



## GeneDx Holdings Corp. Class Action Lawsuit - WGS

GeneDx Holdings Corp.  
NASDAQ: WGS

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### Affected WGS Investor Summary

- **Who:** GeneDx Holdings Corp. ([NASDAQ: WGS](#))
  - **What:** Securities fraud class action lawsuit filed
  - **Class Period:** April 16, 2025 through May 4, 2026
  - **Deadline to Seek Lead Plaintiff Status:** August 3, 2026
  - **Key Lawsuit Allegations:** Material misstatements and/or omissions concerning the viability of the company's acquisition of Fabric Genomics
  - **Investor Action:** Contact [Kessler Topaz Meltzer & Check, LLP \(www.ktmc.com\)](#) for recovery options
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The *GeneDx Holdings Corp.* class action lawsuit was filed on behalf of those who purchased or otherwise acquired *GeneDx Holdings Corp.* ("*GeneDx*") ([NASDAQ: WGS](#)) common stock between April 16, 2025 and May 4, 2026, inclusive (the "Class Period"). Captioned *Taher Basma v. GeneDx Holdings Corp.*, No. 26-cv-00880 (D. Conn.), the *GeneDx* class action lawsuit alleges that *GeneDx* and/or certain of its officers and/or directors violated federal securities laws by making false or misleading statements and/or omitted to disclose material information.

**If you lost money as a result of your *GeneDx* investment and want to find out more about this action and your rights, fill out the form on this page or contact attorney Jonathan Naji, Esq. of KTMC by calling (484) 270-1453 or via e-mail at [info@ktmc.com](mailto:info@ktmc.com). Lead plaintiff motions must be filed with the court no later than August 3, 2026.**

### COMPLAINT ALLEGATION SUMMARY:

*GeneDx* provides genetic testing services for diagnosing pediatric and rare diseases. The class period begins on April 16, 2025, when *GeneDx* announced that it entered into an agreement worth up to \$51 million to acquire Fabric Genomics ("Fabric"), a firm focused on AI-driven genomic interpretation. As part of the deal, WGS would pay up to \$33 million cash up front, with total consideration up to \$51 million. As part of the announcement of the acquisition, *GeneDx* stated that it would expand Gene DX's addressable market with several scalable revenue streams. *GeneDx* went on to tout that Fabric's software transforms static data into a dynamic, recurring revenue-generating platform—driving growth through software margins and high-leverage interpretation services across geographies and clinical use cases."

When the acquisition was completed on May 5, 2025, *GeneDx* CEO Katherine Stueland ("Stueland") again highlighted that this acquisition would "unlock recurring software based revenue streams through Fabric's interpretation as-a-service model." During the Q2 2025 earnings call on July 29, 2025, Stueland again stated that the company's market lead would only continue to expand as we integrate Fabric Genomics and its proprietary algorithms

into the core platform, further strengthening our competitive edge and positioning us for unprecedented scale."

On October 25, 2025, CFO Kevin Feeley ("Feeley") touted during the Q3 2025 earnings call that the company's adjusted gross margin had grown 74%, and that the average reimbursement rate was over \$3,800.

On February 23, 2026, *GeneDx* filed its last Annual Report which detailed that the acquisition was completed for total consideration of \$36.5 million, including \$3.4 million in contingent consideration.

The complaint alleges that, throughout the Class Period, Defendants made materially false and/or misleading statements, as well as failed to disclose material facts about the company's business, operations, and prospects. Specifically, Defendants misrepresented and/or failed to disclose that: (1) Fabric faced significant problems with its viability; and (3) as a result of the foregoing, Defendants' statements about the company's business, operations, and prospects were materially false and misleading and/or lacked a reasonable basis at all relevant times.

#### **WHY DID GENEDX'S STOCK DROP?**

On May 4, 2026, *GeneDx* announced its 2026 first quarter results which revealed an apparent drop in adjusted gross margin from 74% to 69%, lowered projected earnings from \$540-\$555 million to \$475-490 million, and that the average reimbursement rate was \$3,300 - \$200 below expectations. *GeneDx* further disclosed that it had written off an impairment loss of \$31.3 million directly attributable to Fabric, which was only \$5.2 million less than what it paid to acquire Fabric a year prior. On this news, *GeneDx's* share price fell more than 49%, or \$33.42.

#### **THE LEAD PLAINTIFF PROCESS:**

The Private Securities Litigation Reform Act of 1995 permits any investor who purchased or acquired *GeneDx* common stock during the Class Period to seek appointment as lead plaintiff in the *GeneDx* class action lawsuit. A lead plaintiff is a representative party that acts on behalf of other class members in directing the litigation. In order to be appointed lead plaintiff, the Court must determine that the class member's claim is typical of the claims of other class members, and that the class member will adequately represent the class. Your ability to share in any recovery is not, however, affected by the decision whether or not to serve as a lead plaintiff. Filling out the online form above or communicating with any counsel is not necessary to participate or share in any recovery achieved in this case. Any member of the purported class may move the court to serve as a lead plaintiff through counsel of his/her choice, or may choose to do nothing and remain an inactive class member.

#### **ABOUT KESSLER TOPAZ MELTZER & CHECK, LLP:**





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Kessler Topaz Meltzer & Check, LLP (KTMC) is a leading U.S. plaintiff-side law firm focused on securities-fraud class actions and global investor protection. The firm represents individual investors as well as institutions, such as major pension funds, asset managers, and international investors. KTMC has led some of the largest recoveries in securities litigation and has been recognized by peers and the legal media with numerous accolades, including The National Law Journal's Plaintiff's Hot List and Trailblazers in Plaintiffs' Law, BTI Consulting Group's Honor Roll of Most Feared Law Firms, The Legal Intelligencer's Class Action Firm of the Year, Lawdragon's Leading Plaintiff Financial Lawyers, and Law360's Titans of the Plaintiffs Bar. The firm operates globally with offices in Pennsylvania and California. KTMC has recovered over \$25 billion for our clients and the classes they represent.

