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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

FERRARO FAMILY FOUNDATION, INC. and
JAMES L. FERRARO, on behalf of themselves and
all others similarly situated,

Plaintiffs,

v.

CORCEPT THERAPEUTICS INCORPORATED,
JOSEPH K. BELANOFF, CHARLES ROBB, and
SEAN MADUCK,

Defendants.

Case No. 3:19-cv-01372-JD

**ORDER RE PRELIMINARY
APPROVAL OF SETTLEMENT**

1 In this securities class action, Lead Plaintiff has filed a request for preliminary approval of a
2 proposed class settlement, accompanied by a Stipulation of Settlement (the Stipulation), that was entered
3 into by Lead Plaintiff the Ferraro Group (consisting of Ferraro Family Foundation, Inc. and James L.
4 Ferraro) (Lead Plaintiff), and defendants Corcept Therapeutics Incorporated (Corcept or the Company),
5 Joseph K. Belanoff, Charles Robb, and Sean Maduck (collectively Defendants) (defendants Belanoff,
6 Robb, and Maduck are, collectively, the Individual Defendants). Preliminary approval is granted on the
7 ensuing terms. This order is based on a draft lodged by the parties, as modified by the Court's
8 conclusions and practices. The parties are advised to read the entirety of the order for changes from the
9 lodged draft. All defined terms used here have the same meanings set forth in the Stipulation.

10 As the Court stated at the hearing, approval is strictly preliminary. Final approval will be
11 contingent upon the showings the Court requested at the hearing. *See* Dkt. No. 200 (Hrg. Tr.).

12 1. For settlement purposes only, the Court certifies a Settlement Class defined as: All
13 Persons who purchased or otherwise acquired common stock or options to purchase common stock of
14 Corcept between August 2, 2017 and January 31, 2019, inclusive, and were damaged as a result.
15 Excluded from the Settlement Class are (a) Defendants herein; (b) members of the immediate family of
16 each of the Defendants; (c) Defendants' subsidiaries and affiliates; (d) any person who is an officer,
17 director or controlling person of Corcept; (e) any entity in which any Defendant has a controlling
18 interest; (f) Defendants' directors' and officers' liability insurance carriers, and any affiliates or
19 subsidiaries thereof; and (g) the legal representatives, heirs, successors or assigns of any such excluded
20 party. All persons who submit valid and timely requests for exclusions from the Class will also be
21 excluded.

22 2. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, the Court appoints Lead
23 Plaintiff, the Ferraro Group (consisting of Ferraro Family Foundation, Inc. and James L. Ferraro), as
24 Class Representative.

25 3. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, the Court appoints Levi &
26 Korsinsky, LLP, as Class Counsel, which is authorized to act on behalf of the Class Representative and
27 other Settlement Class Members, with respect to all acts or consents required by or that may be given
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1 pursuant to the Stipulation, including all acts that are reasonably necessary to consummate the
2 Settlement.

3 4. The Court finds that certification of the Settlement Class for settlement purposes only is
4 appropriate because:

5 a. The Settlement Class is so numerous that joinder of all members is impracticable,
6 satisfying the requirements of Rule 23(a)(1);

7 b. There are questions of law or fact common to the Settlement Class, satisfying the
8 requirement of Rule 23(a)(2);

9 c. The claims of Lead Plaintiff are typical of the claims of the Settlement Class,
10 satisfying the requirement of Rule 23(a)(3);

11 d. The Class Representative will fairly and adequately protect the interests of the
12 Settlement Class, satisfying the requirement of Rule 23(a)(4); and

13 e. Questions of law and fact common to the Settlement Class Members predominate
14 over questions affecting only individual members, and a class action is superior to other methods
15 available for the fair and efficient adjudication of the controversy, satisfying the requirements of Rule
16 23(b)(3).

17 The findings in Paragraph 4 are for purposes of this Settlement only, and will have no force or
18 effect for any other purpose if the Settlement does not become effective.

19 5. The Court preliminarily approves the Stipulation and the Settlement, subject to further
20 review and consideration at the Final Approval Hearing.

21 6. A hearing (the “Final Approval Hearing”) will be held on June 6, 2024, at 10:00 a.m. in
22 Courtroom 11, 19th Floor, 450 Golden Gate Avenue, San Francisco, CA 94102, to determine whether
23 the proposed Settlement of the Action on the terms and conditions provided for in the Stipulation is fair,
24 just, reasonable and adequate to the Settlement Class and should be approved by the Court; whether a
25 Judgment as provided in the Stipulation should be entered herein; whether the proposed Plan of
26 Allocation should be approved; to determine the amount of fees and Litigation Expenses that should be
27 awarded to Lead Counsel, and to determine the amount of any award for the time and expenses of Lead
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1 Plaintiff. The Court may continue or vacate the Final Approval Hearing without further notice to
2 Settlement Class Members.

3 7. The Court preliminarily approves, as to form and content, the Notice of Pendency of
4 Class Action and Proposed Settlement, Final Approval Hearing and Motion for Attorneys' Fees and
5 Reimbursement of Litigation Expenses (the "Notice"), Dkt. No. 195-3, Ex. A-1; the Proof of Claim and
6 Release Form (the "Claim Form"), *id.*, Ex. A-2; the Summary Notice, *id.*, Ex. A-3; and the Postcard
7 Notice, *id.*, Ex. A-4, for publication and distribution, and preliminarily finds that the distribution of the
8 Postcard Notice by email (or mail in those instances where no email address is available), directing Class
9 Members to the Settlement website to access the Notice (which shall contain the general terms of the
10 Settlement set forth in the Stipulation, the proposed Plan of Allocation, the general terms of the Fee and
11 Expense Application, and the date of the Final Approval Hearing), and publishing of the Summary
12 Notice (substantially in the manner and form set forth in ¶8 of this order) meet the requirements of Rule
13 23 of the Federal Rules of Civil Procedure, 15 U.S.C. § 77z-1(a)(7), and 15 U.S.C. § 78u-4(a)(7).

14 8. The firm of A.B. Data Ltd. ("Claims Administrator") is appointed to supervise and
15 administer the notice procedure as well as the processing of claims, as more fully set forth below:

16 a. Not later than fifteen (15) business days after entry of this order (the "Notice
17 Date"), the Claims Administrator shall cause a copy of the Postcard Notice substantially in the form in
18 Dkt. No. 195-3, Ex. A-4, to be emailed (or mailed in those instances where no email address is available
19 by first-class mail) to all Settlement Class Members who can be identified with reasonable effort;

20 b. No later than ten (10) calendar days after the Notice Date, the Summary Notice,
21 substantially in the form in Dkt. No. 195-3, Ex. A-3, shall be published once in *Investor's Business Daily*
22 and once over a national newswire service; and

23 c. At least fourteen (14) calendar days prior to the Final Approval Hearing, Lead
24 Counsel shall cause to be served on Defendants' Counsel and filed with the Court proof, by affidavit or
25 declaration, of such mailing and publication.

26 9. Defendants shall complete service on the appropriate federal and state government
27 officials of all notices required under the Class Action Fairness Act, 28 U.S.C. §1715 ("CAFA"), no
28 later than ten (10) calendar days following the filing of the Stipulation with the Court. At least fourteen

1 (14) calendar days before the Final Approval Hearing, Defendants shall cause to be served on Lead
2 Counsel and filed with the Court proof, by affidavit or declaration, regarding compliance with the notice
3 requirements of CAFA.

4 10. Nominees who purchased Corcept common stock or options to purchase Corcept
5 common stock for the beneficial ownership of Settlement Class Members during the Settlement Class
6 Period shall email (or mail in those instances where no email address is available) the Postcard Notice
7 to all beneficial owners of such Corcept common stock or options to purchase Corcept common stock
8 within ten (10) days after receipt thereof, or send a list of the names and addresses of such beneficial
9 owners to the Claims Administrator within ten (10) days of receipt thereof, in which event the Claims
10 Administrator shall promptly email the Postcard Notice (or mail in those instances where no email
11 address is available) to such beneficial owners. Such holders of record shall be reimbursed from the
12 Settlement Fund, upon receipt by the Claims Administrator of proper documentation, for the reasonable
13 expense of providing Postcard Notice to beneficial owners who are Settlement Class Members, which
14 expenses would not have been incurred except for the sending of such Postcard Notice, subject to further
15 order of this Court with respect to any dispute concerning such compensation.

16 11. All Settlement Class Members who do not exclude themselves by the deadline set forth
17 below shall be bound by all determinations and judgments in the Action concerning the Settlement,
18 whether favorable or unfavorable to the Settlement Class.

19 12. All Settlement Class Members who wish to participate in the Settlement shall complete
20 and submit Claim Forms in accordance with the instructions contained therein to obtain a payment. All
21 Claim Forms must be postmarked no later than May 13, 2024. Any Settlement Class Member who does
22 not submit a Claim Form within the time provided for shall be barred from sharing in the distribution of
23 the proceeds of the Settlement Fund, unless otherwise ordered by the Court. Notwithstanding the
24 foregoing, Lead Counsel shall have discretion to accept late-submitted Claims for processing by the
25 Claims Administrator so long as the distribution of the Settlement Fund is not materially delayed
26 thereby.

27 13. Any Settlement Class Member may enter an appearance in the Action, at their own
28 expense, individually or through counsel of their own choice, in which case such counsel must file with

1 the Clerk of the Court a notice of such appearance. Any Settlement Class Member who does not enter
2 an appearance will be represented by Lead Counsel.

3 14. Any Person falling within the definition of the Settlement Class may, upon request, be
4 excluded from the Settlement Class. Any such Person must submit to the Claims Administrator a request
5 for exclusion (“Request for Exclusion”), in the manner set forth in the Notice, postmarked by May 13,
6 2024. A Request for Exclusion must: (a) state the name, address, and telephone number of the Person
7 requesting exclusion; (b) identify the number of shares of Corcept common stock or options purchased
8 or otherwise acquired during the Settlement Class Period; (c) contain a statement that the Person wishes
9 to be excluded from the Settlement Class; and (d) be signed by the Person requesting exclusion. A
10 Request for Exclusion shall not be effective unless it provides all the required information and is
11 received within the time stated above, or is otherwise accepted by the Court. Copies of all requests for
12 exclusion received by Lead Counsel or the Claims Administrator, together with copies of all written
13 revocations of requests for exclusion, shall be delivered to Defendants’ Counsel within three (3) business
14 days of receipt.

15 15. All Persons who submit valid and timely Requests for Exclusion in the manner set forth
16 in ¶14 shall have no rights under the Stipulation, shall not share in the distribution of the Net Settlement
17 Fund, and shall not be bound by the Stipulation or the Judgment entered in the Action.

18 16. Any Settlement Class Member that does not timely and validly request exclusion from
19 the Settlement Class in the manner stated in this Order: (a) shall be deemed to have waived his, her, or
20 its right to be excluded from the Settlement Class; (b) shall be forever barred from requesting exclusion
21 from the Settlement Class in this or any other proceeding; (c) shall be bound by the provisions of the
22 Stipulation and Settlement and all proceedings, determinations, orders, and judgments in the Action,
23 including, but not limited to, the Judgment, and the Releases provided for therein, whether favorable or
24 unfavorable to the Settlement Class; and (d) will be barred from commencing, instituting, prosecuting,
25 or continuing to prosecute any action or other proceeding in any court of law or equity, arbitration
26 tribunal, or administrative forum, asserting any of Plaintiffs’ Released Claims (including Unknown
27 Claims) against any of the Defendant Releasees, as more fully described in the Stipulation and Notice.

1 17. Any Settlement Class Member that does not request exclusion from the Settlement Class
2 may appear and show cause, if he, she or it has any reasons why the proposed Settlement of the Action
3 should or should not be approved as fair, reasonable and adequate, why a Judgment should or should
4 not be entered thereon, why the Plan of Allocation should or should not be approved, or why attorneys'
5 fees and Litigation Expenses should or should not be awarded to Lead Counsel, or the time and expenses
6 of Lead Plaintiff should or should not be awarded. Settlement Class Members may not ask the Court to
7 order a larger settlement or otherwise modify the Settlement; the Court may only approve or deny the
8 Settlement. No Settlement Class Member or any other Person shall be heard or entitled to contest such
9 matters unless that Settlement Class Member has sent by first-class mail written objections and copies
10 of any papers and briefs to the Class Action Clerk, United States District Court for the Northern District
11 of California, 450 Golden Gate Avenue, San Francisco, CA 94012, or by filing them in person at any
12 location of the United States District Court for the Northern District of California, by May 13, 2024.
13 Further, copies of any such objection must also be served in writing or via email by May 13, 2024, on
14 both: (i) Shannon L. Hopkins, Levi & Korsinsky, LLP, 1111 Summer Street, Suite 304, Stamford, CT
15 06901, Email: shopkins@zlk.com, Lead Counsel for Lead Plaintiff and the Settlement Class; and
16 (ii) Corey Worcester, Quinn Emanuel Urquhart & Sullivan, LLP, 51 Madison Avenue, 22nd Floor, New
17 York, New York 10010, Email: coreyworcester@quinnemanuel.com, Defendants' Counsel. Any
18 objection must: (a) clearly identify the case name and number, *Ferraro Family Foundation, Inc., et al.*
19 *v. Corcept Therapeutics Incorporated, et al.*, Case No. 3:19-cv-01372-JD; (b) include the full name,
20 address and phone number of the objecting Settlement Class Member; (c) include a list of all of the
21 Settlement Class Member's Settlement Class Period transactions in Corcept common stock and/or stock
22 options; (d) include a written statement of all grounds for the objection.

23 18. Any objector who wishes to appear in person at the Final Approval Hearing must submit
24 to the Court with his, hers, or its objection a Notice of Intention to Appear. If the objector intends to
25 appear at the Final Approval Hearing through counsel, the objection must also state the identity of all
26 attorneys who will appear at the Final Approval Hearing on the objector's behalf and those counsel must
27 submit a Notice of Intention to Appear with the objection. Any Settlement Class Member who does not
28 make his, her or its objection in the manner provided shall be deemed to have waived such objection

1 and shall forever be foreclosed from making any objection to the fairness or adequacy of the proposed
2 Settlement as set forth in the Stipulation, to the Plan of Allocation, to the award of attorneys' fees and
3 reimbursement of Litigation Expenses to Lead Counsel, or to any award for the time and expenses of
4 Lead Plaintiff, unless otherwise ordered by the Court.

5 19. All funds held by the Escrow Agent shall be deemed and considered to be in *custodia*
6 *legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such funds
7 shall be distributed pursuant to the Stipulation and/or further order(s) of the Court.

8 20. Lead Counsel shall be entitled to withdraw up to \$150,000 from the Settlement Fund
9 pursuant to ¶5.5 of the Stipulation to pay reasonable expenses of notice and administration of the
10 Settlement upon the execution of this Order, subject to final approval of said expenses at the Final
11 Approval Hearing and the other provisions of the Stipulation.

12 21. All papers in support of final approval of the Settlement, the Plan of Allocation and any
13 motion by Lead Counsel for attorneys' fees, reimbursement of their Litigation Expenses and an award
14 for the time and expenses of Lead Plaintiff shall be filed and served by March 14, 2024. Additionally,
15 any reply brief(s) shall be filed and served by May 30, 2024.

16 22. Defendants and their counsel shall have no responsibility for the Plan of Allocation or
17 any motion for attorneys' fees or reimbursement of Litigation Expenses submitted by Lead Counsel or
18 for an award for the time and expenses of Lead Plaintiff, and such matters will be considered separately
19 from the fairness, reasonableness and adequacy of the Settlement.

20 23. At or after the Final Approval Hearing, the Court shall determine whether the Plan of
21 Allocation proposed by Lead Counsel and any motion for attorneys' fees or reimbursement of Litigation
22 Expenses or application for an award for the time and expenses of Lead Plaintiff shall be approved.

23 24. All reasonable expenses incurred in identifying and notifying Settlement Class Members,
24 as well as administering the Settlement Fund, shall be paid as set forth in the Stipulation. In the event
25 the Settlement is not approved by the Court, or otherwise fails to become effective, neither the Lead
26 Plaintiff nor Lead Counsel shall have any obligation to repay any amounts incurred or properly disbursed
27 pursuant to ¶5.5 of the Stipulation up to \$300,000.

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1 25. Neither the Stipulation, nor any of its terms or provisions, nor any of the negotiations or
2 proceedings connected with it, shall be construed as an admission or concession by Defendants of the
3 truth of any of the allegations in the Action, or of any liability, fault, or wrongdoing of any kind.

4 26. Neither the Stipulation, nor any of its terms or provisions, nor any of the negotiations or
5 proceedings connected with it, shall be construed as an admission or concession by Lead Plaintiff of any
6 liability, fault or wrongdoing of any kind.

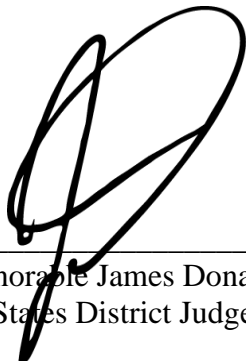
7 27. Pending final determination of whether the Settlement should be approved, Lead
8 Plaintiff, all Settlement Class Members and anyone who acts or purports to act on their behalf, shall not
9 institute, commence or prosecute any action which asserts Released Claims against any Released Person.

10 28. Pending final determination of whether the Settlement should be approved, all
11 proceedings and all discovery with respect to the Defendants in the Action are stayed pending further
12 order of the Court.

13 29. The Court reserves the right to adjourn the date of the Final Approval Hearing without
14 further notice to the Settlement Class Members, and retains jurisdiction to consider all further motions
15 arising out of or connected with the proposed Settlement. The Court may approve the Settlement, with
16 such modifications as may be agreed to by the Settling Parties, if appropriate, without further notice to
17 the Settlement Class.

18
19 IT IS SO ORDERED.

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21 DATED: January 4, 2024



The Honorable James Donato
United States District Judge