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10 Attorneys for Plaintiff

11 UNITED STATES DISTRICT COURT
 12 CENTRAL DISTRICT OF CALIFORNIA
 13 WESTERN DIVISION

14 R. BRIAN TERENCEZINI, Individually
 and on Behalf of All Others Similarly
 15 Situated,

16 Plaintiff,

17 vs.

18 GOODRX HOLDINGS, INC.,
 DOUGLAS HIRSCH, TREVOR
 19 BEZDEK and KARSTEN
 VOERMANN,
 20

21 Defendants.

) Case No. 2:20-cv-11444

) CLASS ACTION

) COMPLAINT FOR VIOLATIONS OF
THE FEDERAL SECURITIES LAW

) DEMAND FOR JURY TRIAL

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1 Plaintiff R. Brian Terenzini (“plaintiff”), individually and on behalf of all others
2 similarly situated, alleges the following based upon information and belief as to the
3 investigation conducted by plaintiff’s counsel, which included, among other things, a
4 review of U.S. Securities and Exchange Commission (“SEC”) filings by GoodRx
5 Holdings, Inc. (“GoodRx” or the “Company”) and securities analyst reports, press
6 releases, and other public statements issued by, or about, the Company. Plaintiff
7 believes that substantial additional evidentiary support will exist for the allegations set
8 forth herein after a reasonable opportunity for discovery.

9 **NATURE OF THE ACTION**

10 1. This is a federal securities class action brought on behalf of all purchasers
11 of GoodRx Class A common stock (the “Class”) between September 23, 2020 and
12 November 16, 2020, inclusive (the “Class Period”), seeking to pursue remedies under
13 the Securities Exchange Act of 1934 (the “Exchange Act”).

14 **JURISDICTION AND VENUE**

15 2. The claims asserted herein arise under §§10(b) and 20(a) of the Exchange
16 Act, 15 U.S.C. §§78j(b) and 78t(a), and Rule 10b-5 promulgated thereunder by the
17 SEC, 17 C.F.R. §240.10b-5. This Court has jurisdiction over the subject matter of this
18 action under §27 of the Exchange Act, 15 U.S.C. §78aa, and 28 U.S.C. §1331,
19 because this is a civil action arising under the laws of the United States of America.

20 3. Venue is proper in this District under §27 of the Exchange Act, 15 U.S.C.
21 §78aa, and 28 U.S.C. §1391(b)-(d). The Company maintains its principal executive
22 offices in this District, and many of the acts charged herein, including the
23 dissemination of materially false and misleading information, occurred in substantial
24 part in this District.

25 4. In connection with the acts alleged in this complaint, defendants (defined
26 below) directly or indirectly, used the means and instrumentalities of interstate
27 commerce, including, without limitation, the U.S. mail, interstate telephone and other
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1 electronic communications, and the facilities of the NASDAQ Global Select Market
2 (“NASDAQ”), a national securities exchange.

3 **PARTIES**

4 5. Plaintiff R. Brian Terenzini, as set forth in the accompanying certification
5 incorporated by reference herein, purchased GoodRx Class A common stock
6 (hereinafter “common stock” or “common shares”) during the Class Period and has
7 been damaged thereby.

8 6. Defendant GoodRx is a holding company that owns and operates a U.S.
9 consumer-focused digital healthcare platform. The Company maintains its principal
10 executive offices in Santa Monica, California and its common stock is listed and
11 trades on the NASDAQ under the ticker symbol “GDRX.”

12 7. Defendant Douglas Hirsch (“Hirsch”) is, and was at all relevant times,
13 Co-Chief Executive and a director of GoodRx.

14 8. Defendant Trevor Bezdek (“Bezdek”) is, and was at all relevant times,
15 Co-Chief Executive and a director of GoodRx.

16 9. Defendant Karsten Voermann (“Voermann”) is, and was at all relevant
17 times, Chief Financial Officer of GoodRx.

18 10. Defendants Hirsch, Bezdek and Voermann are collectively referred to
19 hereinafter as the “Individual Defendants.” GoodRx and the Individual Defendants
20 are collectively referred to herein as “defendants.”

21 11. Because of the Individual Defendants’ executive positions, they each had
22 access to the undisclosed adverse information about GoodRx’s business, operations,
23 services, competition, competitive market trends, and present and future business
24 prospects via internal corporate documents, conversations and connections with other
25 corporate officers and employees, attendance at management and Board of Directors
26 meetings and committees thereof.

27 12. Each of the Individual Defendants was directly involved in the
28 management and day-to-day operations of the Company at the highest levels and was

1 privity to confidential proprietary information concerning the Company and its
2 business, operations, services, competition, competitive market trends and present and
3 future business prospects, as alleged herein. In addition, the Individual Defendants
4 were involved in drafting, producing, reviewing and/or disseminating the false and
5 misleading statements and information alleged herein, were aware of, or recklessly
6 disregarded, the false and misleading statements being issued regarding the Company,
7 and approved or ratified these statements, in violation of the federal securities laws.

8 13. As officers and controlling persons of a publicly held company whose
9 common stock is registered with the SEC pursuant to the Exchange Act and trades on
10 the NASDAQ, which is governed by the provisions of the federal securities laws, the
11 Individual Defendants each had a duty to promptly disseminate accurate and truthful
12 information with respect to the Company's operations, business, services, markets,
13 competition, competitive market trends and present and future business prospects. In
14 addition, the Individual Defendants each had a duty to correct any previously issued
15 statements that had become materially misleading or untrue, so that the market price
16 of the Company's publicly traded common shares would be based upon truthful and
17 accurate information. Defendants' false and misleading misrepresentations and
18 omissions during the Class Period violated these specific requirements and
19 obligations.

20 14. The Individual Defendants, because of their positions of control and
21 authority as officers and/or directors of the Company, were able to, and did, control
22 the content of the various SEC filings, press releases and other public statements
23 pertaining to the Company during the Class Period. Each Individual Defendant was
24 provided with copies of the documents alleged herein to be misleading before or
25 shortly after their issuance and/or had the ability and/or opportunity to prevent their
26 issuance or cause them to be corrected. Accordingly, each Individual Defendant is
27 responsible for the accuracy of the public statements detailed herein and is, therefore,
28 primarily liable for the representations contained therein.

1 15. Each defendant is liable as a participant in a fraudulent scheme and
2 course of business that operated as a fraud or deceit on purchasers of GoodRx
3 common stock by disseminating materially false and misleading statements and/or
4 concealing material adverse facts. The scheme: (i) deceived the investing public
5 regarding GoodRx’s business, operations, services, competition, competitive market
6 trends and present and future business prospects; (ii) facilitated the Company’s
7 September 2020 initial public offering (“IPO”); (iii) created artificial demand for the
8 GoodRx common shares sold in the IPO; (iv) enabled the Company to receive ***\$887***
9 ***million*** in net proceeds from the sale of GoodRx common stock in the IPO; (v)
10 enabled certain existing shareholders, including affiliates of the Individual
11 Defendants, executive officers and Company employees, to collectively reap gross
12 proceeds of more than ***\$369 million*** from the sale of GoodRx common stock in the
13 IPO; and (vi) caused plaintiff and the Class to purchase GoodRx publicly traded
14 common stock at artificially inflated prices.

15 SUBSTANTIVE ALLEGATIONS

16 16. Nearly a decade ago, defendant Hirsch, a former Facebook Inc.
17 executive, and defendant Bezdek created what has now become a popular and fast-
18 growing digital U.S. prescription drug shopping platform designed to aid people in
19 finding the lowest prescription drug prices in their local areas. In October 2015,
20 GoodRx acquired 100% of the outstanding shares of GoodRx, Inc., the entity that
21 owns and operates the digital shopping platform created by defendants Hirsch and
22 Bezdek.

23 17. GoodRx represents that it provides consumers with free information and
24 tools that allow them to compare prices and save on their prescription drug purchases.
25 The Company provides its users with these services via apps and websites that display
26 prices and discounts at local and mail-order pharmacies for both insured and
27 uninsured Americans.

28

1 18. GoodRx primarily earns its revenue from prescription transaction fees
2 paid by Pharmacy Benefit Managers (“PBMs”) that manage formularies and
3 prescription transactions. The Company also generates revenue from subscription,
4 advertising and telehealth services.

5 19. Generally, PBMs are obligated to pay the Company prescription
6 transaction fees when a prescription is filled with a GoodRx code provided through its
7 platform that allows the consumer to purchase the prescribed drug at a price that is
8 less than a pharmacy’s list price. The agreements between GoodRx and PBMs
9 generally provide that when a consumer uses a GoodRx code presented on its
10 platform, the Company is entitled to either a percentage of fees the PBM charges the
11 pharmacy or a fixed amount per type of medication prescription. GoodRx recognizes
12 revenue for the estimated fee due from the PBM when the pharmacy fills the
13 prescribed medication.

14 20. On August 28, 2020, GoodRx filed with the SEC a Form S-1 Registration
15 Statement (the “Registration Statement”) for its IPO signed by the Individual
16 Defendants. The Registration Statement, as amended, was declared effective by the
17 SEC on September 22, 2020.

18 21. On September 24, 2020, GoodRx filed with the SEC a prospectus, which
19 forms part of the Registration Statement (the “Prospectus”), for the IPO offering to
20 sell to the public over 23.4 million common shares by the Company (excluding the
21 underwriters’ option to purchase an additional 5.2 million common shares) and 11.2
22 million common shares by certain selling stockholders.

23 22. On September 25, 2020, GoodRx closed its IPO. In the offering, the
24 Company and certain existing stockholders sold over 39.8 million common shares for
25 \$33 per share, including the full exercise of the underwriters’ option, generating over
26 \$1.3 billion in gross offering proceeds.

27 23. At the time of the IPO, unbeknownst to investors, Amazon.com, Inc.
28 (“Amazon”) was developing and would soon introduce its own online and mobile

1 prescription medication ordering and fulfillment service that would directly compete
2 with GoodRx. Defendants timed the IPO so that it was priced before Amazon
3 announced its online pharmaceutical business to facilitate the IPO and create artificial
4 demand for the common shares sold therein, as well to maximize the amount of
5 money the Company and the selling stockholders could raise in the IPO. Given
6 defendants' knowledge of Amazon's intention to enter the online pharmaceutical
7 business, and their misleading statements about GoodRx's competitive position made
8 contemporaneously with that knowledge, defendants' materially false and/or
9 misleading statements alleged herein were made willfully and caused GoodRx
10 common stock to trade at artificially inflated prices during the Class Period.

11 **MATERIALLY FALSE AND MISLEADING STATEMENTS AND**
12 **OMISSION ISSUED DURING THE CLASS PERIOD**

13 24. The Class Period begins on September 23, 2020, the first day GoodRx
14 common stock began publicly trading on the NASDAQ. The previous day, the SEC
15 had declared the Registration Statement effective. The Registration Statement
16 remained alive and uncorrected throughout the Class Period and was incorporated into
17 and formed part of the Prospectus filed on September 24, 2020.

18 25. The Registration Statement contained materially false and misleading
19 statements about GoodRx's competitive positioning, stating, in pertinent part: "***Our***
20 ***partnerships across the healthcare ecosystem, scale and strong consumer brand***
21 ***create a deep competitive moat that is reinforced by our proprietary technology***
22 ***platform***, which processes over 150 billion pricing data points every day and
23 integrates that data into an interface that is convenient and easy to use for
24 consumers."¹

25 26. Similarly, the Registration Statement stated, in pertinent part: "***We are a***
26 ***market leader with a significant scale and brand advantage over our competitors.***

27 _____
28 ¹ Unless otherwise noted, all emphasis herein is added.

1 *Our growth accelerates self-reinforcing network effects that further strengthen our*
2 *competitive position.”*

3 27. The Registration Statement also identified various competitive
4 advantages which purportedly “set[] [GoodRx] [a]part,” stating, in pertinent part:

5 **What Sets Us Apart**

6 *We are a market leader with a significant scale and brand*
7 *advantage over our competitors. Our growth accelerates self-*
8 *reinforcing network effects that further strengthen our competitive*
9 *position. Our competitive strengths consist of:*

- 10 • **Leading Platform:** We believe that we are the largest platform
11 that aggregates pricing for prescriptions. Our proprietary platform
12 enables us to collect and normalize over 150 billion prescription
13 pricing data points every day from sources spanning the
14 healthcare industry.
- 15 • **Trusted Brand:** We have built a trusted brand based on nearly a
16 decade of consumer-focused product development. We strive to
17 be with the consumer throughout their healthcare journey. We are
18 guided by the principle of doing well for consumers and the
19 healthcare industry as a whole, which we believe helps us build
20 trust, engagement and brand loyalty.
- 21 • **Scaled and Growing Network:** Our leading consumer-focused
22 digital healthcare platform and brand have facilitated rapid growth
23 in our consumer base, which has helped us achieve significant
24 scale. As we have scaled, we have been able to increase the
25 savings that we provide our consumers, in part by leveraging our
26 growing consumer base to attract more partners and source better
27 prices.

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- 1 • **Consumer-focus:** We empower consumers with the tools and
2 resources to navigate the complexity of the healthcare system.
3 Our platform delivers a consumer-first experience that is
4 convenient and is easy to use and understand.
- 5 • **Extensible Platform:** The large number of highly engaged
6 consumers who trust our brand and platform provide a strong
7 foundation for the development of new products that extend
8 across the healthcare market. We have demonstrated our ability to
9 develop new products such as our subscription offerings and
10 pharmaceutical manufacturer solutions offering, and integrate
11 acquired companies such as HeyDoctor.
- 12 • **Cash Generative Monetization Model:** We believe our business
13 model has facilitated the rapid growth and expansion of our
14 platform. We have a track record of generating cash flows,
15 allowing us to reinvest in platform expansion and growth.

16 28. In addition, the Registration Statement provided generic statements of
17 potential competitive pressures that “may” or “could” impact GoodRx’s business in
18 the future, but failed to disclose the imminent and known direct competitor that was
19 being developed by Amazon at the time of the IPO, which would have severe negative
20 consequences for GoodRx’s business, operations and financial prospects. Indeed, the
21 Registration Statement did not even identify Amazon as a potential competitor,
22 instead stating in pertinent part:

23 We compete with companies that provide savings on prescriptions,
24 as well as companies that offer telehealth services and advertising and
25 market access for pharmaceutical manufacturers. Within the
26 prescriptions market, our competition is fragmented and consists of
27 competitors that are smaller than us in scale. There can be no assurance
28 that competitors will not develop and market similar offerings to ours, or

1 that industry participants, such as integrated PBMs and pharmacy
2 providers, will not seek to leverage our platform to drive consumer
3 demand and traffic to their networks and eventually away from, or
4 outside of, our platform. We *may* face increased competition from those
5 that attempt to replicate our business model or marketing tactics, such as
6 discount websites, apps, cash back and loyalty programs and new
7 comparison shopping sites from various industry participants, any of
8 which *could* impact our ability to attract and retain consumers.

9 29. Rather than disclose the truth, the Registration Statement highlighted the
10 Company's purported successes in growing its market share, stating, in pertinent part:

11 Our success is demonstrated by our 4.4 million Monthly Active
12 Consumers for the second quarter of 2020, the 15 million Monthly
13 Visitors for the second quarter of 2020, the approximately \$20 billion of
14 cumulative consumer savings generated for GoodRx consumers through
15 June 30, 2020 and our consumer and healthcare professional NPS scores
16 of 90 and 86, respectively, as of February 2020. On average, we have
17 been the most downloaded medical app on the Apple App Store and
18 Google Play App Store for the last three years. Our GoodRx app had a
19 rating of 4.8 out of 5.0 stars in the Apple App Store and 4.7 out of 5.0
20 stars in the Google Play App Store, with over 700,000 combined reviews
21 as of June 30, 2020. In both app stores, our HeyDoctor app had a rating
22 of 5.0 out of 5.0 stars, with over 8,000 combined reviews as of June 30,
23 2020.

24 30. The Registration Statement likewise stated: "We believe our financial
25 results reflect the significant market demand for our offerings and the value that we
26 provide to the broader healthcare ecosystem."

27 31. Moreover, the Registration Statement highlighted the Company's close
28 cooperation with Amazon and the purported benefits provided to GoodRx's business

1 and platform as a result of this close relationship. For example, the Registration
2 Statement represented: “We leverage major third-party cloud and data service
3 providers, such as Amazon Web Services” and claimed that GoodRx had “built a
4 modular system of services on top of this infrastructure” that was “cloud native,
5 scalable and reliable.” The Registration continued, in pertinent part:

6 *We rely on software-as-a-service, or SaaS, technologies from*
7 *third parties.*

8 We rely on SaaS technologies from third parties in order to
9 operate critical functions of our business, including financial
10 management services, relationship management services, marketing
11 services and data storage services. For example, we rely on Amazon
12 Web Services for a substantial portion of our computing and storage
13 capacity Amazon Web Services provides us with computing and
14 storage capacity pursuant to an agreement that continues until terminated
15 by either party.

16 32. On November 12, 2020, GoodRx issued a press release announcing its
17 financial results for the 2020 third quarter, the period ended September 30, 2020.
18 Later that day, GoodRx held a conference call with analysts and investors to discuss
19 the Company’s operations and earnings release. During the conference call, just four
20 business days before Amazon announced its intention to enter the online
21 pharmaceutical business, defendants were asked by a securities analyst to “talk about
22 any changes you’re seeing in the competitive environment.” In response, defendant
23 Bezdek falsely and misleadingly stated, in pertinent part, “*what we’ve seen is we have*
24 *not seen sort of any competitors that have really impacted our business in any way*
25 *sort of historically or currently.*”

26 33. The statements referenced in ¶¶25-32 above were materially false and
27 misleading when made because they misrepresented and failed to disclose the adverse
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1 facts about Amazon’s imminent entry into the online pharmaceutical business, which
2 were known to defendants or recklessly disregarded by them.

3 34. Specifically, defendants knew, but failed to disclose, that Amazon had
4 been in the process of developing and would soon introduce its own online and mobile
5 prescription medication ordering and fulfillment service. Indeed, numerous media
6 outlets had been reporting about Amazon’s anticipated foray into the online
7 pharmaceutical business after its 2018 acquisition of PillPack, Inc., an online
8 pharmacy startup founded in 2013. However, outside investors did not know the
9 scope or specific nature of Amazon’s pharmaceutical activities until the revelations
10 detailed herein, including Amazon’s use of discount cards that can be used in brick
11 and mortar pharmacies, its plans to enter the discount cash-pay market and its attempt
12 to directly replicate and compete with the GoodRx business model.

13 35. Moreover, defendants were aware that Amazon’s entry into the online
14 prescription medication ordering and fulfillment business was imminent because of
15 the Company’s close relationship with Amazon and reliance on Amazon Web
16 Services to support the Company’s platform. Furthermore, Amazon subsequently
17 teamed up with Inside Rx, a leading source for prescription drug prices and savings in
18 the United States that procures discounts on thousands of brand name and generic
19 medications. GoodRx has been a partner of Inside Rx since May 2017, and its
20 website states that it and Inside Rx have partnered with major drug manufacturers and
21 pharmacies to reduce the cost of more than 209 brand-name prescription drugs.

22 36. On November 17, 2020, just weeks after GoodRx completed its IPO,
23 Amazon announced two new pharmacy offerings, a Prime Rx plan and a discount card
24 program, which, among other things, would compete directly with GoodRx’s platform
25 by making it “simple for customers to compare prices and purchase medications for
26 home delivery, all in one place.” The Amazon press release stated, in pertinent part:

27 Amazon.com, Inc. (NASDAQ: AMZN) today announced two new
28 pharmacy offerings to help customers conveniently purchase their

1 prescription medications. Amazon Pharmacy, a new store on Amazon,
2 allows customers to complete an entire pharmacy transaction on their
3 desktop or mobile device through the Amazon App. Using a secure
4 pharmacy profile, customers can add their insurance information,
5 manage prescriptions, and choose payment options before checking out.
6 Prime members receive unlimited, free two-day delivery on orders from
7 Amazon Pharmacy included with their membership. . . .

8 Also new today, Prime members can access savings on
9 medications at Amazon Pharmacy when paying without insurance, as
10 well as at over 50,000 other participating pharmacies nationwide. The
11 Amazon Prime prescription savings benefit saves members up to 80%
12 off generic and 40% off brand name medications when paying without
13 insurance. Prime members will have access to their prescription savings
14 at checkout on Amazon Pharmacy, or can learn more at
15 amazon.com/primerx.

16 *Together the Amazon Prime prescription savings benefit and*
17 *Amazon Pharmacy make it simple for customers to compare prices and*
18 *purchase medications for home delivery, all in one place.*

19 37. That same day, CNBC.com reported that Amazon Prime members would
20 now have access to discounts of up to 80% on generic medications and up to 40% on
21 brand-name prescriptions through its relationship with the Inside Rx savings program.
22 This competitive pricing posed a severe threat to GoodRx's business model.

23 38. In response to this news, the price of GoodRx common stock declined
24 **23%**, from \$46.72 per share to \$36.21 per share by market close on November 17,
25 2020, erasing more than **\$4 billion** of the Company's market capitalization on
26 extremely heavy trading volume of over 23 million shares traded. Prior to the
27 disclosure of the adverse facts detailed above, Andrew Slutsky, the Company's
28 Consumer President, and Idea Men, LLC, an entity whose managing members

1 included defendants Hirsch and Bezdek, collectively sold **\$132 million** worth of
2 GoodRx common stock in the IPO.

3 39. After Amazon's Prime Rx plan and discount card program were made
4 public, securities analysts downgraded and slashed price targets on GoodRx common
5 shares on fears that Amazon's pharmacy offerings would materially impact the
6 Company's business and that GoodRx's price saving tools could be made irrelevant
7 by Amazon's discounts.

8 40. The market for GoodRx common stock was open, well-developed and
9 efficient at all relevant times. As a result of the alleged materially false and/or
10 misleading statements, and/or omissions of material fact alleged herein, GoodRx
11 common stock traded at artificially inflated prices during the Class Period. Plaintiff
12 and other members of the Class purchased GoodRx common stock relying upon the
13 integrity of the market price of GoodRx common stock and market information
14 relating to GoodRx, and have been damaged thereby.

15 41. During the Class Period, defendants materially misled the investing
16 public, thereby inflating the price of GoodRx common stock, by publicly issuing false
17 and misleading statements and omitting to disclose material facts necessary to make
18 defendants' statements, as set forth herein, not false and misleading. Said statements
19 and omissions were materially false and misleading in that they failed to disclose
20 material adverse information and misrepresented the truth about the Company, its
21 business and operations, as alleged herein.

22 42. At all relevant times, the material misrepresentations and omissions
23 particularized in this complaint directly or proximately caused, or were a substantial
24 contributing cause of, the damages sustained by plaintiff and other members of the
25 Class. As described herein, during the Class Period, defendants made or caused to be
26 made a series of materially false or misleading statements about GoodRx's business,
27 competition, competitive market trends and its operations. These material
28 misstatements and omissions had the cause and effect of creating in the marketplace

1 an unrealistically positive assessment of GoodRx, its business, competitive risks,
2 services, and financial prospects, thus causing the Company's common stock to be
3 overvalued and artificially inflated at all relevant times. Defendants' materially false
4 and misleading statements during the Class Period resulted in plaintiff and other
5 members of the Class purchasing GoodRx common stock at artificially inflated prices,
6 thus causing the damages complained of herein.

7 **ADDITIONAL SCIENTER ALLEGATIONS**

8 43. As alleged herein, defendants acted with scienter in that they knew that
9 the public documents and statements issued or disseminated in the name of the
10 Company were materially false and misleading; knew that such statements or
11 documents would be issued or disseminated to the investing public; and knowingly
12 and substantially participated or acquiesced in the issuance or dissemination of such
13 statements or documents as primary violations of the federal securities laws.
14 Defendants, by virtue of their receipt of information reflecting the true facts regarding
15 the GoodRx's competitive landscape, their control over, and/or receipt and/or
16 modification of GoodRx's allegedly materially misleading misstatements and/or their
17 associations with the Company, which made them privy to confidential proprietary
18 information concerning GoodRx, participated in the fraudulent scheme alleged herein.

19 44. The fraudulent scheme described herein could not have been perpetrated
20 during the Class Period without the knowledge and complicity of, or at least the
21 reckless disregard by, personnel at the highest levels of the Company, including the
22 Individual Defendants. Given their executive level positions with GoodRx, the
23 Individual Defendants controlled the contents of GoodRx's public statements during
24 the Class Period. The Individual Defendants were each provided with or had access to
25 the information alleged herein to be false and/or misleading prior to or shortly after its
26 issuance and had the ability and opportunity to prevent its issuance or cause it to be
27 corrected. Because of their positions and access to material non-public information,
28 the Individual Defendants knew or recklessly disregarded that the adverse facts

1 specified herein had not been disclosed to and were being concealed from the public
2 and that the positive representations that were being made were false and misleading.
3 As a result, each of the Individual Defendants was responsible for the accuracy of
4 GoodRx's corporate statements and is, therefore, responsible and liable for the
5 representations contained therein.

6 45. Plaintiff also alleges that scienter of the Individual Defendants (who, as
7 executive officers of the Company, knew or recklessly ignored facts related to the core
8 operations of GoodRx) can be imputed to GoodRx.

9 46. Further evidencing their scienter, defendants timed the IPO so that it was
10 priced before Amazon announced its online pharmaceutical business to facilitate the
11 IPO and create artificial demand for the common shares sold therein, as well to
12 maximize the amount of money the Company and selling shareholders could raise in
13 the IPO. The Company received **\$887 million** in net proceeds from the sale of
14 GoodRx common stock in the IPO and Andrew Slutsky, the Company's Consumer
15 President, and Idea Men, LLC, an entity whose managing members included
16 defendants Hirsch and Bezdek, collectively sold **\$132 million** of GoodRx common
17 stock in the IPO. In total, GoodRx insiders collectively reaped gross proceeds of more
18 than **\$369 million** from the sale of GoodRx common stock in the IPO.

19 47. Moreover, defendants were aware that Amazon's entry into the online
20 prescription medication ordering and fulfillment business was imminent because
21 Amazon was a close business partner with GoodRx. Furthermore, Amazon
22 subsequently teamed up with Inside Rx. GoodRx has been a partner of Inside Rx
23 since May 2017, and its website states that it and Inside Rx have partnered with major
24 drug manufacturers and pharmacies to reduce the cost of more than 209 brand-name
25 prescription drugs. The Company's close connections to and cooperation with
26 Amazon, both directly and through Inside Rx, further confirm defendants acted with
27 scienter in making the materially false and misleading statements identified herein.

28

1 48. Given defendants' knowledge of Amazon's intention to enter the online
2 pharmaceutical business and their misleading statements about GoodRx's competitive
3 position made contemporaneously with that knowledge, defendants' materially false
4 and/or misleading statements alleged herein were made willfully and caused GoodRx
5 common stock to trade at artificially inflated prices during the Class Period.

6 **LOSS CAUSATION**

7 49. As detailed herein, during the Class Period, defendants engaged in a
8 scheme to deceive the market and a course of conduct that artificially inflated the
9 price of GoodRx common stock. This scheme operated as a fraud or deceit on Class
10 Period purchasers of GoodRx common stock by failing to disclose and
11 misrepresenting the adverse facts detailed herein. When defendants' prior
12 misrepresentations and fraudulent conduct were disclosed and became apparent to the
13 market, the price of GoodRx common stock declined significantly as the prior
14 artificial inflation came out of the price of GoodRx common stock.

15 50. By concealing from investors the adverse facts detailed herein,
16 defendants presented a misleading picture of GoodRx's business, prospects and
17 operations. Defendants' false and misleading statements had the intended effect and
18 caused GoodRx common stock to trade at artificially inflated levels throughout the
19 Class Period, reaching as high as \$64.22 per share on September 29, 2020. Following
20 the adverse revelations detailed herein, the price GoodRx common stock fell to a low
21 of just \$33.51 per share on November 18, 2020 – **48% below** the Class Period high.
22 As a result of their purchases of GoodRx common stock at artificially inflated prices
23 during the Class Period, plaintiff and the other Class members suffered economic loss,
24 *i.e.*, damages, under the federal securities laws.

25 51. When the truth about the Company was revealed to the market, the price
26 of GoodRx common stock fell significantly. The decline removed the inflation from
27 the price of GoodRx common stock, causing real economic loss to investors who had
28 purchased GoodRx common stock during the Class Period. The decline in the price of

1 GoodRx common stock when the corrective disclosure came to light was a direct
2 result of the nature and extent of defendants' fraudulent misrepresentations being
3 revealed to investors and the market. The timing and magnitude of the price decline
4 in GoodRx common stock negate any inference that the loss suffered by plaintiff and
5 the other Class members was caused by changed market conditions, macroeconomic
6 or industry factors or Company-specific facts unrelated to defendants' fraudulent
7 conduct.

8 52. The economic loss, *i.e.*, damages, suffered by plaintiff and the other
9 Class members was a direct result of defendants' fraudulent scheme to artificially
10 inflate the price of GoodRx common stock and the subsequent significant decline in
11 the value of GoodRx common stock when defendants' prior misrepresentations and
12 other fraudulent conduct were revealed.

13 **APPLICABILITY OF PRESUMPTION OF RELIANCE:**
14 **FRAUD ON THE MARKET DOCTRINE**

15 53. At all relevant times, the market for GoodRx common stock was an
16 efficient market for the following reasons, among others:

17 (a) GoodRx common stock met the requirements for listing, and was
18 listed and actively traded on the NASDAQ, a highly efficient, national stock market;

19 (b) as a regulated issuer, GoodRx filed periodic public reports with the
20 SEC and the NASDAQ;

21 (c) GoodRx regularly communicated with public investors via
22 established market communication mechanisms, including the regular dissemination
23 of press releases on national circuits of major newswire services and other wide-
24 ranging public disclosures, such as communications with the financial press and other
25 similar reporting services; and

26 (d) GoodRx was followed by securities analysts employed by major
27 brokerage firms who wrote reports which were distributed to the sales force and
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1 certain customers of their respective brokerage firms. Each of these reports was
2 publicly available and entered the public marketplace.

3 54. As a result of the foregoing, the market for GoodRx common stock
4 promptly digested current information regarding GoodRx from all publicly available
5 sources and reflected such information in the price of GoodRx common stock. Under
6 these circumstances, all purchasers of GoodRx common stock during the Class Period
7 suffered similar injury through their purchase of GoodRx common stock at artificially
8 inflated prices and a presumption of reliance applies.

9 **NO SAFE HARBOR**

10 55. The statutory safe harbor provided for forward-looking statements under
11 the Private Securities Litigation Reform Act of 1995 does not apply to any of the
12 allegedly false statements plead in this complaint. The statements alleged to be false
13 and misleading herein all relate to then-existing facts and conditions. In addition, to
14 the extent certain of the statements alleged to be false may be characterized as forward
15 looking, they were not adequately identified as “forward-looking statements” when
16 made and there were no meaningful cautionary statements identifying important
17 factors that could cause actual results to differ materially from those in the purportedly
18 forward-looking statements. Furthermore, to the extent that the statutory safe harbor
19 is determined to apply to any forward-looking statements pleaded herein, defendants
20 are liable for those false forward-looking statements because at the time each of those
21 forward-looking statements was made, the speaker had actual knowledge that the
22 forward-looking statement was materially false or misleading, and/or the forward-
23 looking statement was authorized or approved by an executive officer of GoodRx who
24 knew that the statement was false when made.

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COUNT I

**For Violation of §10(b) of the Exchange Act and
Rule 10b-5 Promulgated Thereunder Against All Defendants**

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

57. During the Class Period, defendants disseminated or approved the materially false and misleading 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.

58. Defendants: (a) employed devices, schemes, and artifices to defraud; (b) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements made not misleading; and (c) engaged in acts, practices, and a course of business that operated as a fraud and deceit upon the purchasers of the Company common stock during the Class Period.

59. Plaintiff and the Class have suffered damages in that, in reliance on the integrity of the market, they paid artificially inflated prices for GoodRx common stock. Plaintiff and the Class would not have purchased GoodRx common stock at the prices they paid, or at all, if they had been aware that the market prices had been artificially and falsely inflated by defendants' misleading statements.

60. As a direct and proximate result of defendants' wrongful conduct, plaintiff and the other members of the Class suffered damages in connection with their purchases of GoodRx common stock during the Class Period.

COUNT II

**For Violation of §20(a) of the Exchange Act
Against the Individual Defendants**

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

1 62. The Individual Defendants acted as controlling persons of GoodRx
2 within the meaning of §20(a) of the Exchange Act.

3 63. Defendants Hirsch and Bezdek, via their affiliation with Idea Men, LLC,
4 were among the largest beneficial owners of GoodRx common stock prior to the IPO.

5 64. By virtue of their positions as officers and/or directors of GoodRx, and/or
6 their beneficial ownership of GoodRx common stock, the Individual Defendants had
7 the power and authority to, and did, cause GoodRx to engage in the wrongful conduct
8 alleged.

9 65. As a direct and proximate result of defendants' wrongful conduct,
10 plaintiff and the other members of the Class suffered damages in connection with their
11 purchases of GoodRx common stock during the Class Period.

12 66. By reason of such conduct, defendants are liable pursuant to §20(a) of the
13 Exchange Act.

14 **PRAYER FOR RELIEF**

15 WHEREFORE, plaintiff prays for judgment as follows:

16 A. Designating plaintiff as Lead Plaintiff and declaring this action to be a
17 class action properly maintained pursuant to Rule 23 of the Federal Rules of Civil
18 Procedure and plaintiff's counsel as Lead Counsel;

19 B. Awarding plaintiff and other members of the Class damages together
20 with interest thereon;

21 C. Awarding plaintiff and other members of the Class their costs and
22 expenses of this litigation, including reasonable attorneys' fees, expert fees and other
23 costs and disbursements; and

24 D. Awarding plaintiff and other members of the Class such other and further
25 relief as the Court deems just and proper under the circumstances.

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JURY DEMAND

Plaintiff hereby demands a trial by jury.

DATED: December 18, 2020

ROBBINS GELLER RUDMAN
& DOWD LLP
DAVID C. WALTON
BRIAN E. COCHRAN

s/ Brian E. Cochran

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Attorneys for Plaintiff

**CERTIFICATION OF NAMED PLAINTIFF
PURSUANT TO FEDERAL SECURITIES LAWS**

R. BRIAN TEREZINI (“Plaintiff”) declares:

1. Plaintiff has reviewed a complaint and authorized its filing.
2. Plaintiff did not acquire the security that is the subject of this action at the direction of plaintiff’s counsel or in order to participate in this private action or any other litigation under the federal securities laws.
3. Plaintiff is willing to serve as a representative party on behalf of the class, including providing testimony at deposition and trial, if necessary.
4. Plaintiff has made the following transaction(s) during the Class Period in the securities that are the subject of this action:

<u>Security</u>	<u>Transaction</u>	<u>Date</u>	<u>Price Per Share</u>
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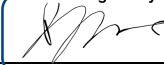
See attached Schedule A.

5. Plaintiff has not sought to serve or served as a representative party in a class action that was filed under the federal securities laws within the three-year period prior to the date of this Certification except as detailed below:

None.

6. Plaintiff will not accept any payment for serving as a representative party on behalf of the class beyond the 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 17 day of December, 2020.

DocuSigned by:


R. BRIAN TEREZINI

SCHEDULE A

SECURITIES TRANSACTIONS

Stock

<u>Date Acquired</u>	<u>Amount of Shares Acquired</u>	<u>Price</u>
09/29/2020	50	\$61.68
09/30/2020	20	\$54.98
10/01/2020	20	\$51.00
10/09/2020	10	\$54.00

Prices listed are rounded to two decimal places.