Securities Litigation

Securities litigation is one of the Firm's largest practice areas. While most corporate law firms represent only defendants and not plaintiffs, we frequently represent both and have done so in the highest-profile securities cases in the United States. In the aftermath of the U.S. financial crisis, we achieved verdicts and settlements totaling over $47 billion against the major banks responsible for the collapse of mortgage-backed securities. And our global presence allows us to represent clients in complex securities disputes in major financial markets in Europe, Asia, and Australia.

We have litigated every type of securities case, including the following:

- Claims under the Securities Act of 1933 and the Securities Exchange Act of 1934
- Fraud and non-disclosure cases under state blue-sky laws
- Market manipulation cases
- Takeovers and proxy disputes
- All holders/best-price rule tender offer litigation
- Insider trading
- Option disputes
- Valuations

In securities cases, we have represented:

- Fortune 500 companies
- Investment banks
- Directors and officers
- Special committees
- Audit committees
- Institutional investors
- Hedge funds and private equity firms
- Financial advisors
- Broker-dealers

Quinn Emanuel, once again, is ranked *first* among the firms that major companies want to face least as opposing counsel (BTI Consulting Group, 2025). Our reputation is an advantage in the courtroom and in settlement discussions, because a credible trial threat can hasten a favorable outcome.

We also specialize in designing and conducting internal investigations and in negotiating with prosecutors and regulators, including the DOJ, SEC, CFTC, FTC, and CFPB. More than two dozen of the firm's partners are former prosecutors, which includes former high-ranking Department of Justice lawyers and numerous alumni of United States Attorney's Offices.

RECENT REPRESENTATIONS

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- We represented more than a dozen clients, **including ACP Re, Ltd., AmTrust Financial,** and **Tower Group International, Ltd.,** in a trust preferred securities dispute arising from the collapse of the Tower Group insurance conglomerate, in which hedge funds and CDOs sought more than half a billion dollars in damages. Backed by an extensive expert record, we obtained a unanimous reversal in the New York Appellate Division (First Department) and the dismissal of the claims against our clients.
- We represented **TAL Education**, the NYSE-listed Chinese after-school tutoring leader, in a potentially billion-dollar securities class action in the Southern District of New York, and obtained dismissal of the third amended complaint in its entirety. The suit followed China's 2021 Double Reduction Policy, which effectively outlawed for-profit tutoring and erased about $50 billion of TAL's market value within months. Plaintiff argued that TAL saw the policy coming and had prompted harsher regulation through minor infractions of other Chinese rules. Our team across New York, Beijing, and Shanghai laid out the tutoring market and the evolution of Chinese policy so clearly that the court granted all three of our motions to dismiss. Plaintiff subsequently opted not to amend the complaint for a fourth time.
- We represented **Vishal Garg**, founder of Better Home & Financing Holding Co. (BETR), in a proxy battle to retake the company after a boardroom coup ousted him as CEO, and obtained consents from holders of more than 52% of the voting power to remove the directors behind his firing. As part of this case, we won a first-of-its-kind Section 14(a) ruling in the SDNY.
- In a first-of-kind ruling, Quinn Emanuel and co-counsel obtained a dismissal on the basis that NFTs did not qualify as securities. The case involved a proposed securities class action against **Bored Ape NFT creator Yuga Labs and celebrity promoters**. The judge concluded that buyers failed to allege investment contracts, finding the NFTs were marketed for consumptive uses like status and event access, not profits. Unlike other NFT cases, Yuga did not control the secondary market, and no common enterprise was shown.
- We secured a complete defense verdict in a multi-billion securities trial against **Elon Musk** in San Francisco. The trial followed 2018 tweets that he had "funding secured" to take Tesla private. The victory was particularly remarkable in that the court had instructed the jury that the tweets were false and recklessly made, and that the jury's task was to determine only whether the false representations were "material" and, if so, the amount of damages. Plaintiffs claimed damages in the range of $12 billion
- We also represent **Elon Musk** in other securities class actions, including a case alleging that our he violated securities laws when he made certain statements about Twitter in connection with his purchase of the company, a case alleging that he intentionally failed to make certain timely filings pursuant to Section 13D of the Exchange Act in connection with his acquisition of shares in Twitter, and a case alleging market manipulation related to the Dogecoin cryptocurrency.
- We secured a full dismissal for **Tesla** and **Elon Musk** in a securities case concerning Tesla's full-self-driving technology. Plaintiffs alleged that the company's optimistic statements concerning the technology and subsequent delays amounted to securities fraud. The court adopted much of our briefing and found that every statement was either protected by the PSLRA Safe Harbor and/or immaterial puffery.
- We represent **DiDi Global Inc.**—described as the "Uber of China"—and certain officers and directors in a putative securities class action in the S.D.N.Y. Plaintiffs allege that DiDi proceeded with an IPO of American Depositary Shares in July 2021 despite an undisclosed "directive" from China's Cybersecurity Administration instructing DiDi not to do so. We have moved to dismiss on grounds of failure to plead falsity or scienter, among other reasons.
- We obtained a dismissal of a putative class action in Delaware federal court for **Match Group Inc.** Plaintiffs alleged material misstatements in Match's financial statements related to its Tinder dating app. The court dismissed the complaint because the complaint's selective quotations from Match's SEC filings do not constitute fraud and that any alleged

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misstatements were not actually misleading.

- We represent **Paris Hilton** in a putative class action against her and other celebrities related to the defendants' endorsement of Bored Ape Yacht Club non-fungible tokens. The complaint alleges a scheme to artificially inflate the value of the tokens. We recently moved to dismiss, arguing that Ms. Hilton did not make any misstatements or misrepresentations.
- We represent **26 Capital Acquisition Corp.**, a special purpose acquisition company (SPAC) in litigation related to 26 Capital's attempted merger with a casino resort in the Philippines. The enterprise value of the combined company, had the deal been completed, would have been $2.6 billion. We recently concluded a five-day trial in the Delaware Court of Chancery, and post-trial briefing is ongoing.
- We obtained dismissal for **Core Scientific Inc.** on a motion for reconsideration of a motion to dismiss in a putative class action alleging misstatements in connection with the company's merger into a SPAC. We filed a motion for reconsideration with respect to the sole surviving statement, which the court granted.
- We represent **Dfinity USA Research LLC** and an affiliate in parallel class actions in the Northern District of California and San Mateo, California Superior Court asserting that ICP tokens sold by our clients were unregistered securities, and that our clients made misstatements in breach of Section 10(b) of the 1934 Securities Exchange Act and Rule 10b-5.
- We represent **StoneCo**, a fintech company, and certain directors/officers in a putative class action in the S.D.N.Y. alleging that the Company mischaracterized its credit underwriting standards as, for instance, "conservative," when the Company was allegedly loosening standards and knew its default rate was increasing. We have moved to dismiss Plaintiffs' claims on various grounds, including failure to plead falsity or scienter.
- We represent **Rio Tinto** and its CEO in a putative securities class action in the S.D.N.Y. asserting claims under Rule 10b-5. Plaintiffs claim Defendants were responsible for misstatements and omissions relating to the operation of a large copper mine in Mongolia. We obtained partial dismissal as to Rio Tinto and the individuals, and complete dismissal as to a subsidiary, at the pleading stage.
- We represent **Maiden Holdings, Ltd.** in a putative class action alleging that Maiden failed adequately to estimate loss reserves for its reinsurance business, resulting in misstated financials and large reserve charges. We obtained near-complete dismissal at the pleading stage, and dismissal of the remainder of the case on summary judgment.
- We represent **Tilray** (successor to **Aphria, Inc.**), a leading cannabis company, in a securities class action. In December 2018, two notorious short-sellers claimed cannabis assets Aphria had recently purchased in Latin America and Jamaica were worthless or did not exist. We obtained dismissal for two Defendants at the pleading stage, then assumed representation of Aphria and the remaining individual defendants from prior counsel.
- We represent **Corcept Therapeutics** and its CEO and CFO in a putative class action in the Northern District of California alleging the company, which manufactured and marketed pharmaceuticals, engaged in an "off-label" scheme for a particular drug, and as a result made misstatements relating to the marketing, use, and other aspects of the drug. We obtained partial dismissal at the pleading stage and the parties settled the remaining claims.
- We secured dismissal of a claim against our client **Acis Capital Management LP** in the trial court and the U.S. Court of Appeals for the Second Circuit. The complaint alleged that Acis defrauded investors in connection with a collateralized loan obligation managed by Acis. We persuaded the trial court and the Second Circuit that the parties' contract barred the claim and that the contract was valid.
- We obtained complete dismissal of multiple securities class actions against our client

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BlueCity Holdings. BlueCity is an online and app-based provider of information and services to the LGBTQ community in China and other parts of Asia, and boasts approximately 60 million registered users. The Court in the first putative class action, a New York state action, dismissed the case with prejudice from the bench. We then succeeded in dismissing a parallel federal class action in the E.D.N.Y. arising from similar allegations, with the court holding that our client's disclosures were not materially misleading as a matter of law.

- We obtained full dismissal of securities claims against our client **TAL Education Group** in the Southern District of New York. TAL operated a large tutoring business in China during the class period. Plaintiff alleged TAL misrepresented its regulatory compliance and failed to disclose that the Chinese government planned to impose strict regulations on TAL's business. The Court dismissed the claims because the plaintiff failed to adequately plead scienter, among other reasons.
- We represent certain investment vehicles against William "Beau" Wrigley—heir to the Wrigley fortune—and his cannabis company Parallel in litigation for alleged material misrepresentations and omissions in connection with a Simple Agreement for Future Equity ("SAFE") our clients funded two days before Parallel experienced a cascade of debt defaults. The litigation is ongoing.
- We obtained complete dismissal with prejudice of a Section 11 class action against our client **Waterdrop Inc.**, an online provider of insurance services, asserting that IPO offering materials misrepresented the reasons for, and impact of, discontinuing a non-core business and concealed a substantial increase in expenses.
- We represented **C3.ai**, a leading Silicon Valley enterprise AI software provider, and **CEO Thomas Siebel** in several actions, including a federal bench trial in the District of Delaware in which former shareholders of an acquired entity asserted claims under Section 10 and Delaware common law. We obtained a complete defense verdict, including attorneys' fees and costs, and secured unanimous affirmance on appeal. We also represent C3 and Mr. Siebel in a recently filed putative securities class action alleging that the company falsely informed investors that had 100% access to another corporation's salesforce.
- We represented **Fei Labs** and certain executives in a putative class action filed in the County Superior Court for San Francisco, California. Plaintiff alleged that Defendant Fei Labs' stablecoin—a cryptocurrency pegged to the U.S. dollar—was unregistered and therefore breached the 1933 Securities Act. The parties recently settled the matter.
- We obtained dismissal or voluntary dismissal in parallel actions against **BProtocol**, **Civic**, and **Quantstamp, Inc.**, all crypto-currency issuers. Plaintiffs asserted that each company unlawfully failed to register (under the 1933 Act) and made misleading statements about their tokens. Our motion to dismiss was granted on five independent grounds in the BProtocol case, leading Plaintiffs to voluntarily dismiss their actions against Civic and Quantstamp.
- We represented **Bakkt Holdings, Inc.** which provides products that enable companies to provide crypto-based compensation and rewards to employees in a securities class action and related derivative action. Bakkt went public on October 15, 2021, through a SPAC merger. The complaints alleged 1933 and 1934 Act claims after the SPAC, and later Bakkt, restated their financials after reclassifying certain equity as liabilities. We recently settled the class action on very favorable terms.
- We asserted claims against WeWork in New York State Supreme Court, Commercial Division, on behalf of funds affiliated with **Catalyst Investors**. The complaint alleged that WeWork, along with Adam Neumann, WeWork's founder and CEO, induced plaintiffs to sell their interests in a valuable technology company, called Conductor, in exchange for WeWork shares by misrepresenting WeWork's value and profitability. The Court denied Defendants' motion to dismiss the main fraud claim, and we settled the matter on favorable terms.
- We represented pharmaceutical giant **Allergan** and several directors and officers in a 10(b)

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class action alleging failure to disclose that one of Allergan's former divisions was purportedly engaged in a price-fixing conspiracy, and an opt-out action brought by TIAA-CREF Large Cap Growth Fund arising from similar allegations. We settled both claims on favorable terms.

- We obtained complete dismissal on behalf of **UP Fintech** (and its directors and officers), a leading online brokerage firm for Chinese investors, in parallel state and federal securities class actions alleging Section 11 claims. Each Section 11 action asserted that UP Fintech failed to disclose rising expenses in its offering materials. We timed the cases so the federal decision would come down first and used that precedent to obtain dismissal at the state level.
- We obtained complete dismissal, with prejudice, on behalf of **Garrett Motion Inc.** and certain officers and directors in a putative class action in the S.D.N.Y. Garrett is an automotive and technology company based in Switzerland that spun off from **Honeywell International** in 2018 and filed for bankruptcy in 2020. We obtained dismissal of the second amended complaint March 2022 and obtained dismissal of the third amended complaint, *with prejudice*, in March 2023.
- We represented bio-tech company **NantCell, Inc.** in Delaware Chancery Court against shareholders of Altor, a company NantCell had an agreement to acquire. Plaintiffs sought to enjoin the merger on the grounds that Altor's directors had breached their fiduciary duties in approving the transaction and that the merger consideration was inadequate. We defeated the motion for a TRO to halt the transaction, which enabled it to close, and then settled appraisal claims and a related class action on favorable terms.
- We represented **Mammoth Energy Services, Inc.** and its CEO and CFO in derivative and class action suits arising from allegations that the president of a subsidiary provided things of value to a FEMA official so FEMA would steer restoration work to Cobra in Puerto Rico after Hurricane Maria. We obtained dismissal of a substantial portion of the securities class action, and then settled both the class action and derivative action on very favorable terms.
- We represent several public pension funds (among other entities) on behalf of the class who entered into stock loan transactions with six major banks that serve as prime brokers of stock loans. Plaintiffs allege that the six defendants conspired to overcharge investors and wrongfully control the $1.7 trillion stock loan market, obstructing competition. After the court denied the defendants' motions to dismiss in their entirety, all of the bank defendants except for Bank of America settled for $581 million cash and important market and structural reforms. The rest of the case remains ongoing.
- We represent or represented **Sequoia Capital** in multiple federal securities class actions asserting control person claims based on minority share ownership and ability to nominate a director. Issuers include Dropbox, Eventbrite, Berkeley Lights, Inc., and Unity Software. In each concluded action, we succeeded in obtaining dismissal on the pleadings.
- We represent four **SoftBank** entities in a class action alleging that Zymergen's registration statement contained materially false and misleading statements about Hyaline, a product in Zymergen's pipeline. We obtained dismissal of the original complaint based on Plaintiffs' failure to allege an underlying violation and Plaintiffs' failure to plead facts showing the SoftBank defendants were "control persons." Plaintiffs amended their complaint and the action is now in discovery.
- We filed a large-scale class action on behalf of **XTX Markets Limited** as lead plaintiff alleging a wide-ranging anticompetitive and fraudulent scheme on one of the largest foreign exchange platforms, Currenex. Our complaint alleges that, in operating its FX trading platform, Currenex conspired to give superpriority privileges to certain market makers to ensure that their orders were matched ahead of others. The Court largely denied defendants' motion to dismiss.
- We are interim co-lead class counsel in an action against certain banks who acted as re-

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marketing agents for **variable rate demand obligations ("VRDOs")**. These securities are typically issued by municipalities or such public entities as universities and hospitals, and carry interest rates that are reset periodically, allowing their issuers to borrow funds for the long-term at short-term rates. The court granted our request to certify the class, and the action is ongoing.

- We represent **Xiaodi Hou**, former CEO and Chairman of the Board of Directors of TuSimple Holdings, Inc., an autonomous trucking company, in consolidated securities and derivative suits pending in the U.S. District Court for the Southern District of California and Delaware Chancery Court. The lawsuits allege that defendants breached fiduciary duties to shareholders by failing to disclose or properly address related-party transactions with a Chinese truck manufacturer.
- We represent **Alsop Louie Partners LLC**, **Joseph Addiego**, and **Gilman Louie** in a securities action brought by a minority investor of Centripetal Networks, alleging that Centripetal and its former and current directors and officers made misrepresentations regarding the suitability of a merger. The parties are currently briefing a motion to dismiss.

NOTABLE REPRESENTATIONS

- In a truly historic partnership between a regulator and a private firm, we represented the **Federal Housing Finance Agency** ("**FHFA**"), as Conservator for Fannie Mae and Freddie Mac, in connection with its investigation and litigation of nearly $200 billion in residential mortgage-backed securities. This was the single largest set of actions ever filed by a governmental entity. We recovered over $25 billion, including (i) a $5.5 billion settlement from RBS—one of the largest recoveries ever in a securities action—and (ii) an $800 million trial judgment against Nomura and RBS.

- We represented the **Official Committee of Unsecured Creditors of Lehman Brothers Holdings Inc.** ("LBHI") as lead counsel litigating LBHI's objections to claims by Citibank and Credit Suisse related to the close-out and valuation of tens of thousands of derivatives following Lehman's bankruptcy. After 42 days of trial over the course of four months on Citibank's claim, LBHI announced a settlement that returned $1.74 billion to Lehman's creditors. We then secured a settlement with Credit Suisse that reduced Credit Suisse's claim by approximately $800 million

- We served as lead counsel for the **ResCap Liquidating Trust**, which was formed pursuant to the chapter 11 plan confirmed by Residential Funding Company ("RFC") to pursue claims for the benefit of RFC's creditors. We brought actions against approximately 90 mortgage originator defendants that sold defective mortgage loans to RFC. We ultimately recovered almost $1.3 billion from defendants, including a $68 million jury verdict against Home Loan Center.

- We represented **Allstate** in a number of lawsuits against Wall Street banks arising from Allstate's losses on mortgage-backed securities issued by the banks. We defeated defendants' motions to dismiss in five lawsuits, winning every motion that reached a decision, and we obtained remand to state court in all but one case. We ultimately secured highly favorable settlements from the major banks in these cases.

- We filed thirteen RMBS-related actions on behalf of **MassMutual** against a dozen financial institutions. In the "bellwether" action against Deutsche Bank, we won a motion for partial summary judgment and defeated defendants' motions for summary judgment based on statute of limitations and failure to prove misrepresentations. We were subsequently able to

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settle the action favorably on the eve of trial, and then settled the remaining actions.

- We litigated multiple cases for trustees or securities administrators on behalf of various RMBS Trusts. These cases, colloquially known as "put-back" actions, collectively involved claims that exceeded $2 billion, and frequently resulted in multimillion dollar recoveries for our clients.

- We successfully defended numerous Peregrine-related securities actions arising from the employee accounting fraud at Peregrine on behalf of Peregrine's former Chairman and outside director, **John Moores**. The accounting fraud led to Peregrine's bankruptcy and conviction of twelve employees, including the CEO. We obtained dismissal of state-court actions, dismissal of the most significant claims in federal class actions, and federal court approval of a favorable settlement resolving two actions each seeking in excess of $2 billion from Mr. Moores.

- We represented two dozen hedge funds, including international funds grouped under four management entities—**Elliott**, **Davidson-Kempner**, **Appaloosa**, and **Angelo Gordon**—as plaintiff-holders of Yosemite and Enron Credit-Linked Notes in the Enron MDL, and we successfully obtained a settlement in excess of $2.1 billion.

- We represented entities associated with **Odebrecht**'s multibillion-dollar construction business, in securities fraud suits brought by DoubleLine Capital LP and related funds, and by the Washington State Investment Board ("WSIB"). Plaintiffs alleged cumulative note purchases of approximately $200 million, and alleged false representations in public statements and financial disclosures due to Odebrecht's participation in the infamous bribery and bid-rigging schemes known as *Lava Jato*. We obtained dismissal of portions of DoubleLine's complaint.

- We represented **E*TRADE Financial Corporation** and **E*TRADE Securities LLC**, along with the former and current CEOs of E*TRADE Financial, in obtaining the dismissal of a putative Section 10(b) class action, and secured that dismissal in the Second Circuit. The action challenged E*TRADE's order routing practices, alleging E*TRADE earned tens of millions in "Payment for Order Flow" by prioritizing its receipt of rebates over the quality of execution provided to its customers.

- We represented several **Charles Schwab-related entities and individuals** in a shareholder derivative suit and securities class action related to the Schwab YieldPlus Fund. Pursuant to the recommendation of a special litigation committee, we moved for, and obtained, dismissal of the derivative and class action claims on summary judgment. The judgment was affirmed on appeal.

- We represented several parties, including **KKR Credit Advisors** and **Canyon Capital Advisors**, in connection with suits involving state and federal strict liability securities claims against Goldman Sachs, JPMorgan, and other participants in equity offerings for SunEdison, Inc. and TerraForm Global, Inc. The claims related to the IPO and alleged misstatements and omissions in the offering materials.

- We represented **LendingClub Corporation and certain LendingClub directors** in consolidated class actions in state and federal court in California alleging violations of the 1933 and 1934 Acts, arising from allegedly misleading statements and omissions in offering documents filed in connection with LendingClub's 2014 IPO. We persuaded the federal court to limit the class period for the Section 11 claims based on an inability to trace shares, and ultimately settled both actions.

- We represented **PIMCO**, **Western Asset Management Co.**, and dozens of other plaintiffs that hired us to pursue federal securities claims arising from the multi-year kick-back and bribery

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at the Brazilian state-owned oil company Petróleo Brasileiro S.A. ("Petrobras"). After less than a year of litigation, we obtained very favorable confidential settlements for each of our clients as part of $353 million paid and reserved by the company.

- We represented two funds managed by **Elliott Management** in a purported $300 million-plus shareholder class action in New Jersey state court arising from the 2006 take-private merger of Metrologic Instruments. We struck plaintiffs' jury demand, then filed a renewed motion for summary judgment, along with a motion to reopen expert discovery. We settled while preparing to take the case to trial.

- We represented **Marvell Technology Group** in consolidated class actions and a derivative action that alleged $1 billion in market losses after the company announced an audit committee investigation and settlement of significant litigation. We obtained dismissal of two of plaintiff's three theories on motions to dismiss and narrowed the class significantly at the class certification stage, resulting in a successful settlement.

- We represented the former President and Chief Operating Officer of **Brocade Communications Systems, Inc.** in a federal securities class action, shareholder derivative suits, and an action by the SEC; the court in the derivative action granted our motion to dismiss, and we obtained dismissal of our client from the federal class action. The SEC action was resolved via consent judgment under which our client admitted to no wrongdoing.

- We have served as counsel in various stock option matters, including internal investigations, SEC, DOJ, and shareholder derivative actions, for clients including **Maxim Integrated Products, Barnes & Noble, Idealab,** and **Terayon**; for the Special Committee in **Apple**; and for individual officers of **Brocade, Marvell, MRV Communications,** and **Computer Sciences Corp.**

"They are very sophisticated. They know everything and keep their calm in heated situations. They are smart, strategic, tactical and I will always go to them with a big problem."
Client Testimonial, ***Chambers and Partners***

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