

Expert Challenges \$70M Valuation

Halket Weitz LLP and Theodore M. Weitz (jointly referred to as “Halket Weitz Defendants”) were accused of fraudulent conveyance by Plaintiff. Dr. Omar Robles was retained by counsel for the Halket Weitz Defendants to opine on the approximate value of the assets-at-issue at the time of the alleged fraudulent transfer in response to the Plaintiff’s expert report.

The Plaintiff’s expert opined that assets-at-issue were valued between \$70 million and \$100 million based principally on a drug compound. Dr. Robles stated that such a valuation did not account for the uncertainty of getting FDA approval and the market opportunity if ultimately approved.

Dr. Robles stated that valuation of a drug compound needs to account for the risks involved in successfully completing clinical trials and the cost of those trials. In this case, the Phase 1 trial failed to meet its primary endpoint; there was a great deal of speculation regarding efficacy on secondary endpoints; and the investments necessary to conduct those trials were both sizable and admittedly unappealing to existing investors.

Dr. Robles also stated that the market opportunity for the drug compound was speculative and incomplete. Specifically, estimates of market size and prices were unsupported by any reasonable analysis and there were no estimates on the costs of bringing the drug to market.

The parties settled on favorable terms before the start of trial.

About Dr. Robles



Dr. Omar Robles is Managing Partner at Emerging Health LLC. Dr. Robles has consulted on numerous commercial litigations concerning prescription pharmaceuticals, medical devices, and dietary supplements. His engagements have concerned antitrust claims and intellectual property matters litigated in US federal and state courts, the US Patent Trial and Appeal Board, and Canadian courts.

Dr. Robles has previously held appointments at Harvard University, University of California-Berkeley, Georgetown University and University of Maryland-College Park. He has published in peer-reviewed journals such as *JAMA*, the *American Economic Journal: Applied Economics* and the *Journal of Health Economics*. Dr. Robles routinely publishes articles in health policy and life sciences news sources such as *Health Affairs Forefront* and *Law360* as a life sciences expert.

Emerging Health LLC is an economic and clinical consultancy delivering solutions to complex business and legal challenges in life sciences based on our economic and strategic expertise.

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