

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

DANIEL BRADY,

Plaintiff,

-against-

GW PHARMACEUTICALS, PLC,
GEOFFREY GUY, JUSTIN GOVER, CABOT
BROWN, DAVID GRYSKA, CATHERINE
MACKEY, JAMES NOBLE, ALICIA
SECOR, and LORD WILLIAM
WALDEGRAVE,

Defendants.

Case No.: _____

COMPLAINT

DEMAND FOR JURY TRIAL

Plaintiff Daniel Brady (“Plaintiff”), by and through his attorneys, alleges the following upon information and belief, including investigation of counsel and review of publicly available information, except as to those allegations pertaining to Plaintiff, which are alleged upon personal knowledge:

NATURE OF THE ACTION

1. This is an action brought by Plaintiff against GW Pharmaceuticals, PLC (“GW” or the “Company”) and the members of the Company’s board of directors (collectively referred to as the “Board” or the “Individual Defendants” and, together with GW, the “Defendants”) for their violations of Sections 14(a) and 20(a) of the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. §§ 78n(a), 78t(a) respectively, United States Securities and Exchange Commission (“SEC”) Rule 14a-9, 17 C.F.R. § 240.14a-9. Plaintiff’s claims arise in connection with the proposed acquisition of GW by Jazz Pharmaceuticals, PLC (“Jazz”) and its subsidiary, Jazz Pharmaceuticals UK Holdings Limited (“BidCo”) (the “Proposed Merger”).

2. On February 3, 2021, GW entered into an agreement and plan of merger by and

among (i) the Company, (ii) Jazz, and (iii) BidCo (the “Merger Agreement”), pursuant to which the holders of GW ordinary shares will receive \$16.66^{2/3} in cash plus an amount of Jazz ordinary shares equal to an exchange ratio that will be calculated based upon Jazz’s share price, and holders of American Depositary Shares of GW (“GW ADSs”) will receive approximately \$200 per share in cash and \$20 in Jazz stock in consideration for their shares (the “Merger Consideration”).

3. In order to convince GW’s shareholders to vote for the Proposed Merger, on March 15, 2021, the Board authorized the filing of a materially incomplete and misleading Schedule 14A Proxy Statement (the “Proxy”) with the SEC. In particular, the Proxy contains materially incomplete and misleading information concerning: (i) the Company’s financial projections; (ii) the fairness opinion and financial analyses performed by the Company’s financial advisors, Goldman Sachs & Co. LLC (“Goldman Sachs”) and Centerview Partners LLC (“Centerview” and together with Goldman Sachs, the “Financial Advisors”); and (iii) the interests of the Individual Defendants in the Proposed Merger and steps taken to isolate those potential conflicts.

4. Disclosure of this information is critical, as the shareholder vote is scheduled to occur on April 23, 2021 (the “Shareholder Vote”) and the Proposed Merger is expected to close in the second quarter of 2021. It is imperative that the material information that has been omitted from the Proxy be disclosed to the Company’s stockholders prior to the Shareholder Vote so they can properly determine whether to vote for or against the Proposed Merger.

5. For these reasons, and as set forth in detail herein, Plaintiff asserts claims against Defendants for violations of Sections 14(a) and 20(a) of the Exchange Act and Rule 14a-9. Plaintiff seeks to enjoin Defendants from taking any steps to consummate the Proposed Merger unless and until the material information discussed below is disclosed to GW’s stockholders sufficiently in advance of the upcoming Shareholder Votes or, in the event the Proposed Merger

is consummated, to recover damages resulting from the Defendants' misconduct.

JURISDICTION AND VENUE

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

7. Personal jurisdiction exists over each Defendant either because the Defendant conducts business in or maintains operations in this District or is an individual who is either present in this District for jurisdictional purposes or has sufficient minimum contacts with this District as to render the exercise of jurisdiction over the Defendants by this Court permissible under traditional notions of fair play and substantial justice. "Where a federal statute such as Section 27 of the [Exchange] Act confers nationwide service of process, the question becomes whether the party has sufficient contacts with the United States, not any particular state." *Sec. Inv'r Prot. Corp. v. Vigman*, 764 F.2d 1309, 1305 (9th Cir. 1985). "[S]o long as a defendant has minimum contacts with the United States, Section of the Act confers personal jurisdiction over the defendant in any federal district court." *Id.* at 1316. Indeed, GW maintains substantial operations through its subsidiary Greenwich Biosciences, Inc., which is headquartered in the United States.

8. Venue is proper in this District under Section 27 of the Exchange Act and 28 U.S.C. § 1391, because Defendants are found or are inhabitants or transact business in this District. GW ADSs trade on the Nasdaq stock exchange, which is headquartered in this District, and the Company hired financial and legal advisors for the purposes of the Proposed Merger, which are headquartered in this District, rendering venue in this District appropriate. *See, e.g., United States v. Svoboda*, 347 F.3d 471, 484 n.13 (2d Cir. 2003) (collecting cases).

PARTIES

9. Plaintiff is, and has been continuously throughout all times relevant hereto, the owner of GW ADSs.

10. Defendant GW Pharmaceuticals, PLC is a company incorporated in the United Kingdom and which maintains its principal executive offices at Sovereign House, Vision Park, Chivers Way, Histon, Cambridge CB24 9BZ, United Kingdom. The Company's ADSs trade on the Nasdaq under the ticker symbol "GWPH".

11. Individual Defendant Geoffrey Guy is, and at all relevant times has been, the founder of the Company and Chairman of the Board.

12. Individual Defendant Justin Gover ("Gover") is, and at all relevant times has been, the Chief Executive Officer and Executive Director of the Company.

13. Individual Defendant Cabot Brown is, and at all relevant times has been, a non-executive director of the Company.

14. Individual Defendant David Gryska is, and at all relevant times has been, a non-executive director of the Company.

15. Individual Defendant Catherine Mackey is, and at all relevant times has been, a non-executive director of the Company.

16. Individual Defendant James Noble is, and at all relevant times has been, the Lead Independent Director and Deputy Chairman of the Company.

17. Individual Defendant Alicia Secor is, and at all relevant times has been, a non-executive director of the Company.

18. Individual Defendant Lord William Waldegrave is, and at all relevant times has been, a non-executive director of the Company.

19. The defendants referred to in ¶¶11-18 are collectively referred to herein as the “Individual Defendants” or the “Board” and, together with GW, as the “Defendants.”

SUBSTANTIVE ALLEGATIONS

A. Background of the Proposed Merger

20. GW, a public limited company incorporated in England and Wales, discovers, develops, manufactures, and commercializes novel, regulatory approved therapeutics from its proprietary cannabinoid product platform to address a broad range of diseases.

21. Jazz, a public limited company incorporated in the Republic of Ireland, is a global biopharmaceutical company dedicated to developing and commercializing life-changing medicines, with a focus in neuroscience, including sleep and movement disorders, and in oncology, including hematologic malignancies and solid tumors. Jazz ordinary shares are listed on Nasdaq under the symbol “JAZZ”.

22. On February 3, 2021, GW authorized the issuance of a press release announcing the Proposed Merger, which states in relevant part:

Jazz Pharmaceuticals to Acquire GW Pharmaceuticals plc, Creating an Innovative, High-Growth, Global Biopharma Leader

DUBLIN and LONDON, Feb. 3, 2021 /PRNewswire/ -- Jazz Pharmaceuticals plc (Nasdaq: JAZZ) and GW Pharmaceuticals plc (Nasdaq: GWPH) today announced the companies have entered into a definitive agreement for Jazz to acquire GW for \$220.00 per American Depositary Share (ADS), in the form of \$200.00 in cash and \$20.00 in Jazz ordinary shares, for a total consideration of \$7.2 billion, or \$6.7 billion net of GW cash. The transaction, which has been unanimously approved by the Boards of Directors of both companies, is expected to close in the second quarter of 2021.

Upon close of the transaction, the combined company will be a leader in neuroscience with a global commercial and operational footprint well positioned to maximize the value of its diversified portfolio.

GW is a global leader in discovering, developing, manufacturing and commercializing novel, regulatory approved therapeutics from its proprietary

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