

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS**

REGINALD T. ALLISON, Individually and
on Behalf of All Others Similarly Situated,

Plaintiff,

v.

OAK STREET HEALTH, INC., MICHAEL
PYKOSZ, and TIMOTHY COOK,

Defendants.

Case No.

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

Plaintiff Reginald T. Allison (“Plaintiff”), individually and on behalf of all others similarly situated, by and through his attorneys, alleges the following upon information and belief, except as to those allegations concerning Plaintiff, which are alleged upon personal knowledge. Plaintiff’s information and belief is based upon, among other things, his counsel’s investigation, which includes without limitation: (a) review and analysis of regulatory filings made by Oak Street Health, Inc. (“Oak Street” or the “Company”) with the United States (“U.S.”) Securities and Exchange Commission (“SEC”); (b) review and analysis of press releases and media reports issued by and disseminated by Oak Street; and (c) review of other publicly available information concerning Oak Street.

NATURE OF THE ACTION AND OVERVIEW

1. This is a class action on behalf of persons and entities that purchased or otherwise acquired Oak Street securities between August 6 2020, and November 8, 2021, inclusive (the “Class Period”). Plaintiff pursues claims against the Defendants under the Securities Exchange Act of 1934 (the “Exchange Act”).

2. Oak Street purportedly operates primary care centers within the United States. Oak Street claims that it “engages Medicare eligible patients through the use of an innovative community outreach approach.” The Company claims it contracts with health plans to generate medical costs savings and realize a return on its investment in primary care. As of December 31, 2020, the Oak Street claims to have operated 79 centers in 16 markets across 11 states, which provided care for approximately 97,000 patients.

3. On November 8, 2021, Oak Street filed its third quarter quarterly report with the SEC on Form 10-Q for the quarter ended September 30, 2021. Therein, the Company, in relevant part, disclosed that on November 1, 2021 the Company received a civil investigative demand (“CID”) from the United States Department of Justice (“DOJ”). According to the CID, the DOJ

was is investigating whether the Company violated the False Claims Act. The CID also requests documents and information related to the Oak Street's relationships with "third-party marketing agents" and Oak Street's "provision of free transportation to federal health care beneficiaries."

4. On this news, the Company's share price fell \$9.75, or more than 20%, to close at \$37.14 per share on November 9, 2021, on unusually heavy trading volume.

5. Throughout the Class Period, Defendants made materially false and/or misleading statements, as well as failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) that Oak Street maintained relationships with third-party marketing agents likely to provoke law enforcement scrutiny; (2) that Oak Street was providing free transportation to federal health care beneficiaries in a manner that would provoke law enforcement scrutiny; (3) that these activities may be violations of the False Claims Act; (4) that, as such, Oak Street was at heightened risk of investigation by the DOJ and/or other federal law enforcement agencies; (5) that, as a result, Oak Street was subject to adverse impacts related to defense and settlement costs and diversion of management resources; and (6) that, as a result of the foregoing, Defendants' positive statements about the Company's business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

6. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiff and other Class members have suffered significant losses and damages.

JURISDICTION AND VENUE

7. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

8. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331 and Section 27 of the Exchange Act (15 U.S.C. § 78aa).

9. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts in furtherance of the alleged fraud or the effects of the fraud have occurred in this Judicial District. Many of the acts charged herein, including the dissemination of materially false and/or misleading information, occurred in substantial part in this Judicial District. In addition, the Company's principal executive offices are in this District.

10. In connection with the acts, transactions, and conduct alleged herein, Defendants directly and indirectly used the means and instrumentalities of interstate commerce, including the United States mail, interstate telephone communications, and the facilities of a national securities exchange.

PARTIES

11. Plaintiff Reginald T. Allison, as set forth in the accompanying certification, incorporated by reference herein, purchased Oak Street securities during the Class Period, and suffered damages as a result of the federal securities law violations and false and/or misleading statements and/or material omissions alleged herein.

12. Defendant Oak Street is incorporated under the laws of Delaware with its principal executive offices located in Chicago, Illinois. Oak Street's common stock trades on the New York Stock Exchange ("NYSE") under the symbol "OSH."

13. Defendant Michael Pykosz ("Pykosz") was the Company's Chief Executive Officer ("CEO") at all relevant times.

14. Defendant Timothy Cook ("Cook") was the Company's Chief Financial Officer ("CFO") at all relevant times.

15. Defendants Pykosz and Cook (collectively the “Individual Defendants”), because of their positions with the Company, possessed the power and authority to control the contents of the Company’s reports to the SEC, press releases and presentations to securities analysts, money and portfolio managers and institutional investors, i.e., the market. The Individual Defendants were provided with copies of the Company’s reports and press releases alleged herein to be misleading prior to, or shortly after, their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of their positions and access to material non-public information available to them, the Individual Defendants knew that the adverse facts specified herein had not been disclosed to, and were being concealed from, the public, and that the positive representations which were being made were then materially false and/or misleading. The Individual Defendants are liable for the false statements pleaded herein.

SUBSTANTIVE ALLEGATIONS

Background

16. Oak Street purportedly operates primary care centers within the United States. Oak Street claims that it “engages Medicare eligible patients through the use of an innovative community outreach approach.” The Company claims it contracts with health plans to generate medical costs savings and realize a return on its investment in primary care. As of December 31, 2020, the Oak Street claims to have operated 79 centers in 16 markets across 11 states, which provided care for approximately 97,000 patients.

Materially False and Misleading Statements Issued During the Class Period

17. The Class Period begins on August 6, 2020, the day the Company’s stock began trading on the public market. The previous day, August 5, 2020, Oak Street filed an amendment



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.