

# Theranos Investors Say They Were Pressured to Abandon Lawsuit

Theranos Inc. investors accused the company of threatening to file for bankruptcy protection if they don't agree to give up their rights to sue the firm over its flawed blood-testing business, **reports Bloomberg Law.**

Reporters Jef Feeley and Caroline Chen write that officials of Partner Investments LP and two other funds, which invested more than \$96 million in Theranos preferred shares, said a lawyer representing the privately held medical-testing company suggested it would seek Chapter 11 protection if the investors won't abandon their lawsuit and accept more equity instead.

Theranos officials have disputed the investors' claims, saying they discussed the exchange offer with investors before the suit was filed.

"Having said it will no longer sell tests to consumers after running into trouble with U.S. regulators, Theranos and Chief Executive Officer Elizabeth Holmes are fighting for the company's life," according to Bloomberg. "It's facing multiple suits by investors who claim they were misled about the technology and want their money back, and it is refocusing on research."

**[Read the Bloomberg article.](#)**

**Join Our LinkedIn Group**