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**UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY**

\_\_\_\_\_, Individually and on  
behalf of all others similarly situated,

Plaintiff,

v.

INDIVIOR PLC, SHAUN THAXTER,  
MARK CROSSLEY, and CARY J.  
CLAIBORNE,

Defendants.

Case No:

**CLASS ACTION COMPLAINT  
FOR VIOLATIONS OF THE  
FEDERAL SECURITIES LAWS**

**JURY TRIAL DEMANDED**

Plaintiff \_\_\_\_\_ (“Plaintiff”), individually and on behalf of all other persons similarly situated, by Plaintiff’s undersigned attorneys, for Plaintiff’s complaint against Defendants (defined below), alleges the following based upon personal knowledge as to Plaintiff and Plaintiff’s own acts, and information and belief as to all other matters, based upon, *inter alia*, the investigation conducted by and through his attorneys, which included, among other things, a review of the Defendants’ public documents, conference calls and announcements made by

Defendants, United States Securities and Exchange Commission (“SEC”) filings, wire and press releases published by and regarding Indivior PLC (“Indivior” or the “Company”), and information readily obtainable on the Internet. Plaintiff believes that substantial evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

### **NATURE OF THE ACTION**

1. This is a class action on behalf of persons or entities who purchased or otherwise acquired publicly traded Indivior securities between March 10, 2015 and April 9, 2019, inclusive (the “Class Period”). Plaintiff seeks to recover compensable damages caused by Defendants’ violations of the federal securities laws under the Securities Exchange Act of 1934 (the “Exchange Act”).

### **JURISDICTION AND VENUE**

2. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

3. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331, and Section 27 of the Exchange Act (15 U.S.C. §78aa).

4. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)) as the alleged

misstatements entered and the subsequent damages took place in this judicial district.

5. In connection with the acts, conduct and other wrongs alleged in this complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including but not limited to, the United States mails, interstate telephone communications and the facilities of the national securities exchange.

### **PARTIES**

6. Plaintiff, as set forth in the accompanying certification, incorporated by reference herein, purchased Indivior securities during the Class Period and was economically damaged thereby.

7. Defendant Indivior together with its subsidiaries, develops, manufactures, and sells buprenorphine-based prescription drugs for the treatment of opioid dependence. The Company's product pipeline focuses on treating opioid use disorder, alcohol use disorder, opiate overdose, and schizophrenia. Indivior is incorporated in and has its principal executive offices in the United Kingdom. Indivior's sponsored ADRs trade on the OTC under the ticker symbol "INVVY".

8. Defendant Shaun Thaxter ("Thaxter") has served as the Company's Chief Executive Officer ("CEO") and a director, and thus a member of the Board of Directors (the "Board") since November 4, 2014.

9. Defendant Mark Crossley (“Crossley”) has served as the Company’s Chief Financial Officer (“CFO”) and a director, and thus a Board member, since February 2017.

10. Defendant Cary J. Claiborne (“Claiborne”) served as the Company’s CFO and a director, and thus a Board member, from November 10, 2014 until February 2017.

11. Defendants Thaxter, Crossley, and Claiborne are collectively referred to herein as the “Individual Defendants.”

12. Each of the Individual Defendants:

- (a) directly participated in the management of the Company;
- (b) was directly involved in the day-to-day operations of the Company at the highest levels;
- (c) was privy to confidential proprietary information concerning the Company and its business and operations;
- (d) was directly or indirectly involved in drafting, producing, reviewing and/or disseminating the false and misleading statements and information alleged herein;
- (e) was directly or indirectly involved in the oversight or implementation of the Company’s internal controls;

- (f) was aware of or recklessly disregarded the fact that the false and misleading statements were being issued concerning the Company; and/or
- (g) approved or ratified these statements in violation of the federal securities laws.

13. Indivior is liable for the acts of the Individual Defendants and its employees under the doctrine of *respondeat superior* and common law principles of agency because all of the wrongful acts complained of herein were carried out within the scope of their employment.

14. The scienter of the Individual Defendants and other employees and agents of the Company is similarly imputed to Indivior under *respondeat superior* and agency principles.

15. Defendants Indivior and the Individual Defendants are collectively referred to herein as “Defendants.”

## **SUBSTANTIVE ALLEGATIONS**

### **Background**

16. The Company’s Code of Conduct, effective December 2014, states, in pertinent part, the following regarding the Company’s policies with respect to compliance with laws, regulations, company policies, and interactions with healthcare professions:

#### **4. ETHICAL BUSINESS CONDUCT AND FAIR DEALING**

All employees and contractors must accept responsibility for maintaining and enhancing the Company's reputation for integrity and fairness in its business dealings. In its everyday business transactions, the Company must be seen to be dealing even-handedly and honestly with all its consumers, customers, suppliers, employees, contractors, governments and regulators and others with whom the Company has a relationship.

#### **5. COMPLIANCE WITH LAWS, REGULATIONS AND COMPANY POLICIES**

##### General Principles

5.1 There are many laws and regulations applicable to the Company's business. *All employees and contractors must be aware of and observe all laws and regulations governing their activities.* Some specific areas of legal and regulatory attention include: health and safety; anti-bribery laws, employment and work place practices; protection of the environment; competition; intellectual property; and the payment of taxes and social security. *Compliance with the Company's internal operating policies and procedures is of equal importance.*

##### Regulatory Compliance

5.2 The Company's global operations include products that are highly regulated by local laws, regulations, and government agencies. Failure to comply with local registration, manufacturing, sales, and reporting obligations can expose the Company, individual employees, contracting firms and individual contractors to significant penalties, including personal fines and imprisonment. All employees and contractors are required to support the Company's regulatory compliance obligations, which include the appropriate reporting of adverse events.

\* \* \*

#### **6. INTERACTIONS WITH HEALTHCARE PROFESSIONALS**

6.1 The Company adheres to its Governing Principles when interacting with healthcare professionals (“HCPs”), *committing to the highest ethical standards and legal requirements. We act responsibly and with integrity and interact with HCPs in accordance with applicable laws when providing information about our products, which are at all times intended to provide up-to-date data regarding the use of our products and associated benefits to consumers and to the larger public.*

6.2 *We promote dissemination of information based on empirical results and do not allow business pressures to influence our interactions with HCPs. Our goal is to ensure that HCPs are provided with all data and information relating to our products that helps to improve end-user treatment and care.*

6.3 All representatives of the Company must adhere strictly to our Anti-Bribery policy when interacting with HCPs. In particular, employees and contractors must not offer anything to HCPs that could be considered or construed as a bribe or an attempt to solicit favourable treatment

\* \* \*

## **18. COMPLIANCE WITH THIS CODE**

18.1 *All employees and contractors are required to comply with this Code and are personally responsible for doing so.* It is the responsibility of the Board to ensure, so far as is reasonably practicable, that the principles and ethical values embodied in this Code are communicated to all colleagues of the Company

(Emphasis added.)

### **Materially False and Misleading Statements Issued During the Class Period**

17. On March 10, 2015, the Company issued a press release containing a web link to its financial results for the fiscal year ended December 31, 2014 (the

“2014 Annual Report”). The 2014 Annual Report contained a confirmation by the Board, which included Defendants Thaxter and Crossley, attesting to the accuracy of financial reporting and a fair review of the development and performance of the business, as well as the attendant opportunities and risks.

18. The Company’s 2014 Annual Report stated the following regarding compliance with the Code of Business Conduct:

Indivior’s control environment is supported by a Code of Business Conduct, upon which employees receive training annually, and a range of policies on corporate responsibility including a set of Guiding Principles. Other key elements within the internal control structure include: the Board and executive management; organizational structure; budgets and financial plans; management reporting; risk management; Operating Unit controls; compliance controls and monitoring.

The Board confirms that reviews of the appropriateness and effectiveness of the system of internal control and risk management throughout the period from demerger and up to the date of approval of the Annual Report have been satisfactorily completed in compliance with provision C.2.1 of the Code

19. The Company’s 2014 Annual Report stated the following regarding compliance with law and ethical behavior:

Business practices in the pharmaceutical industry are subject to increasing scrutiny by government authorities. Failure to comply with applicable laws and rules and regulations in any jurisdiction may result in fines, civil and/or criminal legal proceedings.

20. The Company’s 2014 Annual Report stated the following with respect to the investigation by the U.S. Department of Justice (“DOJ”):



In December 2013, the USAO-VAW executed a search warrant on RBP's headquarters in Richmond and conducted searches of the homes of four field-based employees. The USAO-VAW has since served a number of subpoenas relating to Suboxone® Film, Subutex® Tablet, buprenorphine and any real or potential competitor, among other issues. The investigation is ongoing and RBP is in the process of responding to the USAO-VAW by producing documents and other information. Given the limited information available to the Group regarding the foregoing civil and criminal investigations, it is not possible at this time to predict with any certainty if there will be a liability associated with these investigations nor, if one were to occur, is there an ability to quantify the potential impact on the Financial Statements of the Group.

21. On April 8, 2016, the Company issued a press release containing a web link to its financial results for the fiscal year ended December 31, 2015 (the "2015 Annual Report"). The 2015 Annual Report contained a confirmation by the Board, which included Defendants Thaxter and Crossley, attesting to the accuracy of financial reporting and a fair review of the development and performance of the business, as well as the attendant opportunities and risks.

22. The Company's 2015 Annual Report stated the following regarding compliance with law and ethical behavior:

Business practices in the pharmaceutical industry are subject to increasing scrutiny by government authorities. Failure to comply with applicable laws and rules and regulations in any jurisdiction may result in fines, civil and/or criminal legal proceedings.

23. The Company's 2015 Annual Report stated the following with respect to the investigation by the DOJ:

A federal investigation of Indivior's marketing and promotion practices initiated in December 2013 is continuing. The United States Attorney for the Western District of Virginia has served a number of subpoenas relating to Suboxone® Film, Suboxone® Tablet, Subutex® Tablet, buprenorphine and the Group's competitors, among other issues. Indivior is in the process of responding by producing documents and other information in connection with this ongoing investigation. It is not possible at this time to predict with any certainty or to quantify the potential impact of this investigation on the Company. Indivior is cooperating fully with the relevant agencies and prosecutors and will continue to do so.

24. On March 23, 2017, the Company issued a press release containing a web link to its financial results for the fiscal year ended December 31, 2016 (the "2016 Annual Report"). The 2016 Annual Report contained a confirmation by the Board, which included Defendants Thaxter and Claiborne, attesting to the accuracy of financial reporting and a fair review of the development and performance of the business, as well as the attendant opportunities and risks.

25. The Company's 2016 Annual Report stated the following with respect to corporate behavior:

Indivior is committed to responsible corporate behavior; this includes high standards of business conduct in our relationships with employees, contractors, customers, consumers, shareholders, suppliers, governments, competitors and the local communities in which we operate.

Indivior's approach to business conduct and stakeholder communications is shaped by the Company's overall aims and objectives, its responsibilities arising from its status as a premium listed company on the London Stock Exchange, and its obligations under the regulations and laws that apply to its business activities.

26. The Company's 2016 Annual Report stated the following regarding compliance with law and ethical behavior:

Business practices in the pharmaceutical industry are subject to increasing scrutiny by government authorities. Failure to comply with applicable laws and rules and regulations in any jurisdiction may result in fines, civil and/or criminal legal proceedings, each of which could have a material adverse impact on the business, prospects, results of operations and financial condition. Specifically see disclosure on page 44 referring to the current status of the DOJ investigation and other investigative and antitrust litigation matters, and the contingent liabilities disclosures in Note 20 of the financial statements on page 125.

27. The Company's 2016 Annual Report stated the following with respect to the investigation by the DOJ:

A federal criminal grand jury investigation of Indivior, initiated in December 2013, is continuing, and includes marketing and promotion practices, pediatric safety claims, and overprescribing of medication by certain physicians. The US Attorney's Office for the Western District of Virginia has served a number of subpoenas relating to Suboxone® Film, Suboxone® Tablet, Subutex® Tablet, buprenorphine and our competitors, among other issues. We are in discussions with the Department of Justice about a possible resolution of the investigation. It is not possible at this time to predict with any certainty the potential impact of this investigation on us, or to quantify the ultimate cost of a resolution. We are cooperating fully with the relevant agencies and prosecutors and will continue to do so.

28. On March 22, 2018, the Company issued a press release containing a web link to its financial results for the fiscal year ended December 31, 2017 (the "2017 Annual Report"). The 2017 Annual Report contained a confirmation by the Board, which included Defendants Thaxter and Claiborne, attesting to the

accuracy of financial reporting and a fair review of the development and performance of the business, as well as the attendant opportunities and risks.

29. The Company's 2017 Annual Report stated that it had controls in place in place to prevent violations of law:

The Group requires compliance with laws, regulations and industry practice at all times. Its comprehensive compliance programs include a focused compliance staff and policies across the full panoply of operations . . .

\* \* \*

Regulatory and legal compliance is a key aspect of the Group's patient focused business model. The Group maintains a Corporate Compliance Department to guide compliance efforts through policies, training education and monitoring. *These steps ensure adherence to industry codes, laws and regulations in all the countries in which the Group operates. The department also works to ensure that all of the Group's operations are conducted in line with all regulatory requirements and industry codes of ethics*, including those published by US PhRMA; Association of the British Pharmaceutical Industry (ABPI); and by Medicines Australia, along with the Pharmaceutical Manufacturer's Compliance Program Guide published by the Office of Inspector General of the US Department of Health and Human Services.

\* \* \*

Indivior significantly expanded its compliance and related monitoring activities in 2017. These procedures did not discover any material instances of non-compliance with the Group's business conduct policies and procedures during the year.

(Emphasis added.)

30. The Company's 2017 Annual Report stated the following regarding compliance with law and ethical behavior:

Business practices in the pharmaceutical industry are subject to increasing scrutiny by government authorities. Failure to comply with

applicable laws and rules and regulations in any jurisdiction may result in fines, civil and/or criminal legal proceedings, each of which could have a material adverse impact on the business, prospects, results of operations and financial condition. Specifically see disclosure on page 46 referring to the current status of the DOJ investigation and other investigative and antitrust litigation matters, and the contingent liabilities disclosures in Note 20 of the financial statements on page 141.

31. The Company's 2017 Annual Report stated the following with respect to the investigation by the DOJ:

A U.S. federal criminal grand jury investigation of Indivior initiated in December 2013 is continuing, and includes marketing and promotion practices, pediatric safety claims, and overprescribing of medication by certain physicians. The U.S. Attorney's Office for the Western District of Virginia has served a number of subpoenas relating to SUBOXONE® Film, SUBOXONE® Tablet, SUBUTEX® Tablet, buprenorphine and our competitors, among other issues. The Group continues in discussions with the Department of Justice about a possible resolution to its investigation. It is not possible at this time to predict with any certainty the potential impact of this investigation on us or to quantify the ultimate cost of a resolution. We are cooperating fully with the relevant agencies and prosecutors and will continue to do so.

32. On March 22, 2018, the Company issued a press release containing a web link to its financial results for the fiscal year ended December 31, 2017 (the "2017 Annual Report"). The 2017 Annual Report contained a confirmation by the Board, which included Defendants Thaxter and Claiborne, attesting to the accuracy of financial reporting and a fair review of the development and performance of the business, as well as the attendant opportunities and risks.

33. The Company's 2017 Annual Report stated the following with respect to the investigation by the DOJ:

A U.S. federal criminal grand jury investigation of Indivior initiated in December 2013 is continuing, and includes marketing and promotion practices, pediatric safety claims, and overprescribing of medication by certain physicians. The U.S. Attorney's Office for the Western District of Virginia has served a number of subpoenas relating to SUBOXONE® Film, SUBOXONE® Tablet, SUBUTEX® Tablet, buprenorphine and our competitors, among other issues. The Group continues in discussions with the Department of Justice about a possible resolution to its investigation. It is not possible at this time to predict with any certainty the potential impact of this investigation on us or to quantify the ultimate cost of a resolution. We are cooperating fully with the relevant agencies and prosecutors and will continue to do so.

34. On March 14, 2019, the Company issued a press release containing a web link to its financial results for the fiscal year ended December 31, 2018 (the "2018 Annual Report"). The 2018 Annual Report contained a confirmation by the Board, which included Defendants Thaxter and Claiborne, attesting to the accuracy of financial reporting and a fair review of the development and performance of the business, as well as the attendant opportunities and risks.

35. The Company's 2018 Annual Report stated the following regarding compliance with applicable laws:

Our Group operates on a global basis and the pharmaceutical industry is both highly competitive and regulated. ***Complying with all applicable laws and regulations, including engaging in commercial activities that are consistent with legal and industry standards, and our Group's Code of Conduct are core to the Group's mission, culture and practices.*** Failure to comply with applicable laws and

regulations may subject the Group to civil, criminal and administrative liability, including the imposition of substantial monetary penalties, fines, damages and restructuring the Group's operations through the imposition of compliance or integrity obligations, and have a potential adverse impact on the Group's prospects, reputation, results of operations and financial condition.

(Emphasis added.)

36. The Company's 2018 Annual Report stated the following with respect to the investigation by the DOJ:

A U.S. federal criminal grand jury investigation of Indivior initiated in December 2013 is continuing, and includes marketing and promotion practices, pediatric safety claims, and overprescribing of medication by certain physicians. The U.S. Attorney's Office for the Western District of Virginia has served a number of subpoenas relating to SUBOXONE® Film, SUBOXONE® Tablet, SUBUTEX® Tablet, buprenorphine and our competitors, among other issues. The Group has responded to the subpoenas and has otherwise cooperated fully with the Department and prosecutors and will continue to do so. The Group is in advanced discussions with the Department of Justice about a possible resolution to its investigation. However, it is not possible to predict with any certainty the potential impact of this investigation on the Group or to quantify the ultimate cost of a resolution.

37. The statements contained in ¶¶17-36 were materially false and/or misleading because they misrepresented and failed to disclose the following adverse facts pertaining to the Company's business, operations and prospects, which were known to Defendants or recklessly disregarded by them. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that:

(1) Indivior and its executives engaged in an illicit nationwide scheme to increase

prescriptions of Suboxone Film; (2) Indivior illegally obtained billions of dollars in revenue from Suboxone Film prescriptions by deceiving health care providers and health care benefit programs; (3) as a result of the aforementioned misconduct, Indivior would face felony charges; and (4) due to the foregoing, Defendants' statements about its business, operations, and prospects, were materially false and misleading and/or lacked a reasonable basis at all relevant times.

### **THE TRUTH EMERGES**

38. On April 9, 2019, the DOJ filed an indictment asserting criminal charges against Indivior in connection with the Company's conduct in marketing Suboxone Film (the "Indictment"). The charges included one count of conspiracy to commit mail, wire, and health care fraud, one count of health care fraud, four counts of mail fraud, and twenty-two counts of wire fraud. The Indictment described the fraudulent marketing scheme in extensive detail, providing numerous examples of misconduct, including:

Beginning in or about 2010, Indivior executed an illicit nationwide scheme to increase prescriptions of Suboxone Film. In particular, Indivior illegally obtained billions of dollars in revenue from Suboxone Film prescriptions by deceiving health care providers and health care benefit programs into believing that Suboxone Film is safer and less susceptible to diversion and abuse than other, similar drugs. Indivior further sought to boost its profits from Suboxone Film by establishing a telephone program for patients to call to be connected with a doctor for opioid addiction/dependence treatment, which Indivior used to connect patients to doctors Indivior knew were



prescribing Suboxone and/or other opioids in a careless and clinically unwarranted manner. Indivior's fraudulent scheme lasted for years and hindered patients', health care providers', and health care benefit programs' accurate assessments regarding opioid-addiction treatment in order to increase the company's profits.

\* \* \*

INDIVIOR PLC, INDIVIOR INC. (also known as Reckitt Benckiser Pharmaceuticals Inc.), and their executives, employees, and agents used the discontinuation of Suboxone Tablet to materially falsely and fraudulently market Suboxone Film. Between on or about September 18, 2012, and the date of this Indictment, they prepared and caused to be prepared, and shipped and caused to be shipped by mail and private or commercial interstate carrier to their executives and employees and others throughout the United States, letters signed by INDIVIOR's medical director and used to promote Suboxone Film that contained materially false and fraudulent statements and representations . . .

\* \* \*

INDIVIOR PLC, INDIVIOR INC. (also known as Reckitt Benckiser Pharmaceuticals Inc.), and their executives, employees, and agents knew that messages like those described in paragraphs 33-72 of the Introduction to this Indictment materially influenced health care providers to prescribe and dispense Suboxone Film, and recommend the prescribing and dispensing of Suboxone Film. In or about January 2011, an INDIVIOR contractor reported to INDIVIOR executives, managers, and personnel that in a survey of 245 physicians who had prescribed Suboxone Film, 68 physicians (approximately 28%) stated that they did so because it “[decreases misuse/abuse/diversion,” and 26 physicians (approximately 11%) stated that they did so for “[s]afety re: inadvertent use by children.” Additionally, the physicians rated “Ability to minimize unintentional pediatric exposure” and “Reduces the likelihood of misuse & diversion” as the second and third leading reasons to prefer Suboxone Film, respectively.<sup>3</sup> More than 80% of the physicians, and 98% of the high-prescribing physicians, stated that they learned about Suboxone Film from INDIVIOR salespeople.

\* \* \*

INDIVIOR PLC, INDIVIOR INC. (also known as Reckitt Benckiser Pharmaceuticals Inc.), and their executives, employees, and agents knew that the messages described in paragraphs 33-72 of the Introduction to this Indictment, and others like them, were false and fraudulent. In addition to the FDA's letter of March 29, 2010, informing INDIVIOR that it lacked substantiation to claim that Suboxone Film better protects against accidental child exposure (discussed above), on or about June 30, 2011, an INDIVIOR contractor reviewing information as part of the Suboxone Film REMS told INDIVIOR that Suboxone Film was more frequently abused parenterally (*e.g.*, by injection) and involved in more accidental child exposures per million doses than Suboxone Tablet. INDIVIOR did not alert patients, physicians, pharmacists, health care benefit programs, or others to these findings, which cast doubt on INDIVIOR's promotional messages about Suboxone Film. Subsequently, between in or about December 2011 and February 2012, INDIVIOR's compliance committee determined that INDIVIOR salespeople's written reports of their promotional statements to physicians and pharmacists (examples of which are set forth in paragraphs 43-72, above) posed "compliance risks," and discontinued the reports, without contacting patients, physicians, pharmacists, health care benefit programs, or others to correct or retract the promotional statements reflected in the reports. In or about November 2012, INDIVIOR's medical director, vice president for clinical affairs, and others discussed attributes of Suboxone Film that potentially could make it more dangerous to children, such as-that, "With a tablet, they've got options. They can spit it out. They can swallow it. With the film, not necessarily. We know, it's stuck" in the child's mouth.

\* \* \*

In or about 2012-13, INDIVIOR managers discussed that, "Under no circumstances can we make the claim that Suboxone Film is safer or better at reducing pediatric exposures," and "Saying Suboxone Film is safer than any tablet on the market because Film has less ability to be snorted/injected [is an] unsubstantiated superiority claim," but did not contact patients, physicians, pharmacists, health care benefit

programs, or others to correct or retract the promotional statements INDIVIOR salespeople had already made.

\* \* \*

INDIVIOR executives, employees, and personnel knew from statistical and firsthand reports that certain physicians had prescribed buprenorphine-containing drugs to substantially more patients at a time than allowed by the DATA, at daily doses higher than 24 mgs of buprenorphine, and in a careless and clinically unwarranted manner. No later than in or about April 2009, INDIVIOR managers began receiving statistical reports that identified physicians overprescribing buprenorphine-containing drugs. One manager emailed another, copying INDIVIOR's medical director, stating, "It takes only a short time perusing the [statistical reports] to realize that we have some serious breaches of [the DATA law's cap on the number of patients a physician may treat] along with very careless and clinically unwarranted prescribing behaviors (% of patients above 24mg)," and certain physicians "need to be removed from the [buprenorphine] practice arena." INDIVIOR managers also received firsthand reports from INDIVIOR salespeople and medical advisors that particular physicians were engaged in "continuous prescribing to patients known to be trafficking in Suboxone/Subutex;" allowing "prescriptions [to be] given when provider not present in office;" "charging] 400 per month" for prescriptions; and suspected of allowing "overt trafficking in provider's parking lot."

\* \* \*

Between in or about 2006 and the date of this Indictment, INDIVIOR PLC, INDIVIOR INC.' (also known as Reckitt Benckiser Pharmaceuticals Inc.), and their executives, employees, and agents did devise and intend to devise a scheme and artifice to defraud and to obtain money and property from health care benefit programs by means of materially false and fraudulent pretenses, representations, and promises, by (A) making materially false and fraudulent statements and representations to health care providers to induce them to prescribe, dispense, and recommend Suboxone Film; (B) preparing and causing to be prepared, and shipping and causing to be shipped, materially false and fraudulent marketing materials promoting

Suboxone Film; (C) making materially false and fraudulent statements and representations to and relating to state Medicaid administrators and others to promote Suboxone Film; and (D) marketing Suboxone Film to health care providers to be prescribed and dispensed in a careless and clinically unwarranted manner.

39. According to the Indictment, Indivior executives were aware that Suboxone Film was being carelessly overprescribed by several doctors but Indivior continued to target those doctors in their tailored marketing:

INDIVIOR executives were aware of the careless, clinically unwarranted prescribing. On or about July 22, 2009, INDIVIOR's chief executive officer wrote to INDIVIOR's vice president for clinical affairs, "I think that the process for reporting rogue physicians is going to be very important." On or about July 14, 2010, INDIVIOR executives met and discussed data indicating that the 564 highest-prescribing physicians in the United States prescribed buprenorphine-containing drugs to an average of more than 200 patients at a time, and the highest prescribers, which INDIVIOR called "Super P8s," accounted for 33% of INDIVIOR's business.

\* \* \*

INDIVIOR continued to include physicians it knew were issuing careless, clinically unwarranted opioid prescriptions in the Here to Help and Treatment Advocate programs, and otherwise market Suboxone Film to them. On or about the stated dates, the identified INDIVIOR executives, employees, and agents communicated the information described below relating to aiding, abetting, counseling, commanding, inducing, and procuring Doctor A, located in or around Cedar Bluff, Galax, and Willis, Virginia, to switch prescriptions to Suboxone Film where Doctor A exceeded the maximum number of patients allowed at a time, where daily doses exceeded the maximum indicated for additional clinical advantage, and where prescriptions were issued in a careless and clinically unwarranted manner . . .

40. The Indictment was rife with examples of misconduct by

Indivior's top executives, including its CEO at the time. Several examples of CEO misconduct:

On or about October 17, 2010, INDIVIOR's chief executive officer told INDIVIOR personnel to revise the performance appraisals and incentive programs for salespeople to reward "film sales only." He stated that INDIVIOR's salespeople had "every possible resource to enable them to generate demand for a scheduled narcotic that is being given away for free to an addicted population," and those without "adequate film sales" may be fired. Thereafter, INDIVIOR revised the performance appraisals and incentive programs to be based primarily on the percentage of Suboxone Film compared to tablet sales in the salesperson's territory (sometimes called the "film market share" or "film share").

\* \* \*

On or about April 13, 2011, INDIVIOR's chief executive officer materially falsely and fraudulently stated in a corporate newsletter that Suboxone Film "has the potential for greater child safety."

41. The Indictment also provided a Notice of Forfeiture, stating that upon conviction of one or more of the felony counts in the indictment, property would be forfeited to the United States, including a monetary judgment of "not less than \$3,000,000,000," seven business entities including all assets, inventory, and property related thereto, and several bank accounts, trademarks, and patents.

42. On this news, Indivior ADRs plummeted \$4.48 or more than 66% to close at \$2.30 per ADR on April 10, 2019, damaging investors.

43. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiff and other Class members have suffered significant losses and damages.

### **PLAINTIFF'S CLASS ACTION ALLEGATIONS**

44. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class consisting of all persons other than defendants who acquired Indivior securities publicly traded on OTC during the Class Period, and who were damaged thereby (the "Class"). Excluded from the Class are Defendants, the officers and directors of Indivior, members of the Individual Defendants' immediate families and their legal representatives, heirs, successors or assigns and any entity in which Officer or Director Defendants have or had a controlling interest.

45. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Indivior securities were actively traded on OTC. While the exact number of Class members is unknown to Plaintiff at this time and can be ascertained only through appropriate discovery, Plaintiff believes that there are hundreds, if not thousands of members in the proposed Class.

46. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by defendants' wrongful conduct in violation of federal law that is complained of herein.

47. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation. Plaintiff has no interests antagonistic to or in conflict with those of the Class.

48. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

- whether the Exchange Act were violated by Defendants' acts as alleged herein;
- whether statements made by Defendants to the investing public during the Class Period misrepresented material facts about the financial condition and business Indivior;
- whether Defendants' public statements to the investing public during the Class Period omitted material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading;

- whether the Defendants caused Indivior to issue false and misleading public filings during the Class Period;
- whether Defendants acted knowingly or recklessly in issuing false public filings;
- whether the prices of Indivior' securities during the Class Period were artificially inflated because of the Defendants' conduct complained of herein; and
- whether the members of the Class have sustained damages and, if so, what is the proper measure of damages.

49. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

50. Plaintiff will rely, in part, upon the presumption of reliance established by the fraud-on-the-market doctrine in that:



- Indivior shares met the requirements for listing, and were listed and actively traded on NASDAQ, a highly efficient and automated market;
- As a public issuer, Indivior filed periodic public reports;
- Indivior regularly communicated with public investors via established market communication mechanisms, including through the regular dissemination of press releases via major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services; and
- Indivior was followed by a number of securities analysts employed by major brokerage firms who wrote reports that were widely distributed and publicly available.

51. Based on the foregoing, the market for Indivior securities promptly digested current information regarding Indivior from all publicly available sources and reflected such information in the prices of the shares, and Plaintiff and the members of the Class are entitled to a presumption of reliance upon the integrity of the market.

52. Alternatively, Plaintiff and the members of the Class are entitled to the presumption of reliance established by the Supreme Court in *Affiliated Ute*

*Citizens of the State of Utah v. United States*, 406 U.S. 128 (1972), as Defendants omitted material information in their Class Period statements in violation of a duty to disclose such information as detailed above.

### **COUNT I**

#### **For Violations of Section 10(b) And Rule 10b-5 Promulgated Thereunder Against All Defendants**

53. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

54. This Count is asserted against Defendants is based upon Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder by the SEC.

55. During the Class Period, Defendants, individually and in concert, directly or indirectly, disseminated or approved the false statements specified above, which they knew or deliberately disregarded were misleading in that they contained misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

56. Defendants violated §10(b) of the 1934 Act and Rule 10b-5 in that they:

- employed devices, schemes and artifices to defraud;

- made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- engaged in acts, practices and a course of business that operated as a fraud or deceit upon plaintiff and others similarly situated in connection with their purchases of Indivior securities during the Class Period.

57. Defendants acted with scienter in that they knew that the public documents and statements issued or disseminated in the name of Indivior were materially false and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated, or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the securities laws. These defendants by virtue of their receipt of information reflecting the true facts of Indivior, their control over, and/or receipt and/or modification of Indivior's allegedly materially misleading statements, and/or their associations with the Company which made them privy to confidential proprietary information concerning Indivior, participated in the fraudulent scheme alleged herein.

58. Individual Defendants, who are the senior officers and/or directors of the Company, had actual knowledge of the material omissions and/or the falsity of the material statements set forth above, and intended to deceive Plaintiff and the other members of the Class, or, in the alternative, acted with reckless disregard for the truth when they failed to ascertain and disclose the true facts in the statements made by them or other Indivior personnel to members of the investing public, including Plaintiff and the Class.

59. As a result of the foregoing, the market price of Indivior securities was artificially inflated during the Class Period. In ignorance of the falsity of Defendants' statements, Plaintiff and the other members of the Class relied on the statements described above and/or the integrity of the market price of Indivior securities during the Class Period in purchasing Indivior securities at prices that were artificially inflated as a result of Defendants' false and misleading statements.

60. Had Plaintiff and the other members of the Class been aware that the market price of Indivior securities had been artificially and falsely inflated by Defendants' misleading statements and by the material adverse information which Defendants did not disclose, they would not have purchased Indivior securities at the artificially inflated prices that they did, or at all.

61. As a result of the wrongful conduct alleged herein, Plaintiff and other members of the Class have suffered damages in an amount to be established at trial.

62. By reason of the foregoing, Defendants have violated Section 10(b) of the 1934 Act and Rule 10b-5 promulgated thereunder and are liable to the plaintiff and the other members of the Class for substantial damages which they suffered in connection with their purchase of Indivior securities during the Class Period.

**COUNT II**  
**Violations of Section 20(a) of the Exchange Act**  
**Against the Individual Defendants**

63. Plaintiff repeats and realleges each and every allegation contained in the foregoing paragraphs as if fully set forth herein.

64. During the Class Period, the Individual Defendants participated in the operation and management of Indivior, and conducted and participated, directly and indirectly, in the conduct of Indivior's business affairs. Because of their senior positions, they knew the adverse non-public information about Indivior's misstatement of revenue and profit and false financial statements.

65. As officers and/or directors of a publicly owned company, the Individual Defendants had a duty to disseminate accurate and truthful information with respect to Indivior's financial condition and results of operations, and to

correct promptly any public statements issued by Indivior which had become materially false or misleading.

66. Because of their positions of control and authority as senior officers, the Individual Defendants were able to, and did, control the contents of the various reports, press releases and public filings which Indivior disseminated in the marketplace during the Class Period concerning Indivior's results of operations. Throughout the Class Period, the Individual Defendants exercised their power and authority to cause Indivior to engage in the wrongful acts complained of herein. The Individual Defendants therefore, were "controlling persons" of Indivior within the meaning of Section 20(a) of the Exchange Act. In this capacity, they participated in the unlawful conduct alleged which artificially inflated the market price of Indivior securities.

67. By reason of the above conduct, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act for the violations committed by Indivior.

### **PRAYER FOR RELIEF**

**WHEREFORE**, Plaintiff prays for judgment and relief as follows:

(a) declaring this action to be a proper class action, designating plaintiff as Lead Plaintiff and certifying plaintiff as a class representative under Rule 23 of

the Federal Rules of Civil Procedure and designating plaintiff's counsel as Lead Counsel;

(b) awarding damages in favor of plaintiff and the other Class members against all defendants, jointly and severally, together with interest thereon;

(c) awarding plaintiff and the Class reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

(d) awarding plaintiff and other members of the Class such other and further relief as the Court may deem just and proper.

**JURY TRIAL DEMANDED**

Plaintiff hereby demands a trial by jury.

Dated: April \_\_, 2019

Respectfully submitted,

**THE ROSEN LAW FIRM, P.A.**

By: \_\_\_\_\_

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