UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

IN RE ICON PLC SECURITIES LITIGATION	Case No. 2:25-cv-00763-HG CLASS ACTION **ORAL ARGUMENT REQUESTED**

PLAINTIFFS' MEMORANDUM OF LAW IN OPPOSITION TO DEFENDANT ALAN SHEEHAN'S MOTION TO DISMISS THE SECOND AMENDED COMPLAINT

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PRELIMINARY STATEMENT

Defendant Alan Sheehan—ICON's former Senior Vice President of Finance, who reported directly to CFO Brennan—directed the fraudulent manipulation of ICON's financials in violation of GAAP. His tactics included creating fake, premature invoices (marked with asterisks) and demanding the removal of specific hours and costs from studies in regular "revenue sweeps" to prematurely recognize revenue and boost margins. Sheehan's fraudulent manipulation infected ICON's public financial statements and directly harmed investors. Indeed, Sheehan made public misstatements by ***personally signing*** the registration statement for ICON's $2 billion bond offering, which repeated and incorporated the false financial statements and disseminated them to investors in the United States. Sheehan's fraud led to ICON's restatement and admissions of "material accounting errors," ¶438, including $158 million in fabricated revenue. ¶414. As ICON's internal investigation concluded, Sheehan was terminated, and ICON admitted that its "tone from management" was a material controls weakness that enabled the GAAP violations.[1]

These facts plainly state claims against Sheehan under Section 10(b) and Rule 10b-5.

First, Plaintiffs amply allege Sheehan's scienter. Sheehan acted with conscious misbehavior or recklessness because he ***personally directed the financial manipulation***, which was inherently fraudulent. The six former employees ("FEs") who directly implicate Sheehan are described "with sufficient particularity" to credit their allegations. *Novak v. Kasaks*, 216 F.3d 300, 314 (2d Cir. 2000). For example, Sheehan personally instructed FE-4 to hold periods open and create fake invoices, while FE-18 received Sheehan's "revenue sweep" emails and participated in a call where ICON's U.S.-based personnel told Sheehan that it was improper to remove millions

[1] "¶" refers to the SAC (ECF 70). "Br." refers to the Memorandum of Law in Support of Defendant Alan Sheehan's Motion to Dismiss (ECF 94-3). Emphasis is added and citations are omitted unless otherwise noted.

of dollars of pass-through costs. ¶¶299, 312-13, 372, 397. Sheehan offers no plausible competing inference, much less any that is more compelling than the inference of scienter, as required. Sheehan's self-serving claim that he "possibly used poor judgment" (Br. 15) ignores the facts. Sheehan perpetrated a blatant accounting fraud that led to admitted "material accounting errors." There is no good-faith explanation for such conduct.

Second, Sheehan is liable for his misstatements. He personally signed a false registration statement that expressly incorporated ICON's admittedly false financial statements and repeated the false figures, including overstated revenue and net income. "[C]ourts consistently hold that signatories of misleading documents 'made' the statements" therein, *In re Smith Barney Transfer Agent Litig.*, 884 F. Supp. 2d 152, 163-64 (S.D.N.Y. 2012), and incorporated misstatements are actionable. *In re Ambac Fin. Grp., Inc. Sec. Litig.*, 693 F. Supp. 2d 241, 259, 277 (S.D.N.Y. 2010) (sustaining misstatements in "documents incorporated by reference"). Sheehan cites no contrary authority. And his myopic assertion that he did not "draft[]" ICON's false financials ignores his own role in the accounting fraud and his signature on the false filing.

Third, Plaintiffs plead a scheme liability claim based on Sheehan's fraudulent manipulation of ICON's financial statements. While Sheehan disputes reliance, courts regularly find that investors rely on "deceptive conduct" that results in "inflated . . . revenue in financial statements that defrauds investors," as here. *SEC v. Patel*, 794 F. Supp. 3d 111, 123 (E.D.N.Y. 2025). Contrary to Sheehan's argument, investors are not required to "know about" his fraudulent conduct to plead scheme liability. Indeed, the point is that his manipulation was concealed—yet inflated ICON's public financial statements and affected its share price, inducing investors' reliance.

Finally, Sheehan is plainly subject to personal jurisdiction. He personally signed SEC filings and manipulated financial statements that misled investors in the United States. Personal

jurisdiction exists where "an executive of a foreign securities issuer, ***wherever located***, participates in a fraud directed to deceiving United States shareholders," including by "signing" false SEC filings or "manipulating financial statements." *In re Glob. Cord Blood Corp. Sec. Litig.*, 820 F. Supp. 3d 221, 241 (S.D.N.Y. 2026).

FACTUAL ALLEGATIONS

Sheehan's scheme to manipulate ICON's public financial statements involved several improper tactics to prematurely recognize revenue and boost margins.

Holding Periods Open. Sheehan himself directed FE-4 to hold the books open. ¶298-99. When ICON missed its billing and cash targets, the period was simply held open—typically by 10 to 14 days—until the targets were reached. ¶298. In meetings with FE-4, Sheehan "took a hard line" on the issue, which added approximately $100 to $200 million to ICON's billing and cash each quarter. ¶¶299, 305. FE-16, FE-17 and FE-18 corroborated this practice, and FE-17 added that Sheehan provided a list of studies being targeted for additional revenue recognition. ¶¶308-10. Sheehan's instructions allowed ICON to prematurely recognize revenue. ¶310.

"Fake" Invoices and Premature Billing. FE-4 stated that Sheehan directed ICON's use of "fake" invoices for future work, which were marked with asterisks. ¶¶311-13. FE-18 and FE-23 saw the fake invoices (including $1 million for one of FE-18's studies) and confirmed that they were issued prematurely. ¶¶313, 325-27. At Sheehan's direction, the fake invoices allowed ICON to pull revenue forward; FE-17 confirmed that recognizing revenue for the prematurely invoiced amounts was Sheehan's idea (and violated the revenue recognition methodology that ICON purported to follow). ¶318. For example, the fake invoices allowed ICON to bill two months of units in a single month, accelerating revenue recognition by up to $3 million on FE-16's portfolio. ¶320. Sheehan instructed employees to bill clients up to 45 days before contractual billing milestones and used swearing and colorful language on billing calls with FE-16. ¶321.

Manipulating Project Costs. Sheehan personally directed ICON employees to manipulate project costs, overstate projects' percentage of completion, and thereby prematurely recognize revenue. For example, FE-16 received Sheehan's instructions (via Edkins) not to load certain cost reserves in the second half of 2023. ¶365. This accelerated revenue recognition and contributed to a 1-2% revenue increase on FE-16's portfolio. *Id.*

Similarly, FE-18 personally participated in a call with Sheehan where the Irish executives demanded a 15% reduction in costs, and "ICON's U.S.-based personnel explained to Sheehan and the other Irish attendees that it was improper to remove millions of dollars of pass-through costs." ¶372. Nonetheless, Sheehan successfully directed other ICON employees to remove the costs on numerous studies anyway. *Id.*

FE-17 described Sheehan's "rash" and "aggressive" directives to boost revenue by specific amounts, including by removing costs in ICON's revenue-calculation system—called Rev—which became more aggressive as the gap between ICON's actual revenue and its targets widened. ¶¶373-75, 600. Edkins asked FE-17 to approve the manipulations and explained that he was merely conveying Sheehan's instructions. ¶653(vii). While FE-17 pushed back on Sheehan's requests, FE-17 saw that the inflated revenue numbers were approved anyway in Rev. ¶374.

Fake and Future Work. Sheehan also directed revenue recognition before ICON performed the work—a transparent GAAP violation. In the second half of 2023, FE-16 received Sheehan's instructions (via Edkins) to prematurely recognize about $500,000 in revenue on a MAPI Pharma study (10-12% of the trial's total) before ICON had performed the work. ¶¶384-85. Even though FE-16 refused to approve, Rev continued to show the additional revenue. ¶385.

Revenue Sweeps. Sheehan and his subordinate O'Grady initiated recurring "revenue sweeps" by sending emails—which FE-18 received—that detailed schemes to remove costs from

studies and increase revenue. ¶¶396-98. These emails attached spreadsheets describing the specific hours and costs to be removed from studies. ¶398. ICON personnel objected to these aggressive and unrealistic demands to suddenly recognize large amounts of additional revenue. For example, the operations team questioned how it was possible to remove 3,000 hours from a study. *Id.* The sweeps occurred with increasing frequency from the second half of 2023 through July 2024. ¶396. Confirming Sheehan's involvement, FE-23—who worked in ICON's Dublin office—observed Teams calls with Sheehan related to the revenue sweeps and understood, from the statements on the calls, that Sheehan received a related reporting package via email. ¶659(ii).

Sheehan's Misstatements. Sheehan made public misstatements and disseminated ICON's false financial statements to United States investors. On April 26, 2024, Sheehan signed the Form F-3 registration statement, filed with the SEC, for ICON's $2 billion bond offering. ¶¶570-71, 604. The F-3 incorporated ICON's FY23 Form 20-F and 1Q24 Form 6-K, including the admittedly false financial statements they contained. *Id.* The F-3 explicitly told investors to "***rely***" on "the information incorporated by reference." ¶604. Sheehan's participation in the offering allowed ICON to leverage its false financial statements to raise $2 billion near the peak of the fraud. *Id.*

ICON's Restatement and Sheehan's Termination. Sheehan's misconduct rendered ICON's financial statements materially false. As a result, ICON restated two years of its financials, admitted that those financials contained "material errors" and "misstatements," and admitted "material weaknesses" in its internal controls. ¶¶410-47. All Defendants—including Sheehan—concede the material falsity of ICON's 2023 and 2024 financial statements.

Finally, Sheehan's misconduct led to his termination in connection with the restatement. On April 8, 2026, shortly before ICON reported that the Audit Committee investigation was completed, Sheehan was terminated as a director of three ICON entities. ¶745. ICON and the

other Individual Defendants describe Sheehan as a "former" ICON employee. Dkt. 90 at 2.

ARGUMENT

The Court must "accept all factual allegations in the complaint as true." *Tellabs, Inc. v. Makor Issues & Rts., Ltd.*, 551 U.S. 308, 322 (2007). Under the PSLRA and Rule 9(b), courts must "be careful not to mistake heightened pleading standards for impossible ones." *In re Synchrony Fin. Sec. Litig.*, 988 F.3d 157, 161 (2d Cir. 2021). The pleading standard remains plausibility, and the Court is "required to credit the plaintiffs' plausible theory" and "draw all reasonable inferences in the plaintiff's favor." *IWA Forest Indus. Pension Plan v. Textron Inc.*, 14 F.4th 141, 146-47 (2d Cir. 2021).

I. PLAINTIFFS PLEAD SHEEHAN'S SCIENTER

Plaintiffs plead facts "constituting strong circumstantial evidence of [Sheehan's] conscious misbehavior or recklessness" that is "*at least as compelling* as any opposing inference one could draw from the facts alleged." *In re Dentsply Sirona, Inc. Sec. Litig.*, 816 F. Supp. 3d 449, 470 (S.D.N.Y. 2026) (quoting *Tellabs*, 551 U.S. at 324) (emphasis in original).

The scienter "inquiry . . . is whether *all* of the facts alleged, taken collectively, give rise to a strong inference of scienter, not whether any individual allegation, scrutinized in isolation, meets that standard." *Tellabs*, 551 U.S. at 322-23 (emphasis in original). The inference of scienter "need not be irrefutable, *i.e.*, of the 'smoking-gun' genre, or even the most plausible of competing inferences" and need only be "cogent and at least as compelling as any opposing inference[.]" *Id.* at 324. Thus, "at the motion to dismiss stage, a tie on scienter goes to the plaintiff." *City of Pontiac Gen. Emps.' Ret. Sys. v. Lockheed Martin Corp.*, 875 F. Supp. 2d 359, 372 (S.D.N.Y. 2012).

Plaintiffs amply allege Sheehan's scienter. Sheehan ***personally directed*** the accounting fraud across multiple continents. At ICON's Irish headquarters, Sheehan personally told FE-4 to hold reporting periods open and directed the creation of fake invoices (marked with asterisks) for

future work that ICON had not performed. ¶¶299, 312-13, 700. FE-4, FE-17, FE-18 and FE-23 saw the fake invoices issued to ICON clients, such as Celgene and Ionis. ¶¶313, 316-19, 325-27. Sheehan also instructed FE-16 to bill clients prematurely—as FE-4, FE-17, FE-18, and FE-22 corroborated—and decided to recognize revenue from the premature invoices. ¶¶315-27, 702.

Further, Sheehan issued aggressive directives to boost revenue by specific amounts, stating that "we need to increase service revenue by 'x' or increase pass-through revenue by 'y,'" held periods open for up to three weeks until revenue gaps could be filled, and provided a list of studies targeted for additional revenue recognition, among other forms of "creative accounting." ¶¶310, 431, 700. Edkins explicitly told FE-17 that he was conveying Sheehan's instructions. ¶653(vii).

In the United States, ICON's U.S.-based personnel objected to an arbitrary directive to reduce project costs by 15% and explicitly told Sheehan (during a call with FE-18) that it was improper to remove millions of dollars of costs. ¶¶698, 703. Sheehan overrode the objections and the costs were removed anyway. *Id.* And Sheehan personally sent "revenue sweep" emails to the entire North American finance team (including FE-18) detailing schemes to remove the costs from studies and increase revenue, with spreadsheets that described the specific number of hours and costs to be removed. ¶701.

These manipulations were not innocent mistakes. FE-16 indicated that Sheehan was "hell-bent" on hitting financial targets rather than ensuring accuracy, and FE-20—who attended quarterly calls with Sheehan—explained that ICON management pushed very hard for larger numbers. ¶703. Thus, as ICON's actual revenue fell increasingly short of targets, the manipulation ramped up and Sheehan looked for new opportunities to recognize more revenue. ¶¶375, 600.

Sheehan's misconduct plainly amounts to recklessness—"highly unreasonable conduct representing an extreme departure from the standards of ordinary care." *Gimpel v. The Hain*

Celestial Grp., Inc., 156 F.4th 121, 146 (2d Cir. 2025). In *Hain*, for example, the Second Circuit found recklessness where the defendants "pushed out inventory, used credits and accruals to offset sales deficits on [the] balance sheet, and engaged in creative accounting tactics to smooth out sales[.]" *Id.* at 146-47. Likewise, Sheehan's financial manipulation was (at minimum) reckless.

A. Sheehan's Purported "Non-Culpable Explanation" Fails

Sheehan cannot dispute that he directed and knew about the extensive misconduct detailed above. Instead, he merely offers a feeble "alternate explanation" that he "possibly used poor judgment." (Br. 15.) But courts regularly reject such self-serving explanations, which cannot be credited "at the pleading stage . . . to the [plaintiff's] detriment[.]" *SEC v. DiMaria*, 207 F. Supp. 3d 343, 353, 356 (S.D.N.Y. 2016) (rejecting defendant's claim that he merely "pushed the accountants to find more revenue" but did not know his actions violated GAAP).

No facts support Sheehan's proposed inference, which is not even plausible—much less more compelling than the inference of scienter, as required. Sheehan personally directed the manipulation of ICON's financial statements, even after U.S. personnel explicitly told him that his directives were improper. And while Sheehan tries to blame "ICON's internal controls" for not being "adequate to detect" his fraud (Br. 15), Sheehan himself was a key controls weakness: he led ICON's finance function and supervised internal audit (FE-18)—a lack of separation of duties that enabled the manipulation. ¶704. Sheehan also ignores that recklessness is an objective standard and includes the "egregious refusal to see the obvious, or to investigate the doubtful[.]" *Novak*, 216 F.3d at 308. Whatever Sheehan purportedly believed, his conduct was "highly unreasonable" and "an extreme departure from the standards of ordinary care." *Hain*, 156 F.4th at 146. Indeed, ICON and the Executive Defendants do not dispute Sheehan's scienter.

Ultimately, Sheehan's misconduct caused a restatement and admissions that ICON's financial statements contained "material errors." ¶¶410-47. These admissions squarely refute

Sheehan's attempts to question whether he "had the authority within ICON to execute" the misconduct and whether it impacted "ICON's public reporting." (Br. 16.) Sheehan does not dispute the material falsity of ICON's financial statements, and in restating, ICON admitted the same "improper adjustments" that Sheehan directed. ¶¶424-46. And although Sheehan tries to downplay the restatement as "modest" (Br. 15), ICON admitted "***material*** accounting errors," including ***$158 million*** in overstated revenue and the inflation of net income by ***10.5%*** in 2023 and ***7.1%*** in 2024. ¶¶289-401, 414. These material errors went far beyond "poor judgment."

B. Sheehan's Attacks on the FEs Fail

Six FEs—all of whom worked in financial roles at ICON during the Class Period—provided information most relevant to Sheehan's scienter.

To start, each FE's role and tenure is described "with sufficient particularity to support the probability that a person in the position occupied by the source would possess the information alleged." *Novak*, 216 F.3d at 314. While Sheehan asserts that Plaintiffs do not describe FE-17's "role or job duties" (Br. 20), in the same paragraph he cites, Plaintiffs identify FE-17 as a "Senior Manager of Operations Finance" responsible for "revenue calculations for a full-service portfolio with a total contract value of over $200 million." ¶653(i). The other five FEs likewise had direct visibility into ICON's fraudulent revenue recognition.[2] These allegations "easily support the

[2] *See* ¶¶640 (FE-4 worked at ICON in Ireland until November 2024 as Associate Finance Manager and Senior Finance Manager, focused on billing and cash matters for large pharma customers, reporting to Senior Director of Finance Ronan Flood, who reported to O'Grady, who reported to Sheehan); 652 (FE-16 was a Senior Manager, Finance Business Partnering until December 2023 who handled monthly revenue recognition, reporting to Watkins, who reported to Edkins, who reported to Sheehan until August 2023, then to O'Grady (who reported to Sheehan)); 654 (FE-18 was a manager of operations finance until July 2024 who calculated and submitted revenue for a multi-billion dollar portfolio, reporting to Executive Director, Operations Finance Philip Tomkinson; Tomkinson reported to Sheehan until August 2023, then to O'Grady (who reported to Sheehan)); 656 (FE-20 was a Project Finance Analyst until September 2024 who handled revenue recognition for a $500 million portfolio, reporting to Senior Manager, Finance Business Partnering Jim Miller, then to Manager, Operations Finance David Talbot); 659 (FE-23 was a Financial

probability that the [FEs] would have the alleged knowledge[.]" *New Jersey Carpenters Health Fund v. Royal Bank of Scotland Grp., PLC*, 709 F.3d 109, 123-24 (2d Cir. 2013).

Sheehan's observation that FE-16, FE-17, and FE-18 left ICON before the end of the Class Period (Br. 19-21) is irrelevant. These FEs were positioned to observe Sheehan's manipulation first-hand because they worked at ICON through December 2023, July 2024, and July 2024, respectively (¶¶652, 653, 654), covering the same period—2023 and the first half of 2024—when ICON admittedly reported inflated quarterly results (*see* ¶¶56; 414).

In addition, Sheehan protests that the FEs were below him in ICON's ranks, but ***five had direct contact*** with him,[3] placing them in a position to know the facts attributed to them. And in all events, the Second Circuit has credited allegations from FEs multiple levels below defendants. *Emps' Ret. Sys of Gov't of the V.I. v. Blanford*, 794 F.3d 297, 301 (2d Cir. 2015) (crediting FEs "from different tiers of the company").

Sheehan also repeatedly asserts that the FEs do not describe his "intent" to commit fraud (Br. 18-19, 21, 23), but FEs need not "have direct knowledge of the defendants' state of mind[.]" *City of Warren Police & Fire Ret. Sys. v. World Wrestling Ent. Inc.*, 477 F. Supp. 3d 123, 137 (S.D.N.Y. 2020). Sheehan also ignores that motive is not required. Scienter includes recklessness, such as the "egregious refusal to see the obvious[.]" *Novak*, 216 F.3d at 308. It was obvious to Sheehan that fraudulent practices like creating fake invoices, holding periods open, and directing specific manipulation of project financials were improper means to boost revenue. Indeed, though not required, ICON's U.S.-based personnel even warned Sheehan that it was improper to remove

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Accountant I from January 2024 to March 2025 in ICON's Dublin office, and reported to Finance Manager Méabh O'Dwyer, then to Senior Manager of Finance Phil Doak).

[3] *See, e.g.*, ¶¶299, 301, 312 (FE-4); 321 (FE-16); 372, 396-98, 400 (FE-18); 656(vi), 703 (FE-20); 659(ii) (FE-23).

millions of dollars in costs—yet Sheehan did it anyway. ¶372.

Sheehan's remaining attacks on four FEs (Br. 18-23) also fail. Specifically:

FE-4 was personally directed by Sheehan to hold earnings periods open and create fake invoices marked with asterisks. ¶¶299, 301, 305, 312-13. Sheehan's involvement is clear: ***Sheehan communicated the "directive"*** to hold periods open to FE-4, and ***under Sheehan's direction***, ICON issued "fake" invoices. ¶¶299, 312. Sheehan tries to shift responsibility to his supervisor, Defendant Brennan, but that does not absolve Sheehan for his own role. Sheehan also asserts that these "accounting practices" involve "judgment calls" (Br. 18), but never explains what those are. There are no "judgment calls" in holding periods open and issuing fake, premature invoices to recognize revenue prematurely, and Sheehan did not need a "contemporaneous accounting analysis" (Br. 18) to know that the invoices were premature and fake. Contrary to Sheehan's assertions, Plaintiffs plead specifics about these fraudulent practices. For example, FE-4 described fake invoices to ICON client Celgene around Christmas 2023, and FE-18 and FE-23 also saw fake invoices. ¶¶313, 316, 325-27.

FE-16 stated that Sheehan gave instructions to bill clients prematurely, personally attended billing calls where Sheehan used swearing and colorful language, and reported that in the second half of 2023, Edkins conveyed Sheehan's instructions to boost revenue by not loading certain cost reserves and prematurely recognizing $500,000 of revenue for a MAPI Pharma study. ¶¶321, 365, 384-85. These are far from the allegations about "unspecified periodic reports" from FEs who lacked "any contact with the Individual Defendants" in *In re Bausch & Lomb, Inc. Sec. Litig.*, 592 F. Supp. 2d 323, 342 (W.D.N.Y. 2008). FE-16—who personally attended management-level billing calls with Sheehan and was in Sheehan's reporting line—had ample basis to state that Edkins (Sheehan's direct report) was conveying Sheehan's instructions. ¶¶321, 652. Edkins

similarly told FE-17 that he was conveying Sheehan's instructions. ¶653(vii). And Sheehan's unsubstantiated, counterfactual speculation about "legitimate" and "valid bases" to bill clients and recognize revenue prematurely (Br. 19-20) cannot be considered. *Textron*, 14 F.4th at 147.[4]

FE-17—who left ICON based on his concerns that it was publicly reporting inflated revenue—described Sheehan's "rash" and "aggressive" directives to boost revenue by specific amounts, including by removing costs; issuing premature invoices six weeks early to pull revenue forward; and holding periods open for up to three weeks. ¶¶310, 317-19, 373-75, 600. These abuses added up to $5 million in monthly revenue on a European portfolio of studies. ¶431. FE-17 was not "speculating" and had "firsthand knowledge" (Br. 20-21) of Sheehan's role: when Edkins asked FE-17 to approve the manipulations in Rev, he explained to FE-17 that he was conveying ***instructions from Sheehan***. ¶653(vii). Further, Sheehan provided a list of studies targeted for additional revenue recognition. ¶¶310, 700. These detailed allegations are far from "conclusory." (Br. 21.)[5] Sheehan's suggestion that he did not know these abusive practices were wrong (Br. 20) cannot be considered, is irrelevant to recklessness, and ignores the obvious nature of the violations.

FE-18 handled project finances—including revenue recognition—for a multi-billion dollar portfolio and managed 11 analysts in the United States. ¶654(i)-(ii). FE-18 specifically implicated Sheehan in three types of manipulation. First, ICON removed pass-through costs to accelerate revenue recognition. ¶369. FE-18 personally participated in a call ***with Sheehan*** where the Irish executives demanded a 15% reduction in costs, and ICON's U.S.-based personnel explained to

[4] Sheehan's reliance on *In re Regeneron Pharms., Inc. Sec. Litig.*, 2026 WL 2797861, at *13-14 (S.D.N.Y. Sept. 18, 2026), is misplaced. There, the FEs merely described the defendants' sales visit—not directions from an SVP of Finance to bill customers and recognize revenue prematurely.

[5] Unlike here, in *In re Wachovia Equity Sec. Litig.*, 753 F. Supp. 2d 326, 352 (S.D.N.Y. 2011), there was "no allegation that any CW . . . received any instructions" from an individual defendant. In *In re Sierra Wireless, Inc. Sec. Litig.*, 482 F. Supp. 2d 365, 376 (S.D.N.Y. 2007), the plaintiffs failed to specify if the witness even worked for the defendant corporation.

Sheehan and the other Irish attendees that it was ***improper to remove millions of dollars of pass-through costs***. ¶372. This manipulation occurred in the second half of 2023 (¶369), and contrary to Sheehan's assertions, Plaintiffs allege Sheehan's "participation on the call," "who objected," and the "forecast being changed." (Br. 21.) Plaintiffs also allege the "accounting entry later made" (*id.*): after the call, pass-through costs were removed on numerous studies. ¶372. Sheehan's suggestion that this was merely an "aggressive estimate" (Br. 21) cannot be credited, particularly given his role in driving multiple types of manipulation to systematically inflate ICON's revenue.

Second, FE-18 confirmed that Sheehan led the issuance of premature invoices for amounts customers had not agreed to, including $1 million for one of FE-18's studies. ¶326. Sheehan tries to dispute whether this manipulation "came from" or was "led by" him, but multiple FEs confirmed that Sheehan was central to the premature invoicing. *See, e.g.*, ¶¶312, 318, 320-21. That Sheehan sometimes conveyed his instructions through his direct report O'Grady (¶¶326, 640) does not erase his own involvement and knowledge. Sheehan even admits that this "accounting tactic" was "***aggressive***"—and there is no basis for his improper suggestion that issuing premature, fake invoices "was a valid revenue recognition method." (Br. 22.)

Third, FE-18 received emails and instructions from Sheehan that initiated recurring revenue sweeps, with emails that ***detailed schemes to remove costs*** and attached spreadsheets identifying the specific number of hours and costs to be removed. ¶¶396-400. These sweeps occurred with increasing frequency during the second half of 2023 through July 2024 (¶396), aligning with the peak of ICON's admitted financial misstatements (¶414). That FE-18 said the emails were from Sheehan "or" O'Grady (Br. 22) merely indicates that both executives sent them, not that Sheehan was uninvolved. In any event, it is not plausible that Sheehan was unaware of regular communications—including from his direct report—to the ***entire North American finance***

team detailing schemes to boost revenue. ¶¶397-98. Further, Sheehan ignores that FE-23 personally observed Teams calls with Sheehan related to the revenue sweeps, corroborating his knowledge. ¶659(ii).[6] Sheehan also ignores that the revenue sweeps involved manipulation using a system that ICON's auditors did not review or test (¶401), belying any notion of good faith.

In sum, "[c]rediting the allegations, it is plausible that" Sheehan was "aware that the revenues were artificially inflated, or at the very least consciously or recklessly disregarded the evidence that the revenues were overstated." *Fresno Cnty. Emps' Ret. Ass'n v. comScore, Inc.*, 268 F. Supp. 3d 526, 552 (S.D.N.Y. 2017).

C. Additional Factors Support Scienter

Finally, three additional factors confirm Sheehan's scienter.

GAAP Violations: Premature revenue recognition is "***especially indicative of conscious misbehavior*** since such violations do not commonly occur inadvertently, but instead suggest a conscious decision to improperly recognize revenue." *In re Veeco Instruments, Inc. Sec. Litig.*, 235 F.R.D. 220, 231-32 (S.D.N.Y. 2006). Sheehan's misconduct proves the point: he drove multiple types of manipulation that uniformly inflated ICON's revenue. That was no accident.

Sheehan's Termination: Sheehan was terminated on April 8, 2026, shortly before ICON announced the completion of the Audit Committee's investigation. ¶745. Sheehan ***does not dispute*** that his termination was linked to his misconduct. And the Second Circuit has confirmed that such departures upon a restatement offer "supplemental, circumstantial support for" scienter. *Hain*, 156 F.4th at 149-50; *see comScore*, 268 F. Supp. 3d at 553 (executive departure "toward the conclusion of the Audit Committee investigation" supported scienter).

[6] These facts bear no resemblance to *In re Teladoc Health, Inc. Sec. Litig.*, 2026 WL 2149807, at *3 (2d Cir. July 27, 2026), where no concerns were raised to the defendant. Here, Sheehan himself directed the misconduct and thus plainly knew about it.

Tone at the Top and Deficient Controls: Finally, Sheehan ignores that courts "have repeatedly held that improper tone at the top and poor internal controls support an inference of scienter." *San Antonio Fire & Police Pension Fund v. Dentsply Sirona Inc.*, 732 F. Supp. 3d 300, 321 (S.D.N.Y. 2024). ICON admitted that the "tone from management," including failures to enforce "the expected standards of conduct" and "hold individuals accountable for their internal control responsibilities," was a material weakness that "contributed to material accounting errors." ¶438. Sheehan was central to those admitted failures: he swore on management-level billing calls with FE-16 (¶321) and overrode objections to his baseless demands (¶372 (FE-18)), leading FE-16 to state that Sheehan was "hell-bent" on hitting financial targets rather than ensuring accuracy and didn't seem to care about SOX requirements (¶443). This behavior is particularly egregious because Sheehan both led ICON's finance function and supervised its internal audit team. ¶444. Sheehan's creation of a "culture of secrecy and fear, and poor internal controls" constitutes "an inappropriate tone at the top" that supports scienter. *Hain*, 156 F.4th at 148.

II. SHEEHAN IS LIABLE FOR HIS MISSTATEMENTS

Under Rule 10b–5(b), Sheehan is liable for his misstatements in the Form F-3 registration statement he personally signed. The F-3—issued for ICON's $2 billion bond offering—contained and incorporated ICON's false financial statements for 2023 and 1Q24. ¶¶412, 570-71.

Sheehan cannot dispute that he signed the F-3 or the falsity of the financial information it contained. As a result, he pivots to distractions.

First, Sheehan asserts that the misstatements were solely in ICON's SEC filings and not in the F-3 itself. Not so. The Rule 424(b)(5) prospectus supplement—which is "deemed to be part of and included in" the F-3, 17 C.F.R. § 230.430B(f)(1)—***repeats*** ICON's false financial figures, including overstated revenue and net income for 2023 and 1Q24, and states that they were "derived from" ICON's "Annual Report on Form 20-F for the year ended December 31, 2023" and

"Quarterly Report on Form 6-K furnished on April 25, 2024." (Ex. 1 at S-10-11.) For example:

	Years Ended December 31,			Three Months Ended March 31,	
($ in thousands)	2021	2022	2023	2023	2024
Selected Statements of Operations Data:					
Revenue	$5,480,826	$7,741,386	$8,120,176	$1,978,578	$2,090,386
Net income	$ 153,185	$ 505,304	$ 612,335	$ 116,654	$ 187,438

Id. (excerpted); *compare* ¶570. Thus, the false financial figures were included in the F-3 that Sheehan personally signed.[7] The fact that Sheehan "signed" the false filing "is sufficient to establish that he 'made' the statements." *In re Virtus Inv. Partners, Inc. Sec. Litig.*, 195 F. Supp. 3d 528, 541 (S.D.N.Y. 2016). Plainly, Sheehan "may be held liable for the misrepresentations contained within the SEC filings that [he] signed." *Behrendsen v. Yangtze River Port & Logistics Ltd.*, 2021 WL 2646353, at *9 (E.D.N.Y. June 28, 2021). That ends the analysis.

Second, Sheehan argues that he did not "make" misstatements because ICON's false 2023 Form 20-F and 1Q24 Form 6-K were incorporated by reference into the F-3 he signed. Again, Sheehan is wrong. The incorporated misstatements were made by Sheehan through being incorporated into a document he signed. Incorporated material—including any misstatement—is deemed fully set forth in the F-3, *see* 17 C.F.R § 240.12b-23(c), and Item 6 of Form F-3 ***requires*** the incorporation of financial statements. (Ex. 3 at 15.) Sheehan knew ICON's financial statements were incorporated because the F-3 itself said so. (Ex. 2 at 5.) Further, the F-3 expressly told investors that they "should rely ***only*** on the information incorporated by reference" (¶604) and

[7] The SEC has confirmed that "prospectus supplements required to be filed under Rule 424 . . . will, in all cases, be deemed to be part of and included in registration statements[.]" Sec. Offering Reform, Release No. 75 (July 19, 2005). *See also Fed. Hous. Fin. Agency v. Bank of Am. Corp.*, 2012 WL 6592251, at *4 (S.D.N.Y. Dec. 18, 2012).

called it an "***important part***" of the disclosures (Ex. 2 at 5).

Thus, by signing the F-3, Sheehan became responsible for its contents—including the incorporated misstatements. Courts regularly find liability for such incorporated misstatements. *See, e.g.*, *Ambac*, 693 F. Supp. 2d at 259, 277 (sustaining misstatements in "documents incorporated by reference"); *City of Royal Oak Ret. Sys. v. Juniper Networks, Inc.*, 880 F. Supp. 2d 1045, 1071 (N.D. Cal. 2012) (defendant signed registration statement that "'incorporated by reference' other SEC filings" with misstatements). Sheehan cites no contrary authority.

Further, *Janus Capital Group, Inc. v. First Derivative Traders*, 564 U.S. 135, 141-42 (2011), poses no obstacle to holding Sheehan liable for misstatements incorporated into the SEC filing that he personally signed. *Janus* "did not change the longstanding rule that corporate officials are liable for misstatements to which they give their imprimatur." *Smith Barney*, 884 F. Supp. 2d at 164. Thus, "courts consistently hold that signatories of misleading documents 'made' the statements in those documents, and so face liability under Rule 10b–5(b)." *Id.* at 163-64 (collecting cases). As a result, it is irrelevant whether Sheehan "drafted, authored, signed, certified, authorized, or prepared" ICON's false filings (Br. 7); he chose to sign an SEC filing that expressly incorporated them. The facts here bear no resemblance to *Glickenhaus & Co. v. Household Int'l., Inc.*, 787 F.3d 408, 425-26 (7th Cir. 2015), which held that merely "furnish[ing]" information is not making a misstatement. Here, Sheehan made the misstatements by signing the F-3. As *Household* acknowledged, a defendant's "signature" on a filing makes him a speaker. *Id.* at 426.

Sheehan also complains that treating each signatory of the F-3 as a "maker" would violate *Janus*. (Br. 7.) To the contrary, "[t]he rule that a corporate officer who signs disclosure documents 'makes' the statements in those documents is faithful to *Janus*." *Smith Barney*, 884 F. Supp. 2d at 164. By contrast, Sheehan's argument is not. Indeed, Sheehan cites ***no case*** where any court has

held that defendants did not "make" misstatements incorporated into documents they signed.

Third, Sheehan argues that he signed the F-3 as an officer and/or director of three wholly-owned ICON subsidiaries rather than "on ICON's behalf." (Br. 7.) However, that is irrelevant to Sheehan's ***personal*** liability for misstatements in the SEC filing he "signed." *Virtus*, 195 F. Supp. 3d at 541. Sheehan is not required to sign "on behalf of ICON." (Br. 6.) There is no requirement that the individual sign on behalf of a corporate defendant to be liable for their own misstatements. *See, e.g.*, *Smith Barney*, 884 F. Supp. 2d at 163-64 (sustaining claims against officer of non-party).

Fourth, there is no "tension" between Sheehan's misstatement liability and Plaintiffs' other pleadings. (Br. 8.) Each Individual Defendant is liable for his own misstatements. Cutler, Brennan and Clerkin are liable for signing ICON's SEC filings that contained false financial statements, while Sheehan is liable for signing an F-3 that reproduced and incorporated them.

Finally, to the extent Sheehan did not "make" misstatements, he remains subject to scheme liability for disseminating them. As Sheehan's own case acknowledges, the "dissemination of someone else's misleading statements to investors through SEC filings can serve as the basis for a scheme-liability claim[.]" *In re CarLotz, Inc. Sec. Litig.*, 2024 WL 3924708, at *5 (S.D.N.Y. Aug. 23, 2024). That result is necessary to ensure that "those who disseminate false statements with the intent to cheat investors" do not "escape liability under the Rule altogether." *Lorenzo v. Sec. & Exch. Comm'n*, 587 U.S. 71, 81 (2019). Sheehan does not contest that he disseminated ICON's admittedly false financial statements.[8]

III. PLAINTIFFS PLEAD SHEEHAN'S SCHEME LIABILITY

Rules 10b-5(a) and (c) "prohibit the use of 'any device, scheme, or artifice to defraud' or 'engag[ing] in any act, practice, or course of business which operates . . . as a fraud or deceit upon

[8] Sheehan cannot do so for the first time on reply. *See Dentsply*, 732 F. Supp. 3d at 314.

any person.'" *Dentsply*, 816 F. Supp. 3d at 486 (quoting 17 C.F.R. § 240.10b–5(a), (c)).

Sheehan does not dispute the first two elements: a deceptive or manipulative act in furtherance of the fraudulent scheme. *See San Antonio Fire & Police Pension Fund v. Dentsply Sirona Inc.*, 2026 WL 2621082, at *17 (S.D.N.Y. Sept. 4, 2026). For good reason: his misconduct in furtherance of the scheme, including "fabricated documents" and "sham transactions," involved "inherently deceptive act[s] that [are] distinct from an alleged misstatement." *Patel*, 794 F. Supp. 3d at 123-24. For example, Sheehan directed employees to delete costs to boost revenue, create fake and premature invoices to inflate ICON's results and deceive customers, hold the books open (so ICON's records falsely included transactions after the stated periods), and create spreadsheets that artificially inflated revenue on specific studies. ¶¶599-603.

Sheehan only challenges two elements—scienter and reliance. Plaintiffs amply allege scienter, *supra* Section I, and investors relied on his misconduct.

A. Plaintiffs Plead Reliance on Sheehan's Misconduct

Plaintiffs plead reliance because Sheehan's fraudulent scheme "provided investors with a materially false picture of ICON's performance." ¶599. Sheehan knew that his manipulation "affected investors by artificially boosting ICON's revenue and other key financial and business metrics ***that investors relied on***" in false financial statements filed with the SEC, while Plaintiffs suffered damages from acquiring ICON shares "***in reliance on the integrity of the market*** . . . at artificially inflated prices." ¶¶604, 801. Indeed, the F-3 that Sheehan signed explicitly told investors to "***rely***" on the information it incorporated. ¶604.

Courts routinely sustain scheme-liability claims and find reliance where, as here, fraudulent conduct infected public financial statements or other data provided to investors. For instance, the court found reliance in *Patel* because the defendant's "deceptive conduct"—creating "fake prescriptions"—"inflated Medly's revenue in financial statements that defrauded investors."

794 F. Supp. 3d at 123. Likewise, in *SEC v. Farnsworth*, 692 F. Supp. 3d 157, 189-90 (S.D.N.Y. 2023), the scheme "defrauded investors by creating misleading data about the Companies' business model" and "manipulate[d] key metrics that would be relevant to investors[.]"

Unable to dispute that investors necessarily relied on misconduct that affected ICON's public financial statements and share price, Sheehan offers two arguments. Both fail.

First, Sheehan argues that scheme liability is precluded because the "core misconduct alleged" involved misstatements. (Br. 9.) That is wrong. As the Supreme Court has held, the misstatement and scheme liability subsections of Rule 10b-5 do not "govern[] different, mutually exclusive, spheres of conduct." *Lorenzo*, 587 U.S. at 80 ("[T]his Court and the [SEC] have long recognized considerable overlap among the subsections of the Rule and related provisions of the securities laws."). Thus, Sheehan is "not protected from the scheme-liability claim just because [he] made the alleged misstatements and personally participated in the allegedly deceptive acts." *Dentsply*, 2026 WL 2621082, at *18. Indeed, courts routinely find ***both*** misstatement and scheme liability for overlapping misconduct. *See Dentsply*, 816 F. Supp. 3d at 487 (liability for misstatements and scheme to conceal injuries from regulators); *SEC v. Fiore*, 416 F. Supp. 3d 306, 321 (S.D.N.Y. 2019) (liability for "a deceptive scheme involving multiple forms of market manipulation, as well as various misstatements or omissions"); *DiMaria*, 207 F. Supp. 3d at 356-57 (liability for fraudulent accounting scheme and inflated revenue in public financial statements).

To be clear, this is not a case where misstatements form the sole basis for Sheehan's liability. As explained above, Sheehan's fraudulent acts, including "fabricated documents" and "sham transactions," were "inherently deceptive act[s] that [are] distinct from an alleged misstatement." *Patel*, 794 F. Supp. 3d at 123-24.

Sheehan's cited cases are readily distinguishable. None involved inherently deceptive acts

that resulted in admittedly false financial statements, as here. In *SEC v. KPMG LLP*, 412 F. Supp. 2d 349, 377 (S.D.N.Y. 2006)—a case predating *Lorenzo*—"[t]he SEC d[id] not posit how, in any concrete manner, the misstatements it allege[d] could be construed as a device or scheme." In *Alpha Cap. Anstalt v. Schwell Wimpfheimer & Assocs. LLP*, 2018 WL 1627266, at *12 (S.D.N.Y. Mar. 30, 2018), the first alleged "scheme" (a private stock sale) was "not alleged to have been fraudulent in any way," while the second "scheme" ("scrubbing" board minutes) was purely internal and did not affect investors. *In re Teva Sec. Litig.*, 512 F. Supp. 3d 321, 336-37 (D. Conn. 2021), simply rejected a "late and half-hearted attempt to re-fashion" a misstatements claim into a "scheme liability" claim that the plaintiffs "ha[d] not attempted to allege" and "never advanced" until "the hearing on the pending motion to dismiss[.]" *Teva* also recognized that it is "routine[]" to allege "Rule 10b-5 claims in two separate counts—one based on misstatements and one based on scheme liability." *Id.* at 337. Here, Plaintiffs have done exactly that.

Second, Sheehan disputes reliance by asserting that "*nobody* is alleged to have known about" his fraudulent acts, and that his misconduct solely "relates to ICON's *internal* financial recordkeeping . . . with no market or public visibility." (Br. 11-12 (emphasis in original).)

Sheehan is wrong on both points. Plaintiffs plead reliance ***because*** Sheehan's fraudulent manipulation was concealed from investors, yet directly affected ICON's public financial statements and propped up ICON's stock price, supporting reliance under the fraud-on-the-market presumption. *See Basic Inc. v. Levinson*, 485 U.S. 224 (1988); ¶801.

Indeed, courts have repeatedly rejected Sheehan's exact argument. In *Dentsply*, 2026 WL 2621082 at *17, the defendants likewise argued that their "deceptive or manipulative conduct . . . was not publicly known, so plaintiffs cannot gain the benefit of the presumption." The *Dentsply* court squarely rejected that argument. Under "*Basic*'s fraud-on-the-market presumption," reliance

existed because the "direct result" of the financial misconduct was that "Dentsply's financial statements (***which plaintiffs relied on***) painted an overly rosy picture of its financial wellbeing." *Id.* at *17-18. Sheehan's own case, *Glob. Cord*, 820 F. Supp. 3d at 253, similarly sustained scheme liability claims and rejected the argument that "plaintiffs and other shareholders were unaware of" the defendant's actions, since it was "plausible that an investor could have relied upon" public statements rendered false by the concealed conduct.

The same is true here. Plaintiffs allege reliance because Sheehan's fraudulent scheme "artificially inflated" ICON's share price, and Plaintiffs and the Class suffered damages from acquiring ICON shares "in reliance on the integrity of the market . . . at artificially inflated prices." ¶801. And contrary to Sheehan's assertion, his fraud was not solely a matter of "internal financial recordkeeping." (Br. 11.) Instead, Plaintiffs specifically allege that Sheehan's misconduct affected ICON's public financial statements. For instance:

- "FE-17 confirmed that Sheehan directed Edkins to hold periods open and provided a list of studies that were being targeted for additional revenue recognition." ¶310.
- "At Sheehan's direction, the premature invoicing affected ICON's revenue recognition." ¶318.
- "[T]he manipulation affected ICON's financial reporting." ¶434.
- "The sweeps resulted in false records—spreadsheets describing the artificially inflated revenue[]—and directly affected ICON's reported financial results." ¶603.

In sum, Plaintiffs plead reliance because Sheehan's fraudulent scheme infected ICON's public financial statements and caused ICON's artificially inflated share price.

Further, Sheehan concedes that scheme liability claims are warranted where fraudulent conduct makes public misstatements "necessary or inevitable." (Br. 13.) Plaintiffs allege just that. Sheehan's manipulation was performed in ICON's Rev (or Revenue) system, which was "***the source of truth for ICON's revenue calculations*** (FE-17) and ***provided the revenue numbers***

used in Oracle to prepare ICON's financial statements (FE-18)." ¶434; *see also* ¶¶318, 374-75, 384-85. Thus, the manipulation in Rev necessarily affected ICON's public financial statements—as ICON's restatement and admission of "material accounting errors" and "improper adjustments" confirm. ¶413. Sheehan also knew—from signing the F-3—that the resulting false financial statements were filed with the SEC, inducing investors' reliance. ¶604. These allegations amply support reliance.[9] This is not a case like *Stoneridge Inv. Partners, LLC v. Scientific-Atlanta*, 552 U.S. 148, 161 (2008), where misstatements resulted from the actions of unrelated third parties. Sheehan worked for ICON, reported directly to its CFO, and manipulated its revenue recognition in violation of GAAP. Public misstatements were the necessary and inevitable result.

IV. THE COURT HAS PERSONAL JURISDICTION OVER SHEEHAN

Finally, Sheehan is subject to personal jurisdiction because he signed the false F-3 filed with the SEC and engaged in a scheme that directly influenced ICON's public financial statements, both of which were directed to—and misled—investors in the United States. ¶¶75, 85, 604.

"[C]ourts in this Circuit regularly have exercised personal jurisdiction over foreign persons who signed allegedly false or misleading statements filed with the Securities and Exchange Commission[.]" *In re Hub Cyber Sec. Ltd.*, 2025 WL 872078, at *7 (S.D.N.Y. Mar. 20, 2025); *In re CINAR Corp. Sec. Litig.*, 186 F. Supp. 2d 279, 305-06 (E.D.N.Y. 2002) (jurisdiction "based solely on" defendant "signing" registration statement).

Indeed, Sheehan's own authority acknowledges that it is "well-established that signing or directly manipulating financial statements to cover up illegal foreign action, with knowledge that

[9] *See Dentsply*, 2026 WL 2621082, at *18 (reliance where false financial statements were the "direct result" of "lax controls," GAAP violations, and lies to auditor); *In re Eletrobras Sec. Litig.*, 245 F. Supp. 3d 450, 472 (S.D.N.Y. 2017) (reliance where bribery scheme "made it 'necessary or inevitable'" that false financial statements would result).

those statements will be relied upon by United States investors," establishes personal jurisdiction. *SEC v. Sharef*, 924 F. Supp. 2d 539, 547 (S.D.N.Y. 2013). Thus, courts have "found personal jurisdiction" where "an executive of a foreign securities issuer, ***wherever located***, participates in a fraud directed to deceiving United States shareholders." *Glob. Cord*, 820 F. Supp. 3d at 241. Such fraudulent conduct directed to the United States plainly satisfies "due process standards," as well as "minimum contacts" (although Sheehan concedes that the latter is not required). *Id.* at 240.[10] For example, in *Global Cord*, a Hong Kong-based defendant was subject to personal jurisdiction where he "aimed conduct expressly to the United States when he signed and filed the two Form 13D filings . . . related to plaintiffs' scheme liability claim." *Id.* at 242.

Unable to escape this extensive authority, Sheehan resorts to irrelevant points. Sheehan first protests that he signed the F-3 in Ireland, but that doesn't matter. Personal jurisdiction exists where executives, "wherever located," participate in fraud, including by "signing" false filings. *Id.* at 241. Sheehan's assertion that he signed the F-3 on behalf of "entities other than ICON" (Br. 24-25) is equally irrelevant because Sheehan is liable for his own misstatements and misconduct. Sheehan's assertion that the false F-3 had no "connection" to the fraud (Br. 25) is wrong. The F-3 supported ICON's $2 billion offering near the fraud's peak, and Sheehan is liable for the false financial figures that it included and incorporated. ¶¶570-71, 604. And beyond signing the F-3, Sheehan is subject to jurisdiction because he manipulated ICON's financials and

[10] *Fuld v. Palestine Liberation Org.*, 606 U.S. 1, 16, 23 (2025), held that "the Due Process Clause of the Fifth Amendment does not incorporate the Fourteenth Amendment minimum contacts standard" and instead "necessarily permits a more flexible jurisdictional inquiry[.]" Applying *Fuld*, one court recently found personal jurisdiction over a foreign Exchange Act defendant based on his "sufficient nexus" to "the United States such that application would be neither arbitrary nor fundamentally unfair." *Orient Plus Int'l Ltd. v. Baosheng Media Grp. Holdings Ltd.*, 808 F. Supp. 3d 609, 619 (S.D.N.Y. 2025). The court did not require "the specific purpose of harming interests of or related to the United States," since the evidence indicated that the defendant "was aware that [his] conduct would have such an effect.'" *Id.* at 620-21. The same is true here. ¶¶75, 85, 604.

knew they were filed with the SEC and would mislead investors in the United States. ¶¶75, 85.

Neither of Sheehan's cases moves the needle. The court in *In re AstraZeneca Sec. Litig.*, 559 F. Supp. 2d 453, 467 (S.D.N.Y. 2008), dismissed all claims "on the merits" and merely suggested in dictum that outside directors signing an SEC filing might be "insufficient" for personal jurisdiction. In *Sharef*, 924 F. Supp. 2d at 546, the defendant ***did not sign any SEC filings*** and "did not actually authorize" or approve the misconduct. Neither case involved an executive like Sheehan who personally directed fraudulent accounting, signed an SEC filing that incorporated the false financials, and knew it would be relied on by United States investors.

Finally, Sheehan argues that exercising jurisdiction would be "unreasonable" because he could not "foresee being haled into a U.S. court." (Br. 25.) To the contrary, it is plainly reasonable for a finance executive who personally manipulates an SEC registrant's publicly filed financial statements—then personally signs a false SEC filing for a $2 billion offering—to anticipate litigation in the United States. *See CINAR*, 186 F. Supp. 2d at 304-06 ("The Court finds that it is perfectly reasonable to exercise jurisdiction over Corbeil based solely on her signing the 1999 Registration Statement," since "[she] could have reasonably foreseen that, were there to be litigation concerning the [s]tatement, she would be haled into court in the United States."). In all events, Sheehan provides no facts or specifics, and thus fails to make "a compelling case that exercising jurisdiction would be unreasonable," as required. *Glob. Cord*, 820 F. Supp. 3d at 243.

The Court should reject Sheehan's argument that an executive who personally signed SEC filings containing admitted misstatements is beyond the jurisdiction of United States courts.

CONCLUSION

The motion should be denied. Alternatively, Plaintiffs respectfully request leave to amend.

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Respectfully submitted,

KESSLER TOPAZ MELTZER & CHECK, LLP

/s/ *Matthew L. Mustokoff*
Matthew L. Mustokoff
Margaret E. Mazzeo*
Richard A. Russo*
Lyndsey Campbell*
280 King of Prussia Road
Radnor, Pennsylvania 19087
Telephone: (610) 667-7706
Facsimile: (610) 667-7056
mmustokoff@ktmc.com
mmazzeo@ktmc.com
rrusso@ktmc.com
lcampbell@ktmc.com

Counsel for Lead Plaintiffs and Named Plaintiff Plumbers Local Union No. 690 Pension Fund and Lead Counsel for the Putative Class

pro hac vice

BLEICHMAR FONTI & AULD LLP

/s/ *Joseph A. Fonti*
Joseph A. Fonti
Nancy A. Kulesa*
Evan A. Kubota
Brandon A. Slotkin
300 Park Avenue, Suite 1301
New York, New York 10022
Telephone: (212) 789-1340
Facsimile: (212) 205-3960
jfonti@bfalaw.com
nkulesa@bfalaw.com
ekubota@bfalaw.com
bslotkin@bfalaw.com

Counsel for Lead Plaintiffs and Named Plaintiff Macomb County Retiree Health Care Fund and Lead Counsel for the Putative Class

CLARK HILL
Ronald A. King*
215 South Washington Square, Suite 200
Lansing, Michigan 48933
Telephone: (517) 318-3015 (office)
Telephone: (517) 449-2860 (mobile)
rking@clarkhill.com

Additional Counsel for Plaintiff Police and Fire Retirement System of the City of Detroit

VMT LAW
Thomas C. Michaud
1 Woodward Ave. Suite 1504
Detroit, Michigan 48226
Telephone: (313) 578-1200
tmichaud@vmtlaw.com

Additional Counsel for Plaintiff Macomb County Retiree Health Care Fund