

Roche Freedman and Levi & Korsinsky Defeat Motion to Dismiss in Private Prison Securities Class Action

MIAMI, FLORIDA, UNITED STATES, November 8, 2021 /EINPresswire.com/ -- In an order dated September 23, 2021, the Honorable Rodney Smith of the United States District Court for the Southern District of Florida denied in part a motion to dismiss in *Hartel v. The GEO Group, Inc. et al.*, No. 9:20-cv-81063-RS.



Roche Freedman LLP

GEO is an equity real estate investment trust specializing in the design, financing, development, and operation of secure facilities, processing centers, and community reentry centers in the United States, Australia, South Africa, and the United Kingdom. The case alleges that from November 7, 2018 through August 5, 2020, GEO and CEO George C. Zoley violated the Securities Exchange Act of 1934 and made false and misleading statements regarding, inter alia, pending lawsuits in which the Company was involved. Defendants' false and misleading statements had their intended effect, causing GEO's stock price to trade at artificially inflated levels throughout the Class Period.

In denying defendants' motion to dismiss with respect to their statements about pending lawsuits, including the lawsuits not having "a material adverse effect on its financial condition, results of operations, or cashflows", the court found that "Plaintiffs have adequately pled that Defendants knew these statements were false when made" based on Defendant Zoley's May 30, 2019 letter to U.S. Immigration and Customs Enforcement ("ICE") which characterized "the lawsuits as a 'potentially catastrophic risk' that exposed the Company to 'tens of millions' in potential damages and up to \$20 million in legal expenses." The Court relied on that same letter in finding that "Plaintiffs have adequately pled scienter as to GEO's statements about the potential costs of the lawsuits against GEO." Indeed, the Court noted that Defendant Zoley "was the one who reach out to ICE about the costs and potential liability arising from the lawsuits" and thus "had the requisite power to directly or indirectly control or influence the policies relating to the lawsuits."

Roche Freedman attorneys Velvel (Devin) Freedman, Ivy T. Ngo, and Constantine P. Economides

and Levi Korsinsky attorneys Nicholas I. Porritt and Adam M. Apton obtained this result on behalf of the class.

Hartel v. The GEO Group, Inc. et al., Case No.20-81063-CIV-SMITH, Memorandum (S.D. Fl. Sep. 23, 2021).

If you are a shareholder who purchased GEO securities during the Class Period and have any questions or would like more information about the litigation, you may contact Adam Apton at aapton@zlk.com or 202.524.4859 or Devyn R. Glass at dglass@rochefreedman.com or 646.823.1546.

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