

Apr 17, 2021 investorsobserver.com

CoreCivic (CXW) Reaches \$56 Million Class Action Settlement, Shares Climb

CoreCivic (CXW) stock was up 3.5% after the company agreed to settle a securities class action lawsuit for \$56 million. CXW shares were trading at \$8.43 on Friday afternoon. What does it mean for CoreCivic? The settlement brings to a close litigation that dates back four years, when CoreCivic (CXW) and its current and former officers were sued in the U.S. District Court for the Middle District of Tennessee over the company's stock price decline on the heels of a Aug. 18, 2016 memorandum from the Department of Justice instructing the Federal Bureau of Prisons to phase out private prisons. The reached settlement preempts a jury trial that had been set to begin May 10. "We are pleased to resolve this matter and put it behind us in order to focus on the company's business," said Damon Hininger, CoreCivic's President and CEO. "While we continue to believe the allegations in this case were without merit, we also believe that eliminating the risk, cost and distraction related to the litigation is in the best interest of CoreCivic and its shareholders." CoreCivic Inc is a diversified government solutions company with the scale and experience needed to solve tough government challenges in flexible, cost-effective ways. It provides solutions to government partners that serve the public good through corrections and detention management, a network of residential reentry centers to help address America's recidivism crisis, and government real estate solutions. The company is an owner of partnership correctional, detention, and residential reentry facilities, and also the private owner of real estate used by U.S. government agencies. The company has been a flexible and dependable partner for the government for more than thirty-five years.