

## Securities / Financial Fraud

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For the past four decades, CPM has been a preeminent securities litigation firm in the United States, recovering billions of dollars for individual and institutional investors. CPM was recognized by the Institutional Shareholder Services in its annual Top 50 of 2019 report, listing the top 50 plaintiff law firms in North America ranked by the total amount of funds recovered in securities class action settlements. CPM ranked tenth in the prestigious list, bringing in \$82,200,000 in settlement funds from its securities practice, including landmark recoveries in the Alibaba and ProNai class actions, amongst others.

CPM has served as lead counsel in prominent nationwide class actions, including the Medical Capital litigation, where CPM obtained one of the largest Ponzi scheme recoveries in United States history on behalf of elderly investors. CPM is currently lead or co-lead counsel in class or derivative actions on behalf of shareholders of Wells Fargo, Facebook and Uber.

For more information, or to discuss a potential legal matter, please follow up with Mark Molumphy or Brian Danitz.

### Noteworthy Cases

#### *In re LendingClub Securities Litigation*

**San Mateo Superior Court/ United States District Court, Northern District of California**

CPM was Co-Lead Counsel for a certified class of shareholders alleging that LendingClub and certain officers failed to disclose material information at the time of its initial public offering. The California state court action and the related federal court action settled for \$125 million. (Settled, 2018)

### Key Contacts

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SECURITIES / FINANCIAL FRAUD

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## ***Chicago Laborers Pension Fund, et al. v. Alibaba Group Holding Limited, et al.***

San Mateo County Superior Court

CPM served as Co-Lead counsel in the Alibaba securities litigation before the Honorable Richard H. DuBois. The securities class action was brought against Alibaba for alleged violations of §§11, 12(a)(2) and 15 of the Securities Act of 1933 by reason of material misrepresentations and omissions in the Registration Statement and Prospectus for Alibaba's September 2014 initial public offering. The \$75 million settlement was approved by Judge DuBois on May 17, 2019.

## ***Kerrigan Capital, LLC v. Strohm, et al. (Oportun)***

San Mateo County Superior Court

CPM was Lead Counsel for a certified class of Oportun's common shareholders alleging that their ownership interests were unfairly diluted by a series of insider financing rounds led by Oportun's largest preferred shareholders, including venture capital funds that had representatives on Oportun's Board of Directors. (Settled, 2018).

## ***In re ProNai Therapeutics, Inc. Shareholder Litigation***

San Mateo County Superior Court

CPM was Lead Counsel seeking to represent a class of shareholders alleging that ProNai failed to disclose material information at the time of its initial public offering relating to its developmental drug. (Settled, 2019).

## ***In re Eventbrite, Inc. Securities Litigation***

San Mateo County Superior Court

CPM represents Eventbrite, Inc. shareholders who invested in Eventbrite's September 2018 initial public offering. Eventbrite operates an event ticketing platform and manages certain events. The complaint alleges that Eventbrite misrepresented or failed to disclose information relating to the integration of an acquired company in the IPO documents sent to investors. The action is currently pending.

### **Wong, et al. v. Restoration Robotics, et al.**

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

CPM represents investors who purchased Restoration Robotics stock in its October 2017 initial public offering. Restoration Robotics is a medical technology company that developed technology to assist doctors with follicular unit extraction surgery, a type of hair restoration procedure. The action alleges the company failed to disclose issues with the commercial viability of the technology that, once disclosed, resulted in a drop in the share value. The action is currently pending.

### ***In re Uber Technologies, Inc. Securities Litigation***

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

CPM represents investors in a proposed class action against Uber Technologies, Inc., Uber officers and directors, and the investment banking firms that acted as underwriters for Uber's initial public offering in May 2019, alleging that Uber's registration statement and prospectus contained misleading information about Uber's condition. The action is pending in San Francisco Superior Court, where Uber's headquarters is located.

### ***In re Medical Capital Securities Litigation***

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

The District Court in Los Angeles granted final approval of one of the largest settlements in United States history against an indenture trustee. Mark Molumphy served as Co-Lead Counsel for investors in Medical Capital, a medical receivables company based in Tustin, California. Wells Fargo and Bank of New York Mellon served as indenture trustees for investors, responsible for administering trust accounts where the investor funds were deposited. Medical Capital turned out to be a massive Ponzi scheme; the plaintiffs alleged the banks breached their duties under the trust agreements and disbursed hundreds of millions of dollars to Medical Capital. Wells Fargo agreed to pay \$105 million and Bank of New York Mellon agreed to pay \$114 million to resolve the actions.

### **Lehman Brothers Litigation**

#### **United States District Court, Southern District of New York**

CPM served as liaison counsel and represented San Mateo County; Monterey County; the cities of Auburn, San Buenaventura, and Burbank; and Zenith Insurance Company in a securities action relating to their investment losses in Lehman Brothers. The action was the first to allege direct liability against Lehman's management, including Richard Fuld. CPM ultimately negotiated settlements on behalf of each of these public entities.

### **In re BP Securities Litigation**

#### **United States District Court, Southern District of Texas**

CPM is Co-Lead Counsel for investors who purchased American Depository Receipts ("ADRs") issued by BP, and suffered damages following the Gulf of Mexico explosion and oil spill. The plaintiffs allege that BP and its senior executives falsely touted BP's safety and risk management practices relating to its deep sea drilling operations. The action is currently pending.

### **In re Homestore.com, Inc. Securities Litigation**

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

CPM was Lead Counsel in a securities fraud class action representing CALSTRS against Homestore.com, Inc., its senior officers and directors, its auditors, and other companies who engaged in fraudulent "roundtripping" transactions, increasing revenues by false accounting methods. In 2004, the court approved a settlement in which Homestore agreed to reform its corporate policies and pay approximately \$93 million in stock and cash. In 2011, CPM obtained a jury verdict against a Homestore executive for securities fraud. (Jury Verdict 2011)

### **Pay By Touch Litigation**

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

## SECURITIES / FINANCIAL FRAUD

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CPM represented investors, including the Getty family trusts, in a securities action against UBS Securities and former executives of Pay By Touch alleging fraud and negligent misrepresentation. (Settled 2011).

### **California State Teachers' Retirement System v. Qwest Communications**

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

CPM represented CALSTRS in a securities action for losses in excess of \$100 million. The complaint charged certain Qwest executives and directors, its accountants, and banks with violations of state securities laws and alleges that defendants made false and misleading statements about Qwest's financial condition. (Settled, 2007).

### **California State Teachers' Retirement System v. AOL Time Warner**

#### **Los Angeles County Superior Court**

CPM represented shareholders in a securities action against AOL for misrepresenting its financials and artificially inflating its stock price. (Settled, 2007)

## **News**

Historic Privacy Settlement Reached for Zoom App Users Nationwide  
08.02.2021

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

Cotchett, Pitre & McCarthy, LLP Files Lawsuit on Behalf of Justice John Trotter (Ret.), Trustee of the PG&E Fire Victim Trust, Against Certain PG&E Officers and Directors  
02.24.2021

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

## SECURITIES / FINANCIAL FRAUD

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CPM Fights for Rights of Estranged Wife of Android Creator Andy Rubin; Court Documents Show How Google Paid Off After He Was Accused of Sexual Misconduct  
*BuzzFeed.News*, 07.02.2019

## 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

CPM Helps Medical Laboratory Cases Move Towards Trial

Wells Fargo CEO quits amid scandal over bogus accounts, successor named  
*Silicon Valley*, 10.12.2016

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

## SECURITIES / FINANCIAL FRAUD

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CPM Files Lawsuit Alleging Real Estate Investment Misappropriation Scheme  
05.23.2016

CPM Files Lawsuit for Limited Partners to Obtain Rightful Share of Successful MRI Business in Oakland  
04.26.2016

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

Beatrayed by Dre?  
*Bloomberg Business*, 06.22.2015

Federal judge pushes Hewlett-Packard to resolve Autonomy lawsuit  
*San Francisco Chronicle*, 03.16.2015

CPM Heads New Litigation Over Santa Cruz County Ponzi Scheme

CPM Client Senator Feinstein Resolves Case with Bank

CPM Joins Trial Team on Tax Shelter Fraud Case

CPM Represents Monster Cable in Lawsuit Against Dr. Dre and Beats Electronics

CPM Files Investors' Action Against Oportun Financial Corp.

CPM Represents Investors Against Liberty Asset Management Corp.

CPM's Litigation For Monster Against Dr. Dre and Beats Electronics Headed to Trial in Los Angeles

CPM Achieves Tax Shelter Fraud Recovery Against Bank

Bank settles for millions with plaintiff CPM client in California political fraud case  
*Washington Post*, 07.17.2014

First California Bank of LA Agrees to Multimillion Dollar Settlement for CPM Client U.S. Senator Feinstein  
& Other CA Federal & State Lawmakers  
07.16.2014

## SECURITIES / FINANCIAL FRAUD

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CPM Files Complaint for Libor Interest Rate Manipulation for Mendocino County  
11.14.2013

CPM Files Complaints for LIBOR Interest Rate Manipulation for UC Regents, City of Houston & Other Public Entities  
06.2013

CPM Helps Investors Reach Landmark Settlement with Wells Fargo in Medical Capital Ponzi Scheme Actions  
04.30.2013

CPM Files Lawsuit on Behalf of Cole Credit Property III, Inc. Against Corporate Directors  
03.27.2013

CPM Appointed Lead Counsel for Securities Derivative Action In HP-Autonomy Deal  
2013

CPM Selected to the National Law Journal Litigation Boutique Top 10 Hot List  
02.11.2013

Court Allows CPM's BP Securities Lawsuit to Move Forward  
02.06.2013

CPM Advances Fight for Shareholder Rights  
01.09.2013

CPM Files Derivative Complaint on Behalf of HP Shareholder Against HP Board of Directors  
12.19.2012

CPM Partner Fineman Named CAOC 2012 Woman Trial Lawyer of the Year  
11.09.2012

CPM's California Investors' Lehman Collapse Suit Moves Forward  
10.15.2012

CPM Clients Gain \$114 Million in Verdicts Against HL Leasing, Inc. and its Top Corporate Officers for California Ponzi Scheme  
08.05.2011

CPM Partner Nancy Fineman Wins Multimillion Homestore Verdict in Securities Fraud Case

SECURITIES / FINANCIAL FRAUD

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Cotchett, Pitre & McCarthy First Law Firm to Interview Bernie Madoff in Federal Prison

## **Publications**

Derivative actions help shareholders in small companies, too  
*Daily Journal*, 12.15.2020