPO price did not accurately represent its actual value.

27 12. During the period March 22, 2021 to May 10, 2021, while in possession
28 of material non-public information concerning Amazon's continued expansion of its

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