

Simpson Thacher Secures Motion to Dismiss for Special Committee of General Growth Properties in Litigation Arising From Its \$9.25 Billion Acquisition by Brookfield Property Partners

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Simpson Thacher successfully argued a motion to dismiss on behalf of the Special Committee of General Growth Properties (“GGP”) in stockholder litigation surrounding post-closing claims for damages in connection with Brookfield Property Partners’ \$9.25 billion acquisition of GGP, which owns and operates high-quality shopping centers and other retail properties throughout the United States.

The transaction was announced March 26, 2018 and, within weeks of the announcement, GGP shareholders brought a suit in Delaware Chancery Court and federal court against GGP and its Board of Directors to enjoin the acquisition. Among other claims, Plaintiffs contended that the Special Committee of GGP’s Board of Directors breached its fiduciary duties to shareholders by engaging in an unfair process that resulted in a material undervaluation of GGP’s shares. Plaintiffs also alleged that the Special Committee failed to make reasonable attempts to solicit third-party bids and “in effect told the world of potential bidders that superior offers were not welcome.” Plaintiffs also challenged the Special Committee’s agreement to pay a \$400 million break-up fee. Plaintiffs moved to expedite and sought a preliminary injunction to block the transaction. The Firm successfully defended the Special Committee in this fast-paced litigation, negotiating the withdrawal of the motions to expedite and motions for a preliminary injunction, and the transaction closed on August 28, 2018.

On December 19, 2018, the same stockholders who sought to enjoin the transaction filed an amended complaint pursuing post-closing claims for damages and, on May 4, 2020, Plaintiffs filed a further amended complaint. The Firm again successfully represented the Special Committee in connection with this litigation, securing a motion to dismiss on May 25, 2021. The Court rejected plaintiffs’ challenges to the Special Committee process, concluding that the complaint was devoid of any reasonable inference of impropriety or control of the process by Brookfield, and further determined that the stockholder vote approving the transaction was fully informed and uncoerced.

The team received a “shout-out” from [The American Lawyer’s Litigation Daily](#) for the win, which was also profiled in a [Reuters column](#) and in [Law360](#).

The Simpson Thacher team was led by Michael Garvey and Pete Kazanoff, and included Sara Ricciardi, Eamonn Campbell and Melissa Vallejo.

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