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10 **UNITED STATES DISTRICT COURT**
11 **SOUTHERN DISTRICT OF CALIFORNIA**

12 ANTHONY FRANCHI, Individually and On
13 Behalf of All Others Similarly Situated,

14 Plaintiff,

15 v.

16 IGNYTA, INC., JONATHAN E. LIM, JAMES
17 BRISTOL, ALEX CASDIN, HEINER
18 DREISMANN, JAMES FREDDO, STEVE
19 HOERTER, ROCHE HOLDINGS, INC., and
20 ABINGDON ACQUISITION CORP.,

21 Defendants.

Case No. '18CV0131 DMS JLB

CLASS ACTION

**COMPLAINT FOR VIOLATION OF
THE SECURITIES EXCHANGE ACT
OF 1934**

JURY TRIAL DEMANDED

22 **COMPLAINT FOR VIOLATION OF THE SECURITIES EXCHANGE ACT OF 1934**

23 Plaintiff, by his undersigned attorneys, for this complaint against defendants, alleges
24 upon personal knowledge with respect to himself, and upon information and belief based upon,
25 *inter alia*, the investigation of counsel as to all other allegations herein, as follows:

26 **NATURE OF THE ACTION**

27 1. This action stems from a proposed transaction announced on December 22, 2017
28 (the "Proposed Transaction"), pursuant to which Ignyta, Inc. ("Ignyta" or the "Company") will
be acquired by Roche Holdings, Inc. ("Parent") and its wholly-owned subsidiary, Abingdon
Acquisition Corp. ("Merger Sub," and together with Parent, "Roche").

1 2. On December 21, 2017, Ignyta’s Board of Directors (the “Board” or “Individual
2 Defendants”) caused the Company to enter into an agreement and plan of merger (the “Merger
3 Agreement”) with Roche. Pursuant to the terms of the Merger Agreement, Merger Sub
4 commenced a tender offer (the “Tender Offer”), currently set to expire at midnight, Eastern
5 Time, on February 7, 2018, to acquire all of Ignyta’s outstanding common stock for \$27.00 in
6 cash for each share of Ignyta common stock. If the Tender Offer is completed, Merger Sub will
7 be merged with and into the Company, and the Company will continue as the surviving
8 corporation as a wholly owned subsidiary of Parent.

9
10 3. On January 10, 2018, defendants filed a Schedule 14D-9
11 Solicitation/Recommendation Statement (the “Solicitation Statement”) with the United States
12 Securities and Exchange Commission (“SEC”) in connection with the Proposed Transaction.

13
14 4. The Solicitation Statement omits material information with respect to the
15 Proposed Transaction, which renders the Solicitation Statement false and misleading.
16 Accordingly, plaintiff alleges herein that defendants violated Sections 14(e), 14(d), and 20(a) of
17 the Securities Exchange Act of 1934 (the “1934 Act”) in connection with the Solicitation
18 Statement.

19
20 **JURISDICTION AND VENUE**

21 5. This Court has jurisdiction over all claims asserted herein pursuant to Section 27
22 of the 1934 Act because the claims asserted herein arise under Sections 14(e), 14(d), and 20(a) of
23 the 1934 Act and Rule 14a-9.

24 6. This Court has jurisdiction over defendants because each defendant is either a
25 corporation that conducts business in and maintains operations within this District, or is an
26 individual with sufficient minimum contacts with this District so as to make the exercise of
27

1 jurisdiction by this Court permissible under traditional notions of fair play and substantial justice.

2 7. Venue is proper under 28 U.S.C. § 1391 because a substantial portion of the
3 transactions and wrongs complained of herein occurred in this District.

4 **PARTIES**

5 8. Plaintiff is, and has been continuously throughout all times relevant hereto, the
6 owner of Ignyta common stock.

7 9. Defendant Ignyta is a Delaware corporation and maintains its principal executive
8 offices at 4545 Towne Centre Court, San Diego, California 92121. Ignyta's common stock is
9 traded on the NasdaqCM under the ticker symbol "RXDX." Ignyta is a party to the Merger
10 Agreement.

11 10. Defendant Jonathan E. Lim ("Lim") is the Chairman of the Board, and the
12 President and Chief Executive Officer ("CEO") of Ignyta.

13 11. Defendant James Bristol ("Bristol") is a director of Ignyta.

14 12. Defendant Alex Casdin ("Casdin") is a director of Ignyta.

15 13. Defendant Heiner Dreismann ("Dreismann") is a director of Ignyta. From 1985
16 to 2006, Dreismann worked at Roche where he held several senior positions, including President
17 and CEO of Roche Molecular Systems, Head of Global Business Development at Roche
18 Diagnostics, and Member of Roche's Global Diagnostic Executive Committee.

19 14. Defendant James Freddo ("Freddo") is a director Ignyta.

20 15. Defendant Steve Hoerter ("Hoerter") is a director of Ignyta.

21 16. The defendants identified in paragraphs 10 through 15 are collectively referred to
22 herein as the "Individual Defendants."

23 17. Defendant Parent is a Delaware corporation and a party to the Merger Agreement.

1 18. Defendant Merger Sub is a Delaware corporation, a wholly-owned subsidiary of
2 Parent, and a party to the Merger Agreement.

3 **CLASS ACTION ALLEGATIONS**

4 19. Plaintiff brings this action as a class action on behalf of himself and the other
5 public stockholders of Ignyta (the “Class”). Excluded from the Class are defendants herein and
6 any person, firm, trust, corporation, or other entity related to or affiliated with any defendant.
7

8 20. This action is properly maintainable as a class action.

9 21. The Class is so numerous that joinder of all members is impracticable. As of
10 December 21, 2017, there were approximately 67,588,900 shares of Ignyta common stock
11 outstanding, held by hundreds, if not thousands, of individuals and entities scattered throughout
12 the country.

13 22. Questions of law and fact are common to the Class, including, among others,
14 whether defendants will irreparably harm plaintiff and the other members of the Class if
15 defendants’ conduct complained of herein continues.
16

17 23. Plaintiff is committed to prosecuting this action and has retained competent
18 counsel experienced in litigation of this nature. Plaintiff’s claims are typical of the claims of the
19 other members of the Class and plaintiff has the same interests as the other members of the
20 Class. Accordingly, plaintiff is an adequate representative of the Class and will fairly and
21 adequately protect the interests of the Class.
22

23 24. The prosecution of separate actions by individual members of the Class would
24 create the risk of inconsistent or varying adjudications that would establish incompatible
25 standards of conduct for defendants, or adjudications that would, as a practical matter, be
26 dispositive of the interests of individual members of the Class who are not parties to the
27

1 adjudications or would substantially impair or impede those non-party Class members' ability to
2 protect their interests.

3 25. Defendants have acted, or refused to act, on grounds generally applicable to the
4 Class as a whole, and are causing injury to the entire Class. Therefore, final injunctive relief on
5 behalf of the Class is appropriate.
6

7 **SUBSTANTIVE ALLEGATIONS**

8 ***Background of the Company and the Proposed Transaction***

9 26. Ignyta is a biotechnology company focused on precision medicine in oncology.
10 The Company's goal is not just to shrink tumors, but to eradicate residual disease in precisely
11 defined patient populations through their integrated therapeutic ("Rx") and companion diagnostic
12 ("Dx") strategy for treating cancer patients. Ignyta's Rx efforts are focused on in-licensing or
13 acquiring, then developing and commercializing molecularly targeted therapies that are
14 foundational for eradicating residual disease. Its Dx efforts aim to pair the Company's product
15 candidates with biomarker-based companion diagnostics that are designed to precisely identify,
16 at the molecular level, the patients who are most likely to benefit from the Company's therapies.
17

18 27. Ignyta's current pipeline includes the following compounds:

- 19 • entrectinib (formerly called RXDX-101), a CNS-active, potent, and selective small
20 molecule tyrosine kinase inhibitor of the TRK (tropomyosin receptor kinase) family
21 of tyrosine kinase receptors (TRKA, TRKB and TRKC), and ROS1 proteins, which is
22 in a Phase 2 clinical study and two Phase 1 clinical studies in molecularly defined
23 adult patient populations for the treatment of solid tumors, and a Phase 1/1b clinical
24 study in pediatric patients with advanced solid tumor malignancies;
- 25 • RXDX-105, an orally bioavailable, small molecule tyrosine kinase inhibitor of RET
26 that spares the vascular endothelial growth factor receptor, which has completed
27 enrollment in a Phase 1b clinical trial;
- 28 • taladegib, an orally bioavailable, small molecule hedgehog/smoothened antagonist
that has achieved clinical proof-of-concept and a recommended Phase 2 dose in a

1 Phase 1 dose escalation trial; and

- 2 • RXDX-106, a novel small molecule immunomodulatory agent with potent anti-tumor
3 activity, alone and in combination with checkpoint inhibitors, that appears to restore
4 and enhance overall immune function by reversing immunosuppression of innate
5 immune cells in the tumor microenvironment through TYRO3, AXL, and MER
6 receptor tyrosine kinase inhibition that is in late preclinical development.

7 28. The Company acquired exclusive global development and commercialization
8 rights to entrectinib under a license agreement with Nerviano Medical Sciences S.r.l. that became
9 effective in November 2013. It acquired the RXDX-105 and RXDX-106 development programs
10 in an asset purchase transaction with Cephalon, Inc., an indirect subsidiary of Teva
11 Pharmaceutical Industries Ltd., in March 2015. Finally, Ignyta acquired exclusive, global
12 development and commercialization rights to taladegib under a license agreement with Eli Lilly
13 and Company in November 2015.

14 29. On December 21, 2017, the Individual Defendants caused the Company to enter
15 into the Merger Agreement with Roche, pursuant to which Merger Sub commenced the Tender
16 Offer, currently set to expire at midnight, Eastern Time, on February 7, 2018, to acquire all of
17 Ignyta's outstanding common stock for \$27.00 in cash for each share of Ignyta common stock.
18 If the Tender Offer is completed, Merger Sub will be merged with and into the Company, and
19 the Company will continue as the surviving corporation as a wholly owned subsidiary of Parent.

20 ***The Solicitation Statement Omits Material Information, Rendering It False and Misleading***

21 30. On January 10, 2018, defendants filed the Solicitation Statement with the SEC in
22 connection with the Proposed Transaction.

23 31. The Solicitation Statement omits material information with respect to the
24 Proposed Transaction, which renders the Solicitation Statement false and misleading.

25 32. The Solicitation Statement omits material information regarding Ignyta's financial

1 projections and the valuation analyses performed by Ignyta’s financial advisors in connection
2 with the Proposed Transaction, Merrill Lynch, Pierce, Fenner & Smith Incorporated (“BofA
3 Merrill Lynch”) and J.P. Morgan Securities LLC (“J.P. Morgan”).

4 33. The disclosure of projected financial information is material because it provides
5 stockholders with a basis to project the future financial performance of a company, and allows
6 stockholders to better understand the financial analyses performed by the company’s financial
7 advisor in support of its fairness opinion. Moreover, when a banker’s endorsement of the
8 fairness of a transaction is touted to shareholders, the valuation methods used to arrive at that
9 opinion as well as the key inputs and range of ultimate values generated by those analyses must
10 also be fairly disclosed.

11
12 34. The Solicitation Statement currently discloses certain of the Company’s financial
13 projections for years 2018 through 2032 for the: (i) “Consolidated P&L (Unadjusted),” which is
14 a consolidated enterprise profit and loss statement that does *not* adjust for the probability of
15 success of the products currently under development by the Company; (ii) the “Consolidated
16 P&L (PoS Adjusted),” which is a consolidated enterprise profit and loss statement that does
17 adjust for the probability of success of the products currently under development by the
18 Company, but does *not* include the impact of the Tax Cuts & Jobs Act; and (iii) the
19 “Consolidated P&L (PoS Adjusted) — (Pending Tax Law Case),” which is a consolidated
20 enterprise profit and loss statement that does adjust for the probability of success of the products
21 currently under development by the Company, and does include the impact of the Tax Cuts &
22 Jobs Act.

23
24
25 35. With respect to the Company’s financial projections, the Solicitation Statement
26 fails to disclose: (i) the Company’s projected unlevered free cash flows and its line items, both

1 pre- and post-tax shield from NOLs, for years 2018 through 2032 for the Consolidated P&L
2 (Unadjusted) case; (ii) Company management’s assumptions regarding the probability of success
3 of the products currently under development by the Company, including the likelihood of
4 technical, clinical, and regulatory success of each of the Company’s product candidates; and (iii)
5 the Company’s cash flows for each of the Company’s products and product candidates for years
6 2018 through 2032 for each of the Consolidated P&L (Unadjusted), Consolidated P&L (PoS
7 Adjusted), and Consolidated P&L (PoS Adjusted) — (Pending Tax Law Case) sets of
8 projections.
9

10 36. Additionally, the Solicitation Statement discloses certain projections of Ignyta for
11 non-GAAP (generally accepted accounting principles) metrics, including Operating Income and
12 Unlevered Free Cash Flow, but it fails to provide stockholders with the necessary reconciliation
13 of the non-GAAP projections to the most comparable GAAP measures.
14

15 37. To avoid misleading stockholders with non-GAAP financial measures in business
16 combinations such as the Proposed Transaction, publicly traded companies must provide a
17 reconciliation of the differences between the non-GAAP financial measures with the most
18 comparable financial measures calculated and presented in accordance with GAAP. Indeed,
19 defendants acknowledge in the Solicitation Statement that “Operating Income does not represent
20 funds available for discretionary use and is not intended to represent or to be used as a substitute
21 for net income or cash flows from operations data, as measured under U.S. GAAP,” and that
22 “Unlevered Free Cash Flow is a non-GAAP financial measure and should not be considered as
23 an alternative to operating income or net income as a measure of operating performance or cash
24 flow or as a measure of liquidity.” As such, stockholders are entitled to a reconciliation of the
25 non-GAAP projections to the most comparable GAAP measures.
26

1 38. With respect to BofA Merrill Lynch's Selected Publicly Traded Companies
2 Analyses, the Solicitation Statement fails to disclose the individual multiples and financial
3 metrics for each of the companies observed by BofA Merrill Lynch in its analysis.

4 39. With respect to BofA Merrill Lynch's Selected Transactions Analysis, the
5 Solicitation Statement fails to disclose the individual multiples and financial metrics for each of
6 the transactions observed by BofA Merrill Lynch in its analysis.

7 40. With respect to BofA Merrill Lynch's Discounted Cash Flow Analysis, the
8 Solicitation Statement fails to disclose: (i) the specific inputs and assumptions underlying the
9 discount rate range of 12.25% to 16.25% calculated and used by BofA Merrill Lynch in its
10 analysis; (ii) the present value of the benefits from the Company's net operating loss
11 carryforwards and future losses over the period from calendar year 2018 through calendar year
12 2020; (iii) BofA Merrill Lynch's basis for selecting perpetuity growth rates of negative 50% to
13 negative 30%; and (iv) the terminal exit multiples implied by BofA Merrill Lynch's analysis.

14 41. With respect to J.P. Morgan's Discounted Cash Flow Analysis, the Solicitation
15 Statement fails to disclose: (i) the specific inputs and assumptions underlying the discount rate
16 range of 11.00% to 15.00% calculated and used by J.P. Morgan in its analysis; (ii) the amount of
17 net cash that J.P. Morgan added to the present value of the unlevered free cash flow estimates
18 and the range of terminal values; (iii) whether J.P. Morgan incorporated the present value of the
19 benefits from the Company's net operating loss carryforwards and future losses in its analysis
20 (and if so, the amount it added, and if not, the reason it did not); (iv) J.P. Morgan's basis for
21 selecting perpetuity growth rates of negative 50% to negative 30%; and (v) the terminal exit
22 multiples implied by J.P. Morgan's analysis.

23 42. The omission of this material information renders the Solicitation Statement false
24
25
26

1 and misleading, including, *inter alia*, the following section of the Solicitation Statement: (i)
2 Background and Reasons for the Company Board’s Recommendation; and (ii) Certain
3 Projections.

4 43. The Solicitation Statement omits material information relating to potential
5 conflicts of interest of BofA Merrill Lynch and J.P. Morgan. Due to the central role played by
6 investment banks in the evaluation, exploration, selection, and implementation of strategic
7 alternatives, stockholders are entitled to the full disclosure of investment banker compensation
8 and all potential conflicts of interest.

9
10 44. With respect to BofA Merrill Lynch, the Solicitation Statement lists a number of
11 services that “BofA Merrill Lynch and its affiliates in the past have provided, currently are
12 providing, and in the future may provide” to Roche and its affiliates, and states that BofA Merrill
13 Lynch earned approximately \$1 million for those services from December 1, 2015 through
14 November 30, 2017. The Solicitation Statement, however, fails to disclose precisely what
15 services BofA Merrill Lynch was providing to Roche or its affiliates during its engagement by
16 Ignyta in connection with the Proposed Transaction, and the amount of compensation that Roche
17 has earned or expects to earn from those services. In light of BofA Merrill Lynch’s probable
18 simultaneous engagement by Ignyta and Roche, defendants must fully disclose the precise nature
19 of BofA Merrill Lynch’s current engagements by Roche, including the timing of the
20 engagements, the scope and terms of the engagements, and the amount of compensation that
21 BofA Merrill Lynch is expected to earn in connection with the engagements.

22
23
24 45. Further, the Solicitation Statement indicates that the Board decided to engage
25 BofA Merrill Lynch as a financial advisor to the Company in light of, among other things, “the
26 Company’s prior positive experience with BofA Merrill Lynch as an advisor to the Company.”

1 The Solicitation Statement, however, fails to disclose the nature, timing, and terms of BofA
2 Merrill Lynch's past financial and advisory engagements by Ignyta, including the amount of
3 compensation that BofA Merrill Lynch has earned in connection with those engagements.

4 46. With respect to J.P. Morgan, the Solicitation Statement states that, "[d]uring the
5 two years preceding the date of J.P. Morgan's opinion, J.P. Morgan and its affiliates have had
6 commercial or investment banking relationships with Parent or its affiliates for which J.P.
7 Morgan and such affiliates have received customary compensation." However, according to J.P.
8 Morgan's fairness opinion, which is attached as Annex II to the Solicitation Statement, "[d]uring
9 the two years preceding the date of this letter, neither we [J.P. Morgan] nor our affiliates have
10 had any material financial advisory or other material commercial or investment banking
11 relationships with the Acquiror."
12

13 47. The Solicitation Statement must clarify whether J.P. Morgan has provided
14 services to Roche or its affiliates in the past. If it has, the Solicitation Statement must disclose
15 the nature, timing, and terms of those past engagements and services, including whether any of
16 those services have occurred during J.P. Morgan's engagement by Ignyta in connection with the
17 Proposed Transaction. Further, the Solicitation Statement must disclose whether the Board was
18 made aware of J.P. Morgan's past services and relationship with Roche, and if so, when the
19 Board was made aware and by whom. The Solicitation Statement must also disclose the reason
20 J.P. Morgan's fairness opinion states that it has not had any financial advisory or other
21 commercial or investment banking relationships with Roche.
22

23 48. The omission of this material information renders the Solicitation Statement false
24 and misleading, including, *inter alia*, the following section of the Solicitation Statement: (i)
25 Background and Reasons for the Company Board's Recommendation; and (ii) Annex II Opinion
26

1 of J.P. Morgan Securities LLC.

2 49. The Solicitation Statement omits material information regarding potential
3 conflicts of interest of the Company's executive officers. Specifically, the Solicitation Statement
4 fails to disclose whether any representatives of Roche have made any overtures to, or have had
5 any discussions with, any of Ignyta's executive officers or directors regarding post-merger
6 employing or directorships during the negotiations leading to the execution of the Merger
7 Agreement. To the extent that any such discussions or overtures have occurred, the Solicitation
8 Statement must fully disclose the nature, timing, and substance of those discussions or overtures,
9 including who participated in the discussions. This information is necessary for stockholders to
10 understand potential conflicts of interest of management and the Board, as that information
11 provides illumination concerning motivations that would prevent fiduciaries from acting solely
12 in the best interests of the Company's stockholders.
13
14

15 50. The omission of this material information renders the Solicitation Statement false
16 and misleading, including, *inter alia*, the following section of the Solicitation Statement: (i)
17 Arrangements with Current Executive Officers and Directors of the Company; and (ii)
18 Background and Reasons for the Company Board's Recommendation.

19 51. The above-referenced omitted information, if disclosed, would significantly alter
20 the total mix of information available to Ignyta's stockholders.
21

22 **COUNT I**

23 **(Claim for Violation of Section 14(e) of the 1934 Act Against Defendants)**

24 52. Plaintiff repeats and realleges the preceding allegations as if fully set forth herein.

25 53. Section 14(e) of the 1934 Act states, in relevant part, that:

26 It shall be unlawful for any person to make any untrue statement of a material fact

1 or omit to state any material fact necessary in order to make the statements made,
2 in the light of the circumstances under which they are made, not misleading . . . in
connection with any tender offer or request or invitation for tenders[.]

3 54. Defendants disseminated the misleading Solicitation Statement, which contained
4 statements that, in violation of Section 14(e) of the 1934 Act, in light of the circumstances under
5 which they were made, omitted to state material facts necessary to make the statements therein
6 not misleading.

7 55. The Solicitation Statement was prepared, reviewed, and/or disseminated by
8 defendants.
9

10 56. The Solicitation Statement misrepresented and/or omitted material facts in
11 connection with the Proposed Transaction as set forth above.

12 57. By virtue of their positions within the Company and/or roles in the process and
13 the preparation of the Solicitation Statement, defendants were aware of this information and their
14 duty to disclose this information in the Solicitation Statement.

15 58. The omissions in the Solicitation Statement are material in that a reasonable
16 shareholder will consider them important in deciding whether to tender their shares in connection
17 with the Proposed Transaction. In addition, a reasonable investor will view a full and accurate
18 disclosure as significantly altering the total mix of information made available.
19

20 59. Defendants knowingly or with deliberate recklessness omitted the material
21 information identified above in the Solicitation Statement, causing statements therein to be
22 materially incomplete and misleading.

23 60. By reason of the foregoing, defendants violated Section 14(e) of the 1934 Act.

24 61. Because of the false and misleading statements in the Solicitation Statement,
25 plaintiff and the Class are threatened with irreparable harm.
26

1 62. Plaintiff and the Class have no adequate remedy at law.

2 **COUNT II**

3 **(Claim for Violation of 14(d) of the 1934 Act Against Defendants)**

4 63. Plaintiff repeats and realleges the preceding allegations as if fully set forth herein.

5 64. Section 14(d)(4) of the 1934 Act states:

6 Any solicitation or recommendation to the holders of such a security to accept or
7 reject a tender offer or request or invitation for tenders shall be made in
8 accordance with such rules and regulations as the Commission may prescribe as
9 necessary or appropriate in the public interest or for the protection of investors.

10 65. Rule 14d-9(d) states, in relevant part:

11 Any solicitation or recommendation to holders of a class of securities referred to
12 in section 14(d)(1) of the Act with respect to a tender offer for such securities
13 shall include the name of the person making such solicitation or recommendation
14 and the information required by Items 1 through 8 of Schedule 14D-9 (§ 240.14d-
15 101) or a fair and adequate summary thereof[.]

16 Item 8 requires that directors must “furnish such additional information, if any, as may be
17 necessary to make the required statements, in light of the circumstances under which they are
18 made, not materially misleading.”

19 66. The Solicitation Statement violates Section 14(d)(4) and Rule 14d-9 because it
20 omits the material facts set forth above, which renders the Solicitation Statement false and/or
21 misleading.

22 67. Defendants knowingly or with deliberate recklessness omitted the material
23 information set forth above, causing statements therein to be materially incomplete and
24 misleading.

25 68. The omissions in the Solicitation Statement are material to plaintiff and the Class,
26 and they will be deprived of their entitlement to make a fully informed decision with respect to
27 the Proposed Transaction if such misrepresentations and omissions are not corrected prior to the

1 expiration of the tender offer.

2 69. Plaintiff and the Class have no adequate remedy at law.

3 **COUNT III**

4 **(Claim for Violation of Section 20(a) of the 1934 Act**
5 **Against the Individual Defendants and Roche)**

6 70. Plaintiff repeats and realleges the preceding allegations as if fully set forth herein.

7 71. The Individual Defendants and Roche acted as controlling persons of Ignyta
8 within the meaning of Section 20(a) of the 1934 Act as alleged herein. By virtue of their
9 positions as officers and/or directors of Ignyta and participation in and/or awareness of the
10 Company's operations and/or intimate knowledge of the false statements contained in the
11 Solicitation Statement filed with the SEC, they had the power to influence and control and did
12 influence and control, directly or indirectly, the decision making of the Company, including the
13 content and dissemination of the various statements that plaintiff contends are false and
14 misleading.
15

16 72. Each of the Individual Defendants and Roche was provided with or had unlimited
17 access to copies of the Solicitation Statement alleged by plaintiff to be misleading prior to and/or
18 shortly after these statements were issued and had the ability to prevent the issuance of the
19 statements or cause them to be corrected.
20

21 73. In particular, each of the Individual Defendants had direct and supervisory
22 involvement in the day-to-day operations of the Company, and, therefore, is presumed to have
23 had the power to control and influence the particular transactions giving rise to the violations as
24 alleged herein, and exercised the same. The Solicitation Statement contains the unanimous
25 recommendation of the Individual Defendants to approve the Proposed Transaction. They were
26

1 thus directly connected with and involved in the making of the Solicitation Statement.

2 74. Roche also had direct supervisory control over the composition of the Solicitation
3 Statement and the information disclosed therein, as well as the information that was omitted
4 and/or misrepresented in the Solicitation Statement.

5 75. By virtue of the foregoing, the Individual Defendants and Roche violated Section
6 20(a) of the 1934 Act.

7
8 76. As set forth above, the Individual Defendants and Roche had the ability to
9 exercise control over and did control a person or persons who have each violated Section 14(e)
10 of the 1934 Act and Rule 14a-9, by their acts and omissions as alleged herein. By virtue of their
11 positions as controlling persons, these defendants are liable pursuant to Section 20(a) of the 1934
12 Act.

13
14 77. As a direct and proximate result of defendants' conduct, plaintiff and the Class are
15 threatened with irreparable harm.

16 78. Plaintiff and the Class have no adequate remedy at law.

17 **PRAYER FOR RELIEF**

18 **WHEREFORE**, plaintiff prays for judgment and relief as follows:

19 A. Enjoining defendants and all persons acting in concert with them from proceeding
20 with, consummating, or closing the Proposed Transaction;

21
22 B. In the event defendants consummate the Proposed Transaction, rescinding it and
23 setting it aside or awarding rescissory damages;

24 C. Directing the Individual Defendants to file a Solicitation Statement that does not
25 contain any untrue statements of material fact and that states all material facts required in it or
26 necessary to make the statements contained therein not misleading;

1 D. Declaring that defendants violated Sections 14(e), 14(d), and 20(a) of the 1934
2 Act, as well as Rule 14a-9 promulgated thereunder;

3 E. Awarding plaintiff the costs of this action, including reasonable allowance for
4 plaintiff's attorneys' and experts' fees; and

5 F. Granting such other and further relief as this Court may deem just and proper.
6

7 **JURY DEMAND**

8 Plaintiff hereby demands a trial by jury.

9 Dated: January 19, 2018

WEISS LAW LLP

10 By: 

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16 **OF COUNSEL:**

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24
25
26
27

CERTIFICATION OF PLAINTIFF

I, Anthony Franchi (“Plaintiff”), hereby declare as to the claims asserted under the federal securities laws that:

1. Plaintiff has reviewed the complaint and authorizes its filing.
2. Plaintiff did not purchase the security that is the subject of this action at the direction of Plaintiff’s counsel or in order to participate in any private action.
3. Plaintiff is willing to serve as a representative party on behalf of the class, either individually or as part of a group, and I will testify at deposition or trial, if necessary. I understand that this is not a claim form and that I do not need to execute this Certification to share in any recovery as a member of the class.
4. Plaintiff’s purchase and sale transactions in the Ignyta, Inc. (NasdaqCM: RXDX) security that is the subject of this action during the class period is/are as follows:

PURCHASES

| Buy Date | Shares | Price per Share |
|----------|--------|-----------------|
| 12/6/17 | 10 | \$15.34 |
| | | |
| | | |
| | | |

SALES

| Sell Date | Shares | Price per Share |
|-----------|--------|-----------------|
| | | |
| | | |
| | | |
| | | |

Please list additional transactions on separate sheet of paper, if necessary.

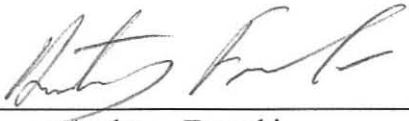
5. Plaintiff has complete authority to bring a suit to recover for investment losses on behalf of purchasers of the subject securities described herein (including Plaintiff, any co-owners, any corporations or other entities, and/or any beneficial owners).

6. During the three years prior to the date of this Certification, Plaintiff has not moved to serve as a representative party for a class in an action filed under the federal securities laws.

7. Plaintiff will not accept any payment for serving as a representative party on behalf of the class beyond Plaintiff's *pro rata* share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the class as ordered or approved by the Court.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 17th day of January, 2018.



Anthony Franchi

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS ANTHONY FRANCHI, Individually and On Behalf of All Others Similarly Situated, (b) County of Residence of First Listed Plaintiff (c) Attorneys Weisslaw LLP 9107 Wilshire Blvd., Suite 450, Beverly Hills, CA 90210 (310) 208-2800

DEFENDANTS IGNYTA, INC., JONATHAN E. LIM, JAMES BRISTOL, ALEX CASDIN, HEINER DREISMANN, JAMES FREDDO, STEVE HOERTER, ROCHE HOLDINGS, INC., et al. County of Residence of First Listed Defendant San Diego County, CA NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED. Attorneys (If Known) '18CV0131 DMS JLB

II. BASIS OF JURISDICTION (Place an "X" in One Box Only) 1 U.S. Government Plaintiff 2 U.S. Government Defendant 3 Federal Question (U.S. Government Not a Party) 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant) (For Diversity Cases Only) PTF DEF Citizen of This State 1 1 Incorporated or Principal Place of Business In This State Citizen of Another State 2 2 Incorporated and Principal Place of Business In Another State Citizen or Subject of a Foreign Country 3 3 Foreign Nation 4 4 5 5 6 6

IV. NATURE OF SUIT (Place an "X" in One Box Only) CONTRACT 110 Insurance 120 Marine 130 Miller Act 140 Negotiable Instrument 150 Recovery of Overpayment & Enforcement of Judgment 151 Medicare Act 152 Recovery of Defaulted Student Loans (Excludes Veterans) 153 Recovery of Overpayment of Veteran's Benefits 160 Stockholders' Suits 190 Other Contract 195 Contract Product Liability 196 Franchise TORTS PERSONAL INJURY 310 Airplane 315 Airplane Product Liability 320 Assault, Libel & Slander 330 Federal Employers' Liability 340 Marine 345 Marine Product Liability 350 Motor Vehicle 355 Motor Vehicle Product Liability 360 Other Personal Injury 362 Personal Injury - Medical Malpractice 365 Personal Injury - Product Liability 367 Health Care/Pharmaceutical Personal Injury Product Liability 368 Asbestos Personal Injury Product Liability 370 Other Fraud 371 Truth in Lending 380 Other Personal Property Damage 385 Property Damage Product Liability FORFEITURE/PENALTY 625 Drug Related Seizure of Property 21 USC 881 690 Other LABOR 710 Fair Labor Standards Act 720 Labor/Management Relations 740 Railway Labor Act 751 Family and Medical Leave Act 790 Other Labor Litigation 791 Employee Retirement Income Security Act IMMIGRATION 462 Naturalization Application 465 Other Immigration Actions BANKRUPTCY 422 Appeal 28 USC 158 423 Withdrawal 28 USC 157 SOCIAL SECURITY 861 HIA (1395ff) 862 Black Lung (923) 863 DIWC/DIWW (405(g)) 864 SSID Title XVI 865 RSI (405(g)) FEDERAL TAX SUITS 870 Taxes (U.S. Plaintiff or Defendant) 871 IRS—Third Party 26 USC 7609 OTHER STATUTES 375 False Claims Act 376 Qui Tam (31 USC 3729(a)) 400 State Reapportionment 410 Antitrust 430 Banks and Banking 450 Commerce 460 Deportation 470 Racketeer Influenced and Corrupt Organizations 480 Consumer Credit 490 Cable/Sat TV 850 Securities/Commodities/Exchange 890 Other Statutory Actions 891 Agricultural Acts 893 Environmental Matters 895 Freedom of Information Act 896 Arbitration 899 Administrative Procedure Act/Review or Appeal of Agency Decision 950 Constitutionality of State Statutes

V. ORIGIN (Place an "X" in One Box Only) 1 Original Proceeding 2 Removed from State Court 3 Remanded from Appellate Court 4 Reinstated or Reopened 5 Transferred from Another District (specify) 6 Multidistrict Litigation - Transfer 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): 15 U.S.C. §§ 78n(d), 78n(e), 78t(a), and 17 C.F.R. 240.14d-9 Brief description of cause: Violation of Sections 14(e), 14(d), and 20(a) of the 1934 Act and Rule 14a-9

VII. REQUESTED IN COMPLAINT: CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. DEMAND \$ CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY (See instructions): JUDGE Roger T. Benitez DOCKET NUMBER 3:18-cv-00082-BEN-BGS

DATE 01/19/2018 SIGNATURE OF ATTORNEY OF RECORD

FOR OFFICE USE ONLY RECEIPT # AMOUNT APPLYING IFP JUDGE MAG. JUDGE

ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Ignyta, Roche Accused of Misleading Investors About Acquisition](#)
