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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

JOHN MURPHY,

Plaintiff,

vs.

PRA HEALTH SCIENCES, INC., COLIN
SHANNON, JEFFREY T. BARBER,
ALEXANDER G. DICKINSON, LINDA S.
GRAIS, JAMES C. MOMTAZEE, GLENN D.
STETTIN, and MATTHEW P. YOUNG,

Defendants.

Case No. '21CV1064 GPC BGS

**COMPLAINT FOR
VIOLATIONS OF THE
FEDERAL SECURITIES LAWS**

JURY TRIAL DEMANDED

Plaintiff John Murphy (“Plaintiff”), on behalf of himself and all others similarly situated, upon information and belief, including an examination and inquiry conducted by and through his counsel, except as to those allegations pertaining to Plaintiff, which are alleged upon personal belief, alleges the following for his Complaint:

NATURE OF THE ACTION

1
2 1. Plaintiff brings this action against PRA Health Sciences, Inc. (“PRA Health” or the
3 “Company”) and the members of PRA Health’s Board of Directors (the “Board” or the “Individual
4 Defendants”) for their violations of Sections 14(a) and 20(a) of the Securities Exchange Act of 1934
5 (the “Exchange Act”), 15 U.S.C. §§ 78n(a), 78t(a), and U.S. Securities and Exchange Commission
6 (“SEC”) Rule 14a-9, 17 C.F.R. § 240.14a-9, arising out of their attempt to sell PRA Health to ICON
7 plc (“ICON”) through ICON’s subsidiaries ICON US Holdings Inc. and Indigo Merger Sub, Inc. (the
8 “Proposed Transaction”).
9

10 2. On February 24, 2021, ICON announced that it had entered into an Agreement and
11 Plan of Merger (the “Merger Agreement”) pursuant to which, each PRA Health stockholder will
12 receive: (i) \$80 in cash, and (ii) 0.4125 shares of ICON common stock for each share of PRA Health
13 common stock they own.
14

15 3. On April 28, 2021, PRA Health filed a Schedule 14A Definitive Proxy Statement (the
16 “Proxy”) with the SEC. The Proxy is materially deficient and misleading because, inter alia, it fails
17 to disclose material information regarding: (i) the Company’s and ICON’s financial projections and
18 the financial analyses performed by the Company’s financial advisors, BofA Securities Inc. (“BofA”)
19 and UBS Securities LLC (“UBS”); (ii) potential conflicts of interest faced by BofA and UBS; and
20 (iii) the background leading to the Proposed Transaction. Without additional information, the Proxy
21 is materially misleading in violation of the federal securities laws.
22

23 4. The stockholder vote to approve the Proposed Transaction is forthcoming. Under the
24 Merger Agreement, following a successful stockholder vote, the Proposed Transaction will be
25 consummated. For these reasons and as set forth in detail herein, Plaintiff seeks to enjoin defendants
26 from conducting the stockholder vote on the Proposed Transaction unless and until the material
27 information discussed below is disclosed to the holders of the Company common stock, or, in the
28

1 event the Proposed Transaction is consummated, to recover damages resulting from the defendants'
2 violations of the Exchange Act.

3 **JURISDICTION AND VENUE**

4 5. This Court has jurisdiction over the claims asserted herein for violations of Sections
5 14(a) and 20(a) of the Exchange Act and Rule 14a-9 promulgated thereunder pursuant to Section 27
6 of the Exchange Act, 15 U.S.C. § 78aa, and 28 U.S.C. §1331 (federal question jurisdiction).

7
8 6. The Court has jurisdiction over defendants because each defendant is either a
9 corporation that conducts business in and maintains operations in this District, or is an individual who
10 has sufficient minimum contacts with this District so as to render the exercise of jurisdiction by this
11 Court permissible under traditional notions of fair play and substantial justice.

12 7. Venue is proper in this District under Section 27 of the Exchange Act, 15 U.S.C. §
13 78aa, as well as under 28 U.S.C. § 1391 because: (i) the Company maintains offices located in this
14 District; (ii) one or more of the defendants either resides in or maintains offices in this District; and
15 (iii) defendants have received substantial compensation in this District by doing business here and
16 engaging in numerous activities that had an effect in this District.

17
18 **THE PARTIES**

19 8. Plaintiff is, and has been at all times relevant hereto, a continuous stockholder of PRA
20 Health.

21 9. Defendant PRA Health is a Delaware corporation, with its principal executive offices
22 located at 4130 ParkLake Avenue, Suite 400, Raleigh, North Carolina 27612 and an office located at
23 Pacific Center I, 1455 Frazee Road, Suite 900, San Diego, California 92108. PRA Health's common
24 stock trades on the Nasdaq Global Select Market under the ticker symbol "PRAH."

25
26 10. Defendant Colin Shannon ("Shannon") is Chairman of the Board, and has served as
27 President, Chief Executive Officer ("CEO"), and a director of the Company since January 1, 2010.

1 11. Defendant Jeffrey T. Barber has served as a director of the Company since November
2 2014.

3 12. Defendant Alexander G. Dickinson has served as a director of the Company since
4 August 2017.

5 13. Defendant Linda S. Grais has served as a director of the Company since October 2015.

6 14. Defendant James C. Momtazee has served as a director of the Company since
7 September 2013.

8 15. Defendant Glen D. Stettin has served as a director of the Company since September
9 2020.

10 16. Defendant Matthew P. Young has served as a director of the Company since February
11 2015.

12 17. Defendants identified in paragraphs 10-16 are referred to herein as the “Board” or the
13 “Individual Defendants.”

14 18. Relevant non-party ICON is a public limited company incorporated in Ireland, with
15 its principal executive offices located at South County Business Park, Leopardstown, Dublin 18,
16 Ireland. ICON specializes in the strategic development, management and analysis of programs that
17 support clinical development - from compound selection to Phase I-IV clinical studies. ICON’s
18 common stock trades on the Nasdaq Global Select Market under the ticker symbol “ICLR.”
19
20

21
22 **SUBSTANTIVE ALLEGATIONS**

23 **Background of the Company**

24 19. PRA Health is one of the world’s leading global contract research organizations
25 (“CROs”) by revenue, providing outsourced clinical development and data solution services to the
26 biotechnology and pharmaceutical industries. The Company’s therapeutic expertise includes areas
27
28

1 that are among the largest in pharmaceutical development, including oncology, immunology, central
2 nervous system, inflammation, respiratory, cardiometabolic, and infectious diseases.

3 20. PRA Health's global clinical development platform includes more than 75 offices
4 across North America, Europe, Asia, Latin America, Africa, Australia and the Middle East and more
5 than 17,500 employees worldwide. Since 2000, PRA Health has participated in approximately 4,000
6 clinical trials worldwide. In addition, PRA Health has participated in the pivotal or supportive trials
7 that led to U.S. Food and Drug Administration or international regulatory approval of more than 95
8 drugs.
9

10 21. On March 12, 2021, PRA Health announced its fourth quarter and full year 2020
11 financial results. For the quarter, the Company reported revenue of \$873.5 million, an increase of
12 9.1%, or \$73.2 million, compared to the fourth quarter of 2019 at actual foreign exchange rates.
13 Adjusted net income was \$101.2 million for the three months ended December 31, 2020, representing
14 an increase of 2.5% compared to the three months ended December 31, 2019. For the twelve months
15 ended December 31, 2020, revenue was \$3,183.4 million, an increase of 3.8%, or \$117.1 million,
16 compared to the twelve months ended December 31, 2019 at actual foreign exchange rates.
17 Commenting on the Company's financial results, defendant Shannon stated:
18

19 I am delighted to report fourth quarter revenue and earnings that significantly
20 outperformed the updated guidance we provided back in November. I am also excited
21 to report another quarter of record gross and net new business awards. We finished
22 the year on a very positive note and I believe we are extremely well positioned for the
23 coming year.

24 22. On February 24, 2021, ICON issued a press release announcing the Proposed
25 Transaction. The press release states, in relevant part:

26 DUBLIN--ICON plc, (NASDAQ: ICLR), a global provider of outsourced drug and
27 device development and commercialisation services to the pharmaceutical,
28 biotechnology and medical device industries, and government and public health
29 organisations, today announced it has entered into a definitive agreement to acquire
30 PRA Health Sciences, Inc. (NASDAQ: PRAH) in a cash and stock transaction valued
at approximately \$12 billion, with the per share merger consideration consisting of

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