UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

KENNETH JACOBS, Plaintiff, v. BIOSPECIFICS TECHNOLOGIES CORP., JENNIFER CHAO, MICHAEL SCHAMROTH, PAUL GITMAN, MARK WEGMAN, TOBY WEGMAN, JOSEPH TRUITT, MIKE SHERMAN, and COREY FISHMAN, Defendants.	Case No.: JURY TRIAL DEMANDED **COMPLAINT FOR VIOLATIONS OF FEDERAL SECURITIES LAWS**

Plaintiff, by his undersigned attorneys, for this complaint against defendants, alleges upon personal knowledge with respect to himself, and upon information and belief based upon, *inter alia*, the investigation of counsel as to all other allegations herein, as follows:

BACKGROUND

1. This action concerns a proposed transaction announced on October 19, 2020 pursuant to which BioSpecifics Technologies Corp. ("BSTC or the "Company") will be acquired by Endo International PLC ("Endo") and Beta Acquisition Corp. ("Beta").

2. On October 19, 2020, BSTC's Board of Directors (the "Board" or "Individual Defendants") caused the Company to enter into an agreement and plan of merger (the "Merger Agreement"), pursuant to which Endo and Beta commenced a tender offer to purchase all of BSTC's outstanding common stock for $ 88.50 per share in cash (the "Tender Offer").

3. On November 2, 2020, in order to convince BSTC's stockholders to tender

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their shares, defendants authorized the filing of a materially incomplete and misleading Schedule 14D-9 Solicitation/Recommendation Statement (the "Solicitation Statement") with the United States Securities and Exchange Commission ("SEC").

4. The Solicitation Statement omits material information with respect to the Tender Offer, which renders the Solicitation Statement false and misleading. Accordingly, Plaintiff alleges herein that defendants violated Sections 14(d), 14(e), and 20(a) of the Securities Exchange Act of 1934 (the "1934 Act") in connection with the Solicitation Statement.

5. In addition, the Tender Offer is scheduled to expire one-minute following 11:59 p.m., Eastern Time, on December 1, 2020 (the "Expiration Time"). It is imperative that the material information that has been omitted from the Solicitation Statement is disclosed to the Company's stockholders prior to the Expiration Time so they can properly determine whether to tender their shares.

JURISDICTION & VENUE

6. This Court has jurisdiction over the claims asserted herein pursuant to Section 27 of the 1934 Act and 28 U.S.C. §1331 because the claims asserted herein arise under Sections 14(d), 14(e) and 20(a) of the 1934 Act and Rule 14d-9.

7. This Court has jurisdiction over defendants because each defendant is either a corporation that conducts business in this District, or is an individual with sufficient minimum contacts with this District so as to make the exercise of jurisdiction by this Court permissible under traditional notions of fair play and substantial justice. Venue is proper in this District under Section 27 of the Exchange Act, 15 U.S.C. § 78aa, as well as under 28 U.S.C. § 1391, because, among other things: (a) the conduct at issue will have an effect

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in this District; (b) a substantial portion of the transactions and wrongs complained of herein, occurred in this District; and (c) certain defendants have received substantial compensation in this District by doing business here and engaging in numerous activities that had an effect in this District. Additionally, the Company's common stock trades on the NASDAQ, which is headquartered in this District.

THE PARTIES

8. Plaintiff is, and has been continuously throughout all times relevant hereto, an owner of BSTC common stock.

9. Defendant BSTC is a Delaware corporation and a party to the Merger Agreement. BSTC common stock is traded on the NASDAQ under the ticker symbol "BSTC."

10. Defendant Joseph Truitt is Chief Executive Officer and a director of the Company.

11. Defendant Jennifer Chao is Chairman of the Board of the Company.

12. Defendant Michael Schamroth is a director of the Company.

13. Defendant Paul Gitman is a director of the Company.

14. Defendant Mark Wegman is a director of the Company.

15. Defendant Toby Wegman is a director of the Company.

16. Defendant Mike Sherman is a director of the Company.

17. Defendant Corey Fishman is a director of the Company.

FACTS

18. BSTC is a commercial-stage biopharmaceutical company. The Company discovered and developed a proprietary form of injectable collagenase (CCH) which is

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currently marketed by BSTC's partner, Endo International plc (Endo), as XIAFLEX® in the U.S. for the treatment of Dupuytren's contracture and Peyronie's disease. The Company was founded in 1990 with its corporate headquarters at 2 Righter Parkway, Suite 200, Wilmington, Delaware 19803.

19. Endo develops, manufactures, and distributes prescription pharmaceutical products. The Company offers products for insomnia, pain, urology, men's and women's health, pelvic pain, dermatology, and orthopedics. Endo has global headquarters in Dublin, Ireland and U.S. headquarters in Malvern, Pennsylvania.

20. On October 19, 2020, BSTCs' Board caused the Company to enter into the Merger Agreement.

21. According to the press release announcing the Tender Offer:

> WILMINGTON, Del., Oct. 19, 2020 /PRNewswire/ -- BioSpecifics Technologies Corp. (NASDAQ: BSTC) announced today that it has entered into a definitive merger agreement under which Endo International plc (NASDAQ: ENDP) will acquire BioSpecifics for an estimated equity value of approximately $658.0 million ($540.0 million in enterprise value net of cash on hand), or $88.50 per share in cash.
>
> The transaction was unanimously approved by both BioSpecifics' and Endo's Boards of Directors and is anticipated to close during the fourth quarter of 2020. "BioSpecifics Technologies Corp. pioneered the development of collagenase-based therapies, which has resulted in a robust injectable collagenase (CCH) portfolio, consisting of XIAFLEX® to treat the vast number of diseases and medical conditions caused by the excess accumulation of collagen and Qwo™ for the treatment of cellulite," said Joseph Truitt, Chief Executive Officer of BioSpecifics.
>
> **Terms of the Agreement**
> Under the terms of the merger agreement, Endo, through a wholly-owned subsidiary, will commence an all-cash tender offer for all outstanding shares of BioSpecifics common stock at a price of $88.50 per share. The closing of the tender offer will be subject to a number of conditions, including that a majority of BioSpecifics' shares are tendered in the tender offer, the expiration of the waiting period under antitrust laws and other customary closing conditions.

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> Promptly following the completion of the tender offer, Endo's acquisition subsidiary will be merged into BioSpecifics, with any remaining shares of BioSpecifics common stock to be canceled and converted into the right to receive consideration of $88.50. The merger agreement includes a remedy of specific performance and is not subject to a financing condition.
>
> **Advisors**
>
> Centerview Partners LLC acted as the exclusive financial advisor to BioSpecifics and Morgan, Lewis & Bockius LLP is serving as legal counsel.

22. The Offer Price is unfair because, among other things, the intrinsic value of the Company is in excess of the amount the Company's stockholders will receive in connection with the Tender Offer.

23. It is therefore imperative that the Company's common stockholders receive the material information that defendants have omitted from the Solicitation Statement so that they can meaningfully assess whether to tender their shares.

24. Section 6.2 of the Merger Agreement provides for a no solicitation clause that prevents BSTC from soliciting alternative proposals and constraints its ability to negotiate with potential buyers:

> (a) Subject to Section 6.2(c), at all times during the period commencing on the date of this Agreement and continuing until the earlier to occur of the termination of this Agreement pursuant to Article IX and the Effective Time, neither the Company nor any of its Subsidiaries shall, nor shall they authorize or permit any of their respective Representatives to, directly or indirectly, (i) solicit, initiate, knowingly encourage, or knowingly facilitate or assist, any inquiry, proposal or offer, or the making, submission or announcement of any inquiry, proposal or offer, that constitutes or would reasonably be expected to lead to an Acquisition Proposal, (ii) make available any non-public information relating to the Company or any of its Subsidiaries, or afford access to the business, properties, assets, books, records or other non-public information, or to any personnel, of the Company or any of its Subsidiaries, in each case, to any Person (other than Parent, Merger Sub or any designees or Representatives of Parent or Merger Sub), in connection with any inquiry, proposal or offer that constitutes or

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