

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

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SHIVA STEIN,	:	
	:	
Plaintiff,	:	Civil Action No. 22-cv-3551
	:	
v.	:	COMPLAINT FOR VIOLATIONS OF
	:	SECTIONS 14(a) AND 20(a) OF THE
LHC GROUP, INC., KEITH G. MYERS,	:	SECURITIES EXCHANGE ACT OF
MONICA F. AZARE, TERI G. FONTENOT,	:	1934
JONATHAN D. GOLDBERG, CLIFFORD S.	:	
HOLTZ, JOHN L. INDEST, RONALD T.	:	JURY TRIAL DEMANDED
NIXON, W. EARL REED, III, and WILLIAM	:	
BRENT TURNER,	:	
	:	
Defendants.	:	
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	:	

Shiva Stein (“Plaintiff”), by and through her 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:

1. This is an action brought by Plaintiff against LHC Group, Inc. (“LHC Group or the “Company”) and the members LHC Group’s board of directors (the “Board” or the “Individual Defendants” and collectively with the Company, the “Defendants”) for their violations of Sections 14(a) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”), 15 U.S.C. §§ 78n(a), 78t(a), and SEC Rule 14a-9, 17 C.F.R. 240.14a-9 and 17 C.F.R. § 244.100, in connection with the proposed acquisition of LHC Group by affiliates of UnitedHealth Group Incorporated (“UnitedHealth”).

2. Defendants have violated the above-referenced sections of the Exchange Act by causing a materially incomplete and misleading Preliminary Proxy Statement on Schedule 14A

(the “Proxy Statement”) to be filed on April 29, 2022 with the United States Securities and Exchange Commission (“SEC”) and disseminated to Company stockholders. The Proxy Statement recommends that Company stockholders vote in favor of a proposed transaction whereby the Lightning Merger Sub Inc. (“Merger Sub”), a wholly-owned subsidiary of UnitedHealth, will merge with and into LHC Group with LHC Group surviving as a wholly-owned subsidiary of UnitedHealth (the “Proposed Transaction”). Pursuant to the terms of the definitive agreement and plan of merger the companies entered into on March 28, 2022 (the “Merger Agreement”), each LHC Group stockholder will receive \$170.00 in cash (the “Merger Consideration”) for each LHC Group share owned.

1. As discussed below, Defendants have asked LHC Group’s stockholders to support the Proposed Transaction based upon the materially incomplete and misleading representations and information contained in the Proxy Statement, in violation of Sections 14(a) and 20(a) of the Exchange Act. Specifically, the Proxy Statement contains materially incomplete and misleading information concerning the analyses performed by the Company’s financial advisors, SVB Securities LLC (“SVB Securities”) and Jefferies LLC (“Jefferies” and with SVB Securities, the Financial Advisors”) in support of their fairness opinions.

2. It is imperative that the material information that has been omitted from the Proxy Statement is disclosed to the Company’s stockholders prior to the forthcoming stockholder vote so that they can properly exercise their corporate suffrage rights.

3. For these reasons and as set forth in detail herein, 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 LHC Group’s stockholders or, in the event

the Proposed Transaction is consummated, to recover damages resulting from the Defendants' violations of the Exchange Act.

JURISDICTION AND VENUE

4. This Court has subject matter jurisdiction 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 and SEC Rule 14a-9.

5. 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 Defendant by this Court permissible under traditional notions of fair play and substantial justice.

6. 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 the Company trades on the NASDAQ Stock Exchange, headquartered in this District, and the Company's proxy solicitor, Okapi Partners LLC, is also headquartered in this District.

PARTIES

7. Plaintiff is, and has been at all relevant times, the owner of LHC Group stocks and has held such stocks since prior to the wrongs complained of herein.

8. Individual Defendant Keith G. Myers, a co-founder of the Company, has served as a member of the Board since 1994 and is the Chairman of the Board and the Chief Executive Officer of the Company.

9. Individual Defendant Monica F. Azare has served as a member of the Board since 2007.

10. Individual Defendant Teri G. Fontenot has served as a member of the Board since 2019.

11. Individual Defendant Jonathan D. Goldberg has served as a member of the Board since 2018.

12. Individual Defendant Clifford S. Holtz has served as a member of the Board since 2018 and is the Lead Director.

13. Individual Defendant John L. Indest has served as a member of the Board since 2000.

14. Individual Defendant Ronald T. Nixon has served as a member of the Board since 2001.

15. Individual Defendant W. Earl Reed, III has served as a member of the Board since 2018.

16. Individual Defendant William Brent Turner has served as a member of the Board since 2014.

17. Defendant LHC Group is a Delaware corporation and maintains its principal offices at 901 Hugh Wallis Road South, Lafayette, LA 70508. The Company's stock trades on the NASDAQ Global Select under the symbol "LHCG."

18. The defendants identified in paragraphs 10-16 are collectively referred to as the "Individual Defendants" or the "Board."

19. The defendants identified in paragraphs 10-17 are collectively referred to as the "Defendants."

SUBSTANTIVE ALLEGATIONS

A. The Proposed Transaction

20. LHC Group, a health care provider, specializes in the post-acute continuum of care primarily for Medicare beneficiaries in the United States. It operates through five segments: Home Health Services, Hospice Services, Home and Community-Based Services, Facility-Based Services, and Healthcare Innovations (HCI). The Home Health Services segment offers skilled nursing, medically oriented social services and physical, occupational, and speech therapy. The Hospice Services segment provides pain and symptom management accompanied by palliative medication, emotional and spiritual support, inpatient and respite care, homemaker services, dietary counseling, family bereavement counseling, and social worker visits. Its Home and Community-Based Services segment offers range of services, such as assistance with grooming, medication reminders, meal preparation, assistance with feeding, light housekeeping, respite care, transportation, and errand. The Facility-Based Services segment treats patients with severe medical conditions who require a high-level of care and frequent monitoring by physicians and other clinical personnel. This segment serves patients suffering from respiratory failure, neuromuscular and cardiac disorders, non-healing wounds, renal disorders, cancer, head and neck injuries, and mental disorders, as well as treats patients diagnosed with musculoskeletal impairments; and operates nursing facilities, family health center, rural health clinic, and physician practice, as well as offers physical therapy services. The HCI segment provides strategic health management services to accountable care organizations. As of December 31, 2021, it operated 557 home health services locations, 170 hospice locations, 136 community-based service locations, 11 long-term acute care hospitals with 12 locations, and 14 HCI locations. The Company was founded in 1994 and is based in Lafayette, Louisiana.

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