



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

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| <p>WINDWARD VENTURE PARTNERS, LP,</p> <p>Plaintiff,</p> <p>v.</p> <p>HANSEN MEDICAL, INC., CARY G. VANCE, CHRISTOPHER P. LOWE, MICHAEL EAGLE, MARJORIE L. BOWEN, KEVIN HYKES, WILLIAM R. ROHN, STEPHEN L. NEWMAN, NADIM YARED, JACK W. SCHULER, JACK W. SCHULER LIVING TRUST, RENATE SCHULER, SCHULER FAMILY FOUNDATION, TINO HANS SCHULER TRUST, THERESE HEIDI SCHULER TRUST, LARRY N. FEINBERG, ORACLE PARTNERS, L.P., ORACLE TEN FUND MASTER, LP, ORACLE INSTITUTIONAL PARTNERS, L.P., THE FEINBERG FAMILY FOUNDATION, ORACLE INVESTMENT MANAGEMENT, INC. EMPLOYEES' RETIREMENT PLAN, FEINBERG FAMILY TRUST, WESTWOOD SPV, LLC, AURIS SURGICAL ROBOTICS, INC. and PINECO ACQUISITION CORP.,</p> <p>Defendants.</p> | <p>Civil Action No.: _____</p> |
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VERIFIED CLASS ACTION COMPLAINT

Plaintiff Windward Venture Partners, LP (“Plaintiff”) alleges the following on information and belief, except as to the allegations specifically pertaining to Plaintiff, which are based on personal knowledge.

I. INTRODUCTION

1. This action on behalf of public stockholders of Hansen Medical Inc. (“Hansen,” “Hansen Medical” or the “Company”) arises out of an unlawful scheme and plan to enable a group of stockholders (collectively referred to as the “Rollover Defendants,” as defined below), which the Company discloses collectively controls 64 percent of the voting power of Hansen, along with Auris Surgical Robotics, Inc. (“Auris”) and Pineco Acquisition Corp. (collectively, the “Auris Defendants”), to acquire the Company for grossly inadequate consideration and in breach of the Director Defendants’ (as defined below) and the Rollover Defendants’ fiduciary duties.

2. Specifically, on April 20, 2016, Hansen Medical announced that it had entered into a definitive merger agreement to be acquired for \$4.00 per share in cash (the “Merger Price” or “Merger Consideration”) by Auris (the “Proposed Transaction” or “Merger”). In connection with the Merger, the Rollover Defendants have entered into stock purchase agreements (the “Stock Purchase Agreements”) with Auris, a private company whose Chief Executive Officer (“CEO”) and co-founder Fred Moll was one of Hansen’s founders, to convert all of their proceeds from the Merger into shares of preferred stock of Auris. This deal allows the Rollover Defendants to continue to participate in the future growth of the Company’s key products, which they have determined far outweighs an

immediate cash payment of \$4.00 per share. In contrast, the Company's minority stockholders will not benefit from any future successes, even though they have financed the cost of developing the Company's robotics technology.

3. With their majority voting power, the Rollover Defendants control the Company as a group. The Company's filings with the Securities and Exchange Commission ("SEC") admit that the Rollover Defendants have "substantial influence over the outcome of corporate actions requiring stockholder approval," a dynamic it recognizes creates the potential for "conflicts of interest." They also have a history of working and investing together, along with Moll. They contemporaneously purchased substantial equity in Hansen during the Company's 2011, 2013, and 2015 private placements. The Rollover Defendants with the largest stakes in the Company (Oracle and Schuler) have also repeatedly coordinated their investments in a series of other companies. In the course of these investments they have admitted in SEC filings that they formed a group, Larry Feinberg (the manager of Oracle) has publicly stated that his "strategy has been to go along with" Schuler, and they have been publicly accused of conspiring to divert corporate opportunities.

4. Along with the Director Defendants, these Rollover Defendants have also entered into Voting Agreements to vote all of their shares in favor of the adoption of the Merger, which, given their majority stake in the Company and the

absence of a “Majority-of-the-Minority” requirement in the Merger Agreement, renders stockholder approval of the Merger a foregone conclusion.

5. The Rollover Defendants, as majority stockholders of the Company acting in concert with one another, owe fiduciary duties to the minority stockholders of the Company to ensure that the Proposed Transaction is entirely fair to the minority stockholders. The Rollover Defendants are conflicted and have breached their fiduciaries duties by agreeing to a merger that is not entirely fair to Hansen Medical’s public stockholders.

6. Hansen Medical’s Board of Directors (the “Board”) also owe independent fiduciary duties to the public stockholders of the Company. The Board members have breached these duties by agreeing to a Merger Price of \$4.00 per share that is unfair considering the Company’s growth prospects and by failing to include a majority-of-the minority provision.

7. The Auris Defendants, exploiting their existing relationship with the Rollover Defendants, have knowingly aided and abetted their and the Director Defendants’ breaches of fiduciary duty.

8. By this action, Plaintiff seeks to enjoin the Proposed Transaction or, alternatively, to recover damages in the event the Proposed Transaction is consummated.

II. PARTIES

9. Plaintiff Windward Venture Partners, LP (“Plaintiff”) is, and has been at all relevant times, the owner of more than 76,000 shares of Hansen Medical common stock.

10. Hansen Medical Inc. is a Delaware corporation and maintains its principal executive offices in Mountain View, California. Its common stock trades on the NASDAQ under the symbol “HNSN.” According to its Form 10-K filed on April 25, 2016 (the “April 2016 10-K”), the Company “develop[s], manufacture[s] and sell[s] a new generation of medical robotics designed for accurate positioning, manipulation and stable control of catheters and catheter-based technologies.” As of April 15, 2016, the Company has outstanding 18,989,280 shares of common stock, of which the Rollover Defendants own approximately 64 percent. The Company was founded in 2002 by Dr. Frederic H. Moll (“Moll”), who served as its CEO and President from September 2002 to 2010 and from March 2009 until June 2010 respectively. Moll resigned as an employee of the Company on August 29, 2011. He did not stand for reelection as a board member the following year, and his directorship ended on May 25, 2012. However, Moll continued to invest in Hansen. For example, on March 9, 2015, he entered into a Securities Purchase Agreement with the Company, investing \$499,850 in certain convertible securities and warrants for shares of common stock.

11. Defendant Cary G. Vance (“Vance”) is the President, CEO, and Director of the Company. He has served in this role since May 23, 2014. The Company’s Proxy Statement, filed on April 10, 2015 (the “2015 Proxy”), states that Vance is not an independent director. As of April 28, 2016, Defendant Vance holds 220,289 outstanding awards of restricted stock units and performance stock units, which will immediately vest upon consummation of the Merger.

12. Defendant Cristopher P. Lowe (“Lowe”) is a Director of the Company, and has served as its Interim Chief Financial Officer (“CFO”) since June 2014. Lowe has served as Director of the Company since September 2006, and as its interim CEO from February 2014 to May 2014. The 2015 Proxy states that Lowe is not an independent director. As of April 28, 2016, Defendant Lowe, holds 100,000 outstanding awards of restricted stock units and performance stock units, which will immediately vest upon consummation of the Merger.

13. Defendant Michael Eagle (“Eagle”) has served as a Director of the Company since early 2012 and was named Chair of the Board in December 2012. At the time of Eagle’s election, Oracle and Schuler were the Company’s largest stockholders and therefore influenced his election.

14. Defendant Marjorie L. Bowen (“Bowen”) has served as a Director of the Company since July 2013. At the time of Bowen’s election, Oracle and

Schuler were the Company's largest stockholders and therefore influenced her election.

15. Defendant Kevin Hykes ("Hykes") has served as a Director of the Company since 2009. Previously, from 1992 to 2008, Mr. Hykes worked at Medtronic, Inc. ("Medtronic"), a medical device company with which Hansen partners, including as a vice president from May 2003 to May 2008. At the time of Hyke's election, Oracle and Schuler were the Company's largest stockholders and therefore influenced his election.

16. Defendant William R. Rohn ("Rohn") has served as a Director of the Company since March 2012. At the time of Rohn's election, Oracle and Schuler were the Company's largest stockholders and therefore influenced his election.

17. Defendant Stephen L. Newman, M.D. ("Newman") has served as a Director of the Company since January 2012. At the time of Newman's election, Oracle and Schuler were the Company's largest stockholders and therefore influenced his election.

18. Defendant Nadim Yared ("Yared") has served as a Director of the Company since 2012. At the time of Yared's election, Oracle and Schuler were the Company's largest stockholders and therefore influenced his election.

19. Defendants Vance, Eagle, Lowe, Bowen, Hykes, Rohn, Newman, and Yared are collectively referred to as the "Director Defendants." According to a

Form 8-K filed on April 20, 2016, all Director Defendants entered into Voting Agreements to vote all their shares in favor of the Merger.

20. Defendant-stockholders Jack W. Schuler Living Trust, Renate Schuler, Schuler Family Foundation, Tino Hans Schuler Trust, Tanya Eve Schuler Trust, and Therese Heidi Schuler Trust are all controlled by Defendant Jack W. Schuler (collectively, “Schuler”). Schuler is the founding partner of Crabtree Partners, LLC, a private equity group. Schuler purchased a substantial equity stake in Hansen during the Company’s private placements in 2011 and again in 2013. In connection with the 2013 private placement, the number of Hansen directors increased from nine to ten persons, and Schuler was appointed to the Board. On January 12, 2016, Schuler resigned from the Board, stating his disinclination to be part of deliberations concerning any planned transactions “due to his significant shareholding position in the company.” Schuler’s affiliated entities control approximately 34 percent of Hansen’s common stock, all of which will be voted in favor of the Merger. Schuler owns large stakes in other healthcare companies. For example, his entities own 20.5 percent of the common stock of Biolase, Inc. (“Biolase”), which develops laser system and imaging equipment in the dental and medical industry (and on which Moll sits as a board member). He also owns a substantial percentage of the common stock and sits on the board of Accelerate Diagnostics, Inc. (“Accelerate”), an *in vitro* diagnostics company which develops

technologies combating antibiotic resistance and hospital acquired infections. He has also owned large equity stakes in Mazor Robotics, Ltd. (“Mazor”), an Israeli medical device company that manufactures robotic systems for spinal surgery, and in Transition Therapeutics, Inc. (“Transition”), a biopharmaceutical company.

21. Defendant-stockholders Oracle Partners, L.P.; Oracle Ten Fund Master, LP; Oracle Institutional Partners, L.P.; The Feinberg Family Foundation; Oracle Investment Management, Inc. Employees’ Retirement Plan; and Feinberg Family Trust are all controlled by Defendant-stockholder Larry N. Feinberg (“Feinberg”), who is the founder and president of Oracle Investment Management, Inc. (“Oracle”), an investment management company focusing on health care and bioscience industries. Feinberg and his affiliates control approximately 31 percent of Hansen’s common stock, all of which will be voted in favor of the Merger. Feinberg’s entities joined Schuler in purchasing a substantial interest in Hansen during the 2011, 2013, and 2015 private placements. Like Schuler, Feinberg’s entities own over a 20 percent interest in Biolase. Feinberg has also, contemporaneously with Schuler, owned large stakes in both Mazor and Transition.

22. Defendant Westwood SPV, LLC (“Westwood”) is a Delaware limited liability company controlled by Lawrence T. Kennedy, Jr. (“Kennedy”) which controls approximately nine percent of Hansen’s common stock, all of which will

be voted in favor of the Merger. Westwood and its related entities joined Schuler and Feinberg in making substantial investments in the Company during the 2013 Private Placement.

23. Schuler, Feinberg, and Westwood are collectively referred to as the “Rollover Defendants.” The Company disclosed that the Rollover Defendants collectively control approximately 64 percent of the outstanding shares of the Company. At the Merger Price of \$4.00 per share, the Company disclosed that the Rollover Defendants will receive approximately \$49 million in cash, all of which will be used to purchase shares of Auris preferred stock immediately after the effective time of the Merger.

24. The Company, in its Form 10-K filed on April 25, 2016, admits that these defendants are part of a group whose members act in concert and who control the Company:

Our principal stockholders, directors and management own a large percentage of our voting stock, which allows them to exercise significant influence over matters subject to stockholder approval.

Based on our review of publicly available filings as of April 15, 2016, all those known by the Company to be beneficial owners of more than five percent of our common stock together with our executive officers and directors, beneficially own or control approximately 62.4 percent of our outstanding common stock. Accordingly, our principal stockholders and our executive officers and directors have substantial influence over the outcome of corporate actions requiring stockholder approval, including the election of directors, any merger, consolidation or sale of all or substantially all of our assets or any other significant corporate transaction. These stockholders may also

delay or prevent a change of control or otherwise discourage a potential acquirer from attempting to obtain control of us, even if such a change of control would benefit our other stockholders. This significant concentration of stock ownership may adversely affect the trading price of our common stock due to investors' perception that conflicts of interest may exist or arise.

25. Defendant Auris Surgical Robotics, Inc. is a Silicon Valley-based technology company, which designs and develops robotics for medical applications. Incorporated in 2007 in Delaware, Auris is not publicly traded, and has been described as a “stealth startup.” Its co-founder and CEO is Hansen founder Frederic Moll. Moll has served as the Chairman of the Board of Auris since June 2011. Moll sits on the Auris Board with three other individuals, all of whom are venture capital fund managers: Ajay Royan, who cofounded investment firm Mithril Capital Management with venture capitalist Peter Thiel; Peter Hebert, cofounder of Lux Capital, which invests in emerging technology companies; and Bijan Salehizadeh, managing director of NaviMed Capital, an investment firm focusing on the healthcare industry. In September 2015, Auris announced it had raised approximately \$150 in funding from private equity and venture capital investors. Auris has partnered with Biolase in the past. Moll is also a director of Biolase.

26. Defendant Pineco Acquisition Corp. (“Pineco”), a Delaware corporation, is a wholly owned subsidiary of Auris. Under the “Agreement and Plan of Merger Among Auris Surgical Robotics, Inc., Pineco Acquisition Corp.

and Hansen Medical, Inc.” dated April 19, 2016 (the “Merger Agreement”), Pineco will merge with and into Hansen, with Hansen surviving the Merger as a wholly owned subsidiary of Auris.

27. Defendants Auris and Pineco are sometimes referred to herein collectively as the “Auris Defendants.”

28. The Director Defendants and Rollover Defendants, as officers, directors, and/or controlling stockholders of the Company, have a fiduciary relationship with Plaintiff and other public stockholders of Hansen and owe them the highest obligations of loyalty and due care. The Director Defendants and the Rollover Defendants also have the burden to demonstrate that any transaction in which they have divided loyalties, such as the Merger, is entirely fair to the Company’s stockholders. The Auris Defendants are prohibited from aiding and abetting any breaches of fiduciary duty.

III. CLASS ACTION ALLEGATIONS

29. Plaintiff brings this action on his own behalf, and as a class action pursuant to Court of Chancery Rule 23, on behalf of all stockholders of Hansen Medical, except Defendants herein and any person, firm, trust, corporation, or other entity related to or affiliated with any of the Defendants, who are being and/or will be harmed by Defendants’ threatened actions as described more fully below (the “Class”).

30. This action is properly maintainable as a class action.

31. The Class is so numerous that joinder of all members is impracticable.

As of April 18, 2016, Hansen Medical had 18,989,280 shares of common stock outstanding, held by hundreds, if not thousands, of individuals and entities throughout the country. The number and identities of the record holders of Hansen Medical's securities can be easily determined from the stock transfer journals maintained by Hansen Medical or its agents.

32. There is a well-defined community of interest in the questions of law and fact involved affecting the members of the Class, including, *inter alia*, the following:

(a) Whether the Director Defendants and Rollover Defendants have breached any of their fiduciary duties to Plaintiff and the other members of the Class in connection with the Proposed Transaction, including the duties of loyalty and due care;

(b) Whether the Transaction is entirely fair to the minority stockholders of the Company;

(c) Whether the Plaintiff and the other members of the Class would be irreparably harmed were the transactions complained of herein consummated;

(d) Whether consummation of the Merger and the transactions contemplated in connection therewith should be enjoined;

(e) Whether the members of the Class have sustained damages, and if so, what is the proper measure of damages; and

(f) Whether the Auris Defendants have aided and abetted any breaches of fiduciary duties.

33. Plaintiff is a member of the Class and is committed to prosecuting this action. Plaintiff has retained competent counsel experienced in litigation of this nature. The claims of Plaintiff are typical of the claims of the other members of the Class. Plaintiff does not have interests antagonistic to or in conflict with those it seeks to represent. Plaintiff is therefore an adequate representative of the Class.

34. The likelihood of individual Class members prosecuting separate individual actions is remote due to the relatively small loss suffered by each Class member as compared to the burden and expense of prosecuting litigation of this nature and magnitude. Absent a class action, Defendants are likely to avoid liability for their wrongdoing, and Class members are unlikely to obtain redress for their wrongs alleged herein. There are no difficulties likely to be encountered in the management of the Class claims. This Court is an appropriate forum for this dispute.

35. The prosecution of separate actions by individual members of the Class would create the risk of inconsistent or varying adjudications with respect to individual members of the Class, which would establish incompatible standards of conduct for Defendants, or adjudications with respect to individual members of the Class which would, as a practical matter, be dispositive of the interests of the other members not parties to the adjudications or substantially impair or impede their ability to protect their interests.

36. Defendants have acted on grounds generally applicable to the Class with respect to the matters complained of herein, thereby making appropriate the relief sought herein with respect to the Class as a whole.

IV. SUBSTANTIVE ALLEGATIONS

A. The Rollover Defendants Have a History of Working Together as a Control Group, along with Moll

37. The Rollover Defendants have a history of working together to effectuate shared goals through their common investments in many companies.

38. Schuler and Feinberg began their significant investments in Hansen together when they participated in a private placement of the Company's stock in 2011. Schuler and Feinberg (along with their affiliated entities) were the only participants in this transaction and they shared the same legal counsel. As a result, Schuler and Feinberg became the largest stockholders of the Company.

39. Schuler and Feinberg increased their control over the Company in a private placement in August 2013, where they each grew their position to 19.99 percent of the common stock of the Company through common stock and warrants. Defendant Westwood also participated in this private placement.

40. Once again, in 2015, Schuler and Feinberg (alongside Moll) purchased convertible preferred stock and warrants from Hansen in another private placement. As a result of their coordinated investments, Schedule 13DAs filed April 22, 2016 show that Schuler and Feinberg (along with their affiliated entities) controlled 34.87 percent and 31.04 percent of the common stock of the Company on an as-converted basis, respectively.

41. Hansen is not the only company where the Rollover Defendants have coordinated their investments:

(a) In an SEC filing in 1997, Schuler and Feinberg filed a Schedule 13DA stating that “they may be deemed to be a ‘group’” of stockholders in Quidel Corporation, a diagnostic healthcare manufacturer, due to their voting agreement.

(b) Both Feinberg and Schuler were significant investors in Ventana Medical Systems, where Schuler similarly was a Director. During a proposed buyout of Ventana by Roche Holdings, Feinberg told Forbes.com

that “[m]y strategy has been to go along with [Schuler]” in his objection to the proposal.

(c) As discussed above, both Feinberg and Schuler owned substantial stock in Accelerate Diagnostics. On May 31, 2013, both Feinberg and Schuler, along with several other large stockholders of Accelerate, executed an Action by Written Consent to increase the number of shares of common stock Accelerate would be authorized to issue. Given that these large stockholders of Accelerate surpassed 50 percent of the common stock, their Action obviated any solicitation of input from minority stockholders.

(d) As described previously, both Feinberg and Schuler have also contemporaneously owned large blocks of stock in both Mazor, Transition, and Biolase (for which Moll serves as a director).

42. Moreover, Moll has previously shown a lack of interest in ensuring the independence of boards with which he is involved. For example, he sat contemporaneously on the boards of two rival companies involved in the same industry (Hansen and Auris) in 2011 and 2012. There have also been public accusations that Moll, within his capacity as a Biolase director, has shown favoritism and loyalty towards Feinberg. As the former CEO of Biolase, Frederico Pignatelli, claimed:

[C]urrent and former directors with loyalties to Oracle appear to have misappropriated corporate opportunities belonging to Biolase. In September 2013, Alexander Arrow, a former director and former President of the Company, and Dr. Frederic Moll held a secret meeting with [Larry] Feinberg and Neocis, Inc. (“Neocis”), a start-up company developing robotic health care technologies. As a result of that meeting, rather than working out a potential deal for Biolase, Mr. Pignatelli believes that certain directors personally invested in Neocis. Further, Moll potentially misappropriated a Biolase corporate opportunity when he diverted potential investors in Biolase to Auris. Moll is Chairman and Chief Executive Officer of Auris.

43. The Rollover Defendants have also functioned as a group by signing the Voting Agreement and Stock Purchase Agreements.

B. Background on the Company

44. Hansen Medical is a global leader in medical robotics. As explained in its April 2016 10-K, “our technology is designed to enable and improve medical procedures that are reliant upon flexible tools like guide wires, catheters, sheaths, balloons and stents.” As Hansen observes, catheter-based technologies are utilized each year in “millions of interventional diagnostic and therapeutic medical procedures.” Hansen designs, develops, and markets robotics for use in these frequent medical procedures.

45. Hansen’s earlier products such as the Sensei Robotic Catheter System and Artisan Control Catheter focused on assisting practitioners in the field of electrophysiology, who diagnose and treat arrhythmic electrical impulses in the heart. The Sensei and Artisan products assist in the practice of what Hansen calls

“instinctive navigation,” whereby a physician confidently directs the movements of a robotic catheter “with solid stability and control ... within the atrial heart chambers.” According to the April 2016 10-K, such products

enable physicians to perform procedures that historically have been difficult or time consuming to accomplish routinely with manually-controlled, hand-held catheters....[or] accomplished only by the most skilled physicians. We believe that our Sensei System has the potential to benefit patients, physicians, hospitals and third-party payors by improving outcomes and permitting complex procedures to be performed interventionally.

46. Hansen recently developed a robotic catheter technology for a different medical discipline, endovascular treatment of vascular disease. Endovascular treatment consists of minimally invasive surgeries used to treat problems relating to blood vessels, which Hansen states is “an area that we expect to be a key growth driver for the business.” As stated in the April 2016 10-K:

To address this market, we have developed our Magellan Robotic System, or Magellan System, and associated Magellan Robotic Catheters which...preserves the open architecture featured in the Sensei System....This technology is designed to provide a robotically stabilized conduit for the manual placement and delivery of other companies’ therapeutic devices.

* * *

We believe this platform and its clinical capability has the potential to open new markets for Hansen by providing [physicians] with accurate control of the catheter tip to enable vessel navigation, helping them to perform more complex catheter based procedures in a systematic way.

47. Despite Hansen’s focus on electrophysiology and intravascular treatments, Hansen, in the April 2016 10-K, expressed confidence that its

technology “has additional applications outside of the[se] fields” and its hope to advance its flexible robotic technology into other medical markets.

48. Hansen Medical is a company poised for growth, having, over the past year, raised additional capital to finance the further developments of its surgical products. On March 10, 2015, it announced that it entered into agreements in connection with a private placement of convertible preferred stock and warrants to purchase common stock with certain entities (including, as mentioned earlier, those affiliated with Moll and the Rollover Defendants). Hansen stated it would use proceeds from the transaction to “support commercialization efforts with the Magellan Robotic System, drive further adoption of the Sensei Robotic System and strengthen operations across the Company.”

49. On November 5, 2015, the Company issued a press release announcing the financial results for the third quarter ended September 30, 2015. The Company announced that, during that quarter, it had sold 118 vascular catheters operable with the Magellan Robotic System, compared to 63 in the same period in 2014; 110 Magellan-related (i.e., vascular) procedures were performed, compared to 55 for the same period in 2014, and that physicians performed 752 procedures overall; compared to 749 procedures over the same period in 2014. Defendant Vance observed that “[t]he clinical data has begun to accumulate, supporting the utilization of the Magellan System, for a vast number of

endovascular proceduresWe will continue to maintain a strong R&D focus to ensure our product offerings match the needs of this growing market.” The Company’s total balances in cash, cash equivalents, short-term investments and restricted cash were \$35.6 million as of September 30, 2015 compared to \$31.9 million as of December 31, 2014, while net losses for the quarter were \$10.2 million, compared to \$15.6 million for the same period in 2014.

50. The Company also reported the quarter’s business highlights: Hansen expanded its intellectual property portfolio by filing new patent applications concerning vascular technologies, which, added to an existing portfolio including in-house patents, in-licensed patents, and pending applications, reached approximately 1,000 matters. The Company expected its advances in research and development to “create next generation technology that complements and strengthens our existing portfolio and provides additional opportunities for our technologies in new markets.”

51. Also during that quarter, the Company signed an exclusive agreement with AB Medica, one of the largest medical device distributors in Italy and Switzerland, for the distribution of the Magellan Robotic System in Switzerland. On the other side of the globe, Hansen continued “to make favorable progress in gaining a planned regulatory approval in 2016 in China,” that “[t]he robotic market in China represents a substantial growth opportunity for the Company,” and that it

was “continu[ing] pre-market activities with its regional partners to leverage distribution partnerships throughout Asia.”

52. On December 21, 2015, Hansen announced it effectuated a transaction for the installation of a Sensei X Robotic System at a prominent European therapeutic and training center located in The Netherlands, a process which it completed in partnership with Medtronic.

53. On January 14, 2016, the Company provided an update on its “Near-Term Clinical, Regulatory and Commercial Events” whereby it announced it was in the midst of an “Artisan IDE Study,” a clinical trial investigating additional utilizations of the Sensei System, which Defendant Vance touted as “long-awaited by physicians and patients.” The Company also announced that “it has begun the preparatory process to submit the 510k to FDA for a neurological indication for the Magellan Robotic System. The Company anticipates submitting a 510k to the FDA in Q1 2016 for this expanded indication.”

54. As predicted, on February 2, 2016, Hansen announced it received FDA clearance for the Magellan Robotic Catheter eKit, allowing its use in the United States. Defendant Vance emphasized

the strong robotic procedure growth, particularly in men’s health, women’s health and cancer treatment, since the introduction of the Magellan Robotic Catheter 6Fr, and ***we expect that the development of the Magellan Robotic Catheter eKit will continue to expand our presence within the Interventional Radiology space.*** We have placed a heavy focus on advancing our Magellan technology to enable

robotic control of smaller catheters and look forward to the benefits that these added robotic capabilities will offer to patients and physicians. (Emphasis added).

On this news, Hansen's stock soared, from a closing price of \$1.30 on January 21, 2016, to a closing price of \$3.51 per share (with some shares trading as high as \$5.10 per share) on February 2, 2016. On February 5, 2016, one commentator at InvestorPlace.com listed Hansen as one of his "5 best stocks under \$5."

C. The Unfair Merger

55. Despite the Company's encouraging future outlook, the Director Defendants and Rollover Defendants, in violation of their fiduciary duties, agreed to allow the Company to be acquired at an unfair price and pursuant to an unfair process.

56. On January 14, 2016, the Company announced that it had "entered a process to explore strategic alternatives for the company focused on enhancing stockholder value, including, but not limited to, a licensing transaction, a refinancing transaction, a strategic business combination, partnership, a possible sale or disposition of one or more corporate assets or the company itself" and that a special committee of directors ("Special Committee") had been formed to evaluate these alternatives. While it is unclear, at this stage, what precipitated this process, what is known is that Defendant Schuler resigned from the Board two days earlier,

stating he did not wish to be part of deliberations given his significant holdings in the Company.

57. On April 22, 2016, the Company disclosed that it previously entered into a retention agreement with Defendant Lowe on April 18, 2016 (the day before it signed the Merger Agreement), allowing for the immediate vesting of any restricted stock, restricted stock units, or other equity awards, should he be terminated without cause in connection with a change in control of the Company.

58. On April 20, 2016, Hansen Medical issued a press release announcing its entry into a definitive agreement to be acquired by Auris, for \$4.00 per share, for a total equity value of approximately \$80 million (the “Press Release”).

59. The Press Release also stated that “certain significant stockholders of Hansen Medical have agreed to invest approximately \$49 million into Auris contemporaneously with the closing of the transaction.” A Form 8-K filed on April 20, 2016 explains that the \$49 million investment “represent[s] the aggregate amount of consideration payable to the Rollover Stockholders in the Merger.” The Press Release also stated that “[h]olders of approximately 65.4% of Hansen Medical’s outstanding shares, including all executive officers and directors of Hansen Medical, and the significant stockholders described above, have entered into voting agreements with Auris and Hansen Medical pursuant to which they have agreed to vote in favor of and otherwise support the transaction.”

60. Finally, among other things, the Press Release stated that

PJT Partners provided financial advice to Auris on the transaction, with Morrison & Foerster LLP serving as legal adviser to Auris. In connection with the transaction, Perella Weinberg Partners LP is serving as financial adviser to a Special Committee of the Board of Directors of Hansen Medical, Sidley Austin LLP is serving as legal adviser to Hansen Medical and Morris, Nichols, Arsht & Tunnell LLP is serving as legal adviser to the Special Committee of the Board of Directors of Hansen Medical.

Morris Nichols, Arsht & Tunnell LLP has previously served as legal counsel for Oracle and Defendant Feinberg in an attempt to change the composition of the Biolase board, a case litigated up to the Delaware Supreme Court in 2014. At this stage, it is not known what prompted the Special Committee to retain a law firm with deep connections to Defendant Feinberg, a Rollover Defendant who alone controls approximately 20 percent of the Company.

61. In an April 20, 2016 Form 8-K, Hansen attached the Merger Agreement. The “Recitals” section states that the Voting Agreements and Stock Purchase Agreements were executed “in order to induce” the Auris Defendants to enter into the Merger Agreement. Among other things, this suggests that the Stock Purchase Agreement was not an afterthought to the Merger, but rather shows that the Rollover Defendants were involved in negotiating for themselves a lucrative Stock Purchase plan, which was a *condition to the Merger*. Consequently, the Rollover Defendants were competing against the Hansen public stockholders for

portions of the consideration the Auris Defendants were willing to pay to acquire the Company.

62. The Merger Agreement contains numerous provisions that benefit Defendants to the detriment of Hansen Medical's public stockholders.

63. The Merger provides that, prior to its consummation,

each outstanding award of restricted stock units ("RSUs") with respect to Shares (each, an "RSU Award") granted pursuant to a Company Stock Plan shall be fully vested and cancelled and, in exchange therefor, each holder of any such cancelled RSU Award shall be entitled to receive, in consideration of the cancellation of such RSU Award and in settlement therefor, a payment in cash of an amount equal to the product of (i) the Merger Consideration multiplied by (ii) the number of restricted stock units subject to such RSU Award To the extent an RSU Award is subject to performance conditions, the number of RSUs that become vested pursuant to this Section 2.03(b) shall be determined (A) for RSU Awards with a performance period that by its terms has ended prior to the Effective Time, based on actual performance through the end of such performance period, and (B) for RSU Awards with a performance period that by its terms has not ended prior to the Effective Time, at 100% of target levels.

64. This vesting of RSUs has the potential to additionally enrich Defendants Vance who holds 220,289 outstanding awards of restricted stock units and performance stock units; and Defendant Lowe, who holds 100,000 outstanding awards of restricted stock units and performance stock units.

65. The Merger Agreement fails to protect the interest of the minority stockholders as the Merger is not dependent on their approval. Section 3.22 of the Merger Agreement, entitled "Vote Required," provides:

The affirmative vote of the holders of shares representing a majority of the voting power of the outstanding shares of the Company Common Stock entitled to vote thereon at the Company Stockholder Meeting is the only vote required (under applicable Law, the Company Charter, the Company By-laws, or otherwise) of the holders of capital stock of the Company to adopt this Agreement and approve the transactions contemplated hereby (including the Merger).

66. Attached to the Merger Agreement is the form of the Voting Agreements entered into by the Director Defendants, the Rollover Defendants, and other stockholders, in which they agree to vote all their shares in favor of the Merger and against any alternative acquisition proposal or any other extraordinary transaction.

67. Thus, because the Director Defendants and the Rollover Defendants own well over half of all common stock, and have agreed to vote all those shares in favor of the Merger, the Proposed Transaction, absent judicial intervention, is a *fait accompli* and the vote of the public stockholders of the Company is meaningless.

68. Moreover, the Voting Agreements entered into by the Director Defendants and Rollover Defendants are all identical, which suggests that all these defendants negotiated the Voting Agreements' terms in concert.

69. The Merger Agreement also contains unreasonable deal protection measures. Specifically, Section 5.03(a) of the Merger Agreement prohibits Hansen Medical from soliciting any competing bids for the Company. Although a potential buyer may make an unsolicited superior offer for the Company, Section

5.03(d) of the Merger Agreement provides Auris can simply amend the Merger Consideration to match the superior offer such that the Merger Agreement cannot be terminated. Even if another bidder is willing to engage in a bidding war with Auris, Section 7.02 provides that if the Company terminated the Merger Agreement, Hansen Medical must pay a termination fee to Auris of \$3.325 million, which represents 4.4 percent of the implied equity value of the deal. These provisions have the effect of discouraging potential bidders from investing the time and costs required to make a bid for the Company.

D. The Merger Price is Inadequate

70. The Merger Price is financially unfair and significantly undervalues Hansen Medical. The offered consideration of \$4.00 per share is inadequate because, among other things, the intrinsic value of Hansen Medical's stock is materially in excess of \$4.00 when considering the Company's potential for future growth and profitability. For example, the Merger Price is significantly below the Company's 52-week closing high of \$10.79 and a 52-week trading high of \$12.20.

71. The Defendants have timed the Transaction to take advantage of Hansen's artificially low market price. For example, on April 26, 2016, less than one week *after* announcement of the Merger, Hansen announced that it "recently submitted a 510k [application] to the FDA for a neurological indication for the Magellan Robotic System." Clearly such news, if disseminated prior to the

Merger's announcement, would have caused Hansen's stock price to rise immediately, rendering a \$4.00 Merger Price all the more unpalatable. In fact, and as discussed earlier, Hansen stock immediately rose on the February 2, 2016 news that the FDA granted it clearance for the Magellan Robotic Catheter eKit.

72. The low Merger Price is not surprising, given that the Rollover Defendants have a substantial interest to forgo fair Merger Consideration in exchange for a significant continuing interest in the merged entity with even greater growth potential.

73. As a result of Defendants' unlawful actions, Plaintiff and the other members of the Class will be damaged in that they will not receive their fair portion of the value of the Company's assets and business and, unlike the Rollover Defendants, will be prevented from obtaining the real value of their equity ownership of the Company.

FIRST CAUSE OF ACTION

For Breach of Fiduciary Duty (Against the Director Defendants)

74. Plaintiff repeats and realleges the foregoing allegations, as if fully set forth herein.

75. The Director Defendants, as directors and fiduciaries, have an obligation to ensure that any transaction, where the controlling stockholders of the Company are standing on both sides of it, is fair to Hansen Medical's stockholders.

76. As alleged above, the Director Defendants have violated their fiduciary duties owed to Plaintiff and the other Class members by acquiescing to an unfair process dictated by conflicted insiders that failed to consider all available options and excluded potential bidders. This process resulted in the Board approving a transaction at an unfair price.

77. As the Rollover Defendants control well over a majority of Hansen's voting stock and have repeatedly influenced the elections of the Director Defendants, the Director Defendants acted without independence and under the control of the Rollover Defendants. Schuler's sudden departure when the Board began considering strategic alternatives shows that his interests were in conflict with the other public stockholders for the years that he sat on the Board.

78. Moreover, Defendants Vance and Lowe, whom Hansen admits are not independent, will reap substantial financial benefits in the form of stock awards should the Merger close.

79. As alleged above, the Director Defendants have also violated their fiduciary duties by approving a Merger Agreement that does not include a majority-of-the-minority provision, thus failing to insulate the process from the insiders who will continue to maintain a substantial equity position in the continuing endeavor.

80. Alternatively, in agreeing to the Merger, the Director Defendants have initiated a process to sell Hansen Medical that imposes a heightened fiduciary responsibility on them and requires enhanced scrutiny by the Court. The Director Defendants owe fundamental fiduciary obligations to the Company's stockholders to take all necessary and appropriate steps to maximize the value of their shares in implementing such a transaction.

81. As alleged above, the Director Defendants have violated their fiduciary duties owed to Plaintiff and the other Class members by failing to maximize stockholder value in that they failed to proceed in a process designed to obtain the best price reasonably available for Hansen Medical's public stockholders.

82. Unless enjoined by this Court, the Director Defendants will continue to breach their fiduciary duties owed to Plaintiff and the Class, and may consummate the Merger, which will deny Class members their fair share of Hansen Medical's excellent growth and future value to the irreparable harm of the Class.

83. By reason of the foregoing, each member of the Class has suffered damages.

84. Plaintiff and the other members of the Class have no adequate remedy at law.

SECOND CAUSE OF ACTION

For Breach of Fiduciary Duty (Against the Rollover Defendants)

85. Plaintiff repeats and realleges the foregoing, as if fully set forth herein.

86. The Rollover Defendants, acting in concert and together as a group, are controlling stockholders, and have violated their fiduciary duties of loyalty and care owed to the public stockholders of Hansen Medical by placing their personal interests ahead of the interests of Hansen Medical's stockholders, and foisting an unfair transaction, both in terms of process and price, upon the Class.

87. By the acts, transactions and courses of conduct alleged herein, the Rollover Defendants are attempting to unfairly deprive Plaintiff and other members of the Class of the true value inherent in and arising from Hansen Medical.

88. The Rollover Defendants entered into Voting Agreements and have chosen to roll over their Merger Consideration into the successor entity based on non-public information, including the financial condition of Hansen Medical and Auris.

89. The Proposed Transaction is unfair to Hansen Medical's public stockholders, and represents an effort by certain of the Defendants to aggrandize the financial position and interests of the Rollover Defendants, who will maintain

an interest in Hansen Medical following the Proposed Transaction, at the expense and to the detriment of Class members. The Proposed Transaction is an attempt to deny Plaintiff and the other members of the Class their right to share proportionately in the true value of the Company, while usurping the same for the benefit of the Rollover Defendants who will maintain an interest in Hansen Medical on unfair and inadequate terms.

90. As a result of Defendants' unlawful actions, Plaintiff and the other members of the Class will be damaged in that they will not receive their fair portion of the value of Hansen Medical and will be prevented from obtaining the real value of their equity ownership of the Company.

91. Unless the Proposed Transaction is enjoined by the Court, Defendants will continue to breach their fiduciary duties owed to the Plaintiff and the members of the Class, and will consummate and close the Proposed Transaction complained of and succeed in their plan described above, all to the irreparable harm of the members of the Class.

92. By reason of the foregoing, each member of the Class has suffered damages.

93. Plaintiff and the other members of the Class have no adequate remedy at law.

THIRD CAUSE OF ACTION

Aiding and Abetting Breaches of Fiduciary Duties (Against the Auris Defendants)

94. Plaintiff repeats and realleges the foregoing allegations, as if fully set forth herein.

95. The Auris Defendants have knowingly aided and abetted the breaches of fiduciary duty committed by the Director Defendants to the detriment of Hansen Medical's public stockholders. The Auris Defendants, headed by Hansen founder Moll, exploited their preexisting knowledge and relationships with the Company and with the Rollover Defendants in order to ensure their and the Director Defendants' support for the Proposed Transaction. The Auris Defendants also demanded deal protection measures, while enticing the Director Defendants and the Rollover Defendants to accept a deal with them through attractive opportunities to invest in a dynamic and profitable successor entity. The Auris Defendants thereby facilitated the Director Defendants' and the Rollover Defendants' breaches of fiduciary duty in the sale of the Company. Further, the Auris Defendants and its investors are the intended beneficiaries of the wrongs complained of and would be unjustly enriched absent relief in this action.

96. By reason of the foregoing, each member of the Class has suffered damages.

97. Plaintiff and the other members of the Class have no adequate remedy at law.

WHEREFORE, Plaintiff demands judgment against Defendants, jointly and severally, as follows:

A. Declaring this action to be a class action and certifying Plaintiff as the Class representative and Plaintiff's counsel as Class counsel;

B. Preliminarily and permanently enjoining Defendants and all those acting in concert with them from taking any steps to consummate the Proposed Transaction;

C. Alternatively, and in the event the Proposed Transaction is consummated, rescinding the Proposed Transaction and/or awarding rescissory damages;

D. Directing Defendants, jointly and severally, to account to Plaintiff and the Class for all damages suffered and to be suffered by them as a result of the wrongs complained of herein;

E. Awarding Plaintiff the costs and disbursements of this action, including a reasonable allowance for the fees and expenses of Plaintiff's attorneys and experts; and

F. Granting such other and further relief as may be just and fair in the premises.

Dated: May10, 2016

ROSENTHAL, MONHAIT & GODDESS, P.A.

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