

1 David E. Bower (SBN 119546)
 2 **MONTEVERDE & ASSOCIATES PC**
 3 600 Corporate Pointe, Suite 1170
 4 Culver City, CA 90230
 5 Tel: (213) 446-6652
 6 Fax: (212) 202-7880
 7 dbower@monteverdelaw.com
 8 *Counsel for Plaintiff*

9 **UNITED STATES DISTRICT COURT**
 10 **FOR THE SOUTHERN DISTRICT OF CALIFORNIA**

11
 12
 13 KURT ZIEGLER, Individually and on
 14 Behalf of All Others Similarly Situated,

15 Plaintiff,

16 v.

17 GW PHARMACEUTICALS, PLC,
 18 JUSTIN GOVER, GEOFFREY GUY,
 19 CABOT BROWN, DAVID GRYSKA,
 20 CATHERINE MACKAY, JAMES
 21 NOBLE, ALICIA SECOR, and LORD
 22 WILLIAM WALDEGRAVE,

23 Defendants.

Civil Action No. '21CV1019 BAS MSB

COMPLAINT

CLASS ACTION

DEMAND FOR JURY TRIAL

1. **VIOLATIONS OF SECTION 14(a) OF THE SECURITIES EXCHANGE ACT OF 1934**
2. **VIOLATIONS OF SECTION 20(a) OF THE SECURITIES EXCHANGE ACT OF 1934**

24 Plaintiff Kurt Ziegler (“Plaintiff”), by his undersigned attorneys, alleges upon
 25 personal knowledge with respect to himself, and upon information and belief based
 26 upon, *inter alia*, the investigation of counsel as to all other allegations herein, as
 27 follows:

1 **NATURE OF THE ACTION**

2 1. This action is brought as a class action by Plaintiff against GW
3 Pharmaceuticals, PLC (“GW” or the “Company”) and the members of the Company’s
4 board of directors (collectively referred to as the “Board” or the “Individual
5 Defendants” and, together with GW, the “Defendants”) for their violations of Sections
6 14(a) and 20(a) of the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C.
7 §§ 78n(a), 78t(a), and SEC Rule 14a-9, 17 C.F.R. § 240.14a-9. Plaintiff’s claims arise
8 in connection with the proposed acquisition (the “Merger”) of GW by Jazz
9 Pharmaceuticals, PLC and its subsidiaries (“Jazz”).

10 2. On February 3, 2021, GW entered into an agreement and plan of merger
11 pursuant to which the holders of GW ordinary shares will receive \$16.66^{2/3} in cash
12 plus an amount of Jazz ordinary shares equal to an exchange ratio that will be
13 calculated based upon Jazz’s share price, and holders¹ of GW American Depositary
14 Shares (“GW ADSs”) will receive approximately \$200 per share in cash and \$20 in
15 Jazz stock in consideration for their shares (the “Merger Consideration”).

16 3. On March 15, 2021, to convince GW shareholders to vote in favor of the
17 Merger, Defendants caused a materially false and misleading Definitive Proxy
18 Statement, subsequently amended and supplemented on April 14, 2021 (as amended
19 and supplemented, the “Proxy”), to be filed with the SEC and disseminated to GW’s
20 shareholders. As set forth below, the Proxy was materially false and misleading with
21 respect to GW’s financial projections and operations, the value of GW shareholders’
22 stock, and the fairness of the Merger Consideration.

23 4. The Proxy provided a materially false and misleading valuation picture
24 of GW by disseminating unreasonably low financial projections for 2021-2035 (the
25 “December Projections”), which were used to frame the Merger Consideration as

26 _____
27 ¹ Holders of GW ordinary shares and holders of GW ADSs are referred to herein as
28 shareholders.

1 “fair.” In reality, the Merger Consideration significantly undercompensated GW
2 shareholders provided them with substantially less than the intrinsic fair value of their
3 shares.

4 5. The changes made to and the numbers reflected in the December
5 Projections are contradicted by and inconsistent with statements made by the
6 Company and management leading up to the Merger, and reflect just a fraction of the
7 actual value of the Company.

8 6. The December Projections were created solely for use by GW’s financial
9 advisors, Goldman Sachs & Co. LLC (“Goldman Sachs”) and Centerview Partners
10 LLC (“Centerview” and together with Goldman Sachs, the “Financial Advisors”), to
11 perform the valuation analyses underlying their fairness opinions. Without the
12 December Projections, which Defendants authorized Goldman Sachs and Centerview
13 to use despite knowing that the December Projections did not accurately reflect the
14 Company’s long-term financial prospects and value, Goldman Sachs and Centerview
15 would have been unable to issue fairness opinions, Defendants would have been
16 unable to claim that the Merger Consideration provided shareholders with fair value
17 for their holdings, and Goldman Sachs and Centerview would have been forced to
18 forego at least \$69 million of the \$72 million in fees they received.

19 7. As set forth below, (i) the stated changes justifying the December
20 Projections, (ii) the statements in the Proxy conveying that the December Projections
21 and their underlying assumptions were “reasonably prepared” and reflected the
22 Company’s “best currently available estimates,” and (iii) the implied present value per
23 GW ADS ranges that were predicated on the December Projections misled GW
24 shareholders about the fair value of their shares, caused them to vote in favor of the
25 Merger, and accept the unfair Merger Consideration.

26 8. The Merger closed on May 5, 2021, and GW shareholders were
27 surrendered via the Merger for the inadequate Merger Consideration.

1 9. For these reasons and as set forth in detail herein, Defendants violated
2 Sections 14(a) and 20(a) of the Exchange Act. Accordingly, Plaintiff seeks to recover
3 damages resulting from Defendants’ violations of the Exchange Act.

4 **JURISDICTION AND VENUE**

5 10. This Court has original jurisdiction over this action pursuant to Section
6 27 of the Exchange Act (15 U.S.C. § 78aa) and 28 U.S.C. § 1331 (federal question
7 jurisdiction) as Plaintiff alleges violations of Sections 14(a) and 20(a) of the Exchange
8 Act.

9 11. Personal jurisdiction exists over each Defendant either because the
10 Defendant conducts business in or maintains operations in this District, or is an
11 individual who is either present in this District for jurisdictional purposes or has
12 sufficient minimum contacts with this District as to render the exercise of jurisdiction
13 over the Defendants by this Court permissible under traditional notions of fair play
14 and substantial justice.

15 12. Venue is proper in this District under Section 27 of the Exchange Act, 15
16 U.S.C. § 78aa, as well as pursuant to 28 U.S.C. § 1391, because: (i) the conduct at
17 issue took place and had an effect in this District; (ii) GW maintained its US
18 headquarters in this District and each of the Individual Defendants, Company officers
19 and/or directors, either resides in this District or has extensive contacts within this
20 District; (iii) a substantial portion of the Mergers and wrongs complained of herein
21 occurred in this District; (iv) most of the relevant documents pertaining to Plaintiff’s
22 claims are stored (electronically and otherwise), and evidence exists, in this District;
23 and (v) Defendants have received substantial compensation in this District by doing
24 business here and engaging in numerous activities that had an effect in this District.

25 **CLASS ACTION ALLEGATIONS**

26 13. Plaintiff brings this class action pursuant to Fed. R. Civ. P. 23 on behalf
27 of himself and the other holders of GW (the “Class”). Excluded from the Class are
28

1 Defendants and any person, firm, trust, corporation, or other entity related to or
2 affiliated with any Defendant.

3 14. This action is properly maintainable as a class action because:

4 a. The Class is so numerous that joinder of all members is
5 impracticable. As of April 23, 2021, 378,535,952 ordinary shares were
6 outstanding, including 368,966,160 ordinary shares held as GW ADSs, each
7 representing twelve Ordinary Shares, and 9,569,792 Ordinary Shares, held by
8 hundreds to thousands of individuals and entities scattered throughout the
9 country. The actual number of GW shareholders will be ascertained through
10 discovery;

11 b. There are questions of law and fact that are common to the Class
12 that predominate over any questions affecting only individual members,
13 including the following:

- 14 i) whether Defendants misrepresented material information in
15 the Proxy, in violation of Section 14(a) of the Exchange Act;
16 ii) whether the Individual Defendants violated Section 20(a) of
17 the Exchange Act; and
18 iii) whether Plaintiff and other members of the Class were
19 harmed by the misleading Proxy;

20 c. Plaintiff is an adequate representative of the Class, has retained
21 competent counsel experienced in litigation of this nature, and will fairly and
22 adequately protect the interests of the Class;

23 d. Plaintiff's claims are typical of the claims of the other members of
24 the Class and Plaintiff does not have any interests adverse to the Class;

25 e. The prosecution of separate actions by individual members of the
26 Class would create a risk of inconsistent or varying adjudications with respect
27
28

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.