

1 “Company”) and the members of its Board of Directors (the “Board” or the “Individual Defendants”)
2 for their violations of Sections 14(e) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange
3 Act”), 15 U.S.C. §§ 78n(e), 78t(a), and to enjoin the expiration of a tender offer by Aventis Inc.
4 (“Aventis”) and Kortex Acquisition Corp. (“Purchaser”) (the “Offer”), subsidiaries of Sanofi
5 (“Sanofi”) (the “Proposed Transaction”).

6 2. On August 17, 2020, Principia announced that it had entered into an Agreement and
7 Plan of Merger with Sanofi (the “Merger Agreement”), pursuant to which Sanofi will acquire all
8 outstanding shares of Principia for \$100.00 in cash. The Offer is scheduled to expire at one minute
9 after 11:59 p.m., Eastern Time, on September 25, 2020.

10 3. On August 28, 2020, in order to convince Principia’s common stockholders to tender
11 their shares in the Offer, defendants filed a Schedule 14D-9 Solicitation/Recommendation Statement
12 (the “14D-9”) with the SEC, which omits or misrepresents material information concerning, among
13 other things: (i) Principia management’s financial projections, relied upon by the Company’s
14 financial advisors, Centerview Partners LLC (“Centerview”) and BofA Securities, Inc. (“BofA”), in
15 their financial analyses; (ii) the data and inputs underlying the financial valuation analyses that
16 support the fairness opinions provided by Centerview and BofA; and (iii) Company insiders’ potential
17 conflicts of interest. The failure to adequately disclose such material information renders the 14D-9
18 false and misleading.

19 4. For these reasons, and as set forth in detail herein, Plaintiff alleges that defendants
20 violated Sections 14(e) and 20(a) of the Exchange Act as Principia’s stockholders need such
21 information in order to make a sufficiently informed decision whether to tender their shares in support
22 of the Proposed Transaction or seek appraisal.
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JURISDICTION AND VENUE

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2 5. This Court has jurisdiction over the claims asserted herein for violations of Sections
3 14(e) and 20(a) of the Exchange Act pursuant to Section 27 of the Exchange Act, 15 U.S.C. § 78aa,
4 and 28 U.S.C. § 1331 (federal question jurisdiction).

5 6. This Court has jurisdiction over the defendants because each defendant is either a
6 corporation that conducts business in and maintains operations within this District, or is an individual
7 with sufficient minimum contacts with this District so as to make the exercise of jurisdiction by this
8 Court permissible under traditional notions of fair play and substantial justice.

9
10 7. Venue is proper in this District pursuant to 28 U.S.C. § 1391 because Plaintiff’s claims
11 arose in this District, where a substantial portion of the actionable conduct took place, where most of
12 the documents are electronically stored, and where the evidence exists. Principia is incorporated in
13 Delaware and is headquartered in this District. Moreover, each of the Individual Defendants, as
14 Company officers or directors, either resides in this District or has extensive contacts within this
15 District.
16

17 **PARTIES**

18 8. Plaintiff is, and has been at all times relevant hereto, a continuous stockholder of
19 Principia.

20 9. Defendant Principia is a Delaware corporation with its principal executive offices
21 located at 220 East Grand Avenue, South San Francisco, California 94080. Principia’s common stock
22 is traded on the NASDAQ Global Select Market under the ticker symbol “PRNB.”

23 10. Defendant Dan Becker has served as a director of the Company since January 2017.

24 11. Defendant Patrick Machado has served as a director of the Company since June 2019.

25 12. Defendant Alan B. Colowick has served as Chair of the Board since April 2019 and
26 as a director of the Company since February 2017.
27

1 13. Defendant Simeon George has served as a director of the Company since February
2 2011.

3 14. Defendant Shawn Tomasello has served as a director of the Company since August
4 2019.

5 15. Defendant Martin Babler has served as Chief Executive Officer of the Company since
6 April 2011 and as President and a director of the Company since April 2019.

7 16. Defendant Shao-Lee Lin has served as a director of the Company since April 2019.

8 17. Defendants identified in paragraphs 10 to 16 are collectively referred to herein as the
9 “Board” or the “Individual Defendants.”
10

11 18. Relevant non-party Sanofi is a French corporation and a global biopharmaceutical
12 company focused on human health through the manufacture of vaccines and other treatments.
13 Sanofi’s common stock is traded on the NASDAQ Global Select Market under the ticker symbol
14 “SNY.”
15

16 **SUBSTANTIVE ALLEGATIONS**

17 **Background of the Company and the Proposed Transaction**

18 19. Principia is a late-stage biopharmaceutical company focused on developing novel
19 therapies for immune-mediated diseases. The Company’s proprietary Tailored Covalency platform
20 enables Principia to design and develop reversible covalent and irreversible covalent, small molecule
21 inhibitors with potencies and selectivities that Principia believes will rival injectable biologics, but
22 with the convenience of an oral or topical therapy.
23

24 20. The Company’s wholly owned Bruton Tyrosine Kinase (“BTK”) inhibitor,
25 rilzabrutinib, is currently being evaluated in a global Phase 3 clinical trial in participants with
26 pemphigus and a Phase 1/2 clinical trial in participants with immune thrombocytopenia (“ITP”).
27

1 Principia also plans to initiate a Phase 2 clinical trial in participants with IgG4-Related Diseases and
2 a Phase 3 trial in ITP.

3 21. The Company's overall portfolio includes rilzabrutinib, PRN2246/SAR442168,
4 PRN473 Topical, PRN1371 and an oral immunoproteasome inhibitor program. The Company retains
5 full, worldwide rights to rilzabrutinib, PRN473 Topical, PRN1371 and its oral immunoproteasome
6 inhibitor program, and has an ongoing collaboration with Sanofi for PRN2246/SAR442168.

7
8 22. On August 6, 2020, the Company announced its second quarter 2020 financial results,
9 including \$50 million in collaboration revenue associated with the Company's partnership agreement
10 with Sanofi, compared to \$30 million in the second quarter of 2019, and net income of \$10.8 million,
11 compared to \$7.1 million for the second quarter of 2019.

12 23. On August 17, 2020, Principia and Sanofi issued a joint press release announcing the
13 Proposed Transaction. The press release stated, in relevant part:

14 PARIS and SOUTH SAN FRANCISCO, Calif. – August 17, 2020 – Sanofi and
15 Principia Biopharma Inc. (NASDAQ: PRNB), a late-stage biopharmaceutical
16 company focused on developing treatments for immune-mediated diseases, entered
17 into a definitive agreement under which Sanofi will acquire all of the outstanding
18 shares of Principia for \$100 per share in cash, which represents an aggregate equity
value of approximately \$3.68 billion (on a fully diluted basis). The Sanofi and
Principia Boards of Directors unanimously approved the transaction.

19 “This acquisition advances our ongoing R&D transformation to accelerate
20 development of the most promising medicines that will address significant patient
21 needs,” said Paul Hudson, Sanofi Chief Executive Officer. “The addition of multiple
22 BTK inhibitors to our pipeline demonstrates our commitment to strategic product
23 acquisitions in our priority therapeutic areas. Full ownership of our brain-penetrant
BTK inhibitor ‘168 removes complexities for this priority development program and
simplifies future commercialization.”

24 “The Phase 2b data in relapsing multiple sclerosis showed the strong potential of ‘168
25 to address disability and disease progression, and triggered the start of Phase 3 studies
26 across the full spectrum of MS. Through this acquisition, we will be able to expand
27 and accelerate development of BTK inhibitors across multiple indications. Both ‘168
28 and rilzabrutinib, have ‘pipeline in a product’ potential, and we look forward to
unlocking their full treatment benefits across an array of diseases,” said John Reed,
M.D., Ph.D., Global Head of Research & Development at Sanofi.

1 “Principia’s successful design and development of a whole portfolio of BTK inhibitors
2 for immunology is aimed to transform the treatment for patients with immune-
3 mediated diseases. By combining with Sanofi, we will bring significant resources to
4 expand and accelerate the potential benefits of these therapies. The benefit of
5 developing several BTK inhibitors will allow us to target specific organ systems for
6 optimal patient benefit. The merger will provide global resources to get these novel
7 therapies to patients faster,” said Martin Babler, President and CEO at Principia
8 Biopharma.

9 Principia’s Bruton tyrosine kinase (BTK) inhibitors add to Sanofi’s efforts to
10 accelerate and build a portfolio of the next generation of transformative treatments for
11 autoimmune diseases. BTK is present in the signaling pathways of key innate and
12 adaptive cell types of the immune system. Being able to block or disrupt these
13 signaling processes can help in stopping inflammation and tissue destruction related
14 to autoimmune diseases and target some of the underlying pathophysiology.

- 15 • **BTK inhibitor ‘168:** In a Phase 2b study in patients with multiple sclerosis,
16 ‘168 reduced Gd-enhancing T1 hyperintense lesions by 85% compared to
17 placebo. In June, Sanofi announced the first multiple sclerosis patient was
18 enrolled in the Phase 3 program for the BTK inhibitor, comprising four pivotal
19 clinical trials across the disease spectrum. The Principia acquisition will
20 provide an opportunity to expand the development program to evaluate
21 indications beyond central nervous system diseases.
- 22 • **Rilzabrutinib:** This oral BTK inhibitor is currently being evaluated in a Phase
23 3 program for patients with moderate to severe pemphigus, a rare, debilitating
24 autoimmune disease that causes blistering of the skin and mucous membranes.
25 A Phase 3 program for immune thrombocytopenia, a disease that causes high
26 risk for bleeding events, is expected to be initiated by the end of 2020,
27 assuming no COVID-19 related impact. The company also has an ongoing
28 Phase 2 program for IgG4-related diseases, which is driven by chronic
inflammation, immune cell infiltration, and fibrosis within organs that can lead
to severe morbidity.
- **PRN473 Topical:** This BTK inhibitor is a topical agent currently in Phase 1
trials and is being developed for immune-mediated diseases that could benefit
from localized application to the skin.

The Principia BTK inhibitor franchise is based on its proprietary Tailored Covalency®
platform that has generated potential best-in-class clinical candidates. The platform
allows the design of both reversible covalent and irreversible covalent small molecule
inhibitors that are more selective with less off-target effects. The optimized target
residence time has potential to deliver a desired efficacy with a stronger safety profile.

1 In 2017, Sanofi formed a collaboration with Principia under which Principia granted
2 Sanofi an exclusive, worldwide license to develop and commercialize BTK inhibitor
'168 in multiple sclerosis and other central nervous system diseases.

3 **Transaction Terms**

4 Under the terms of the merger agreement, Sanofi will commence a cash tender offer
5 to acquire all outstanding shares of Principia common stock for \$100 per share in cash
6 for a total enterprise value of approximately \$3.36 billion.

7 The consummation of the tender offer is subject to customary closing conditions,
8 including the tender of at least a majority of the outstanding shares of Principia
9 common stock, the expiration or termination of the waiting period under the Hart-
10 Scott-Rodino Antitrust Improvements Act of 1976, and other customary conditions.
11 Following the successful completion of the tender offer, a wholly owned subsidiary of
12 Sanofi will merge with Principia and the outstanding Principia shares not tendered in
the tender offer will be converted into the right to receive the same \$100 per share in
cash paid in the tender offer. The tender offer is expected to commence later this
month. Sanofi plans to finance the transaction with cash on hand. Subject to the
satisfaction or waiver of customary closing conditions, Sanofi expects to complete the
acquisition in the fourth quarter of 2020.

13 **The 14D-9 Misleads Principia Stockholders by Omitting Material Information**

14 28. On August 28, 2020, defendants filed the materially incomplete and misleading 14D-
15 9 with the SEC. Designed to convince the Company's stockholders to tender their shares in the Offer,
16 the 14D-9 is rendered misleading by the omission of critical information concerning: (i) Principia
17 management's financial projections, relied upon by the Company's financial advisors Centerview and
18 BofA in their financial analyses; (ii) the data and inputs underlying the financial valuation analyses
19 that support the fairness opinions provided by Centerview and BofA; and (iii) Company insiders'
20 potential conflicts of interest.
21

22 ***Material Omissions Concerning Principia's Financial Projections***

23 29. The 14D-9 omits material information regarding the Company's financial projections.

24 30. For example, the 14D-9 sets forth:
25

26 [I]n connection with the review of potential strategic alternatives, including Principia's
27 evaluation of the Merger, our senior management, at the direction of the Board,
prepared unaudited, long-range financial projections (collectively, the "Projections").
28

1 Our senior management modeled two scenarios, including (a) a case that assumed (i)
2 a loss of patent exclusivity of rilzabrutinib in 2036, (ii) market penetration of
3 rilzabrutinib of 25%-30% across patients with higher unmet need, (iii) a loss of patent
4 exclusivity of PRN2246 in 2038, and (iv) that Principia exercised its Co-Funding
5 Option (collectively, the “Case A Projections”) and (b) a case (the “Case B
6 Projections”) that included each of the assumptions in the Case A Projections listed
7 above in clauses (i)-(iv), and which case differed primarily from the Case A
8 Projections in relation to rilzabrutinib’s addressable patient population, with the Case
9 B Projections reflecting upside assumptions of higher prevalence in certain indications
10 and penetration into earlier lines of therapy.

7 Principia management provided the Projections to our Board and to Centerview and
8 BofA Securities and, consistent with the view of Principia management that the Case
9 A Projections then reflected the best currently available estimates and good faith
10 judgments of management as to the future financial performance of Principia *on a risk
11 adjusted basis*, our Board directed each of Centerview and BofA Securities,
12 respectively, to use the Case A Projections in connection with the rendering of its
13 fairness opinion to the Board and performing its related financial analyses.

11 14D-9 at 26 (emphasis added). The 14D-9 fails, however, to disclose the specific risk adjustments
12 that were made to the Company’s projections.

13 31. Additionally, the 14D-9 fails to disclose the un-risked projections so Principia
14 stockholders can evaluate the financial impact the Company’s risk-adjustments had on the
15 projections.
16

17 32. The 14D-9 further fails to disclose the line items underlying the calculation of the
18 Company’s unlevered free cash flows, including (i) EBIT; (ii) taxes; (iii) depreciation and
19 amortization; (iv) capital expenditures; (v) changes in net working capital; and (vi) stock based
20 compensation.
21

22 33. The omission of this information renders certain portions of the 14D-9 materially
23 misleading, including, inter alia, the following section of the 14D-9: “Certain Financial Projections.”

24 ***Material Omissions Concerning Centerview’s and BofA’s Financial Analyses***

25 34. The 14D-9 also omits material information regarding Centerview’s and BofA’s
26 financial analyses.
27

1 35. The 14D-9 describes Centerview's and BofA's fairness opinions and the various
2 valuation analyses performed in support of their opinions. However, the description of Centerview's
3 and BofA's fairness opinions and analyses fails to include key inputs and assumptions underlying
4 these analyses. Without this information, as described below, Principia's public stockholders are
5 unable to fully understand these analyses and, thus, are unable to determine what weight, if any, to
6 place on Centerview's and BofA's fairness opinions in determining whether to tender their shares in
7 the Proposed Transaction or seek appraisal.
8

9 36. With respect to Centerview's *Selected Public Company Analysis*, the 14D-9 fails to
10 disclose the individual multiples and financial metrics for each of the companies analyzed by
11 Centerview.

12 37. With respect to Centerview's *Selected Precedent Transactions Analysis*, the 14D-9
13 fails to disclose the individual multiples and financial metrics for each of the transactions analyzed
14 by Centerview.

15 38. With respect to Centerview's *Discounted Cash Flow Analysis*, the 14D-9 fails to
16 disclose: (i) the individual inputs and assumptions underlying the discount rate range of 10% to 12%;
17 (ii) the present value of the estimated costs associated with additional future equity raises; (iii) the
18 fully diluted outstanding shares as of August 14, 2020, as provided by Company management; and
19 (iv) the basis for assuming that unlevered free cash flows would decline in perpetuity after December
20 31, 2041 at a rate of free cash flow decline of 75% year over year.
21

22 39. With respect to BofA's *Analyst Price Target Analysis*, the 14D-9 fails to disclose the
23 individual price targets observed and the sources thereof.
24

25 40. With respect to BofA's *Selected Publicly Traded Companies Analysis*, the 14D-9 fails
26 to disclose the individual multiples and financial metrics for each of the companies analyzed by BofA.
27

1 41. With respect to BofA's *Selected Precedent Transactions Analysis*, the 14D-9 fails to
2 disclose the individual multiples and financial metrics for each of the transactions analyzed by BofA.

3 42. With respect to BofA's *Discounted Cash Flow Analysis*, the 14D-9 fails to disclose:
4 (i) the individual inputs and assumptions underlying the discount rate range of 10% to 12%; (ii) the
5 estimate of cash proceeds to be received by Principia in connection with a future equity financing
6 assumed to occur in the third quarter of 2020; (iii) the costs associated with future financing assumed
7 to occur in 2022 and 2024; (iv) the fully diluted outstanding shares utilized in the analysis; and (v)
8 the basis for assuming that unlevered free cash flows would decline in perpetuity after December 31,
9 2041 at a rate of free cash flow decline of 75% year over year.

11 43. With respect to BofA's *Wall Street Analysts Price Targets*, the 14D-9 fails to disclose
12 the individual price targets observed and the sources thereof.

13 44. The omission of this information renders certain portions of the 14D-9 materially
14 misleading, including, inter alia, the following sections of the 14D-9: "Summary of Centerview
15 Financial Analysis" and "Opinion of BofA Securities, Inc."

16
17 ***Material Omissions Concerning Company Insiders' Potential Conflicts of Interest***

18 45. The 14D-9 fails to disclose material information concerning the potential conflicts of
19 interest faced by the Company's insiders.

20 46. The 14D-9 sets forth:
21
22 It is possible that members of our current management team will enter into new
23 compensation arrangements with the Surviving Corporation. We would expect that
24 any such arrangements with the existing management team would be entered into after
the completion of the Offer and would become effective after the Merger is completed,
if at all.

25 *Id.* at 8. The 14D-9 fails, however, to disclose the details of all employment and retention-related
26 discussions and negotiations that occurred between Sanofi and Principia executive officers and
27 directors, including who participated in all such communications, when they occurred and their

1 content. The 14D-9 further fails to disclose whether any of Sanofi's proposals or indications of
2 interest mentioned management retention.

3 47. Communications regarding post-transaction employment and merger-related benefits
4 during the negotiation of the underlying transaction must be disclosed to stockholders. This
5 information is necessary for Principia's stockholders to understand potential conflicts of interest of
6 management and the Board, as that information provides illumination concerning motivations that
7 would prevent fiduciaries from acting solely in the best interests of the Company's stockholders.
8

9 48. The omission of this information renders certain portions of the 14D-9 materially
10 misleading, including, inter alia, the following sections of the 14D-9: "Potential for Future
11 Arrangements" and "Background of Offer and Merger."

12 49. Accordingly, Plaintiff seeks injunctive and other equitable relief to prevent the
13 irreparable injury that Company stockholders will continue to suffer absent judicial intervention.
14

15 **CLAIMS FOR RELIEF**

16 **COUNT I**

17 **Claims Against All Defendants for Violations
18 of Section 14(e) of the Exchange Act**

19 50. Plaintiff repeats all previous allegations as if set forth in full.

20 51. Defendants violated Section 14(e) of the Exchange Act by issuing the 14D-9 in which
21 they made untrue statements of material facts or failed to state all material facts necessary in order to
22 make the statements made, in light of the circumstances under which they are made, not misleading,
23 or engaged in deceptive or manipulative acts or practices, in connection with the Offer commenced
24 in conjunction with the Proposed Transaction.
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1 52. Defendants knew that Plaintiff would rely upon their statements in the 14D-9 in
2 determining whether to tender her shares pursuant to the Offer commenced in conjunction with the
3 Proposed Transaction.

4 53. As a direct and proximate result of these defendants' unlawful course of conduct in
5 violation of Section 14(e) of the Exchange Act, absent injunctive relief from the Court, Plaintiff has
6 sustained and will continue to sustain irreparable injury by being denied the opportunity to make an
7 informed decision in deciding whether or not to tender her shares or seek appraisal.
8

9 **COUNT II**

10 **Claims Against the Individual Defendants for**
11 **Violation of Section 20(a) of the Exchange Act**

12 54. Plaintiff repeats all previous allegations as if set forth in full.

13 55. The Individual Defendants acted as controlling persons of Principia within the
14 meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their positions as
15 officers or directors of Principia and participation in or awareness of the Company's operations or
16 intimate knowledge of the false statements contained in the 14D-9 filed with the SEC, they had the
17 power to influence and control and did influence and control, directly or indirectly, the decision-
18 making of the Company, including the content and dissemination of the various statements which
19 Plaintiff contends are false and misleading.
20

21 56. Each of the Individual Defendants was provided with or had unlimited access to copies
22 of the 14D-9 and other statements alleged by Plaintiff to be misleading prior to or shortly after these
23 statements were issued and had the ability to prevent the issuance of the statements or cause the
24 statements to be corrected.

25 57. In particular, each of the Individual Defendants had direct and supervisory
26 involvement in the day-to-day operations of the Company, and, therefore, is presumed to have had
27

1 the power to control or influence the particular transactions giving rise to the securities violations as
2 alleged herein, and exercised the same. The 14D-9 at issue contains the unanimous recommendation
3 of each of the Individual Defendants to approve the Proposed Transaction. They were, thus, directly
4 involved in the making of this document.

5 58. In addition, as the 14D-9 sets forth at length, and as described herein, the Individual
6 Defendants were each involved in negotiating, reviewing, and approving the Proposed Transaction.
7 The 14D-9 purports to describe the various issues and information that they reviewed and considered
8 — descriptions which had input from the Individual Defendants.
9

10 59. By virtue of the foregoing, the Individual Defendants have violated section 20(a) of
11 the Exchange Act.

12 **PRAYER FOR RELIEF**

13 WHEREFORE, Plaintiff demands judgment and preliminary and permanent relief, including
14 injunctive relief, in her favor on behalf of Principia, and against defendants, as follows:

15 A. Preliminarily and permanently enjoining defendants and all persons acting in concert
16 with them from proceeding with, consummating, or closing the Proposed Transaction;

17 B. In the event defendants consummate the Proposed Transaction, rescinding it and
18 setting it aside or awarding rescissory damages to Plaintiff;

19 C. Directing the Individual Defendants to disseminate a 14D-9 that does not contain any
20 untrue statements of material fact and that states all material facts required in it or necessary to make
21 the statements contained therein not misleading;
22

23 D. Awarding Plaintiff the costs of this action, including reasonable allowance for
24 Plaintiff's attorneys' and experts' fees; and

25 E. Granting such other and further relief as this Court may deem just and proper.
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JURY DEMAND

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Plaintiff demands a trial by jury on all claims and issues so triable.

Dated: September 16, 2020

WEISSLAW LLP

By: /s/ Joel E. Elkins

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Attorneys for Plaintiff

CIVIL COVER SHEET

The JS-CAND 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved in its original form by the Judicial Conference of the United States in September 1974, is required for the Clerk of Court to initiate the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

BARBARA WOLFSON

(b) County of Residence of First Listed Plaintiff Bronx County, NY (EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number) Joel E. Elkins, WeissLaw LLP 9107 Wilshire Blvd., Suite 450, Beverly Hills, CA 90210 Telephone: 310/208-2800 Facsimile: 310/209-2348

DEFENDANTS

PRINCIPIA BIOPHARMA INC., DAN BECKER, PATRICK MACHADO, ALAN B. COLOWICK, SIMEON GEORGE, SHAWN TOMASELLO, MARTIN BABLER, and SHAO-LEE LIN

County of Residence of First Listed Defendant (IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff 3 Federal Question (U.S. Government Not a Party) 2 U.S. Government Defendant 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

Table with columns for Plaintiff (PTF) and Defendant (DEF) citizenship: Citizen of This State, Citizen of Another State, Citizen or Subject of a Foreign Country, Incorporated or Principal Place of Business In This State, Incorporated and Principal Place of Business In Another State, Foreign Nation.

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Large table with categories: CONTRACT, REAL PROPERTY, TORTS, CIVIL RIGHTS, PRISONER PETITIONS, HABEAS CORPUS, OTHER, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES.

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding 2 Removed from State Court 3 Remanded from Appellate Court 4 Reinstated or Reopened 5 Transferred from Another District (specify) 6 Multidistrict Litigation-Transfer 8 Multidistrict Litigation-Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): 15 U.S.C. §§ 78n(e), 78t(a)

Brief description of cause: Violations of the Federal Securities Laws

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, Fed. R. Civ. P. DEMAND \$

CHECK YES only if demanded in complaint: JURY DEMAND: X Yes No

VIII. RELATED CASE(S), IF ANY (See instructions):

JUDGE Hon. Magistrate Donna M. Ryu DOCKET NUMBER 20-cv-06085-DMR

IX. DIVISIONAL ASSIGNMENT (Civil Local Rule 3-2)

(Place an "X" in One Box Only) X SAN FRANCISCO/OAKLAND SAN JOSE EUREKA-MCKINLEYVILLE

DATE 09/16/2020

SIGNATURE OF ATTORNEY OF RECORD

/s/ Joel E. Elkins

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INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS-CAND 44

Authority For Civil Cover Sheet. The JS-CAND 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved in its original form by the Judicial Conference of the United States in September 1974, is required for the Clerk of Court to initiate the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I. a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
- b) County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the “defendant” is the location of the tract of land involved.)
- c) Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section “(see attachment).”
- II. Jurisdiction.** The basis of jurisdiction is set forth under Federal Rule of Civil Procedure 8(a), which requires that jurisdictions be shown in pleadings. Place an “X” in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
- (1) United States plaintiff. Jurisdiction based on 28 USC §§ 1345 and 1348. Suits by agencies and officers of the United States are included here.
 - (2) United States defendant. When the plaintiff is suing the United States, its officers or agencies, place an “X” in this box.
 - (3) Federal question. This refers to suits under 28 USC § 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
 - (4) Diversity of citizenship. This refers to suits under 28 USC § 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. Residence (citizenship) of Principal Parties.** This section of the JS-CAND 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit.** Place an “X” in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerk(s) in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.
- V. Origin.** Place an “X” in one of the six boxes.
- (1) Original Proceedings. Cases originating in the United States district courts.
 - (2) Removed from State Court. Proceedings initiated in state courts may be removed to the district courts under Title 28 USC § 1441. When the petition for removal is granted, check this box.
 - (3) Remanded from Appellate Court. Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
 - (4) Reinstated or Reopened. Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
 - (5) Transferred from Another District. For cases transferred under Title 28 USC § 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
 - (6) Multidistrict Litigation Transfer. Check this box when a multidistrict case is transferred into the district under authority of Title 28 USC § 1407. When this box is checked, do not check (5) above.
 - (8) Multidistrict Litigation Direct File. Check this box when a multidistrict litigation case is filed in the same district as the Master MDL docket. Please note that there is no Origin Code 7. Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.
- VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC § 553. Brief Description: Unauthorized reception of cable service.
- VII. Requested in Complaint.** Class Action. Place an “X” in this box if you are filing a class action under Federal Rule of Civil Procedure 23. Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction. Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases.** This section of the JS-CAND 44 is used to identify related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.
- IX. Divisional Assignment.** If the Nature of Suit is under Property Rights or Prisoner Petitions or the matter is a Securities Class Action, leave this section blank. For all other cases, identify the divisional venue according to Civil Local Rule 3-2: “the county in which a substantial part of the events or omissions which give rise to the claim occurred or in which a substantial part of the property that is the subject of the action is situated.”
- Date and Attorney Signature.** Date and sign the civil cover sheet.