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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
WESTERN DIVISION

In re GOODRX HOLDINGS, INC.  
SECURITIES LITIGATION

Master File No. 2:20-cv-11444-DOC-  
MARx

CLASS ACTION

This Document Relates To:

ALL ACTIONS.

FIRST AMENDED CONSOLIDATED  
COMPLAINT FOR VIOLATIONS OF  
THE FEDERAL SECURITIES LAWS

DEMAND FOR JURY TRIAL

1           Lead Plaintiffs, Betty Kalmanson, Lawrence Kalmanson and Shawn Kalmanson  
2 (collectively the “Kalmanson Family”) and Janice L. Kasbaum (“Kasbaum” and  
3 together with the Kalmanson Family, “plaintiffs”), individually and on behalf of all  
4 others similarly situated, allege the following based upon information and belief as to  
5 the investigation conducted by plaintiffs’ counsel, which included, among other  
6 things, a review of U.S. Securities and Exchange Commission (“SEC”) filings by  
7 GoodRx Holdings, Inc. (“GoodRx” or the “Company”) and securities analyst reports,  
8 press releases, and other public statements issued by, or about, the Company.  
9 Plaintiffs believe that substantial additional evidentiary support will exist for the  
10 allegations set forth herein after a reasonable opportunity for discovery.

### 11                           **NATURE AND SUMMARY OF THE CLAIMS**

12           1.       This is a federal securities class action brought on behalf of all purchasers  
13 of GoodRx Class A common stock (the “Class”) between September 23, 2020 and  
14 May 10, 2021, inclusive (the “Class Period”), including those who purchased in, or  
15 traceable to, the Company’s September 2020 initial public offering. Plaintiffs are  
16 seeking to pursue remedies under §§11 and 15 of the Securities Act of 1933 (15  
17 U.S.C. §§77k and 77o) (the “Securities Act”), and §§10(b) and 20(a) of the Securities  
18 Exchange Act of 1934 (15 U.S.C. §§78j(b) and 78t(a)) (the “Exchange Act”) and Rule  
19 10b-5 promulgated thereunder (17 C.F.R. §240.10b-5).

20           2.       Based in Santa Monica, California, GoodRx’s core business is a  
21 healthcare technology platform (“digital platform”) that provides consumers with a  
22 free prescription discount card to get discounted pricing on prescription drugs. The  
23 prescription drug discounts consumers can access through GoodRx’s prescription  
24 discount card come from Pharmacy Benefit Managers (“PBMs”), with whom GoodRx  
25 contracts. PBMs are companies that manage prescription drug benefits on behalf of  
26 health insurers, large employers and other payers and use their buying power to  
27 negotiate lower drug prices for these entities. Typically, PBMs establish a network of  
28 pharmacies that allows consumers with prescription drug insurance to readily fill their

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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