



## RYAN T. DEGNAN

### PARTNER

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#### FOCUS AREAS

Securities Fraud

Global Shareholder Litigation

Direct & Opt-Out

Corporate Governance & M+A

Healthcare Impact & Consumer Protection

Whistleblower

#### EDUCATION

The Johns Hopkins University  
B.A. 2004

Temple University Beasley School of Law  
J.D. 2010

#### ADMISSIONS

Pennsylvania

New Jersey

USDC, Eastern District of Pennsylvania

USDC, Eastern District of Arkansas

USDC, Western District of Arkansas

USDC, District of Colorado

USDC, Eastern District of Wisconsin

Ryan T. Degnan, a partner of the Firm, concentrates his practice on new matter development with a specific focus on analyzing securities, antitrust, investor, consumer, and oil and gas royalty class action lawsuits.

Ryan also dedicates a portion of his practice to the litigation of investor, consumer, and oil and gas royalty class actions, including actions asserting claims for unfair competition, fraud, breach of fiduciary duties, and breach of contract.

Prior to joining the Firm, Ryan served as a judicial intern to the Honorable Gene E.K. Pratter of the United States District Court for the Eastern District of Pennsylvania.

#### Settled

- Kraft Heinz Company  
**Case Caption:** *In re Kraft Heinz Sec. Litig.*  
**Case Number:** 1:19-cv-01339  
**Court:** Northern District of Illinois  
**Judge:** Honorable Jorge L. Alonso  
**Plaintiffs:** Sjunde AP-Fonden, Union Asset Management Holding AG, Booker Enterprises Pty Ltd.  
**Defendants:** The Kraft Heinz Company, Bernardo Hees, Paulo Basilio, David Knopf, Alexandre Behring, George Zoghbi, Rafael Oliveira, 3G Capital Partners, 3G Capital, Inc., 3G Global Food Holdings, L.P., 3G Global Food Holdings GP LP, 3G Capital Partners LP, 3G Capital Partners II LP, and 3G Capital Partners Ltd

**Overview:** In January 2023, the parties agreed to resolve this securities fraud class action in its entirety for \$450 million. The case arose out of Defendants' misstatements regarding the Company's financial position, including the carrying value of Kraft Heinz's assets, the sustainability of the Company's margins, and the success of recent cost-cutting strategies by Kraft Heinz. Kraft Heinz is one of the world's largest food and beverage manufacturer and produces well-known brands including Kraft, Heinz, Oscar Mayer, Jell-O, Maxwell House, and Velveeta. The Company was formed as the result of the 2015 merger between Kraft Foods Group, Inc. and H.J. Heinz Holding Corporation. That merger was orchestrated by the private equity firm 3G Capital ("3G") and Berkshire Hathaway with the intention of wringing out excess costs from the legacy companies. 3G is particularly well-known for its strategy of buying mature companies with relatively slower growth and then cutting costs using "zero-based budgeting," in which the budget for every expenditure begins at \$0 with increases being justified during every period. Plaintiffs alleged that Kraft misrepresented the carrying value of its assets, sustainability of its margins, and the success of the Company's cost-cutting strategy in the wake of the 2015 merger. During the time that Kraft was making these misrepresentations and artificially inflating its stock price, Kraft's private equity sponsor, 3G Capital, sold \$1.2 billion worth of Kraft stock. On February 21, 2019, Kraft announced that it was forced to take a goodwill charge of \$15.4 billion to write-down the value of the Kraft and Oscar Mayer brands—one of the largest goodwill impairment charges taken by any company since the financial crisis. In connection with the charge, Kraft also announced that it would cut its dividend by 36% and incur a \$12.6 billion loss for the fourth quarter of 2018. That loss was driven not only by Kraft's write-down, but also by plunging margins and lower pricing throughout Kraft's core business. In response, analysts immediately criticized the Company for concealing and "push[ing] forward" the "bad news" and characterized the Company's industry-leading margins as a "façade." Heightening investor concerns, Kraft also revealed that it received a subpoena from the U.S. Securities and Exchange Commission in the same quarter it determined to take this write-down and was conducting an internal investigation relating to the Company's side-agreements with vendors in its procurement division. Because of this subpoena and internal investigation, Kraft was also forced to take a separate \$25 million charge relating to its accounting practices. Plaintiffs alleged that because of the Company's misrepresentations, the price of Kraft's shares traded at artificially-inflated levels during the Class Period.

### News

- May 8, 2017 - Kessler Topaz Again Named Class Action

Litigation Department of the Year by The Legal Intelligencer

### Publications

Ryan is a frequent contributor to the Firm's quarterly newsletter and has authored or co-authored several articles including:

- No Time for Repose: *Police & Fire Retirement System v. IndyMac MBS, Inc.* (Fall 2013)
- The Supreme Court's Latest Defense of Arbitration Clauses *Oxford Health* and *AMEX* (Summer 2013)
- Kessler Topaz Achieves Milestone Victory in Exchange Rate Litigation (Spring 2013)
- The World's Most Important Number: A Look Into the Libor Manipulation Scandal (Fall 2012)
- Saying a Lot Without Saying Anything at All: The SEC Offers Options But No Clear Path on *Morrison* (Summer 2012)
- NORTHERN EXPOSURE: A Summary of the Lead Plaintiff Appointment Process in Canadian Securities Class Action Lawsuits (Winter 2012)
- Limiting Conception: Federal Courts Continue to Invalidate Contractual Arbitration Provisions (Winter 2012)
- The Supreme Court Wraps Up a Busy Term — a Mixed Bag for Investors (Fall 2011)
- Frauds Rising in the East and Setting in the West (Fall 2011)
- "Come On In" — Court Confirms European Asset Managers' Ability to Prosecute Claims Under the Federal Securities Laws (Fall 2011)
- Foreign Exchange Trading: Secret Profits and Hidden Losses (Summer 2011)
- THE WELL TRAVELLED ROAD: The Supreme Court's Recent Interest in Securities Fraud Actions Continues (Spring 2011)