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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

SEBASTIAN MEINKING,

Plaintiff,

vs.

CHEMOCENTRYX, INC., THOMAS J.
SCHALL, THOMAS A. EDWARDS,
JOSEPH M. FECZKO, JENNIFER L.
HERRON, RITA I. JAIN, SUSAN M.
KANAYA, GEOFFREY M. PARKER,
JAMES L. TYREE, and DAVID E.
WHEADON,

Defendants.

Case No.:

Complaint For:

- (1) Violation of § 14 (a) of the Securities Exchange Act of 1934
- (2) Violation of § 20(a) of the Securities Exchange Act of 1934

JURY TRIAL DEMANDED

Plaintiff, Sebastian Meinking (“Plaintiff”), by and through his attorneys, alleges upon information and belief, except for those allegations that pertain to him, which are alleged upon personal knowledge, as follows:

SUMMARY OF THE ACTION

1. Plaintiff brings this stockholder action against ChemoCentryx, Inc. (“ChemoCentryx” or the “Company”) and the Company’s Board of Directors (the “Board” or the “Individual Defendants,” collectively with the Company, the “Defendants”), for violations of Sections 14(a) and 20(a) of the Securities and Exchange Act of 1934 (the “Exchange Act”) as a result of Defendants’ efforts to sell the Company to Amgen, Inc. (“Parent”) through merger vehicle

1 Carnation Merger Sub, Inc. (“Merger Sub, and collectively with “Parent,” “Amgen”) as a result of
2 an unfair process, and to enjoin an upcoming stockholder vote on a proposed all cash transaction
3 (the “Proposed Transaction”).

4 2. The terms of the Proposed Transaction were memorialized in an August 3, 2022,
5 filing with the Securities and Exchange Commission (“SEC”) on Form 8-K attaching the definitive
6 Agreement and Plan of Merger (the “Merger Agreement”). Under the terms of the Merger
7 Agreement, Amgen will acquire all of the remaining outstanding shares of ChemoCentryx’s
8 common stock at a price of \$52.00 per share in cash. As a result, ChemoCentryx will become an
9 indirect wholly-owned subsidiary of Amgen.

10 3. Thereafter, on August 31, 2022, ChemoCentryx filed a Preliminary Proxy
11 Statement on Form PREM14A attaching the proxy statement (the “Preliminary Proxy Statement”)
12 with the SEC in support of the Proposed Transaction.

13 4. The Proposed Transaction is unfair for a number of reasons. Significantly, it
14 appears as though the Board has entered into the Proposed Transaction to procure for itself and
15 senior management of the Company significant and immediate benefits with no thought to
16 Plaintiff, as well as the Company’s public stockholders. For instance, pursuant to the terms of the
17 Merger Agreement, upon the consummation of the Proposed Transaction, Company Board
18 Members and executive officers will be able to exchange all Company equity awards for the
19 merger consideration.

20 5. In violation of the Exchange Act, Defendants caused to be filed the materially
21 deficient Preliminary Proxy Statement in an effort to convince Plaintiff to vote in favor of the
22 Proposed Transaction. The Preliminary Proxy Statement is materially deficient, deprives Plaintiff
23 of the information necessary to make an intelligent, informed and rational decision of whether to
24 vote in favor of the Proposed Transaction, and is thus in violation of the Exchange Act. As detailed
25 below, the Preliminary Proxy Statement omits and/or misrepresents material information
26 concerning, among other things: (a) the sales process and in particular certain conflicts of interest
27 for management; (b) the financial projections for ChemoCentryx, provided by ChemoCentryx
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1 management to the Board and the Board’s financial advisor Goldman Sachs & Co. LLC
2 (“Goldman Sachs”) and (c) the data and inputs underlying the financial valuation analyses, if any,
3 that purport to support the fairness opinions created by Goldman Sachs, if any, and provide to the
4 Company and the Board.

5 6. Absent judicial intervention, the Proposed Transaction will be consummated,
6 resulting in irreparable injury to Plaintiff. This action seeks to enjoin the Proposed Transaction.

7 **PARTIES**

8 7. Plaintiff is a citizen of Ohio and, at all times relevant hereto, has been a
9 ChemoCentryx stockholder.

10 8. Defendant ChemoCentryx a biopharmaceutical company, focuses on the
11 development and commercialization of new medications for inflammatory disorders, autoimmune
12 diseases, and cancer in the United States. ChemoCentryx is incorporated under the laws of the
13 State of Delaware and has its principal place of business at 835 Industrial Road, Suite 600, San
14 Carlos, CA. Shares of ChemoCentryx common stock are traded on the Nasdaq Stock Exchange
15 under the symbol “CCXI.”

16 9. Defendant Thomas J. Schall (“Schall”) has been a Director of the Company at all
17 relevant times. Schall also serves as the Company’s Chief Executive Officer (“CEO”) and
18 President.

19 10. Defendant Thomas A. Edwards (“Edwards”) has been a director of the Company
20 at all relevant times.

21 11. Defendant Joseph M. Feczko (“Feczko”) has been a director of the Company at
22 all relevant times.

23 12. Defendant Jennifer L. Herron (“Herron”) has been a director of the Company at
24 all relevant times.

25 13. Defendant Rita I. Jain (“Jain”) has been a director of the Company at all relevant
26 times.

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1 14. Defendant Susan M. Kanaya (“Kanaya”) has been a director of the Company at all
2 relevant times.

3 15. Defendant Geoffrey M. Parker (“Parker”) has been a director of the Company at all
4 relevant times.

5 16. Defendant James L. Tyree (“Tyree”) has been a director of the Company at all
6 relevant times.

7 17. Defendant David E. Wheadon (“Chaine”) has been a director of the Company at
8 all relevant times.

9 18. Defendants identified in ¶¶ 9 - 17 are collectively referred to as the “Individual
10 Defendants.”

11 19. Non-Party Parent discovers, develops, manufactures, and delivers human
12 therapeutics worldwide. Parent is headquartered in Thousand Oaks, CA and its shares are traded
13 on the NasdaqGS Stock Exchange under the symbol “AMGN.”

14 20. Non-Party Merger Sub is a wholly owned subsidiary of Parent created to effectuate
15 the Proposed Transaction.

16 **JURISDICTION AND VENUE**

17 21. This Court has subject matter jurisdiction pursuant to Section 27 of the Exchange
18 Act (15 U.S.C. § 78aa) and 28 U.S.C. § 1331 (federal question jurisdiction) as Plaintiff alleges
19 violations of Sections 14(a) and 20(a) of the Exchange Act. This action is not a collusive one to
20 confer jurisdiction on a court of the United States, which it would not otherwise have. The Court
21 has supplemental jurisdiction over any claims arising under state law pursuant to 28 U.S.C. § 1367.

22 22. Personal jurisdiction exists over each defendant either because the defendant
23 conducts business in or maintains operations in this District or is an individual who is either present
24 in this District for jurisdictional purposes or has sufficient minimum contacts with this District as
25 to render the exercise of jurisdiction over defendant by this Court permissible under traditional
26 notions of fair play and substantial justice.

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1 23. Venue is proper in this District pursuant to 28 U.S.C. § 1391, because
2 ChemoCentryx maintains its principal offices in this district, and each of the Individual
3 Defendants, as Company officers or directors, has extensive contacts within this District.

4 **SUBSTANTIVE ALLEGATIONS**

5 ***Company Background***

6 24. ChemoCentryx a biopharmaceutical company, focuses on the development and
7 commercialization of new medications for inflammatory disorders, autoimmune diseases, and
8 cancer in the United States. It offers TAVNEOS (avacopan), an orally administered selective C5aR
9 inhibitor for the treatment of adult patients with severe active anti-neutrophil cytoplasmic
10 autoantibody-associated vasculitis. The Company also develops TAVNEOS for the treatment of
11 patients with severe hidradenitis suppurativa, as well as patients with complement 3
12 glomerulopathy, and lupus nephritis. In addition, it develops CCX559, an orally administered
13 inhibitor for programmed death protein 1/programmed death-ligand 1 for the treatment of various
14 cancers; and CCX507, an orally administered inhibitor of the chemokine receptor known as CCR9,
15 which has completed Phase I clinical trial for the treatment of inflammatory bowel disease.
16 Further, the company has early-stage drug candidates that targets Th17 driven diseases and CCR6.
17 ChemoCentryx, Inc. was incorporated in 1996 and is headquartered in San Carlos, California.

18 25. The Company's most recent financial performance press release, revealing
19 financial results from the quarter preceding the announcement of the Proposed Transaction,
20 indicated sustained and solid financial performance. For example, in the May 5, 2022 press release
21 announcing its 2022 Q1 financial results, the Company highlighted such milestones as a five-fold
22 increase in net sales of TAVNEOS as well as the release of positive Phase I clinical trial data on
23 their Pharmacokinetics drug.

24 26. Speaking on these positive results, CEO Defendant Schall commented on the
25 Company's positive financial results as follows, Strong performance was evident in the first
26 quarter," "The traction to-date is clear: all key performance indicators are up and Q1 revenue
27 exceeded our model. A five-fold increase in net sales occurred versus Q4 2021; there was a nearly
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