

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

MICHAEL BIRDSALL,

Plaintiff,

-against-

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

Defendants.

Case No.: _____

COMPLAINT

DEMAND FOR JURY TRIAL

COMPLAINT FOR VIOLATION OF THE SECURITIES EXCHANGE ACT OF 1934

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

NATURE OF THE ACTION

1. This is an action brought by Plaintiff against PRA Health Sciences, Inc. ("PRA" 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 the Company, 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, and 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 PRA by ICON plc ("ICON").

2. On February 24, 2021, PRA and ICON entered into an agreement and plan of merger

(the “Merger Agreement”), pursuant to which PRA will merge with and into ICON, with ICON continuing as the surviving company (the “Proposed Transaction”).

3. Pursuant to the terms of the Merger Agreement, PRA’s common stock shareholders will be entitled to receive \$80.00 in cash (the “Cash Consideration”) and 0.4125 shares of ICON stock (the “Exchange Ratio” and, together with the Cash Consideration, the “Merger Consideration”) for each share of PRA common stock that they own. Based on ICON’s price as of February 23, 2021, the last trading day before the public announcement of the signing of the Merger Agreement, the Merger Consideration was worth approximately \$166.06 per share of PRA common stock.

4. On or about April 28, 2021, in order to convince PRA’s public common stockholders to vote in favor of the Proposed Transaction, the Defendants authorized the filing of a materially incomplete and misleading Definitive Proxy Statement (the “Proxy”) with the SEC, in violation of Sections 14(a) and 20(a) of the Exchange Act.

5. In particular, the Proxy contains materially incomplete and misleading information concerning the background of the Proposed Transaction and the valuation analyses performed by PRA’s financial advisors, BofA Securities, Inc. (“BofA Securities”) and UBS Securities LLC (“UBS” and together with BofA Securities, the “Financial Advisors”) regarding the Proposed Transaction.

6. The Proposed Transaction is expected to close in July of 2021 and the special meeting of the Company’s shareholders to vote on the Proposed Transaction is scheduled for June 15, 2021. Therefore, it is imperative that the material information that has been omitted from the Proxy is disclosed prior to the special meeting, so Plaintiff can properly exercise all corporate voting rights.

7. 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 Transaction unless and until the material information discussed below is disclosed to PRA’s public common stockholders

sufficiently in advance of the upcoming shareholder vote or, in the event the Proposed Transaction is consummated, to recover damages resulting from the Defendants' violations of the Exchange Act.

JURISDICTION AND VENUE

8. This Court has jurisdiction over all claims asserted herein pursuant to Section 27 of the 1934 Act because the claims asserted herein arise under Sections 14(a) and 20(a) of the 1934 Act and Rule 14a-9.

9. 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 each Defendant by this Court permissible under the 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, 1315 (9th Cir. 1985). "[S]o long as a defendant has minimum contacts with the United States, Section 27 of the Act confers personal jurisdiction over the defendant in any federal district court." *Id.* at 1316.

10. Venue is proper in this District under Section 27 of the Exchange Act, 15 U.S.C. § 78aa, as well as 28 U.S.C. § 1391, because Defendants are found or are inhabitants or transact business in this District. Indeed, PRA's common stock trades on the Nasdaq Global Select Market ("Nasdaq"), which is headquartered in this District. *See, e.g., United States v. Svoboda*, 347 F.3d 471, 484 n.13 (2d Cir. 2003) (collecting cases).

PARTIES

11. Plaintiff is, and has been continuously throughout all times relevant hereto, the owner of PRA common stock.

12. Defendant PRA is a Delaware corporation with its principal offices located at 4130 ParkLake Avenue, Suite 400, Raleigh, North Carolina 27612. PRA is one of the world's leading global contract research organizations by revenue, providing outsourced clinical development and data solution services to the biotechnology and pharmaceutical industries, with a global clinical development platform that includes more than 75 offices across North America, Europe, Asia, Latin America, Africa, Australia, and the Middle East, and with more than 19,000 employees worldwide. PRA's common stock trades on the Nasdaq under the ticker symbol "PRAH."

13. Defendant Colin Shannon ("Shannon") is, and has been at all relevant times, the Company's Chief Executive Officer and Chairman of the Board of Directors of the Company.

14. Defendant Jeffrey T. Barber ("Barber") is, and has been at all relevant times, a director of the Company.

15. Defendant Alexander G. Dickinson ("Dickinson") is, and has been at all relevant times, a director of the Company.

16. Defendant Linda S. Grais ("Grais") is, and has been at all relevant times, a director of the Company.

17. Defendant James C. Momtazee ("Momtazee") is, and has been at all relevant times, a director of the Company.

18. Defendant Glen D. Stettin ("Stettin") is, and has been at all relevant times, a director of the Company.

19. Defendant Matthew P. Young ("Young") is, and has been at all relevant times, a director of the Company.

20. The Defendants identified in paragraphs 13 through 19 are collectively referred to herein as the "Board" or the "Individual Defendants," and together with the Company, the "Defendants."

SUBSTANTIVE ALLEGATIONS

I. Background of the Company and the Proposed Transaction

21. Defendant PRA is a Delaware corporation with its principal offices located at 4130 ParkLake Avenue, Suite 400, Raleigh, North Carolina 27612. PRA is one of the world's leading global contract research organizations by revenue, providing outsourced clinical development and data solution services to the biotechnology and pharmaceutical industries, with a global clinical development platform that includes more than 75 offices across North America, Europe, Asia, Latin America, Africa, Australia, and the Middle East, and with more than 19,000 employees worldwide. PRA's common stock trades on the Nasdaq under the ticker symbol "PRAH."

22. PRA is organized into two reportable segments: Clinical Research and Data Solutions. PRA's Clinical Research segment encompasses a broad array of services across the spectrum of clinical development programs and its Data Solutions segment provides data, analytics, technology, and consulting solutions to the life sciences market. The Clinical Research and Data Solutions segments complement each other, and provide enhanced value to PRA's clients when delivered together, with each driving demand for the other.

23. During the past few years, PRA has continued to execute a growth strategy that has resulted in PRA's strong reputation as a strategic partner of choice for biotechnology and small- to mid-sized pharmaceutical companies., which rely on full-service contract research organizations like PRA to deliver fast, effective, and thorough support throughout the clinical development and regulatory processes because they generally lack a global clinical development infrastructure. PRA has leveraged its strong reputation and existing relationships with biotechnology and pharmaceutical companies to capture their additional business, and is well-positioned to take advantage of the strategic alliances with CROs that will be increasingly utilized by small- and mid-sized pharmaceutical companies over the next several years given the depth of PRA's relationships and

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