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8 *Lead Counsel for Lead Plaintiffs and the Putative Class*

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

11 KURT ZIEGLER and DANIEL BRADY,  
12 on Behalf of Themselves and All Others  
13 Similarly Situated,

14 Plaintiffs,

15 v.

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

22 Defendants.

Case No. 3:21-cv-01019-BAS-MSB

**FIRST AMENDED CLASS ACTION  
COMPLAINT**

**DEMAND FOR JURY TRIAL**

23 Lead Plaintiffs Kurt Ziegler and Daniel Brady (together, “Plaintiffs”), by their  
24 undersigned attorneys, allege upon personal knowledge with respect to themselves,  
25 and upon information and belief based upon, *inter alia*, the investigation of counsel  
26 as to all other allegations herein, as follows:  
27

## NATURE OF THE ACTION

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

11           2.     On February 3, 2021, GW entered into an agreement and plan of merger  
12 pursuant to which Jazz acquired GW and the holders of GW American Depositary  
13 Shares<sup>1</sup> (“GW shareholders”) had their holdings extinguished in exchange for \$200 in  
14 cash and \$20 in Jazz stock (0.120360 shares) for each GW ADS they owned (the  
15 “Merger Consideration”). Despite knowing that the Merger Consideration grossly  
16 undervalued the Company, Defendant Geoffrey W. Guy (founder, Executive  
17 Chairman, and Chairman of the Board of his namesake GW) sought an exit from the  
18 responsibility of running a public Company and wanted to free up time and money to  
19 begin work on his latest project. So, when Jazz offered to acquire GW during the  
20 pandemic in late 2020, it was perfect timing and he pounced on the opportunity to  
21 cash out. Using his powerful influence over his handpicked Board, he authorized  
22 nearly \$100 million dollars in change in control payments for Company management  
23 and steered GW towards a sale.

24  
25 <sup>1</sup> An American Depositary Share (“ADS”) represents an ownership interest in a  
26 foreign deposited security (much like a share of stock represents an ownership interest  
27 in a corporation) that has been deposited with a depository, such as a United States  
28 bank or trust company. ADSs are traded in the United States in much the same way  
29 as equity securities issued by domestic companies.

1           3.     On March 15, 2021, to convince GW shareholders to vote in favor of the  
2 unfair Merger, Defendants caused a materially false and misleading Definitive Proxy  
3 Statement (as amended and supplemented, the “Proxy”), to be filed with the SEC and  
4 disseminated to GW shareholders. As set forth below, the Proxy was materially false  
5 and misleading with respect to GW’s operations and financial projections, the value  
6 of GW shareholders’ stock, and the fairness of the Merger Consideration.

7           4.     The Proxy provided a materially false and misleading valuation picture  
8 of GW by disseminating unreasonably low financial projections for 2021-2035 (the  
9 “December Projections”), which were used to frame the Merger Consideration as  
10 “fair.” In reality, the Merger Consideration significantly undercompensated GW  
11 shareholders and provided them with substantially less than the fair value of their  
12 holdings.

13           5.     The changes made to, and the numbers reflected in, the December  
14 Projections are entirely unreasonable, disconnected from the reality of GW’s business  
15 operations, contradicted by contemporaneous statements made by the Company and  
16 its executive officers, and reflect just a fraction of the actual value of the Company.

17           6.     The December Projections were created solely for use by GW’s financial  
18 advisors, Goldman Sachs & Co. LLC (“Goldman Sachs”) and Centerview Partners  
19 LLC (“Centerview” and together with Goldman Sachs, the “Financial Advisors”), to  
20 perform the valuation analyses underlying their fairness opinions—which were then  
21 summarized in the Proxy to convince GW shareholders the Merger Consideration was  
22 fair. Without the December Projections, which Defendants authorized Goldman Sachs  
23 and Centerview to use despite knowing that the December Projections did not  
24 accurately reflect the Company’s long-term financial prospects and value, the  
25 Financial Advisors would have been unable to issue fairness opinions, Defendants  
26 would have been unable to claim that the Merger Consideration provided shareholders  
27  
28

1 with fair value for their holdings, and the Financial Advisors would have been forced  
2 to forego the \$72 million in fees they received.

3 7. As set forth below, (i) the pretextual stated changes purportedly  
4 justifying the slashes to the December Projections, (ii) the statements in the Proxy  
5 conveying that the December Projections and their underlying assumptions were  
6 “reasonably prepared” and reflected the Company’s “best currently available  
7 estimates,” and (iii) the present value per GW ADS ranges that were predicated on the  
8 downward manipulated December Projections misled GW shareholders about the fair  
9 value of their ADSs, causing them to vote in favor of the Merger and accept the unfair  
10 Merger Consideration.

11 8. The Merger closed on May 5, 2021, and GW ADSs were surrendered via  
12 the Merger in exchange for \$200 in cash and 0.120360 Jazz ordinary shares per each  
13 ADS. Notably, cash was provided in lieu of any fractional amount of Jazz stock  
14 owned. Accordingly, only owners of at least 9 ADSs were allowed to keep at least 1  
15 share of Jazz stock and maintain any continued ownership interest in the Company.

16 9. For these reasons and as set forth in detail herein, Defendants violated  
17 Sections 14(a) and 20(a) of the Exchange Act. Plaintiffs seek to recover damages  
18 resulting from Defendants’ violations of the Exchange Act.

19 **JURISDICTION AND VENUE**

20 10. This Court has original jurisdiction over this action pursuant to Section  
21 27 of the Exchange Act (15 U.S.C. § 78aa) and 28 U.S.C. § 1331 (federal question  
22 jurisdiction) as Plaintiffs allege violations of Sections 14(a) and 20(a) of the Exchange  
23 Act.

24 11. Personal jurisdiction exists over each Defendant either because the  
25 Defendant conducted business in or maintained operations in this District, or is an  
26 individual who is either present in this District for jurisdictional purposes or has  
27 sufficient minimum contacts with this District as to render the exercise of jurisdiction  
28

1 over the Defendant by this Court permissible under traditional notions of fair play and  
2 substantial justice.

3 12. Venue is proper in this District under Section 27 of the Exchange Act, 15  
4 U.S.C. § 78aa, as well as pursuant to 28 U.S.C. § 1391, because: (i) the conduct at  
5 issue took place and had an effect in this District; (ii) GW maintained its US  
6 headquarters in this District and each of the Individual Defendants, Company officers  
7 and/or directors, either reside in this District or have extensive contacts within this  
8 District; (iii) a substantial portion of the Merger and wrongs complained of herein  
9 occurred in this District; (iv) relevant documents pertaining to Plaintiffs' claims are  
10 stored (electronically and otherwise), and evidence exists, in this District; and (v)  
11 Defendants have received substantial compensation in this District by doing business  
12 here and engaging in numerous activities that had an effect in this District.

13 **PARTIES**

14 13. Plaintiff Kurt Ziegler was a holder of GW ADSs at all relevant times.

15 14. Plaintiff Daniel Brady was a holder of GW ADSs at all relevant times.

16 15. Defendant GW is a company that was incorporated in the United  
17 Kingdom. The Company maintained its U.S. headquarters and an administrative office  
18 in Carlsbad, California. The Company's U.S. subsidiary, Greenwich Biosciences, Inc.  
19 was also located in Carlsbad, California. Prior to the Merger, the Company's ADSs  
20 traded on the Nasdaq stock exchange under the ticker symbol "GWPH".

21 16. Individual Defendant Geoffrey W. Guy was GW's Executive Chairman  
22 and Chairman of GW's Board. He founded the eponymous GW Pharmaceuticals in  
23 1998 shortly after being removed from control of his first two companies in late 1997.  
24 He spent the next several months securing a license from the UK Home Office to grow  
25 and supply cannabis for the research and development of medicine and GW was off  
26 to the races. Learning from the experience of his previous companies, Defendant Guy  
27 surrounded himself at GW with those he could control. When Jazz made its initial  
28

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