

US Securities Class Actions

International US-Listed Companies | H1 2020



The number of class action core filings (35) against companies headquartered outside the US in the first half of 2020 was greater than the number filed at the same point in 2019 (29). If this trend continues, it could result in the highest annual total of cases against foreign filers than any previous year since suits against them have been tracked.

The number and frequency (31.5%) of total filings against companies headquartered outside the US is the second highest on record at this point of the year. It is well ahead of the trailing 5-year average of 42 (16%) per year.

Unpicking the data

From a geographical perspective, the largest number of suits continues to be brought against companies located in Asia (16), particularly China. The seven core filings against European companies represent a low not seen since 2017. As the chart on page 2 shows, 11 suits were brought against financial institutions while 35 were against commercial filers. Technology and financial companies account for the largest sectors affected, which is fairly consistent with prior years. The trend of suits against cannabis businesses in Canada since legalisation in 2018 continues, with two more suits filed.

When reviewed against last year's H1 figures, it is clear that both regions and sectors impacted can rapidly switch within a short period of time proving that no company is immune to the exposures faced.

AIG's analysis of its own class action data found that the majority of suits (25) were core filings.¹ These cases related to IPO liabilities and breaches of open-market trading regulations. The rest (14) were non-core merger objection suits, seven of which were settled.

Twenty suits were filed against NASDAQ listed firms; 17 suits were filed against NYSE filers and two were against OTC-BB firms.

Fourteen cases were brought against issuers trading as American Depositary Receipts. The rest were a mixture of Level 3 (9), Level 2 (3), plus a Level 1 sponsored issue (Opera Limited) and an unsponsored Level 1 issue (NMC Health).

Cases were brought in courts across the US, including New York (12), Delaware (11) California (10), New Jersey (3), Oregon (2) and Pennsylvania (1).

Implications of increased exposure

Directors and officers have become more aware of the litigation environment for non-US companies and recent developments have only heightened the risk. For example, ADR exposures continue to evolve and there has been an uptick in derivative lawsuits against non US companies. AIG and Norton Rose recently co-authored a paper [Limiting ADR liability under US Securities laws](#) on this constantly evolving exposure, highlighting how companies can take practical steps to protect themselves.

The insurance market is also taking action. Premiums and retentions are increasing fairly rapidly as global carriers implement underwriting strategy shifts to reign in capacity and better manage volatility in the deteriorating litigation environment. In extreme cases, carriers are now exiting the sector in an attempt to regroup as the market continues to harden.

¹ The 7 non-public cases relating to cryptocurrency are not included in the review, although they are on the list on page 5, and are being treated as outliers

Directors and officers should engage with their insurance broker and insurer early in the D&O renewal process to set expectations and discuss the options available. An insurer with plenty of claims experience will have a good understanding of the processes, participants and strategies deployed in class actions and assist in a building a robust defence, saving valuable management time during litigation and, potentially, reducing costs.

AIG’s claims team has significant experience assisting international clients in the defence and settlement of securities class actions, providing helpful insight and support when directors and officers need it most.

We hope you find these quarterly updates valuable. To receive these updates or other information on D&O claims trends from AIG, [sign up here](#).

Class Actions H1 2020 ²

Number of Class Action Filings

H1 2020

Total Number of Core Federal Filings (Inc US)

111

Core Federal Filings Against Foreign Companies

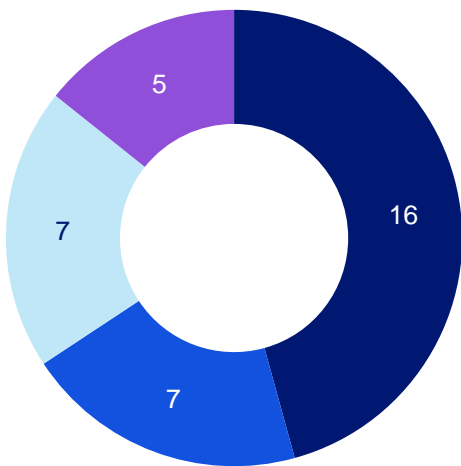
35

Foreign Issuers as % of Total

31.5

Foreign Filings by Headquarter Location

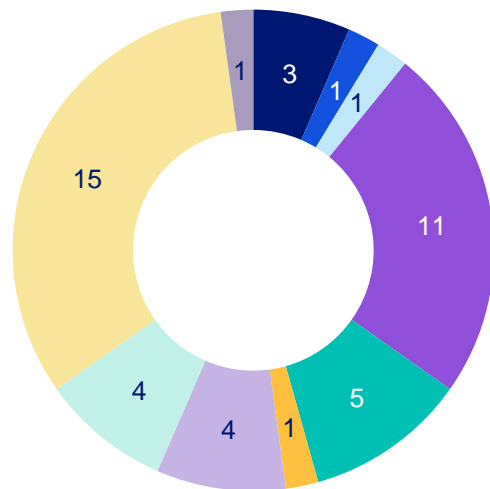
H1 2020



■ Asia ■ Europe ■ Other ■ Canada

Foreign Filings by Sector ³

H1 2020



■ Automotive ■ Energy ■ Healthcare ■ Pharmaceutical ■ Technology ■ Construction Materials ■ Financial ■ Mining ■ Services ■ Utilities

² Compiled using data from Stanford School of Law – [Securities Class Action Clearinghouse](#), a collaboration with Cornerstone Research and used with permission. [Core filings](#) are all federal securities class actions, excluding those defined as M&A filings, consolidated into one to prevent double counting.

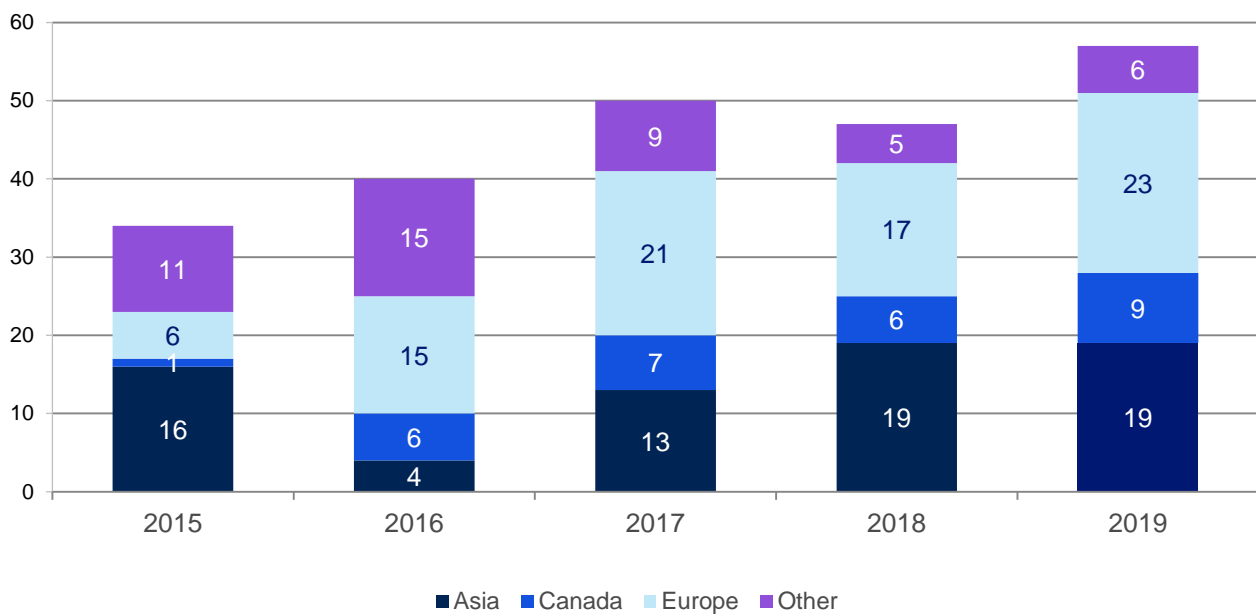
³ All filings, not just core

Annual Statistics 2015 – 2019 ⁴

Number of Class Action Filings

	Total Number of Class Actions	Class Actions Against US Issuers	Class Actions Against Foreign Issuers	Foreign Issuers as % of Total
2019	245	187	56	22.9
2018	220	173	47	21.4
2017	213	163	50	23.5
2016	187	147	40	21.4
2015	173	139	34	13.9

Foreign Filings by Headquarter Location



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US Class Actions – International Listed Companies ⁵

A list of all the class actions against foreign filers in 2020

Filing Name ⁶	Filing Date	District Court	Exchange	Ticker	HQ	Sector
Mylan N.V.	06/26/2020	W.D. Pennsylvania	NASDAQ	MYL	United Kingdom	Healthcare
Cheetah Mobile, Inc: ADRs	06/25/2020	C.D. California	New York SE	CMCM	China	Technology
Endo International plc	06/19/2020	D. New Jersey	NASDAQ	ENDP	Ireland	Healthcare
Kandi Technologies Group, Inc.	06/10/2020	C.D. California	NASDAQ	KNDI	China	Consumer
Hebron Technology Co., Ltd.	06/09/2020	S.D. New York	NASDAQ	HEBT	China	Capital Goods
Qiagen N.V.	05/29/2020	D. Delaware	New York SE	QGEN	Netherlands	Healthcare
Willis Towers Watson Public Limited Company	05/14/2020	D. Delaware	NASDAQ	WLTW	United Kingdom	Financial
Akazoo S.A.	04/24/2020	E.D. New York	NASDAQ	SONG	Luxembourg	Services
Phoenix Tree Holdings Limited: ADRs	04/24/2020	S.D. New York	New York SE	DNK	China	Services
Baidu, Inc.	04/21/2020	N.D. California	NASDAQ	BIDU	China	Services
Jumei International Holding Limited :ADRs	04/21/2020	N.D. California	New York SE	JMEI	China	Services
GSX Techedu Inc. ADRs	04/17/2020	D. New Jersey	New York SE	GSX	China	Services
iQIYI, Inc:ADRs	04/16/2020	E.D. New York	NASDAQ	IQ	China	Services
Mylan N.V.	04/13/2020	D. Delaware	NASDAQ	MYL	United Kingdom	Healthcare
E-House (China) Holdings Limited: ADRs	04/09/2020	S.D. New York	New York SE	EJ	China	Services
FGL Holdings	04/09/2020	D. Delaware	New York SE	FG	Cayman Islands	Financial
Silver Lake Group, L.L.C: Intelsat S.A.	04/07/2020	N.D. California	New York SE	I	Luxembourg	Services
Tufin Software Technologies Ltd.	04/06/2020	C.D. California	New York SE	TUFN	Israel	Technology
Block.One	04/03/2020	S.D. New York	N/A	N/A	N/A	N/A
BProtocol Foundation	04/03/2020	S.D. New York	N/A	N/A	Israel	Technology
HDR Global Trading Limited	04/03/2020	S.D. New York	N/A	N/A	Other	Financial
KayDex Pte. Ltd.	04/03/2020	S.D. New York	N/A	N/A	Singapore	Financial
KuCoin	04/03/2020	S.D. New York	N/A	N/A	Singapore	Financial
Status Research & Development GmbH	04/03/2020	S.D. New York	N/A	N/A	Switzerland	Technology

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⁶ ADRs = [American Depositary Receipts](#)

Filing Name ⁶	Filing Date	District Court	Exchange	Ticker	HQ	Sector
Tron Foundation	04/03/2020	S.D. New York	N/A	N/A	Singapore	Technology
Golden Star Resources Ltd.	04/01/2020	C.D. California	New York SE	GSS	Canada	Basic Materials
DouYu International Holdings Limited: ADRs	03/24/2020	C.D. California	NASDAQ	DOYU	China	Services
XP Inc.	03/21/2020	E.D. New York	NASDAQ	XP	Brazil	Financial
Delphi Technologies PLC	03/18/2020	D. Delaware	New York SE	DLPH	United Kingdom	Consumer
Front Yard Residential Corporation	03/18/2020	D. Delaware	New York SE	RESI	Other	Financial
Cronos Group Inc.	03/11/2020	E.D. New York	NASDAQ	CRON	Canada	Healthcare
NMC Health Plc: ADRs	03/10/2020	C.D. California	OTC-BB	NMHLY	United Kingdom	Healthcare
Gilat Satellite Networks Ltd.	03/06/2020	D. Delaware	NASDAQ	GILT	Israel	Technology
PharmaCielo Ltd.	03/06/2020	C.D. California	OTC-BB	PCLOF	Canada	Healthcare
Tilray, Inc.	03/06/2020	E.D. New York	NASDAQ	TLRY	Canada	Healthcare
Canaan, Inc: ADRs	03/04/2020	D. Oregon	NASDAQ	CAN	China	Technology
Luckin Coffee Inc: ADRs	02/13/2020	S.D. New York	NASDAQ	LK	China	Services
SORL Auto Parts, Inc.	02/13/2020	D. Delaware	NASDAQ	SORL	China	Consumer
Sasol Limited: ADRs	02/05/2020	S.D. New York	New York SE	SSL	South Africa	Energy
AquaVenture Holdings Limited	02/04/2020	D. Delaware	New York SE	WAAS	British Virgin Islands	Utilities
Westpac Banking Corporation: ADRs	01/30/2020	D. Oregon	New York SE	WBK	Australia	Financial
Opera Limited: ADRs	01/24/2020	S.D. New York	NASDAQ	OPRA	Other	Technology
Qudian Inc. : ADRs	01/22/2020	S.D. New York	New York SE	QD	China	Financial
Central European Media Enterprises Ltd.	01/21/2020	D. Delaware	NASDAQ	CETV	Bermuda	Services
500.com Limited	01/15/2020	D. New Jersey	New York SE	WBAI	China	Services
Wright Medical Group N.V.	01/15/2020	D. Delaware	NASDAQ	WMGI	Netherlands	Healthcare



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