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### Skadden Scores Two Wins in Two Days for Two Asia-Based Issuers

By Jenna Greene

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Litigators from Skadden, Arps, Slate, Meagher & Flom scored two separate wins for two Asia-based issuers in two days, knocking out securities class actions in the Central District of California and the Southern District of New York.

On Wednesday, a Skadden team persuaded Los Angeles federal judge Christina Snyder to toss a second amended complaint against ChinaCache International Holdings Ltd., which provides internet content and content delivery services in the People's Republic of China.

The plaintiffs, represented by Levi & Korsinsky and The Rosen Law Firm, claimed that the company made false statements about its transition to a new high performance cache cloud distribution system, and that it resulted in worse service to its customers.

Snyder didn't buy it. Instead, she backed Skadden's argument. "ChinaCache argues that plaintiff has failed to allege an actionable misrepresentation, let alone a misrepresentation made with the requisite scienter. The Court agrees," she wrote in dismissing the case on Jan. 11.

The Skadden team for ChinaCache included Los Angeles-based partner Peter Morrison, counsel Virginia Milstead and associate Matthew Tako, and Hong Kong-based partner Bradley Klein and associate Xiao Liu.

On Tuesday, Skadden partners got another securities class action dismissed, this one against Chinese online beauty and apparel retailer Jumei International Holding Ltd. and underwriters including Goldman Sachs (Asia) LLC, Credit Suisse Securities LLC and J.P. Morgan Securities LLC.

Davis Polk & Wardwell represented the underwriters.

The suit stemmed from Jumei's May 16, 2014 initial public offering. The plaintiffs, represented by firms including



(l-r) Scott Musoff, Bradley Klein, and Peter Morrison, of Skadden, Arps, Slate, Meagher & Flom.

Pomerantz, Robbins Geller Rudman & Dowd and Labaton & Sucharow, claimed that the IPO registration statement and a subsequent earnings report wrongly failed to disclose Jumei's plan to wind down its third-party beauty supply marketplace in September 2014—a decision that precipitated a sharp decline in Jumei's share price.

The defendants successfully argued to U.S. District Judge William Pauley III of the Southern District of New York that the plaintiffs failed to allege an actionable misrepresentation or omission, and also that certain claims were subject to the heightened pleading standard of Federal Rules of Civil Procedure 9(b).

"This is classic fraud-by-hindsight pleading," Pauley wrote. "Plaintiffs have not pled any facts that raise the inference above a speculative level."

The Skadden team for Jumei was led by New York securities litigation partners Scott Musoff and Robert Fumerton and Hong Kong-based partner Bradley Klein.

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