

Shout-Out: Skadden's Big Week

Skadden litigators racked up four wins in two days, knocking out securities class actions in New York and California, as well as shutting down an unlikely claim against a South Korean bank.

By Jenna Greene
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Litigators at Skadden, Arps, Slate, Meagher & Flom racked up four wins in two days last week, knocking out securities class actions on both coasts plus annihilating an unlikely claim against a South Korean bank.

Partners Scott Musoff and Robert Fumerton and associate Michael Griffin won dismissal of a securities class action in the Southern District of New York against TAL Education Group, a China-based after-school tutoring company. In tossing the case on Sept. 25, U.S. District Judge Loretta Preska found there was no misstatement regarding the two supposed “sham” transactions and admonished the plaintiffs for circular reasoning, selectively quoting, burden shifting and trying to “have their cake and eat it too.”

The next day, Musoff plus partner Christopher Malloy and associate Nicholas Ickovic got another securities class action dismissed, this one in the Supreme Court of the State of New York against dental supply company Dentsply Sirona Inc. and certain current and former directors and officers. The shareholder claims related to Dentsply's 2016 acquisition of Sirona Dental Systems Inc. to create Dentsply Sirona.

Also on Sept. 26, partner Peter Morrison led a team including counsel Winston Hsiao and associate Zachary Faigen in getting a securities class action axed in the Southern District of California. Skadden represented the underwriters of Obalon Therapeutics, Inc., and Latham & Watkins represented Obalon.

Judge Anthony Battaglia dismissed the case against the underwriters with prejudice, finding that the claims were time-barred; the offering materials did not contain any false or misleading statements; and the underwriters have an absolute negative causation defense against the plaintiff.



Some claims against Obalon involving accounting and financial statements remain, but Skadden's client is off the hook.

Finally—in a non-securities case—partner Jonathan Frank and counsel Jeffrey Geier plus co-counsel Jeffrey Lichtman of O'Hare Parnagian prevailed on behalf of Woori Bank, one of South Korea's largest banks, in the Southern District of New York.

Nevada-based AJ Energy made what U.S. District Judge Jesse Furman deemed “an extraordinary claim: that Woori Bank stole eight billion euros” from the company. “If that sounds like a tall tale, it is because it almost certainly is,” Furman wrote in dismissing the case with prejudice. “Documents beyond the operative complaint—including one or more documents that are almost certainly forgeries—make that conclusion nearly inescapable.”

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