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FOCUS AREAS

Securities Fraud

Antitrust

EDUCATION

University of Notre Dame
B.B.A.

University of California at Los Angeles
School of Law
J.D.

ADMISSIONS

California

United States Supreme Court

USCA, Second Circuit

USCA, Third Circuit

USCA, Seventh Circuit

USCA, Ninth Circuit

USDC, Northern District of California

USDC, Central District of California

USDC, Eastern District of Michigan

Stacey M. Kaplan, a partner in the Firm's San Francisco office, concentrates her practice in the area of complex securities litigation.

Stacey has represented individual and institutional investors in a variety of securities class actions in which the Firm has served as Lead or Co-Lead Counsel, and has contributed to the recovery of hundreds of millions of dollars on behalf of defrauded investors.

Current Cases

- First Republic Bank

CASE CAPTION	*In re Alecta Tjänstepension Ömsesidigt, et al. v. Herbert, et al.*
COURT	United States District Court for the Northern District of California
CASE NUMBER	3:23-cv-02940-AMO

JUDGE	Honorable Araceli Martínez-Olguín
PLAINTIFF	Alecta Tjänstepension Ömsesidigt; Neil Fairman
DEFENDANTS	James Herbert II; Hafize Erkan; Michael Roffler; Olga Tsokova; Michael Selfridge; Neal Holland; and KPMG LLP
CLASS PERIOD	October 21, 2021 to April 28, 2023, inclusive

This securities fraud class action arises out of misrepresentations and omissions made by former executives of First Republic Bank ("FRB" or the "Bank") and FRB's auditor, KPMG LLP, about significant risks faced by FRB that led to its dramatic collapse in May 2023, the second largest bank collapse in U.S. history.

FRB was a California-based bank that catered to high-net worth individuals and businesses in coastal U.S. cities. Leading into and during the Class Period, FRB rapidly grew in size: in 2021 alone, FRB grew total deposits by 36% and total assets by 27%. In 2022, FRB grew by another 17%, exceeding $200 billion in total assets. During this period, Defendants assured investors that the Bank's deposits were well-diversified and stable. Defendants also assured investors that they were actively and effectively mitigating the Bank's liquidity and interest rate risks.

The Complaint alleges that Defendants failed to disclose material risks associated with the Bank's deposit base and with respect to Defendants' management of liquidity and interest rate risk. In contrast to Defendants' representations regarding the safety and stability of FRB, the Complaint alleges that Defendants relied on undisclosed sales practices to inflate the Bank's deposit and loan growth, including, for example, by offering abnormally low interest rates on long-duration, fixed-rate mortgages in exchange for clients making checking deposits. And contrary to Defendants' representations that they actively and responsibly managed the Bank's interest rate risk, the Complaint details how Defendants

continually violated the Bank's interest rate risk management policies by concentrating the Bank's assets in long-duration, fixed rate mortgages. In 2022, when the Federal Reserve began rapidly raising interest rates, the Bank's low-interest, long-duration loans began to decline in value, creating a mismatch between the Bank's assets and liabilities. Internally, FRB's interest rate models showed severe breaches of the Bank's risk limits in higher rate scenarios, and Defendants discussed potential corrective actions at risk management meetings. However, Defendants took no corrective action, continued to mislead investors about the Bank's interest rate risk, and only amplified the Bank's risk profile by deepening the Bank's concentration in long-duration loans.
On October 14, 2022, investors began to learn the truth when FRB announced financial results for the third quarter of 2022, which showed that rising interest rates had begun to impact the Bank's key financial metrics and that the Bank had lost $8 billion in checking deposits. Despite these trends, Defendants continued to reassure investors that Bank's deposits were well-diversified and stable, that FRB had ample liquidity, and that rising interest rates would not limit the growth in FRB's residential mortgage loan business. In FRB's 2022 annual report (released in February 2023, and audited by KPMG), Defendants further claimed that, despite the Bank's increasing interest rate risks, the Bank possessed the ability to hold its concentrated portfolio of long-duration loans and securities to maturity. The undisclosed risks materialized further on March 10, 2023, when peer bank Silicon Valley Bank failed and FRB experienced massive deposit withdrawals of up to $65 billion over two business days, constituting over 40% of the Bank's total deposits. Defendants did not reveal these catastrophic deposit outflows to the market and instead reassured investors regarding the Bank's liquidity position. In the ensuing weeks, FRB's financial position unraveled further, resulting in multiple downgrades by rating agencies, and additional disclosures regarding the magnitude of FRB's deposit outflows and the Bank's worsening liquidity position. On May 1, 2023, FRB was seized by regulators and placed into receivership. These disclosures virtually eliminated the value of FRB's common stock and preferred stock.
On February 13, 2024, Plaintiffs filed a 203-page complaint on behalf of a putative class of investors who purchased FRB common stock and preferred stock, alleging violations of Sections 10(b), 20(a), and 20A of the Securities Exchange Act of 1934. Defendants' responses to the complaint are due on April 29, 2024.

- Lucid Group, Inc.

CASE CAPTION	*In re Lucid Group, Inc. Sec. Litig.*
COURT	United States District Court for the Northern District of

	California
CASE NUMBER	3:22-cv-02094-JD
JUDGE	Honorable James Donato
PLAINTIFF	Sjunde AP-Fonden ("AP7")
DEFENDANTS	Lucid Group, Inc., Peter Rawlinson, and Sherry House
CLASS PERIOD	November 15, 2021 to August 3, 2022, inclusive

Defendant Lucid designs, produces, and sells luxury EVs. This securities fraud class action arises out of Defendants' misrepresentations and omissions regarding Lucid's production of its only commercially-available electronic vehicle ("EV"), the Lucid Air, and the factors impacting that production.
To start the Class Period, on November 15, 2021, Defendants told investors that Lucid would produce 20,000 Lucid Airs in 2022. This was false, and Defendants knew it. According to numerous former Lucid employees, Defendants already knew then that Lucid would produce less than 10,000 units in 2022, and admitted this fact during internal meetings preceding the Class Period. They also knew why Lucid could not meet this production target—the Company was suffering from its own unique and severe problems that were stalling production of the Lucid Air, including internal logistics issues, design flaws, and the key drivers of parts shortages. These problems had not only prevented, but continued to prevent Lucid from ramping up production of the Lucid Air. Despite the actual state of affairs at Lucid, on November 15, 2021, and at all times thereafter during the Class Period, Defendants concealed these severe, internal, Company-specific problems. At every turn, when asked about the pace of production, or to explain the factors causing Lucid's production delays, Defendants blamed the Company's woes on the purported impact of external, industrywide supply chain problems and repeatedly assured investors that the Company was "mitigating" that global impact. These misrepresentations left investors with a materially false and misleading impression about Lucid's actual production and internal ability and readiness to mass produce its vehicles. Against that backdrop, Defendants then lied, time and again, about the number of vehicles Lucid would produce. Even when, in February 2022, Defendants announced a reduced production target of 12,000 to 14,000 units, they continued to point to purported industry-wide supply chain problems and once more assured the market that the Company was thriving in spite of such issues. When the truth regarding Lucid's false claims about its production and the factors

impacting that production finally emerged, Lucid's stock price cratered, causing massive losses for investors.
On December 13, 2022, Plaintiffs filed a 138-page consolidated complaint on behalf of a putative class of investors alleging that Defendants Lucid, Rawlinson, and House violated 10(b) and 20(a) of the Securities Exchange Act. On February 23, 2023, Defendants filed a motion to dismiss. Briefing on that motion was completed in June 2023, and the Court heard oral argument in August 2023. The motion remains pending.

- NVIDIA Corporation

CASE CAPTION	*In Re NVIDIA Corporation Securities Litigation*
COURT	United States District Court for the Northern District of California, Oakland Division
CASE NUMBER	4:18-cv-07669
JUDGE	Honorable Haywood S. Gilliam, Jr.
PLAINTIFFS	E. Öhman J:or Fonder AB; Stichting Pensioenfonds PGB
DEFENDANT	NVIDIA Corporation; CEO Jensen Huang
CLASS PERIOD	August 10, 2017 to November 14, 2018, inclusive

This securities fraud class action brings claims against NVIDIA, the world's largest maker of graphic processing units (GPUs), and its

Chief Executive Officer Jensen Huang. The case arises out of Defendants' efforts to fraudulently conceal the extent of NVIDIA's reliance on GPU sales to cryptocurrency miners. Led by Öhman Fonder, one of Sweden's largest institutional investors, the suit alleges that in 2017 and 2018, NVIDIA's revenues skyrocketed when it sold a record number of GPUs to crypto miners. Plaintiffs allege that during this period, NVIDIA's sales to crypto miners outpaced its sales to the company's traditional customer base of video gamers. Yet Defendants misrepresented the true extent of NVIDIA's cryptocurrency-related sales, enabling the company to disguise the degree to which its growth was dependent on the notoriously volatile demand for crypto.

Following the price collapse of Etherium, a leading digital token, in late 2018, investors began to learn of NVIDIA's true dependence on sales to crypto miners. This culminated on November 15, 2018, when NVIDIA announced it was only expecting $2.7 billion in fourth quarter revenues (a 7% decline year-over-year) which it attributed to a "sharp falloff in crypto demand." Market commentators expressed shock at the company's about-face, and NVIDIA's stock price fell precipitously, damaging investors by billions of dollars in market losses.

The action was filed in June 2019 on behalf of a putative class of investors alleging that Defendants violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934. After the District Court dismissed the complaint, Plaintiffs successfully appealed the dismissal to the U.S. Court of Appeals for the Ninth Circuit. On August 25, 2023, in a published decision, the Ninth Circuit reversed, holding that Plaintiffs had sufficiently alleged that Defendants "made materially false or misleading statements about the company's exposure to crypto, leading investors and analysts to believe that NVIDIA's crypto-related revenues were much smaller than they actually were." The case will now proceed to discovery.

- Silicon Valley Bank ("SVB")

CASE CAPTION	*In re SVB Fin. Grp. Sec. Litig.*
COURT	United States District Court for the Northern District of California
CASE NUMBER	3:23-cv-01097-JD
JUDGE	Honorable James Donato

PLAINTIFFS	Norges Bank; Sjunde AP-Fonden; Asbestos Workers Philadelphia Welfare and Pension Fund; Heat & Frost Insulators Local 12 Funds
EXCHANGE ACT DEFENDANTS	Gregory W. Becker; Daniel J. Beck
EXCHANGE ACT CLASS	Purchasers of the common stock of Silicon Valley Bank Financial Group between January 21, 2021, to March 10, 2023, inclusive
SECURITIES ACT DEFENDANTS	Gregory W. Becker; Daniel J. Beck, Karen Hon; Goldman Sachs & Co. LLC; BofA Securities, Inc.; Keefe, Bruyette & Woods, Inc.; Morgan Stanley & Co. LLC; Roger Dunbar; Eric Benhamou; Elizabeth Burr; John Clendening; Richard Daniels; Alison Davis; Joel

		Friedman; Jeffrey Maggioncalda; Beverly Kay Matthews; Mary J. Miller; Kate Mitchell; Garen Staglin; KPMG LLP
	SECURITIES ACT CLASS	Purchasers in the following registered offerings of securities issued by Silicon Valley Bank Financial Group: (i) Series B preferred stock and 1.8% Senior Notes offering on February 2, 2021; (ii) common stock offering on March 25, 2021; (iii) Series C preferred stock and 2.10% Senior Notes offering on May 13, 2021; (iv) common stock offering on August 12, 2021; (v) Series D preferred stock and 1.8% Senior Notes offering on October 28, 2021; and (vi) 4.345% Senior Fixed

Rate/Floating Rate Notes and 4.750% Senior Fixed Rate/Floating Rate Notes offering on April 29, 2022.

Plaintiffs bring this securities fraud class action under the Securities Exchange Act of 1934 ("Exchange Act") and Securities Act of 1933 ("Securities Act") against former executives and Board members of Silicon Valley Bank ("SVB" or the "Bank"), underwriters of certain of SVB's securities offerings, and the Bank's auditor, KPMG LLP (collectively, "Defendants"). The action centers on Defendants' misrepresentations and omissions concerning the Bank's deficient risk management, including its management of liquidity and interest rate risks. A post mortem report from the Federal Reserve ultimately found that these deficiencies were directly linked to the Bank's collapse in March 2023.

The Exchange Act claims are brought on behalf of all persons and entities who purchased or otherwise acquired the common stock of Silicon Valley Bank Financial Group, the parent company of SVB, between January 21, 2021 and March 10, 2023, inclusive (the "Class Period"), and were damaged thereby. Specifically, Plaintiffs allege that throughout the Class Period, SVB's CEO Gregory W. Becker and CFO Daniel Beck (the "Exchange Act Defendants") made false and misleading statements and omissions regarding SVB's risk management practices, and its ability to hold tens of billions of dollars in "HTM" securities to maturity.

Contrary to the Exchange Act Defendants' statements, and unbeknownst to SVB investors, SVB suffered from severe and significant deficiencies in its risk management framework and, accordingly, could not adequately assess, measure, and mitigate the many risks facing the Bank, nor properly assess its ability to hold its HTM securities to maturity. As the Federal Reserve has outlined, SVB had a grossly deficient risk management program that posed a "significant risk" to "the Firm's prospects for remaining safe and sound"; had in place interest rate models that were unrealistic and "not reliable"; employed antiquated stress testing methodologies; and had a liquidity risk management program that threatened SVB's "longer term financial resiliency" by failing to ensure that the Bank would have "enough easy-to-tap cash on hand in the event of trouble" or assess how its projected contingency funding would behave during a stress event. Plaintiffs further allege that the Exchange Act Defendants were well aware of these deficiencies because, among other things, the Federal

Reserve repeatedly warned the Exchange Act Defendants about the deficiencies and the dangers they posed throughout the Class Period.

The Securities Act claims are brought on behalf of all persons and entities who purchased or acquired SVB securities in or traceable to SVB's securities offerings completed on or about February 2, 2021, March 25, 2021, May 13, 2021, August 12, 2021, October 28, 2021, and April 29, 2022 (the "Offerings"). Plaintiffs allege that the offering documents accompanying these issuances also contained materially false statements regarding the effectiveness of the Bank's interest rate and liquidity risk management, and its ability to hold its HTM securities to maturity. Through these Offerings, SVB raised $8 billion from investors.

Investors began to learn the relevant truth concealed by Defendants' misrepresentations and omissions in 2022, when Defendants reported that, contrary to their prior representations, the rising interest rate environment had caused an immediate impact to the Bank's financial results and future estimates. On March 8, 2023, the relevant truth was further revealed when SVB announced that, due to short-term liquidity needs, the Bank had been forced to sell all of its available for sale securities portfolio for a nearly $2 billion dollar loss, and would need to raise an additional $2.25 billion in funding. Two days later, on March 10, 2023, the California Department of Financial Protection & Innovation closed SVB and appointed the FDIC as the Bank's receiver. SVB has filed for bankruptcy, and Congress, the DOJ, the SEC, and multiple other government regulators have commenced investigations into the Bank's collapse and the Exchange Act Defendants' insider trading.

On January 16, 2024, Plaintiffs filed an amended operative complaint detailing Defendants' violations of the federal securities laws. Motion to dismiss briefing will commence shortly.

- Wells Fargo (SEB)

CASE CAPTION	*SEB Investment Management AB, et al. v. Wells Fargo & Co., et al.*
COURT	United States District Court for the Northern District of California
CASE NUMBER	3:22-cv-03811-TLT
JUDGE	Honorable Trina L. Thompson
PLAINTIFFS	SEB Investment Management AB; West Palm Beach Firefighters' Pension Fund

DEFENDANTS	Wells Fargo & Company, Charles W. Scharf, Kleber R. Santos, and Carly Sanchez
CLASS PERIOD	February 24, 2021 to June 9, 2022, inclusive

This securities fraud class action arises out of Wells Fargo's misrepresentations and omissions regarding its diversity hiring initiative, the Diverse Search Requirement. According to Wells Fargo, the Diverse Search Requirement mandated that for virtually all United States job openings at Wells Fargo that paid $100,000 a year or more, at least half of the candidates interviewed for an open position had to be diverse (which included underrepresented racial or ethnic groups, women, veterans, LGBTQ individuals, and those with disabilities).
Throughout the Class Period, Defendants repeatedly lauded the Diverse Search Requirement to the market. In reality, however, Wells Fargo was conducting "fake" interviews of diverse candidates simply to allow the Company to claim compliance with the Diverse Search Requirement. Specifically, Wells Fargo was conducting interviews with diverse candidates for jobs where another candidate had already been selected. These fake interviews were widespread, occurring across many of Wells Fargo's business lines prior to and throughout the Class Period. When the relevant truth concealed by Defendants' false and misleading statements was revealed on June 9, 2022, the Company's stock price declined significantly, causing significant losses to investors.
On January 31, 2023, Plaintiffs filed a complaint on behalf of a putative class of investors alleging that Defendants Wells Fargo, Scharf, Santos, and Sanchez violated Section 10(b) of the Securities Exchange Act of 1934. In addition, the complaint alleged that Scharf, as CEO of Wells Fargo, violated Section 20(a) of the Securities Exchange Act of 1934. Defendants filed a motion to dismiss on April 3, 2023, which the Court granted with leave to amend on August 18, 2023. On September 8, 2023, Plaintiffs filed an amended complaint. Defendants' moved to dismiss the amended complaint in October 2023. Briefing on that motion will be complete in January 2024.
Read the Class Action Complaint for Violations of the Federal Securities Laws Here

Settled

- Allergan Inc.
  Allergan stockholders alleged that in February 2014, Valeant tipped Pershing Square founder Bill Ackman about its plan to launch a hostile bid for Allergan. Armed with this nonpublic information, Pershing then bought 29 million shares of stock from unsuspecting investors, who were unaware of the

takeover bid that Valeant was preparing in concert with the hedge fund. When Valeant publicized its bid in April 2014, Allergan stock shot up by $20 per share, earning Pershing $1 billion in profits in a single day.
Valeant's bid spawned a bidding war for Allergan. The company was eventually sold to Actavis PLC for approximately $66 billion.
Stockholders filed suit in 2014 in federal court in the Central District of California, where Judge David O. Carter presided over the case. Judge Carter appointed the Iowa Public Employees Retirement System ("Iowa") and the State Teachers Retirement System of Ohio ("Ohio") as lead plaintiffs, and appointed Kessler Topaz Meltzer & Check, LLP and Bernstein Litowitz Berger & Grossmann, LLP as lead counsel.
The court denied motions to dismiss the litigation in 2015 and 2016, and in 2017 certified a class of Allergan investors who sold common stock during the period when Pershing was buying.
Earlier in December, the Court held a four-day hearing on dueling motions for summary judgment, with investors arguing that the Court should enter a liability judgment against Defendants, and Defendants arguing that the Court should throw out the case. A ruling was expected on those motions within coming days.
The settlement reached resolves both the certified stockholder class action, which was set for trial on February 26, 2018, and the action brought on behalf of investors who traded in Allergan derivative instruments. Defendants are paying $250 million to resolve the certified common stock class action, and an additional $40 million to resolve the derivative case.
Lee Rudy, a partner at Kessler Topaz and co-lead counsel for the common stock class, commented: "This settlement not only forces Valeant and Pershing to pay back hundreds of millions of dollars, it strikes a blow for the little guy who often believes, with good reason, that the stock market is rigged by more sophisticated players. Although we were fully prepared to present our case to a jury at trial, a pre-trial settlement guarantees significant relief to our class of investors who played by the rules."

- Seaworld Entertainment Inc.
  After over five years of hard-fought litigation, on February 19, 2020, Judge Michael M. Anello of the U.S. District Court for the Southern District of California granted preliminary approval of a class action settlement brought on behalf of SeaWorld Entertainment, Inc. shareholders. Since December 2014, Kessler Topaz has served as co-lead counsel in the litigation. The case alleges that SeaWorld and its former executives issued materially false and misleading statements during the Class Period about the impact on SeaWorld's business

of *Blackfish*, a highly publicized documentary film released in 2013, in violation of Section 10(b) of the Exchange Act of 1934. Defendants repeatedly told the market that the film and its related negative publicity were not affecting SeaWorld's attendance or business at all. When the underlying truth of *Blackfish's* impact on the business finally came to light in August 2014, SeaWorld's stock price lost approximately 33% of its value in one day, causing substantial losses to class members.

In April 2019, after the close of fact and expert discovery, Defendants moved for summary judgment on all claims—their last and best opportunity to avoid a jury trial on the Class's claims through a dispositive motion. After highly contested briefing and oral argument, in November 2019 the Court held in a 98-page opinion that Plaintiffs had successfully shown that the claims should go to a jury.

With summary judgment denied and the parties preparing for a February 2020 trial, the parties reached a $65 million cash settlement for SeaWorld's investors.

News

- August 17, 2023 - California Federal Court Certifies Advertiser Classes in Consumer Fraud Case Against Google
- March 14, 2022 - Kessler Topaz is Proud to Recognize and Honor Women's History Month by Profiling our Female Partners and Recognizing the Amazing Work They Do | Stacey Kaplan, Partner
- March 31, 2020 - On the Eve of Trial, Investors Reach $65 Million Settlement in Securities Fraud Class Action Against SeaWorld Entertainment and the Blackstone Group
- May 8, 2017 - Kessler Topaz Again Named Class Action Litigation Department of the Year by The Legal Intelligencer
- April 1, 2015 - Class Certification and the Use of Event Studies After Comcast

Publications

How a Dissent Produced a Majority Rationale, American Association for Justice, Business Torts Program Annual Conference (2013)

Awards/Rankings

- Lawdragon 500 Leading Plaintiff Financial Lawyer, 2019-2021
- Judicial Extern for the Honorable Terry J. Hatter, Jr., United States District Court, Central District of California

Community Involvement

Stacey served on a team of attorneys representing the Unitarian Universalist Association, General Synod of the United Church of

Christ, Pacific Association of Reform Rabbis, Progressive Jewish Alliance, California Council of Churches, and other religious organizations, as amici curiae, challenging the validity of Proposition 8, a constitutional amendment prohibiting same-sex marriage. More recently, Stacey represented the California Council of Churches, California Faith for Equality, Unitarian Universalist Justice Ministry California, Northern California Nevada Conference, United Church of Christ, Southern California Conference, United Church of Christ, Pacific Association of Reform Rabbis, and California Network of Metropolitan Community Churches, as amici curiae, arguing to the United States Supreme Court that civil marriage is a civil right that cannot be withheld from same-sex couples.