



→ John P. Stigi III

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John Stigi is a partner in the Business Trial Practice Group and Co-Leader of the firm's Securities Enforcement and Litigation Team.

Areas of Practice

John's practice focuses on securities class action and shareholder derivative action defense, SEC investigation defense, internal corporate investigations, and M&A and corporate governance litigation. He represents issuers, officers, directors and auditors in securities and corporate litigation, from the early stages before a complaint is filed through pleading motions, discovery, mediation, trial and appeal. John also advises companies and boards of directors on disclosure and corporate governance issues, as well as directors and officers insurance matters.

John's practice is national in scope. He appears in federal and state courts throughout California, New York and Delaware, and also has appeared in courts in Arizona, Colorado, Florida, Massachusetts, Mississippi, Nevada, New Jersey, Texas, Utah and Washington. John is a member of the AIG Securities Litigation Panel (class action approved).

John previously practiced in Silicon Valley and New York City where he represented issuers, accountants, banks, brokerage firms, and hedge fund managers in securities, complex commercial, bankruptcy, employment, and real estate litigation. John clerked at the District of Columbia Court of Appeals and was an executive editor of the Virginia Journal of International Law.

Notable Decisions

Notable securities decisions include:

- *Amgen Inc. v. Connecticut Ret. Plan & Trust Funds*, 568 U.S. 455 (2013)
- *Calcaterra v. Garrabrants*, 848 Fed. Appx. 234 (9th Cir. 2021)
- *Grigsby v. Bofl Holding, Inc.*, 979 F.3d 1198 (9th Cir. 2020)
- *Houston Mun. Employees Pension Sys. v. Bofl Holding Inc.*, 977 F.3d 781 (9th Cir. 2020)
- *In re American Apparel, Inc., 2014 Deriv. S'holder Litig.*, 696 Fed. Appx. 848 (9th Cir. 2017)
- *Local 731 I.B. of T. Excavators & Pavers Pension Trust Fund v. Diodes, Inc.*, 810 F.3d 951 (5th Cir. 2016)
- *Vignola v. FAT Brands, Inc.*, 2020 U.S. Dist. Lexis 73577 (C.D. Cal. Mar. 13, 2020)
- *Miller v. PCM, Inc.*, 2018 WL 5099722 (C.D. Cal. Jan. 3, 2018)

- *Zhang v. LifeVantage Corp.*, 2017 WL 2599883 (D. Utah June 15, 2017)
- *Parametric Sound Corp. v. Eighth Judicial Dist. Ct.*, 133 Nev. 417, 401 P.3d 1100 (2017)
- *Zhao v. International Rectifier Corp.*, 2011 WL 2447710 (Cal. App. 2d Dist. June 20, 2011).

Honors

Best Lawyer in America, Litigation - Securities, *Best Lawyers*, 2021-2024

Best Lawyer in America, Litigation - Regulatory Enforcement (SEC, Telecom, Energy), *Best Lawyers*, 2024

Client Service All-Star, *BTI Consulting*, 2023

Experience

Representative Cases

Securities & Shareholder Derivative Actions

- Advanced Cell Technologies
- Alternegy
- America West
- American Apparel
- Amgen
- Arthur Andersen
- Axesstel
- Axos Financial (f/k/a BofI Holding)/HMEPS
- Axos Financial/Grigsby
- Axos Financial/Calcaterra
- Boeing
- Chordiant Software
- Deer Consumer Products
- Deloitte
- Digital Cornerstone
- Diodes
- Ernst & Young
- Fairchild Corporation
- FAT Brands/Harris I and II
- FAT Brands/Rojany and Vignola
- FAT Brands/Matthews
- First Virtual Communications
- GEM Services, Inc.

- Hewlett Packard
- i2 Technologies
- International Rectifier
- Irvine Sensors
- LBI Media Holdings
- Legend3D
- LifeVantage
- Marvell Technologies
- National Technical Systems
- NCI Building Systems
- New Age
- NorthPoint Communications
- Ontrak
- Patriot National
- PCM
- Quovadx
- Redback Networks
- salesforce.com
- Silvergate Bank
- Tullett Prebon
- VISX
- Workhorse Group
- Zales

M&A/Going Private and Appraisal Actions

- Corio
- CrossWorlds Software
- Dialogic
- E.piphany
- Electro Rent
- Hewlett Packard/Compaq
- Hewlett Packard/Walter Hewlett
- HomeFed
- Imperial Capital
- Informa

- Infoweapons
- International Rectifier
- Kreisler/United Flexible
- Lions Gate Entertainment
- Majesco
- Med BioGene
- National Technical Systems
- Parametric Sound
- PCM
- Physicians Formula
- Plumtree Software
- Sport Chalet
- Suncrest Bank
- Taylor Made/Adams
- Taylor Made/Ashworth

Articles

- How Activision Ruling Favors M&A Formalities Over Practice
Law360, 03.25.2024
- 9th Circ. Ruling May Expand Short-Swing Profit Exemption
Law360, 12.01.2023
- Protecting Privilege In Case Of A Dispute With Former Director
Law360, April 14, 2023
- Delaware Supreme Court Affirms the Use of Stockholders Agreements to Waive Appraisal Rights
Practical Guidance, October 11, 2021
- American Pipe Tolling and Successive Class Claims
Los Angeles Daily Journal, June 28, 2018
- Lehman Ruling Sets Stage For Future Subordination Contests
Law360, August 16, 2017
- Delaware Court of Chancery Addresses the “Cleansing Effect” of Stockholder Approval In Post-Closing M&A Damages Actions
Transaction Advisors, September 2016
- “3rd Circ. Eases Limitations Test For Securities Claims,” *Law360*, October 25, 2013
- “Case Study: In Re Boston Scientific,” *Law360*, August 6, 2012
- “Addressing Materiality At The Pleadings Stage,” *Law360*, September 7, 2011
- “Barring RICO Claims Based On Alleged Securities Fraud,” *Law360*, July 28, 2011
- “Courts Interpret ‘Tellabs,’” *The National Law Journal*, March 17, 2008

- "May a Court Consider Competing Inferences of a Defendant's State of Mind in Determining Whether the Complaint Pleads a 'Strong Inference' of Scienter?" *34 Preview of United States Supreme Court Cases (ABA)*, No. 6, April 9, 2007
- "Electronic Discovery: New Rules Also Affect E-Discovery of Nonparties," *The National Law Journal*, March 19, 2007
- "Delaware Decision in *Disney* Sets Forth Parameters for Duty of Good Faith," *21 Delaware Corporate Litigation Reporter*, No. 6, September 25, 2006
- "*Disney* Case Provides Further Insight into Directors' Duty of Disclosure," *13 Corporate Governance Advisor*, No. 5, September/October 2005
- "Delaware Vice Chancellor Strine Suggests Reform of Delaware Common Law Regarding Fully Negotiable Going-Private Transactions," *9 Wall Street Lawyer*, No. 3, August 2005

Corporate & Securities Law Blog Posts

- "Supreme Court Holds 'Pure Omissions' Are Not Actionable Under Rule 10b-5(b)," April 22, 2024
- "Delaware Court of Chancery Puts Practitioners on Notice Regarding Voting Formalities Around Merger Agreements," March 5, 2024
- "Delaware Corporations Must Employ Procedural Safeguards When Approving a Reincorporation that Could Benefit a Controlling Stockholder to Avoid Entire Fairness Standard of Review," February 28, 2024
- "The Delaware Court of Chancery Confirms that Duty of Oversight Claims Against Corporate Officers Are Subject to the Same High Pleading Standards Applicable to Duty of Oversight Claims Against Corporate Directors," December 27, 2023
- "In a Case of First Impression, Ninth Circuit Addresses Personal Jurisdiction Issues Involving Non-Resident Corporation Providing a Web-Based Payment Processing Platform," December 5, 2023
- "Ninth Circuit Provides Guidance on SEC Rule 16b-3 Short-Swing Profit Liability Exemption," November 17, 2023
- "Delaware Court of Chancery Clarifies Heightened Standard for Recovery of Attorneys' Fees in Disclosure-Based Deal Litigation," July 17, 2023
- "Ninth Circuit Enforces Delaware Forum Selection Clause to Affirm Dismissal of Derivative Claim for Alleged Violation of Section 14(a) of the Securities Exchange Act of 1934," June 13, 2023
- "United States Supreme Court Holds That Section 11 Plaintiffs Must Purchase Securities Issued Under the Registration Statement They Seek to Challenge," June 8, 2023
- "Protecting Privilege in Case of a Dispute with Former Director," April 17, 2023
- "California Court of Appeal Holds that a Corporation's Direct Cause of Action for Breach of Fiduciary Duty is Legal Rather than Equitable, Requiring a Trial by Jury," September 15, 2022
- "Second Circuit Declines to Allow SEC Rule 10b-5 Claim for "Scheme Liability" to Proceed Where the Alleged Misconduct Amounted Only to the Making of Material Misstatements or Omissions," July 22, 2022
- "California Court of Appeal Clarifies that a Derivative Plaintiff Must Demonstrate Both "Contemporaneous" and "Continuous" Ownership to Maintain a Derivative Suit on Behalf of a Limited Liability Company," May 23, 2022

- "Los Angeles Superior Court Invalidates California Law Requiring Gender Diversity on Company Boards," May 23, 2022
- "Los Angeles Superior Court Invalidates California Board Diversity Statute, Rendering It Ripe for Review by the California Court of Appeal," April 8, 2022
- "Los Angeles Superior Court Invalidates California Board Diversity Statute, Rendering It Ripe for Review by the California Court of Appeal," April 8, 2022
- "California Court of Appeal Addresses Derivative Standing and Failure of Oversight Claims Under Delaware Law," April 6, 2022
- "California Court of Appeal Holds that SEC Filings May Be Protected Activities Under Anti-SLAPP Statute," January 14, 2022
- "Delaware Supreme Court Shines Spotlight on Boilerplate Purchase Agreement Provisions," December 29, 2021
- "Delaware Supreme Court Adopts New Three-Prong Test for Demand Futility," October 11, 2021
- "Delaware Supreme Court Holds that Equity Dilution and Expropriation Claims May Only Be Brought Derivatively, Overruling Prior Precedent," October 1, 2021
- "Delaware Supreme Court Affirms the Use of Stockholders Agreements to Waive Appraisal Rights," September 28, 2021
- "Delaware Supreme Court Holds That Surviving "Entire Fairness" Review is Not Conclusive of a Breach of Fiduciary Duty Claim Where Directors Acted Inequitably," July 9, 2021
- "Delaware Court of Chancery Decision Provides Guidance on M&A Earnouts," June 16, 2021
- "Delaware Court of Chancery Clarifies that Management Cannot Unilaterally Curtail a Director's Access to Corporation's Privileged Information," September 9, 2020
- "Fifth Circuit Affirms Dismissal of Section 14(a) Complaint For Failure to Plead Facts Demonstrating Alleged Omissions from Proxy Statement Were Misleading," August 25, 2020
- "Delaware Court of Chancery Applies the Internal Affairs Doctrine to Deny Stockholder Inspection Rights Under a Foreign State's Law," August 18, 2020
- "Delaware Court of Chancery Applies the Internal Affairs Doctrine to Deny Stockholder Inspection Rights Under a Foreign State's Law," August 8, 2020
- "Delaware Supreme Court Affirms Appraisal Award Using Corporation's Unaffected Market Price As Fair Value," July 20, 2020
- "Delaware Court of Chancery Strictly Construes Right to Discovery of Stockholders Represented By a Contractually Created 'Shareholder Representative'," May 29, 2020
- "Second Circuit Holds That Investors Who Delegate Discretionary Authority to Investment Advisors are not Members of a "Group" for Purposes of Section 16(b) Liability," May 26, 2020
- "Delaware Court of Chancery Addresses Pleading 'With Particularity' Under Rule 23.1," April 28, 2020
- "Delaware Supreme Court Confirms That Federal Forum Provision Is Facially Valid, Reversing Court of Chancery," March 19, 2020
- "California State Court Declines to Expand Standing for Claims Under 1933 Act," February 3, 2020
- "Delaware Court of Chancery Holds that a Stockholder's Disagreement with a Board's Business Judgment and Intent to Pursue a Proxy Contest is Not a "Proper Purpose" for a Section 220 Demand," November 19,

2019

- "Caremark Claim to Proceed Against Directors of Ice Cream Manufacturer Following *Listeria* Outbreak" rel="noopener" href="https://www.corporatesecuritieslawblog.com/2019/07/caremark-claim-listeria-outbreak/">"Delaware Supreme Court Allows *Caremark* Claim to Proceed Against Directors of Ice Cream Manufacturer Following *Listeria* Outbreak," July 29, 2019
- "Delaware Chancery Court Provides Useful Guidance for Protecting Pre-Merger Privileges in Post-Closing Litigation Between Buyers and Sellers," June 5, 2019
- "United States Supreme Court Holds That Knowing Dissemination of False Statements Made by Others Can Constitute Primary 'Scheme Liability' In Violation of Rule 10b-5(a) and (c)," April 1, 2019
- "Second Circuit Holds That Issuer's Alleged Statements Concerning Its Regulatory Compliance Efforts Do Not Constitute Material Misstatements," March 12, 2019
- "Ninth Circuit Holds That Statutes Do Not Constitute "Rules or Regulations of the SEC" for Purposes of Sarbanes-Oxley Act Whistleblower Claims," March 4, 2019
- "Delaware Court of Chancery Declares Ineffective Exclusive Federal Forum Provision for 1933 Act Claims," January 14, 2019
- "Getting to Business Judgment in an Interested Transaction: Controlling Stockholder Must Put Procedural Protections in Place Prior to the Commencement of Economic Negotiations," October 17, 2018
- "Delaware Chancery Court Strictly Construes Appraisal Statute to Deny Stockholders Appraisal Rights in a Reverse Triangular Merger," July 20, 2018
- "California Court of Appeal Enforces Delaware Forum Selection Clause Contained in Certificate of Incorporation," June 5, 2018
- "United States Supreme Court Holds that Foreign Corporations May Not Be Held Liable Under the Alien Tort Statute," May 1, 2018
- "Ninth Circuit Splits From Other Circuits, Holding That a Negligence Standard Applies to a Claim Challenging Tender Offer Disclosures Under Section 14(e)," April 26, 2018
- "Second Circuit Limits Reach of SLUSA Preclusion in State Law Variable Annuity Class Action," April 16, 2018
- "Delaware Supreme Court Imposes New Limits on Stockholder Ratification Defense In Connection With Equity Incentive Plans," January 3, 2018

Speaking Engagements

Speaker & Panelist, Securities Litigation 2016: From Investigation to Trial, Practising Law Institute, New York, April 2016

Speaker & Panelist, Handling a Securities Case 2015: From Investigation to Trial and Everything in Between, Practising Law Institute, New York, April 2015

Speaker & Panelist, Director & Officer Liability and Insurance - Hot Topics and New Developments, USC Corporate Governance Summit, Los Angeles, November 2014

Speaker & Panelist, When Good Deals Go Bad - How to Avoid Becoming an M&A Casualty, Association for Corporate Growth San Diego, December 2012

Chair, Delaware Counsel Speaks: Navigating Delaware Corporate Law in Transactions, San Diego, September 2011

Speaker, SEC Enforcement and Securities Class Action Trends Since the Great Recession of 2008, U.S. Law Firm Group Corporate & Securities Committee Section Meeting, San Francisco, May 2010

Q&A With Sheppard Mullin's John P. Stigi III, Law360, July 16, 2009

Speaker, Deconstructing *Ryan v. Gifford*, Cal CPA Fraud Section, Los Angeles, February 2008

Speaker, Environmental Disclosures, Los Angeles County Bar Association, Los Angeles, February 2008

Speaker & Panelist, Securities Litigation, CLE International Conference on Class Actions, San Francisco, January 2008

Co-chair, CLE International Conference on Class Actions, Los Angeles, January 2007

Podcast, *Merrill Lynch v. Dabit*, TheCorporateCounsel.net Blog, April 2006

Speaker & Panelist, McMaster World Congress Conference on Corporate Governance, Hamilton, Ontario, January 2006

Speaker, Washington Metropolitan Area Corporate Counsel Association, SEC Enforcement, Reston, VA, December 2005

Speaker & Panelist, International Bar Association Annual Conference, Prague, September 2005

Speaker & Panelist, InSight CLE, M&A Litigation, Vancouver, BC, April 2005

Speaker & Panelist, Glasser LegalWorks, Electronic Discovery, San Francisco, April 2004

Speaker, Venture Capital Task Force, Palo Alto, July 2002

Memberships

AIG Securities Litigation Panel Counsel, 2012-present

American Bar Association, 1989-present

New York State Bar Association, Civil Practice Law and Rules Committee, 1996-1999

Los Angeles World Affairs Council, 2006-2009

University of Virginia School of Law National Litigation Panel, 1996-2000

Columbia University Alumni Representative Committee, Regional Co-Chair, 2007-2023

Association of Business Trial Lawyers, 2016-present

Podcasts & Webinars

Nota Bene Episode 95: Mapping Capital Markets and Securities Enforcement in the Current COVID-19 Moment with Jamie Mercer and John Stigi
09.02.2020

Practices

Litigation
Class Action Defense
Financial Services Litigation
Securities Enforcement
Securities Litigation
White Collar Defense and Corporate Investigations
Appellate
ESG and Sustainability

Industries

Aerospace & Defense
Emerging Company & Venture Capital
Entertainment, Technology and Advertising
ESG and Sustainability
Financial Services
Government Business
Insurance
Private Equity

Education

J.D., University of Virginia, School of Law, 1987
B.A., Columbia University, 1984, *cum laude*

Admissions

California
New York
U.S. Supreme Court
U.S. Courts of Appeals for the First, Second, Third, Fifth and Ninth Circuits

U.S. District Courts for the Central District of California, Northern District of California, Southern District of California, Eastern District of New York and Southern District of New York

Additional Offices

Century City

New York