

The Firm Wins Dismissal of Shareholder Derivative Suit for Valeant Pharmaceuticals

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On September 20th, Judge Michael Shipp of the District of New Jersey adopted a Court-appointed Special Master’s recommendation to dismiss a shareholder derivative class action filed by stockholders of Valeant Pharmaceuticals (“Valeant,” n/k/a Bausch Health Companies Inc.). The suit brought claims against Valeant’s current and former directors alleging unjust enrichment and breaches of fiduciary duties related to alleged artificial inflation of drug prices. Judge Shipp’s order followed Special Master Judge Dennis M. Cavanaugh’s (ret.) November 2020 recommendation that Simpson Thacher’s motion to dismiss the action be granted in full. Judge Cavanaugh agreed with the Firm’s argument that “[s]hareholder derivative suits on behalf of Valeant are governed by British Columbia law, which mandates that shareholders obtain leave of a British Columbia court before bringing a derivative suit and provides British Columbia courts with the exclusive right to adjudicate shareholder derivative suits against British Columbia corporations like Valeant.” He recommended the action be dismissed on the grounds that the plaintiffs failed to comply with Canadian corporate law requirements and file suit in British Columbia first.

Partner Craig Waldman and Counsel Isaac Rethy were recognized as *AmLaw Litigation Daily* “[Litigator of the Week](#)” finalists for their work in this case (subscription required).

The Simpson Thacher team includes Paul Curnin, Jon Youngwood, Craig Waldman, Paul Gluckow, Susannah Geltman, Isaac Rethy, John Robinson, Meredith Karp, Jonathan Kaplan, Adam Saltzman, Jacob Lundqvist, Kathryn Chang, Nora Hood, Jeff Bohme, Lily Cron, Peter Farag, Christine Mayberry and Conor Mercadante.

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