

Simpson Thacher Defeats Amendment Seeking to Relitigate Class Certification for Best Buy

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In a 30-page decision, on July 11, 2018, Judge Franklin L. Noel of the Federal District Court of Minnesota denied Plaintiffs' request to file an amended Complaint in order to renew a motion for class certification in a securities action against Simpson Thacher's clients, Best Buy and certain executives, seeking hundreds of millions of dollars in damages. Simpson Thacher previously obtained an Eighth Circuit reversal of the certification of a class, after being engaged following the District Court's decision granting class certification. The Eighth Circuit decision was the first circuit court to address the standards under which defendants can offer evidence of a lack of price impact to rebut the fraud-on-the-market presumption of reliance, under the Supreme Court's *Halliburton II* decision. The Eighth Circuit adopted Defendants' arguments that they successfully rebutted the presumption of reliance with evidence that Best Buy's stock price did not move when the alleged misstatements were made. It further held that once the presumption was rebutted, Plaintiffs failed to meet their burden of proving price impact.

On remand, Plaintiffs sought to file an amended complaint in service of a renewed motion for class certification, arguing that they should have the opportunity to present new evidence and new theories in support of class certification. Defendants responded that the Eighth Circuit decision conclusively determined that no class may be certified in the case and that the District Court could not revisit the class issue. Judge Noel agreed, and denied Plaintiffs' application, holding that Plaintiffs failed to establish good cause for the motion and that the courts' decisions constituted law of the case and may not be revisited.

The Simpson Thacher team includes Joe McLaughlin (who argued the motion), George Wang, Dan Stujenske and Adam Saltzman.

Team and Contacts

Joseph McLaughlin

Partner

jmclaughlin@stblaw.com

+1-212-455-3242

Adam Saltzman

Associate

George Wang

Partner

gwang@stblaw.com

+1-212-455-2228

adam.saltzman@stblaw.com

+1 (202) 636-5978

