

US Securities Class Actions

International US-Listed Companies | Q3 2019



Securities Class Action (SCA) filings against companies domiciled outside the US continued at a heightened frequency through Q3 2019.

Continued Plaintiff Bar Interest in International Companies

Companies based outside the US have continued to attract interest from the plaintiffs' bar in Q3 2019. The vivacity of these plaintiff targets seems to show no sign of abating any time soon. There were 15 class actions against foreign filers in the quarter, out of a total of 112. Further analysis reveals that 13 of these were core filings, out of a total of 60 core filings in the quarter. This results in a rate of class actions against foreign filers of 21.7% of total core filings - notable considering that foreign filers make up only 17% of all U.S. listed companies. This figure is down marginally from the 23% in the first half of 2019, but still is an over-proportional representation amongst the total core filings we would expect for the number of foreign filers.

It is not surprising that the industries attracting the most plaintiff attention remain healthcare, energy and services. What is interesting this quarter is the absence of any filings against foreign firms in the tech space, although there remains a tech centric presence through service firms such as Tencent Music and Farfetch.

Europe maintains its ranking as the top foreign location for filings with seven core filings this quarter – with five of these seven against companies domiciled in the UK. This is greater than the total number of filings against UK issuers in the first half of the year and potentially worrying development for the London Market insurers and insureds given the current trends in US litigation and court awards.

This quarter Canada has leapt above Asia to be the second highest domicile for SCA filings with four to Asia's one. Half of these new filings involved cannabis companies (Sundial Growers Inc and Cantrust Holdings). These are the first SCA's we have seen against foreign cannabis firms this year. It should be noted however that they are not the first cannabis companies with Canadian operations to face US filings. Liberty Health Sciences Inc was subject to a filing in January and Curaleaf Holdings more recently in September. However these companies are headquartered in the US and therefore excluded from Stanford's foreign filer classification. This is a significant development to note as the US cannabis industry continues to mature and expand as it partners with arguably a more developed market and growers across the border in Canada. Canadian companies, possibly seen as an easier plaintiff target, continue to utilise US equity markets to access capital.

Environmental, Social and Corporate Governance Issues

This quarter sees the first SCA against a foreign filer on the grounds of unethical practices. The SCA against Canada Goose alleges it sourced the down and fur used in its clothing products in ways that treated animals in an unethical and inhumane manner. As a result the company was also alleged to have been non-compliant with relevant FTC (Federal Trade Commission) regulations pertaining to false advertising. The recent Extinction Rebellion protests across the world have demonstrated the rapid shift in attitudes towards sustainability and ethical issues, and these changes are affecting expectations about the ways companies should conduct business. This has been evidenced among rating agencies and investment firms. These issues are becoming more prominent in the agendas of shareholders, who are increasingly willing to hold companies accountable for their failings in these areas. As a result companies need to be increasingly cognisant of their own environmental and social impacts and their corresponding responsibilities.

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 in Q3 2019 ¹

Number of Class Actions

Total Number of Class Actions (inc US)

112

Total Number of Class Actions – Core Filings (inc US)

60

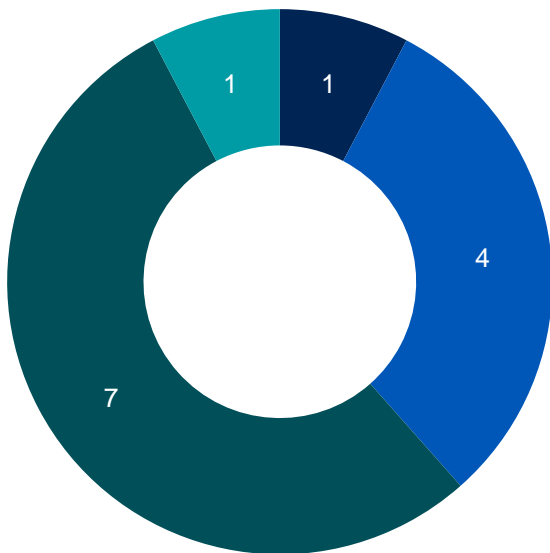
Class Actions Against Foreign Filers – Core Filings

13

Foreign Filers as % of Total Core Filings

21.7

Foreign Filers by Headquarter Location – Core Filings



■ Asia ■ Canada ■ Europe ■ Other

Foreign Filers by Sector – Core Filings



■ Basic materials ■ Consumer ■ Energy
 ■ Financial ■ Healthcare ■ Services
 ■ Utilities

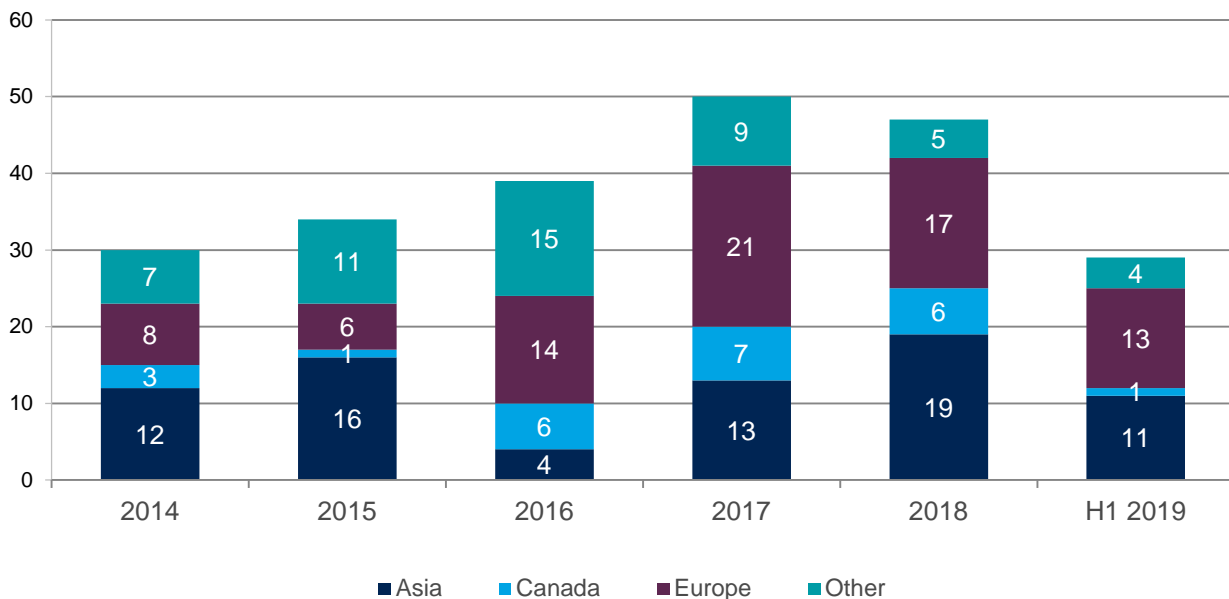
¹ AIG analysis of data from Stanford School of Law – [Securities Class Action Clearinghouse](#), a collaboration with Cornerstone Research. Used with permission. [Core filings](#) are all federal securities class actions, excluding those defined as M&A filings, consolidated into one to prevent double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

Statistics 2014 – H1 2019 ²

Number of Class Actions – Core Filings

	Total Number of Class Actions	Class Actions Against US Issuers	Class Actions Against Foreign Issuers	Foreign Issuers as % of Total
H1 2019	126	97	29	23.0
2018	221	174	47	21.3
2017	214	164	50	23.4
2016	270	228	42	15.5
2015	189	154	35	18.5
2014	170	136	34	20.0

Foreign Filers by Headquarter Location – Core Filings



² 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 – All Filings – Q1 – Q3 2019 ³

Filing Name ⁴	Filing Date	District Court	Exchange	Ticker	Country	Sector
Tencent Music Entertainment Group : American Depositary	09/26/2019	E.D. New York	New York SE	TME	China	Services
Sundial Growers Inc.	09/25/2019	S.D. New York	NASDAQ	SNDL	Canada	Healthcare
Allergan plc	09/20/2019	D. New Jersey	New York SE	AGN	Ireland	Healthcare
Greenland Acquisition Corporation	09/19/2019	D. Delaware	NASDAQ	GLACU	China	Conglomerates
Farfetch Limited	09/17/2019	S.D. New York	New York SE	FTCH	United Kingdom	Services
Weatherford International plc	09/06/2019	S.D. Texas	New York SE		Switzerland	Energy
Canada Goose Holdings Inc.	09/03/2019	S.D. New York	New York SE	GOOS	Canada	Consumer Cyclical
Burford Capital Limited : American Depositary Shares	08/21/2019	E.D. New York	OTC-BB	BRFRY	Other	Financial
Valaris plc	08/20/2019	S.D. New York	New York SE	VAL	United Kingdom	Energy
Just Energy Group Inc.	07/31/2019	S.D. New York	New York SE	JE	Canada	Utilities
Venator Materials PLC	07/31/2019	S.D. New York	New York SE	VNTR	United Kingdom	Basic materials
Oasmia Pharmaceutical AB : American Depositary Shares	07/29/2019	E.D. New York	NASDAQ	OASM	Sweden	Healthcare
Mallinckrodt Public Limited Company	07/26/2019	S.D. New York	New York SE	MNK	United Kingdom	Healthcare
Reckitt Benckiser Group plc : American Depositary Shares	07/15/2019	D. New Jersey	OTC-BB	RBGLY	United Kingdom	Consumer
CannTrust Holdings Inc.	07/10/2019	S.D. New York	New York SE	CTST	Canada	Healthcare
Sunlands Technology Group : American Depositary Shares	06/27/2019	E.D. New York	New York SE	STG	China	Services
Anheuser-Busch InBev SA/NV : American Depositary Shares	06/21/2019	S.D. New York	New York SE	BUD	Belgium	Consumer Non-Cyclical
Eros International PLC	06/21/2019	D. New Jersey	New York SE	EROS		
Teva Pharmaceutical Industries Ltd.	06/21/2019	E.D. Pennsylvania	New York SE	TEVA	Israel	Healthcare
ChinaCache International Holdings Ltd. : American Depositary Shares	06/12/2019	S.D. New York	NASDAQ	CCIH	China	Technology
Metro Bank PLC	05/30/2019	C.D. California	OTC-BB	MBNKF	United Kingdom	Financial
Dynagas LNG Partners LP	05/16/2019	S.D. New York	New York SE	DLNG	Monaco	Transportation
Momo Inc. : American Depositary Shares	05/15/2019	S.D. New York	NASDAQ	MOMO	China	Technology
Jumia Technologies AG : American Depositary Shares	05/14/2019	S.D. New York	New York SE	JMIA	Germany	Services

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⁴ ADRs = [American Depositary Receipts](#)

Filing Name ⁴	Filing Date	District Court	Exchange	Ticker	Country	Sector
FLiK : Initial Coin Offering	05/10/2019	N.D. Georgia				
Nabriva Therapeutics plc	05/08/2019	S.D. New York	NASDAQ	NBRV	Ireland	Healthcare
OneCoin Ltd. : Cryptocurrency	05/07/2019	S.D. New York			Bulgaria	Cryptocurrency
Nightstar Therapeutics PLC	04/26/2019	D. Delaware	NASDAQ	NITE	United Kingdom	Healthcare
Indivior PLC : American Depository Shares	04/23/2019	D. New Jersey	OTC-BB	INVVY	United Kingdom	Healthcare
Nokia Corporation : American Depository Shares	04/19/2019	S.D. New York	New York SE	NOK	Finland	Technology
Mobile TeleSystems PJSC : American Depository Shares	03/19/2019	E.D. New York	New York SE	MBT	Russia	Services
United Microelectronics Corporation : American Depository	03/14/2019	S.D. New York	New York SE	UMC	Taiwan	Technology
NIO Inc. : American Depository Shares	03/12/2019	E.D. New York	New York SE	NIO	China	Consumer Cyclical
Travelport Worldwide Limited	02/25/2019	N.D. Georgia	New York SE	TVPT	UK	Services
Amarin Corporation plc	02/22/2019	D. New Jersey	NASDAQ	AMRN	Ireland	Healthcare
WuXi PharmaTech (Cayman) Inc. : American Depository Shares	02/21/2019	S.D. New York	New York SE	WX	China	Healthcare
Maiden Holdings, Ltd.	02/11/2019	D. New Jersey	NASDAQ	MHLD	Bermuda	Financial
Uxin Limited	02/11/2019	E.D. New York	NASDAQ	UXIN	China	Services
Wirecard AG	02/08/2019	C.D. California	OTC-BB	WCAGY	Germany	Technology
Vale S.A.	01/28/2019	E.D. New York	New York SE	VALE	Brazil	Basic Materials
Ferroglobe PLC	01/22/2019	S.D. New York	NASDAQ	GSM	United Kingdom	Basic materials
Qihoo 360 Technology Co. Ltd. : American Depository Shares	01/17/2019	S.D. New York	New York SE	QIHU	China	
DBV Technologies S.A.	01/15/2019	D. New Jersey	NASDAQ	DBVT	France	Healthcare
Danske Bank A/S	01/09/2019	S.D. New York	OTC-BB	DNKEY	Denmark	Financial
Sogou Inc.	01/09/2019	S.D. New York	New York SE	SOGO	China	Technology
China Techfaith Wireless Communication Technology	01/08/2019	E.D. New York	NASDAQ	CNTF	China	Technology
Liberty Health Sciences Inc.	01/07/2019	S.D. New York	OTC-BB	LHSIF	Canada	Healthcare
Perrigo Company PLC	01/03/2019	S.D. New York	New York SE	PRGO	Ireland	Healthcare

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