

# Shareholder Rights / Corporate Governance

CPM represents shareholders of public and private corporations seeking recourse when the corporations they own are harmed by the action, or inaction, of their fiduciaries. Through these actions, often brought by shareholders derivatively on behalf of the corporation, CPM has successfully recovered millions of dollars for the corporations' benefit and negotiated settlements mandating best practice corporate governance reforms to ensure that similar misconduct does not reoccur.

If you would like to discuss further, please follow up with Mark Molumphy or Brian Danitz.

- Email Mark Molumphy
- Email Brian Danitz
- Call Mark Molumphy or Brian Danitz at (650) 697-6000.

## Noteworthy Cases

### ***In re PG&E Derivative Litigation (San Bruno Gas Explosion)***

#### **San Mateo County Superior Court**

CPM was Co-Lead Counsel representing PG&E shareholders following the gas pipeline explosion that devastated an entire neighborhood in San Bruno. The explosion, and resulting fire, killed eight people, injured dozens more and destroyed or damaged several dozen homes. PG&E ultimately was held criminally liable for its conduct, and paid tens of millions of dollars in fines and settlements. Through the derivative action, CPM secured a \$90 million settlement from PG&E's officers and directors, one of the largest monetary settlements in United States history, and extensive reforms to PG&E's safety and risk management practices overseen by management along with ongoing reports to the Court.

## Key Contacts

Mark C. Molumphy  
mmolumphy@cpmlegal.com

Brian Danitz  
bdanitz@cpmlegal.com

### ***In re Wells Fargo & Company Derivative Litigation (Sales Practices)***

#### **San Francisco County Superior Court**

CPM was Lead Counsel in shareholder derivative action against Wells Fargo officers and directors who presided over the bank's fictitious sales programs defrauding thousands of customers who unwittingly paid fees for accounts they never opened. The program artificially boosted the bank's financial condition, while certain management received lucrative bonuses and insider trading profits. As a result of the action, Wells Fargo agreed to reform its sales practices and certain insiders returned millions in equity awards.

### ***In re Wells Fargo & Company Auto Insurance Derivative Litigation (Auto Insurance Practices)***

#### **San Francisco County Superior Court**

CPM was Co-Lead Counsel in a shareholder derivative action alleging that Wells Fargo's officers and directors breached fiduciary duties of oversight relating to the bank's auto and home loan sales practices and overcharging for insurance products. The action resulted in mandated reforms to bank practices.

### ***In re Alphabet Inc. Shareholder Derivative Litigation (Sexual Harassment Practices)***

#### **Santa Clara County Superior Court**

CPM is counsel in a consolidated shareholder derivative action, alleging that Alphabet's management failed to monitor and prevent sexual harassment of employees by top Google executives and, instead, approved lucrative compensation to Google executives and then allowed them to quietly "resign" after they were credibly accused of sexual harassment and other misconduct. Even after public outrage when the conduct was disclosed and the walkout of nearly 20,000 Google employees, Alphabet failed to seek recourse. The derivative action seeks to reform Alphabet's governance.

### ***In re Intuitive Litigation Derivative Litigation (DaVinci Surgical Device)***

#### **San Mateo County Superior Court**

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CPM was Co-Lead Counsel in a shareholder derivative action against certain current and former officers and directors of Intuitive, which designed and sold a robotic surgical system. Intuitive's management allegedly failed to properly report patient injuries and other malfunctions in the system to the public or regulatory bodies, while executives received and then dumped massive amounts of stock. On the day before trial, CPM successfully negotiated a settlement including \$15 million in cash and options paid back to Intuitive by the individual defendants, and requiring the company to implement extensive corporate governance, insider trading, and product safety measures.

### **Tribble v. Gerrans, et al.**

Shareholder derivative action on behalf of biomedical device company Sanovas, Inc., alleging that the former CEO stole company funds and was able to do so because the company lacked meaningful internal controls. After issuing temporary restraining orders against the defendants, the Marin County Superior Court entered a stipulated judgment establishing significant governance reforms, including the addition of independent directors, an audit committee, board observer rights, required board meetings and annual shareholder meetings to elect directors. The former CEO was tried and found guilty in federal court on multiple criminal counts.

### ***In re HP Derivative Litigation (Autonomy Acquisition)***

#### **United States District Court, Northern District of California**

CPM served as Lead Counsel in a derivative case against the officers and directors of Hewlett-Packard Company relating to HP's failed \$11.7 billion acquisition of Autonomy. Just one year after the acquisition, HP announced an \$8.8 billion write-down and claiming that its management had not been informed of issues with Autonomy's sales practices. CPM negotiated a settlement reforming HP's merger and acquisition due diligence and disclosure practices applied to HP deals going forward.

### ***In re JP Morgan Derivative Litigation (RMBS)***

#### **United States District Court, Eastern District of California**

CPM served as Lead Counsel in derivative litigation against JP Morgan's officers and directors relating to the company's sales of Residential Mortgage-Backed-Securities ("RMBS") to institutional investors. The plaintiffs alleged that the company's management permitted the fraudulent sale of securities, exposing the company to billions in losses.

### ***In re Anti-Poaching Derivative Cases (Google, Intel and Apple)***

#### **Santa Clara County Superior Court**

CPM represented shareholders in separate derivative cases in Santa Clara County Superior Court, alleging that certain directors and officers of Google, Intel and Apple entered into secret agreements not to recruit each other's employees.

### ***In re Apple Derivative Litigation (Stock Option Backdating)***

#### **United States District Court, Northern District of California**

CPM was Lead Counsel representing Apple shareholders after the revelation that Apple's board had approved the systemic backdating of stock options to senior management. The high-profile case was one of the first stock option backdating cases litigated in the country. CPM ultimately negotiated a comprehensive settlement including a combination of monetary relief, returned options, and extensive corporate governance reforms.

### ***In re Oracle Derivative Litigation (Government Overbilling)***

#### **United States District Court, Northern District of California**

CPM served as Co-Lead Counsel for investors in a shareholder derivative complaint on behalf of Oracle Corporation against certain members of its Board of Directors and certain senior officers for breach of fiduciary duty and abuse of control relating to the alleged overbilling of the US government for software products. After extensive litigation, CPM negotiated a settlement requiring reforms to Oracle's practices.

### ***In re Rational Software, Inc. Derivative Litigation***

#### **United States District Court, Northern District of California**

CPM served as Lead Counsel in a derivative action alleging claims of breach of fiduciary duties, unjust enrichment, and corporate waste against directors and officers of Rational Software.

### ***In re Sybase Derivative Securities Litigation***

#### **Alameda County Superior Court**

CPM served as Lead Counsel in a derivative action alleging claims of breach of fiduciary duty, abuse of control, and violation of securities laws by Sybase's management.

### ***In re Informix Derivative Litigation***

#### **San Mateo County Superior Court**

CPM served as Co-Lead Counsel in a derivative action alleging claims of breach of fiduciary duty and securities violations against Informix's management, and professional negligence against the company's auditors.

### ***In re CBT Group PLC Derivative Litigation***

#### **United States District Court, Northern District of California**

CPM served as Lead Counsel in a derivative action alleging claims of breach of fiduciary duty, abuse of control, and securities violations against CBT's management.

### ***In re Legato Systems, Inc. Derivative Litigation***

#### **United States District Court, Northern District of California**

CPM served as Lead Counsel in a derivative action alleging claims of breach of fiduciary duty and accounting fraud claims against Legato management.

### ***In re Stockman's Bank Derivative Litigation***

#### **Sacramento County Superior Court**

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CPM served as Lead Counsel in a derivative action alleging claims of breach of fiduciary duty, abuse of control and unjust enrichment against Stockman's management.

### News

Court Orders Gilead to Pay Attorneys' Fees and Expenses to Shareholders, Finding Corporation Engaged in "Glaringly Egregious" Conduct  
07.23.2021

Cotchett, Pitre & McCarthy's Securities Practice Ranked Amongst Top 10 Firms In North America  
03.13.2020

### YAHOO SETTLEMENT NOTICE

CPM Files Shareholder Lawsuit Against Facebook Directors Following Massive Data Breach Impacting 50 Million Facebook Users  
03.22.2018

CPM Files Lawsuit Against Wells Fargo Officers and Directors Relating to Auto and Home Loan Practices  
09.05.2017

### INTUITIVE SURGICAL SECURITIES LITIGATION NOTICE OF SETTLEMENT

### PG&E DERIVATIVE LITIGATION NOTICE OF SETTLEMENT

CPM Client Shareholders File Opposition To Wells Fargo Motion Regarding Illegal Sales Practices, Ask For Case To Move Forward On Its Merits  
04.26.2017

CPM Secures \$90 Million Settlement in PG&E San Bruno Explosion Case  
04.21.2017

CPM Files Shareholder Lawsuit After Yahoo Senior Executives Fail to Disclose Russian Hacks of Customer Accounts  
03.16.2017

CPM Files Lawsuit Against Yahoo! Executives and Verizon Relating to Massive Data Breaches  
03.08.2017

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CPM Files Lawsuit Against Wells Fargo Executives and Board Members for Creation of Over 2 Million Phony Accounts which Defrauded Consumers  
09.22.2016

After Considering CPM Argument, Court Orders JPMorgan, Jamie Dimon, to Produce Emails in Shareholder Derivative Case  
09.21.2015

Court Orders PG&E Directors to Answer, Allowing CPM Client Shareholders' Suit to Proceed  
08.28.2015

CPM Helps Fedex Shareholder Sue Over the Illegal Delivery of Online Pharmaceuticals

CPM's Consolidated Shareholder Derivative Lawsuit Moves Ahead Against PG&E Officers and Directors

CPM Pursues Google, Apple & Intel Litigation Involving Alleged Breach of Duties by Boards

CPM Files Investors' Action Against Oportun Financial Corp.

CPM Represents Investors Against Liberty Asset Management Corp.

Update: FedEx Faces Criminal Penalty for the Illegal Delivery of Online Pharmaceuticals

Blast lawsuit seeking money from PG&E execs gets go-ahead  
*San Francisco Chronicle*, 08.05.2014

CPM Files Consolidated Shareholder Derivative Lawsuit Against PG&E Officers And Directors  
2013

CPM Files Complaint on Behalf of PG&E Against Its Officers and Directors for Breach of Their Fiduciary Duties  
09.23.2013