

Sheppard Mullin Obtains Dismissal of Five-Year-Long Lawsuit Against Barry Honig

08.25.2023

U.S. District Judge Georgette Castner (District-NJ) today dismissed with prejudice a five-year-long, putative securities fraud class action against Sheppard Mullin client Barry Honig and multiple other defendants, including Riot Blockchain, Inc.

Plaintiffs had alleged that Honig manipulated the price of Riot stock by failing to timely disclose that he was selling the majority of his holdings in late 2017, at a time when the price of Riot stock was skyrocketing nearly 400% in parallel with a run in the price of bitcoin.

In dismissing the case with prejudice, Judge Castner held that that plaintiff's claim was legally baseless, because federal law does not recognize an individual investor's private right of action for money damages arising from another person's violation of Section 13 of the Securities Exchange Act. Two prior versions of the complaint also had been dismissed, with the court granting leave to amend.

"My client is gratified that the Court upheld the law with this dismissal," said Sheppard Mullin partner Robert Weber who represented Honig along with associates Christopher Bosch and Tyler Baker. "We have felt from the very beginning that the claims alleged against Mr. Honig were meritless, and are pleased that he has been vindicated."

About Sheppard, Mullin, Richter & Hampton LLP

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