

US Securities Class Actions

International US-Listed Companies | Q3 2020



Filings Remain on Track for An All Time High

The number of securities class actions against non-U.S. based companies in the third quarter of 2020 continues to increase and build over the course of the year. There were 19 core class actions against foreign filers out of 59 core filings in Q3, representing 32.2% of the total. ¹ This is an increase compared to the third quarter of 2019, where we saw 13 core cases against international companies out of a total of 60 core filings. With 3 non-core class actions the total amount of securities class actions brought against non-U.S. companies in Q3 was 22.

If the current data trend continues, we expect the annual total for core federal filings against non-U.S. issuers will be the highest on record. This is despite the fact that total core federal filings have decreased by 9%. At the end of Q3, 2020 has already seen 54 filings — which is almost identical to the 2019 year-end total. Not since 2011 (55), have numbers of filings been this high.

Emerging Trends in the Third Quarter

The trend data shows securities litigation exposure is a growing risk for foreign companies across a wide range of industry sectors and geographies. The greater likelihood of lawsuits against non-U.S. businesses may not just be because they are foreign entities, but because they also operate in high-litigation sectors.

The industry sectors subject to litigation in the third quarter of 2020 are more diverse compared to the same period in 2019. The largest industry represented in this quarter is the financial sector, followed by the healthcare, technology, consumer and services sectors.

In terms of geographic spread, the largest number of filings were against companies in Europe (7), and Asia (6). 'Other' (6) countries include Israel, Brazil and Bermuda. These numbers illustrate an ever-increasing geographic scope.

Looking back, the first half of 2020 saw a shift away from claims based on the defendant's financial disclosures to claims based on events in their operations - weak, inadequate or insufficient internal and external controls, especially in relation to financial reporting, as well as anti-corruption, bribery and fraud. Whether this is a lasting trend remains to be seen; it is worth highlighting that there have been fewer of these kinds of cases in Q3. It is important to note these claims can be mitigated by strong corporate governance and robust enterprise risk management.

The 19 core actions related to breaches of open market regulations and IPO liabilities. The remaining two actions were merger objection suits, which we consider to be non-core.

Five cases were brought against issuers trading as American Depositary Receipts on either NASDAQ, NYSE or OTC. Eight suits were filed against NASDAQ listed businesses, eight against NYSE listed firms, and three against OTC-BB listed companies. The current risk environment has become even more volatile since the recent U.S. appellate court decision in [Stoyas v. Toshiba Corp.](#) held that a foreign issuer could be liable under U.S. securities laws for a sale of securities in the U.S., even if the company was not involved in the sale (e.g. an "unsponsored" ADR).

A similar case against another unsponsored ADR, Glencore was dismissed in July by the District Court of New Jersey. ([Church VI v. Glencore PLC et al.](#)). The case related to a securities claim alleging that Glencore made false and misleading statements and/or material omissions relating to purported bribe payments in

¹ The case against Ecuador is being treated as an outlier and has not been included in the total but is included in the list on page 4

Nigeria, Venezuela and the Democratic Republic of Congo. The plaintiffs alleged that Glencore’s stock fell following announcement of government investigations into the purported bribery scheme. In this instance, the case was dismissed on the grounds of *forum non conveniens* as the court held that Glencore had no ties to New Jersey and none of the events in the litigation took place there.

Cases were brought in courts across the United States, including New York (10), New Jersey (3), California (2), Delaware (1), Pennsylvania (2) and Oregon (1). This is similar to the distribution of cases in H1 2020.

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 Q3 2020 ²

Number of Class Action Filings

Q3 2020

Total Number of Core Federal Filings (Inc US)

59

Core Federal Filings Against Foreign Companies

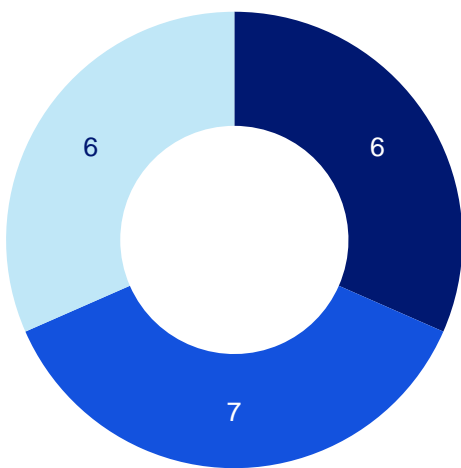
19

Foreign Issuers as % of Total

32.2

Foreign Filings by Headquarter Location

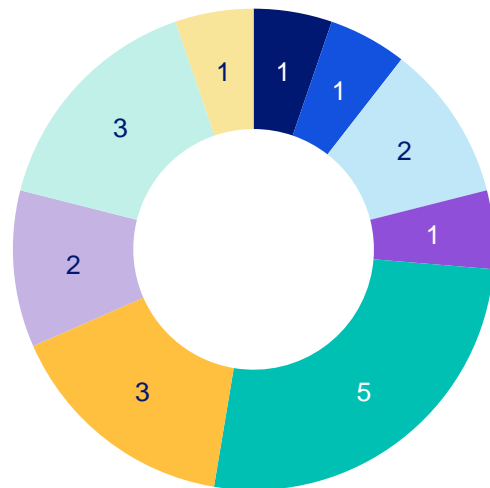
Q3 2020



■ Asia ■ Europe ■ Other

Foreign Filings by Sector

Q3 2020



■ Basic Materials ■ Capital Goods ■ Consumer
 ■ Energy ■ Financial ■ Healthcare
 ■ Services ■ Technology ■ Transportation

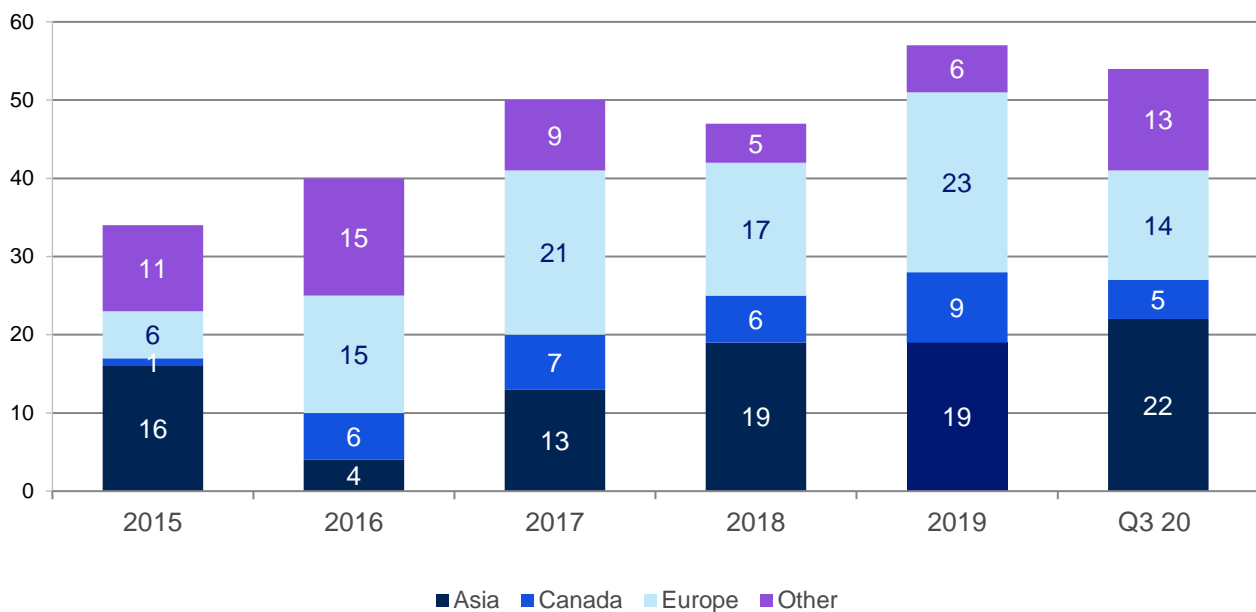
² Compiled using data from Stanford School of Law – [Securities Class Action Clearinghouse](#), a collaboration with Cornerstone Research and used with permission. [Core filings](#) are all federal securities class actions, excluding those defined as M&A filings, consolidated into one to prevent double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

Statistics 2015 – Q3 2020 ³

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
YTD 2020	173	119	54	31.2
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



³ 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.

US Class Actions – International Listed Companies ⁴

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

Filing Name ⁵	Filing Date	District Court	Exchange	Ticker	HQ	Sector
Pintec Technology Holdings Limited: ADRs	09/29/2020	S.D. New York	NASDAQ	PT	China	Financial
Garrett Motion Inc.	09/25/2020	S.D. New York	New York SE	GTX	Switzerland	Consumer
Golar LNG Limited	09/24/2020	S.D. New York	NASDAQ	GLNG	Bermuda	Energy
Teva Pharmaceutical Industries Limited: ADRs	09/23/2020	E.D. Pennsylvania	New York SE	TEVA	Israel	Healthcare
Nano-X Imaging Ltd.	09/16/2020	E.D. New York	NASDAQ	NNOX	Israel	Healthcare
GOL Linhas Areas Inteligentes S.A.	09/11/2020	E.D. New York	New York SE	GOL	Brazil	Transportation
Lexinfintech Holdings, Ltd.	09/09/2020	D. Oregon	NASDAQ	LX	China	Financial
Coty Inc.	09/04/2020	S.D. New York	New York SE	COTY	Netherlands	Consumer
HDFC Bank Limited: ADRs	09/03/2020	E.D. New York	New York SE	HDB	India	Financial
Neonode Inc.	09/02/2020	D. Delaware	New York SE	NEON	Sweden	Technology
Braskem S.A: ADRs	08/25/2020	D. New Jersey	New York SE	BAK	Brazil	Basic Materials
Qutoutiao Inc: ADRs	08/20/2020	S.D. New York	NASDAQ	QTT	China	Services
Baidu, Inc.	08/19/2020	E.D. New York	NASDAQ	BIDU	China	Services
Airbus SE: ADRs	08/06/2020	D. New Jersey	OTC-BB	EADSY	Netherlands	Capital Goods
The Republic of Ecuador	07/29/2020	S.D. New York	Other Foreign	N/A	Ecuador	Sovereigns
Wins Finance Holdings Inc.	07/24/2020	C.D. California	NASDAQ	WINS	China	Financial
Tufin Software Technologies Ltd.	07/21/2020	S.D. New York	New York SE	TUFN	Israel	Technology
Sky Solar Holdings, Ltd: ADRs	07/17/2020	S.D. New York	NASDAQ	SKYS	China	Utilities
Bayer Aktiengesellschaft: ADRs	07/15/2020	N.D. California	OTC-BB	BAYRY	Germany	Healthcare
Deutsche Bank Aktiengesellschaft	07/15/2020	D. New Jersey	New York SE	DB	Germany	Financial
Wirecard AG	07/07/2020	E.D. Pennsylvania	OTC-BB	WCAGY	Germany	Technology
China XD Plastics Company Limited	07/06/2020	S.D. New York	NASDAQ	CXDC	China	Consumer
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

⁴ 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.

⁵ ADRs = [American Depositary Receipts](#)

Filing Name ⁵	Filing Date	District Court	Exchange	Ticker	HQ	Sector
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
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

Filing Name ⁵	Filing Date	District Court	Exchange	Ticker	HQ	Sector
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



www.aig.com

Brian Botkin

Deputy Chief Underwriting
Officer, International Financial
Lines & Global Head of
Multinational, Financial Lines,
AIG

Tel: +44 207 063 5500

brian.botkin@aig.com

Jason Kelly

Head of International Financial
Lines, AIG

Tel: +1 (715) 303-0006

jason.kelly@aig.com

Christopher Magee

Head of Commercial D&O,
AIG UK

Tel: +44 203 217 1844

christopher.magee@aig.com

The purpose of this document is to provide information only and you should not take any action in reliance on the information contained in this document. AIG does not accept any liability if this document is used for an alternative purpose from which it is intended.

American International Group, Inc. (AIG) is a leading global insurance organization. AIG member companies provide a wide range of property casualty insurance, life insurance, retirement solutions, and other financial services to customers in more than 80 countries and jurisdictions. These diverse offerings include products and services that help businesses and individuals protect their assets, manage risks and provide for retirement security. AIG common stock is listed on the New York Stock Exchange.

Additional information about AIG can be found at www.aig.com | YouTube: www.youtube.com/aig | Twitter: @AIGemea www.twitter.com/AIGemea | LinkedIn: www.linkedin.com/company/aig. These references with additional information about AIG have been provided as a convenience, and the information contained on such websites is not incorporated by reference herein.

AIG is the marketing name for the worldwide property-casualty, life and retirement, and general insurance operations of American International Group, Inc. For additional information, please visit our website at www.aig.com. All products and services are written or provided by subsidiaries or affiliates of American International Group, Inc. Products or services may not be available in all countries and jurisdictions, and coverage is subject to underwriting requirements and actual policy language. Non-insurance products and services may be provided by independent third parties.

AIG Europe Limited is registered in England: company number 1486260. Registered address: The AIG Building, 58 Fenchurch Street, London EC3M 4AB. AIG Europe Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority (FRN number 202628). This information can be checked by visiting the FS Register (www.fca.org.uk/register).

AIG Europe S.A. is an insurance undertaking with R.C.S. Luxembourg number B 218806. AIG Europe S.A. has its head office at 35D Avenue John F. Kennedy, L-1855, Luxembourg. AIG Europe S.A. is authorised by the Luxembourg Ministère des Finances and supervised by the Commissariat aux Assurances 7, boulevard Joseph II, L-1840 Luxembourg, GD de Luxembourg, Tel.: (+352) 22 69 11 - 1, caa@caa.lu, www.caa.lu/

©2020 American International Group, Inc. All rights reserved