

FIRM NEWS

Schulte Achieves Unprecedented Victory in Securing Board Seats for venBio and Unwinding Transaction at Immunomedics

May 5, 2017

Schulte achieved multiple hard-fought victories for venBio Select Advisor LLC in its proxy contest for majority control of the board of directors at Immunomedics Inc., a clinical-stage biopharmaceutical company. venBio succeeded in seating four directors for a majority of Immunomedics' board with virtually unprecedented support from all three leading proxy advisory firms ISS, Glass Lewis and Egan Jones.

This case was noteworthy in many respects, as venBio's proxy campaign was subject to an unusual level of litigation over many novel issues as the company and its incumbent directors vigorously fought venBio at every stage. Less than a week before Immunomedics' already rescheduled annual stockholders meeting was scheduled to take place, the company announced that it had entered into a transformative transaction with Seattle Genetics to license its only currently viable product, an antibody-drug conjugate being investigated as a treatment for life threatening cancers. Schulte alleged that the transaction was a blatant act of entrenchment and would virtually amount to a sale of the company — a tactic target companies sometimes take as activist investors appear poised to prevail at a proxy contest. When Immunomedics announced the deal, it also adjourned the annual meeting for two weeks to give it additional time to try to swing the board of directors vote in favor of the incumbents.

Schulte's activism litigation team stepped in alongside our shareholder activism lawyers to provide seamless support at each step throughout the engagement and secure multiple significant victories for venBio, including preventing Immunomedics from moving its record and annual meeting dates, and successfully obtaining a temporary restraining order enjoining the Seattle Genetics transaction from closing. Soon thereafter, Seattle Genetics agreed to terminate the transaction.

The integrated team advising venBio was led by co-chair of the firm's global shareholder activism practice Eleazer Klein, along with associates Brandon Gold and Daniel Goldstein. Shareholder activism litigation partner Michael Swartz led the litigation team, which included associates Mark Garibyan, George Rowe and former Schulte lawyers Abigail Coster and Stephanie Kelly.

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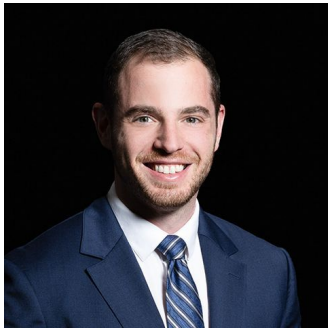
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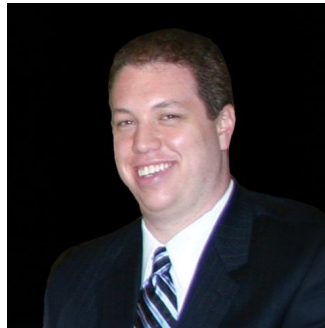
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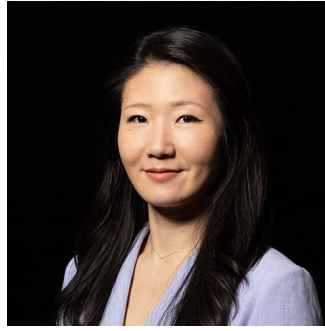
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