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FOCUS AREAS

Securities Fraud

Direct & Opt-Out

EDUCATION

Franklin & Marshall College

B.A. 2007, *magna cum laude*

Temple University Beasley School of Law

J.D. 2011, *cum laude*

ADMISSIONS

Pennsylvania

New Jersey

USDC, District of New Jersey

USDC, Eastern District of Pennsylvania

Margaret E. Mazzeo, a partner of the Firm, concentrates her practice in the area of securities fraud litigation. Since joining the firm, Margaret has represented shareholders in several securities fraud class actions and direct actions, through all aspects of pre-trial proceedings, including complaint drafting, litigating motions to dismiss and for summary judgment, conducting document, deposition and expert discovery, and appeal. Margaret was a member of the trial team that recently won a jury verdict in favor of investors in the *In re Longtop Financial Technologies Ltd. Securities Litigation*, No. 11-cv-3658 (S.D.N.Y.) action.

Experience

Current Cases

- Celgene Corp, Inc.

CASE CAPTION

In re Celgene Corporation Securities Litigation

COURT

United States District Court for the District of New Jersey

CASE NUMBER

2:18-cv-04772-JMV-JBC

JUDGE

Honorable Judge Michael E. Farbiarz

PLAINTIFF

AMF Pensionsförsäkring AB ("AMF")

DEFENDANTS

Celgene Corporation ("Celgene"),
Scott A. Smith, Terrie Curran, and
Philippe Martin

CLASS PERIOD

April 27, 2017 through April 27, 2018,
inclusive

This securities fraud case involves Celgene's misrepresentations and omissions about two billion dollar drugs, Otezla and Ozanimod, that Celgene touted as products that would make up for the anticipated revenue drop following the patent expiration of Celgene's most profitable drug, Revlimid.

Celgene launched Otezla, a drug treating psoriasis and psoriatic arthritis, in 2014. Celgene primed the market that Otezla sales were poised to sky-rocket, representing that Otezla net product sales would reach \$1.5 billion to \$2 billion by 2017. Throughout 2015 and 2016, Defendants represented that Celgene was on-track to meet the 2017 sales projection. As early as mid-2016, however, Defendants received explicit internal warnings that the 2017 projection was unattainable, but continued to reaffirm the 2017 target to investors. By October 2017, however, Celgene announced that the Company had slashed the 2017 guidance by more than \$250 million and lowered the 2020 Inflammatory & Immunology ("I&I") guidance by over \$1 billion. Celgene's stock price plummeted on the news.

Ozanimod, a drug treating multiple sclerosis, is another product in Celgene's I&I pipeline, and was initially developed by a different company, Receptos. In July 2015, Celgene purchased Receptos for \$7.2 billion and projected annual Ozanimod sales of up to \$6 billion despite the fact that Ozanimod was not yet approved by the U.S. Food and Drug Administration ("FDA").

Celgene told investors that it would file a New Drug Application ("NDA") for Ozanimod with the FDA in 2017. Unbeknownst to investors, however, Celgene discovered a metabolite named CC112273 (the "Metabolite") through Phase I testing that Celgene started in October 2016, which triggered the need for extensive testing that was required before the FDA would approve the drug. Despite the need for this additional Metabolite testing that would extend beyond 2017, Defendants continued to represent that Celgene was on track to submit the NDA before the end of 2017 and concealed all information about the Metabolite. In December 2017, without obtaining the required Metabolite study results, Celgene submitted the Ozanimod NDA to the FDA. Two months later, the FDA rejected the NDA by issuing a rare "refuse to file," indicating that the FDA "identifie[d] clear and obvious deficiencies" in the NDA. When the relevant truth was revealed concerning Ozanimod, Celgene's stock price fell precipitously, damaging investors.

On February 27, 2019, AMF filed a 207-page Second Amended Consolidated Class Action Complaint against Celgene and its executives under Section 10(b) of the Securities Exchange Act. On December 19, 2019, U.S. District Judge John Michael Vasquez issued a 49-page opinion sustaining AMF's claims as to (1) Celgene's and Curran's misstatements regarding Otezla being on track to meet Celgene's 2017 sales projections, and (2) Celgene's, Martin's, and Smith's misstatements about the state of Ozanimod's testing and prospects for regulatory approval.

On November 29, 2020, Judge Vasquez certified a class of "All persons and entities who purchased the common stock of Celgene Corp. between April 27, 2017 through and April 27, 2018, and were damaged thereby" and appointed Kessler Topaz Meltzer & Check as Class Counsel.

On July 9, 2021, Plaintiff moved to amend the Second Amended Complaint and file the Third Amended Complaint, which alleged a new statement regarding Otezla, and added new allegations based on evidence obtained in discovery regarding Ozanimod. On February 24, 2022, Magistrate Judge James B. Clark granted the motion to amend, which Defendants appealed.

Fact and expert discovery is completed. On September 8, 2023, Judge Vazquez issued an order denying in large part Defendants' motion for summary judgment, sending the case to trial.

Specifically, following oral argument, Judge Vazquez found that genuine disputes of material fact exist with regard to the Otezla statements, denying Defendants' motion in its entirety with respect to these statements. The Court also found genuine disputes of material fact with regard to Defendant Philippe Martin's October 28, 2017 statement related to the Ozanimod NDA, and denied Defendants' motion with respect claims based on this statement. On October 27, 2023, Defendants moved for summary judgment on one remaining issue - Defendant Celgene Corporation's scienter for corporate statements related to Ozanimod. Plaintiff opposed this motion on November 17, 2023. Briefing on that motion concluded in December 2023 and is pending before the Court.

[Read Second Amended Consolidated Class Action Complaint Here](#)

[Read Opinion Granting and Denying in Part Motion to Dismiss Here](#)

[Read Opinion Granting Class Certification Here](#)
[Click Here to Read the Class Notice](#)

Settled

- Allergan Generic Drug Pricing
Kessler Topaz represented Lead Plaintiff Sjunde-AP Fonden, one of Sweden's largest pension funds, in this long-running securities fraud class action before The Honorable Katharine S. Hayden of the United States District Court for the District of New Jersey. The \$130 million recovery is the first settlement of

a federal securities case arising out of the industrywide generic drug price-fixing scandal which first came to light when Congress launched an investigation into the historic increases in generic drug prices. The price-fixing conspiracy, led by Allergan and several other drug makers, is believed to be the largest domestic pharmaceutical cartel in U.S. history. Shareholders alleged that notwithstanding Allergan's prominent role in this illicit scheme, the company repeatedly misrepresented to investors that it was not engaged in anticompetitive conduct—even as Allergan became ensnared in an investigation by the U.S. Department of Justice and 46 state attorneys general.

For four years, a team of Kessler Topaz litigators prosecuted these claims from the initial investigation and drafting of the complaint through full fact discovery and class certification proceedings. On August 6, 2019, Judge Hayden issued a 31-page opinion denying defendants' motions to dismiss the complaint, sustaining investors' claims in full, and firmly establishing a shareholder-plaintiff's ability to pursue securities fraud claims based on the concealment of an underlying antitrust conspiracy. The parties' settlement was approved by the Court on November 22, 2021, marking a historic recovery for investors and sending a strong message to drug makers engaged in anticompetitive conduct.

- Countrywide Financial Corp.
As co-lead counsel representing the Maine Public Employees' Retirement System, secured a \$500 million settlement for a class of plaintiffs that purchased mortgage-backed securities (MBS) issued by Countrywide Financial Corporation (Countrywide).
Plaintiffs alleged that Countrywide and various of its subsidiaries, officers and investment banks made false and misleading statements in more than 450 prospectus supplements relating to the issuance of subprime and Alt-A MBS—in particular, the quality of the underlying loans. When information about the loans became public, the plaintiffs' investments declined in value. The ensuing six-year litigation raised several issues of first impression in the Ninth Circuit.

News

- September 13, 2023 - New Jersey Federal Court Hands Kessler Topaz Significant Summary Judgment Win, Sends Celgene Investors' Claims to Trial
- August 17, 2023 - California Federal Court Certifies Advertiser Classes in Consumer Fraud Case Against Google
- March 30, 2022 - Kessler Topaz is Proud to Recognize and Honor Women's History Month by Profiling our Female Partners and Recognizing the Amazing Work They Do |

Margaret Mazzeo, Partner

- November 22, 2021 - New Jersey Federal Court Approves \$130 Million Settlement for Investors in Allergan Generic Drug Price-Fixing Securities Litigation

Publications

Matthew L. Mustokoff and Margaret E. Mazzeo, "Proving Securities Fraud Damages at Trial," 46 Rev. of Securities & Commodities Regulation, 145-54 (2013)

Matthew L. Mustokoff and Margaret Mazzeo, "The Maintenance Theory of Inflation in Fraud-on-the-Market Cases," 40 Securities Regulation Law Journal (2012)