

Winston & Strawn Obtains Decisive Victory for Omnicare, Inc. in Securities Fraud Class Action

MARCH 27, 2013

On March 27, 2013, a federal district court handed a decisive victory to Winston & Strawn client Omnicare, Inc., the nation's leading provider of pharmaceutical services. The court dismissed with prejudice a consolidated federal securities fraud class action against the company and four of its current and former senior executives.

The complaint alleged that Omnicare issued materially false and misleading financial statements and misrepresented in its SEC filings and to analysts that it was in material compliance with applicable Medicare and Medicaid laws. According to the plaintiffs, Omnicare's purported misconduct was ultimately revealed to investors by way of a whistleblower lawsuit, allegedly resulting in a dip in Omnicare's stock price that cost the company's shareholders hundreds of millions of dollars.

In his opinion, Judge David Bunning of the United States District Court for the Eastern District of Kentucky rejected each of the plaintiffs' allegations, finding that the complaint failed to plead sufficient facts to establish that Omnicare's audited financial statements were false or that defendants knowingly made any actionable misrepresentations in their SEC filings and/or statements to analysts. In addition, Judge Bunning denied the plaintiffs' request to amend its defective complaint and squashed an effort by another class member to create a new subclass of plaintiffs.

The Winston & Strawn litigation team was led by New York-based partner [John Schreiber](#).

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