

US Securities Class Actions

International US-Listed Companies | Q2 2019



Class action filings against companies headquartered outside the US continued at elevated levels in the first half of 2019.

A New Normal for International Companies?

The steep increase in US securities class actions filed against companies based outside the US that started in 2016 shows no sign of slowing down. Overall, there were 14 securities class action filings against international companies in the second quarter, following on from 18 in the first quarter of 2019. Excluding M&A suits and focussing only on the most concerning core filings,¹ for the first half of 2019 there were 29 core filings against non-US companies. This figure is more than double the 20 year average of 12 core filings at half year, and is nearly equal to the entire years' worth of core filings in 2014 (30) and 2015 (34). It represents a worrying increase over the historic averages. If the current elevated level of filings were to continue through the second half of 2019, it would project to a total of 64 class actions this year, and 58 core filings. According to Cornerstone Research's 2019 Midyear Assessment of securities class action filings², that would be the highest number of core filings against non-US companies on record.

European Companies, Healthcare and Technology Industries Targeted in First Half of 2019

The second quarter was dominated by filings against European companies, with 64% of the filings being made against corporates based in Europe and their directors and officers. Reviewing the full first half of the year, just over half of the filings were against European companies. In Cornerstone's Midyear Assessment they observed that there was a 63% increase in the number of class actions filed against European companies compared to the last half of 2018. Two countries saw their first ever US class action in the first half of 2019 - Bulgaria and Monaco. The long arm of the US plaintiff bar continues to expand.

As in previous quarters, the most filings were against companies in the technology and healthcare industries. In fact, over half of the filings in the first half of the year were brought against companies in one of these two industries. A full breakdown of the second quarter filings based on headquarters and industry is on page 2.

D&O Insurance Implications

While directors and officers must be aware and react to this change in the litigation environment for non-US companies, the insurance market has also taken action. Premium increases, retention changes and reductions in capacity are now common for public companies as insurance rates struggle to keep up with the rapidly moving claims environment. Directors and officers should engage with their insurance brokers and insurers early in the renewal process to set expectations and discuss options available for time D&O renewal.

Directors and officers would be well-advised to concentrate on the claims experience of their insurers. An understanding of the process, participants and strategies deployed in class actions can help assist in a robust defence, as well as reducing cost, and saving valuable management time during litigation. The good news is that 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](#).

¹ [Core filings](#) are all federal securities class actions, excluding those defined as M&A filings. For more about why M&A cases are different see our [Q1 2019 bulletin](#)

² <https://www.cornerstone.com/Publications/Reports/Securities-Class-Action-Filings-2019-Midyear-Assessment>

Class Actions Q2 2019 ³

Number of Class Action Filings in H1 2019

Total Number of
Class Actions (Inc. US)

102

Class Actions Against
Foreign Companies

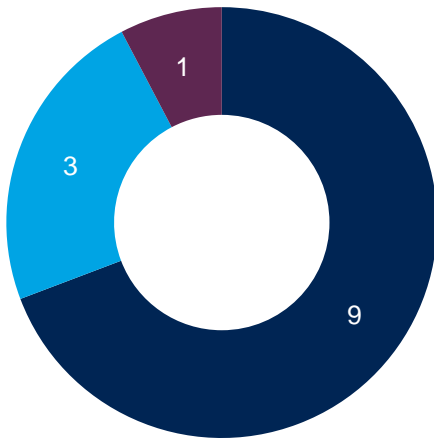
14

Foreign Issuers
as % of Total

13.7%

Foreign Filings by Headquarter Location

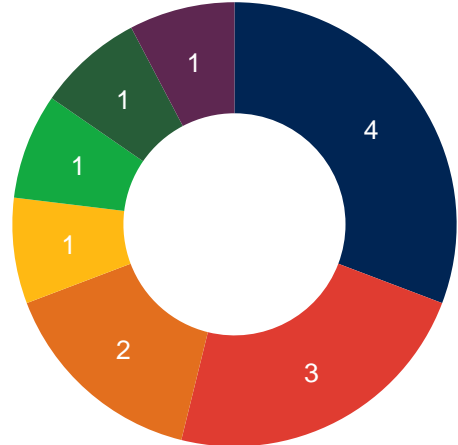
Q2 2019



■ Europe ■ Asia ■ Other

Foreign Filings by Sector

Q2 2019



■ Healthcare ■ Technology
 ■ Services ■ Financial
 ■ Consumer ■ Cryptocurrency
 ■ Transportation

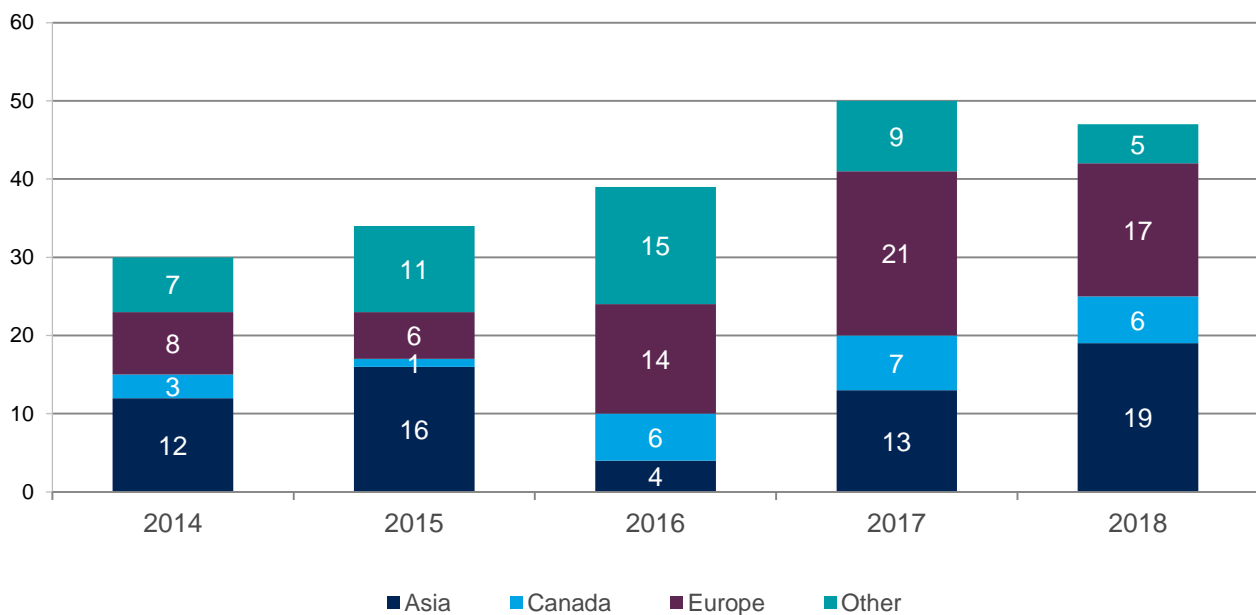
³ Compiled using data from Stanford School of Law – [Securities Class Action Clearinghouse](#), a collaboration with Cornerstone Research and used with permission. All filings.

Annual Statistics 2014 – 2018 ⁴

Number of Class Actions Filings – Core Filings

	Total Number of Class Actions	Class Actions Against US Issuers	Class Actions Against Foreign Issuers	Foreign Issuers as % of Total
2018	221	174	47	21.27
2017	214	164	50	23.36
2016	186	147	39	20.96
2015	173	139	34	19.65
2014	155	125	30	19.35

Foreign Filings by Headquarter Location – Core Filings



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.

US Securities Class Actions | Foreign Filers – All –H1 2019 ⁵

Filing Name ⁶	Filing Date	District Court	Exchange	Ticker	HQ	Sector
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
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
Elastos Foundation : Initial Coin Offering Securities Litigation	06/11/2019	SDNY	ICO		China	Financial
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
Nabriva Therapeutics plc	05/08/2019	S.D. New York	NASDAQ	NBRV	Ireland	Healthcare
OneCoin Ltd. : Cryptocurrency	05/07/2019	S.D. New York	S.D. New York	S.D. New York	Bulgaria	Cryptocurrency
Nightstar Therapeutics PLC	04/26/2019	D. Delaware	NASDAQ	NITE	United Kingdom	Healthcare
Indivior PLC : American Depositary Shares	04/23/2019	D. New Jersey	OTC-BB	INVVY	United Kingdom	Healthcare
Nokia Corporation : American Depositary Shares	04/19/2019	S.D. New York	New York SE	NOK	Finland	Technology
Mobile TeleSystems PJSC : American Depositary Shares	03/19/2019	E.D. New York	New York SE	MBT	Russia	Services
United Microelectronics Corporation : American Depositary Shares	03/14/2019	S.D. New York	New York SE	UMC	Taiwan	Technology
NIO Inc. : American Depositary 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 Depositary 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

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⁶ ADRs = American Depositary Shares

Filing Name ⁶	Filing Date	District Court	Exchange	Ticker	HQ	Sector
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 Depositary Shares	01/17/2019	S.D. New York	New York SE	QIHU	China	Technology
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 Limited	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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