

US Securities Class Actions

International US-Listed Companies | Q3 2021



Filings in the Third Quarter Increased

In the third quarter of 2021 the number of securities class actions (SCA's) against non-U.S. based businesses increased, compared with the first two quarters of the year.

During the quarter, there were 11 core class actions filed against foreign filers domiciled outside the United States ("non-US issuers"). In comparison to the total number of core SCA's for the quarter (47), non-US issuers represent 23.4%. While this is a decrease of 42% from the third quarter of 2020, where we saw 19 cases against non-US issuers, it is important to note that 2020 recorded the highest number of filings against non-US issuers in history. After 7 core class actions against non-US issuers in each of Q1 and Q2 2021, numbers have now risen.

All filings were core filings and related to IPO liabilities (4), financial disclosures (3), operations (3) and cybersecurity (1). It is interesting to note that one filing was voluntarily dismissed the day after the action was filed.

Nine cases were brought against issuers trading as American Depository Receipts, all at Level 3 ADRs, and two suits were filed against NASDAQ listed businesses. The majority of actions were brought in district courts in New York (8), followed by Illinois (2) and New Jersey (1).

The industries subject to SCA litigation in the third quarter of 2021 are similar to prior year. In the lead we saw the technology and healthcare industries with three filings each, followed by the financial and services industries with two filings each, and one filing in the consumer sector.

In terms of geographic spread, the largest number of filings were against Chinese companies (6). The remaining five actions were against companies in Europe and the Middle East. These countries include Ireland (1), the Netherlands (1), Sweden (1), Denmark (1) and the United Arab Emirates (1). These locations are consistent with the regional distribution in FY2020 and H12021.

Directors and Officers Need to Remain Vigilant

Although short term data shows that the number of securities class actions against non-U.S. issuers has declined this year, looking at the broader trend of filings over the last 10 years it is clear that US Securities litigation risk remains a key threat. While SCA filings may be down, settlement amounts continue to climb, evidenced recently by Luckin Coffee Inc. reaching a settlement of \$175m, following claims that it fraudulently inflated its share price by falsifying revenue.

The filings in the third quarter also show that no type of business is immune – SCAs reach across a wide range of industries and geographies. As such, it is imperative that directors and officers take proactive measures to mitigate risks.

In Addition to SCAs There Are Other Risks Emerging

Over the past year, shareholders have filed a number of derivative actions in New York courts on behalf of non-U.S. companies. These are detailed in a joint paper from AIG and Clyde & Co, "[Shareholders Increasingly Targeting D&Os Of Foreign Companies In New York Derivative Actions](#)". For these actions, which are in their early stages, plaintiffs seek to pursue their foreign corporate law claims with the benefits of US litigation. If they are allowed to proceed, shareholders may pursue more derivative claims against D&Os of non-US companies in US courts. Such actions could create additional liability and unexpected exposure for D&Os of foreign companies. Risk managers and D&O insurers should closely monitor these cases and consider the potential risks from this type of litigation.

AIG’s claims team has significant experience assisting international clients in the defense 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 2021 ¹

Number of Class Action Filings

Q3 2021

Total Number of Core Federal Filings (Inc US)

47

Core Federal Filings Against Foreign Companies

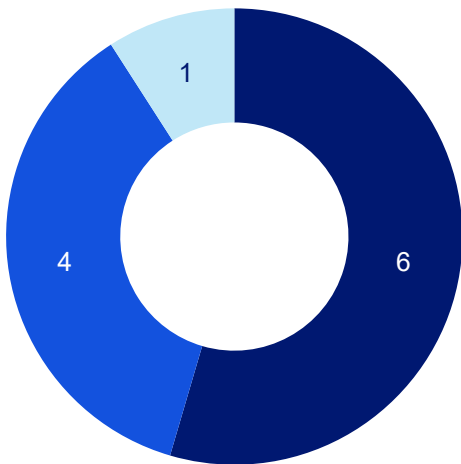
11

Foreign Issuers as % of Total

23.4

Foreign Filings by Headquarter Location

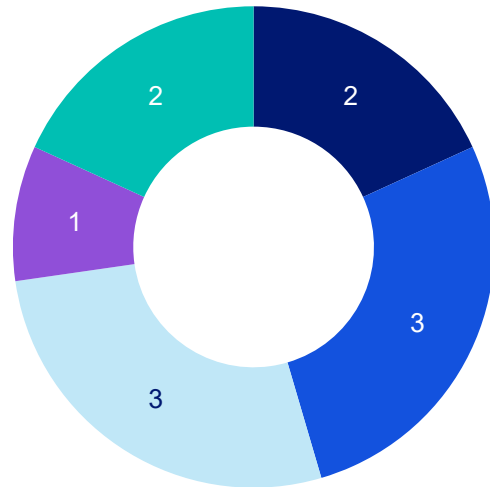
Q3 2021



■ Asia ■ Europe ■ Other

Foreign Filings by Sector

Q3 2021



■ Financial ■ Healthcare ■ Technology
 ■ Consumer ■ Services

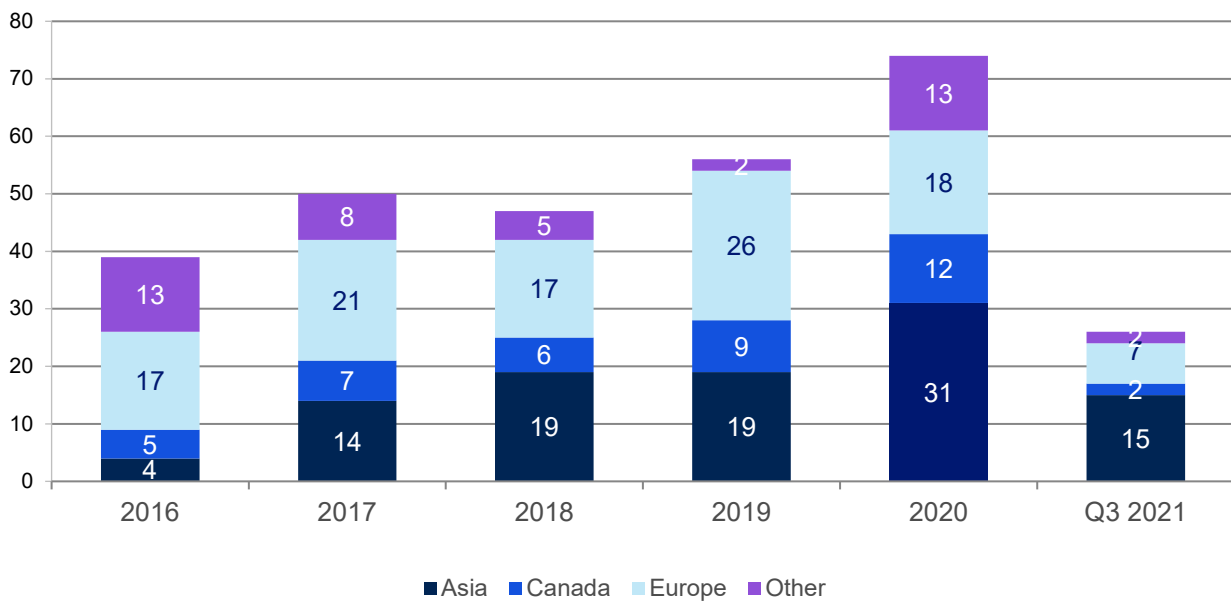
¹ Compiled using data from Stanford School of Law – [Securities Class Action Clearinghouse](#), a collaboration with Cornerstone Research and used with permission. [Core filings](#) are all federal securities class actions, excluding those defined as M&A filings, consolidated into one to prevent double counting.

Annual Statistics 2016 – Q3 2021 ²

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
Q3 2021	143	117	26	18.1
2020	224	150	74	33
2019	245	187	56	22.9
2018	220	173	47	21.4
2017	213	163	50	23.5
2016	187	147	40	21.4

Foreign Filings by Headquarter Location



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US Class Actions – International Listed Companies ³

A list of all the class actions against foreign filers in 2021.

Filing Name ⁴	Filing Date	District Court	Exchange	Ticker	HQ	Sector
Waterdrop Inc: ADRs	09/14/2021	S.D. New York	New York SE	WDH	China	Financial
Koninklijke Philips N.V.	08/16/2021	E.D. New York	New York SE	PHG	Netherlands	Healthcare
Yalla Group Limited: ADRs	08/13/2021	S.D. New York	New York SE	YALA	Other	Technology
Iterum Therapeutics plc	08/05/2021	N.D. Illinois	NASDAQ	ITRM	Ireland	Healthcare
Oatly Group AB: ADRs	07/26/2021	S.D. New York	NASDAQ	OTLY	Sweden	Consumer
BlueCity Holdings Limited: ADRs	07/19/2021	E.D. New York	NASDAQ	BLCT	China	Services
360 DigiTech, Inc.	07/13/2021	S.D. New York	NASDAQ	QFIN	China	Financial
Full Truck Alliance Co. Ltd: ADRs	07/12/2021	E.D. New York	New York SE	YMM	China	Technology
Kanzhun Limited: ADRs	07/12/2021	D. New Jersey	NASDAQ	BZ	China	Services
Orphazyme A/S: ADRs	07/09/2021	N.D. Illinois	NASDAQ	ORPH	Other	Healthcare
Didi Global Inc: ADRs	07/06/2021	S.D. New York	New York SE	DIDI	China	Technology
Tarena International, Inc: ADRs	06/22/2021	E.D. New York	NASDAQ	TEDU	China	Services
RLX Technology Inc: ADRs	06/09/2021	S.D. New York	New York SE	RLX	China	Consumer
GW Pharmaceuticals, PLC: ADRs	05/27/2021	S.D. California	NASDAQ	GWPH	United Kingdom	Healthcare
Volkswagen AG	04/30/2021	C.D. California	OTC-BB	VWAGY	Germany	Consumer
Credit Suisse Group AG: ADRs	04/16/2021	S.D. New York	New York SE	CS	Switzerland	Financial
Canaan Inc: ADRs	04/15/2021	S.D. New York	NASDAQ	CAN	China	Technology
Ebang International Holdings Inc.	04/08/2021	S.D. New York	NASDAQ	EBON	China	Technology
SOS Limited: ADRs	03/30/2021	D. New Jersey	New York SE	SOS	China	Technology
BELLUS Health Inc.	03/16/2021	S.D. New York	NASDAQ	BLU	Canada	Healthcare
Neptune Wellness Solutions Inc.	03/16/2021	E.D. New York	NASDAQ	NEPT	Canada	Healthcare
EHang Holdings Limited: ADRs	02/17/2021	S.D. New York	NASDAQ	EH	China	Capital Goods
Jianpu Technology Inc: ADRs	02/17/2021	S.D. New York	New York SE	JT	China	Technology
Astrazeneca PLC: ADRs	01/26/2021	S.D. New York	NASDAQ	AZN	United Kingdom	Healthcare

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⁴ ADRs = [American Depositary Receipts](#)

Filing Name ⁴	Filing Date	District Court	Exchange	Ticker	HQ	Sector
9F Inc: ADRs	01/20/2021	D. New Jersey	NASDAQ	JFU	China	Technology
Lizhi Inc: ADRs	01/20/2021	E.D. New York	NASDAQ	LIZI	China	Technology



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