



John P. Stigi III

Partner

Century City
1901 Avenue of the Stars
Suite 1600
Los Angeles , CA 90067

Palo Alto
379 Lytton Avenue
Palo Alto , CA 94301

Tel: 310.228.3717
Fax: 310.228.3917
jstigi@sheppardmullin.com

PRACTICE AREAS

- Litigation
- White Collar Defense and Corporate Investigations

INDUSTRIES

- Aerospace and Defense
- Digital Business
- Education
- Entertainment, Media and Technology
- Financial Services
- Insurance
- Private Equity

OVERVIEW

John Stigi is a partner in the Business Trial Practice Group in the firm's Century City and Palo Alto offices, and leader of the firm's Corporate/Securities Litigation Team.

Areas of Practice

Mr. Stigi's practice focuses on securities class action and shareholder derivative action defense, SEC investigation defense, internal corporate investigations, and M&A and corporate governance litigation. He has extensive experience representing issuers, officers, directors and auditors in all areas of securities and corporate litigation, from the early stages before a complaint is filed through pleading motions, discovery, mediation, trial and appeal. Mr. Stigi also advises companies on disclosure and corporate governance issues, as well as directors and officers insurance matters.

Mr. Stigi's practice is national in scope. He appears routinely in federal and state courts throughout California, New York and Delaware, and also has appeared in courts in Arizona, Colorado, Florida, Massachusetts, Mississippi, New Jersey, Texas and Washington.

Mr. Stigi previously was a partner in the securities litigation group at Wilson Sonsini Goodrich & Rosati, resident in the Palo Alto and San Francisco offices. Prior to that he practiced for 12 years in New York City where he represented issuers, accountants, banks, brokerage firms, and hedge fund managers in securities, commercial, bankruptcy, employment, and real estate litigation. Mr. Stigi clerked at the District of Columbia Court of Appeals and was an executive editor of the Virginia Journal of International Law.

EDUCATION

- J.D., University of Virginia, 1987
- B.A., Columbia University, 1984, *cum laude*

ADMISSIONS

- California
- New York
- U.S. Courts of Appeals for the Fifth and Ninth Circuits

- U.S. District Courts for the Central District of California, Northern District of California, Southern District of California, District of Colorado, Eastern District of New York and Southern District of New York

EXPERIENCE**Representative Cases****Securities & Shareholder Derivative Actions**

- America West
- Amgen
- Arthur Andersen
- Boeing
- Bolar/Circa Pharmaceuticals
- Chordiant Software
- Deloitte
- Digital Cornerstone
- Ernst & Young
- Fairchild Corporation
- First Virtual Communications
- Hewlett Packard
- i2 Technologies
- International Rectifier
- Irvine Sensors
- Jennifer Convertibles
- Leap Wireless
- McAfee
- National Technical Systems
- NCI Building Systems
- NorthPoint Communications
- Quovadx
- Redback Networks
- Sahlen & Associates
- salesforce.com
- VISX
- Zales

M&A/Going Private Actions

- Corio
- CrossWorlds Software
- E.piphany
- Hewlett Packard/Compaq
- Hewlett Packard/Walter Hewlett

- Infoweapons
- International Rectifier
- Lions Gate Entertainment
- Med BioGene
- National Technical Systems
- Plumtree Software
- Rational Software
- Raytel Medical
- Rizvi Traverse/Playboy
- Taylor Made

Financial Services-Related Actions

- B. Riley
- CIBC Oppenheimer
- Citicorp Real Estate
- Clearwater Fund
- European American Bank
- First Nationwide Bank
- Hambro America
- Liberty Brokerage
- Moore Capital Management
- Patriot Securities

HONORS

- Southern California Super Lawyer, 2010
- Northern California Super Lawyer, 2005

MEMBERSHIPS

- American Bar Association, 1989-present
- International Bar Association, 2004-2006
- New York State Bar Association, Civil Practice Law and Rules Committee, 1996-1999
- Los Angeles World Affairs Council, 2006-2009
- University of Virginia School of Law National Litigation Panel, 1996-2000
- Columbia University Alumni Representative Committee, Regional Co-Chair, 2007-present

ARTICLES**Articles in Print**

- Addressing Materiality At The Pleadings Stage, *Law360*, September 7, 2011
- Barring RICO Claims Based On Alleged Securities Fraud, *Law360*, July 28, 2011
- Courts Interpret 'Tellabs', *The National Law Journal*, March 17, 2008

- May a Court Consider Competing Inferences of a Defendant's State of Mind in Determining Whether the Complaint Pleads a 'Strong Inference' of Scienter?, *34 Preview of United States Supreme Court Cases (ABA)*, No. 6, April 9, 2007
- Electronic Discovery: New Rules Also Affect E-Discovery of Nonparties, *The National Law Journal*, March 19, 2007
- Delaware Decision in *Disney* Sets Forth Parameters for Duty of Good Faith, *21 Delaware Corporate Litigation Reporter*, No. 6, September 25, 2006
- *Disney* Case Provides Further Insight into Directors' Duty of Disclosure, *13 Corporate Governance Advisor*, No. 5, September/October 2005
- Delaware Vice Chancellor Strine Suggests Reform of Delaware Common Law Regarding Fully Negotiable Going-Private Transactions, *9 Wall Street Lawyer*, No. 3, August 2005

Corporate & Securities Law Blog Articles

- "Foreign Corporation's Mere Awareness That Its Products May Ultimately End Up In a Forum State Is Not Sufficient Contact to Support Personal Jurisdiction," January 12, 2012
- "Delaware Supreme Court Clarifies Scope of Relief a Shareholder is Entitled For Inspection of Corporate Books and Records Pursuant to a Section 220 Demand," December 9, 2011
- "Tenth Circuit Holds that "Forced Sellers" Resulting From a Squeeze Out Merger Lack Standing to Assert Claims Under Sections 11 and 12(a)(2) the Securities Act of 1933," September 13, 2011
- "Second Circuit Holds that Falsity of Estimates of Goodwill and Loan Loss Reserves For Purposes of Sections 11 and 12(a)(2) of the Securities Act of 1933 Hinges on the Speakers' Subjective Belief in the Estimates' Accuracy," September 13, 2011
- "California Court of Appeal Refuses to Permit an Action for Rescission of a Strategic Transaction, Holding That a Board Has No Duty Under California Law to Include a 'Fiduciary Out'," August 22, 2011
- "District of Columbia and Seventh Circuits Allow for Corporate Liability Under The Alien Tort Statute, Splitting With Second Circuit," August 18, 2011
- "Second Circuit Addresses Materiality at the Pleadings Stage in Two Recent Decisions," August 18, 2011
- "Second Circuit Holds That the Private Securities Litigation Reform Act of 1995 Bars All RICO Claims Based Upon Alleged Acts of Securities Fraud," July 21, 2011
- "New York High Court Applies the "Single-Entity Exemption" in the Securities Litigation Uniform Standards Act of 1998," July 12, 2011
- "Delaware Supreme Court Holds That Insider Trading Claims Alleging Misuse of Confidential Corporate Information Need Not Show Injury To the Corporation," July 5, 2011
- "United States Supreme Court Holds that the "Maker" of a Statement for Rule 10b-5 Purposes is the Person or Entity with Ultimate Authority Over the Statement," June 20, 2011
- "Delaware Chancery Court Considers Scope of Section 220 Books and Records Demand Made Where Sole Purpose Is to Investigate a Potential Derivative Suit," June 13, 2011
- "United States Supreme Court Holds that Securities Fraud Plaintiffs Need Not Establish Loss Causation to Certify a Class," June 13, 2011

- "California Court of Appeal Holds That State Courts Have Jurisdiction Over Securities Act Class Actions Unless the Action Is a 'Covered Class Action' and Involves a 'Covered Security' Under SLUSA," May 31, 2011
- "California Court of Appeal Interprets 'Controlling Person' Liability Under State and Federal Securities Laws," May 27, 2011
- "Second Circuit Holds That Rating Agencies Were Not 'Underwriters' or 'Controlling Persons' Within the Meaning of the Securities Act of 1933," May 23, 2011
- "Ninth Circuit Holds that SOX Whistleblower Provisions Do Not Protect Leaks to the Media," May 10, 2011
- "Ninth Circuit Reverses Dismissal of Securities Fraud Class Action Where Complaint was 'Loaded with Specific Allegations' to Support a Strong Inference of Scienter," May 2, 2011
- "Sixth Circuit Reverses Dismissal of a Shareholder Derivative Action Based Upon the Lack of Independence of the Special Litigation Committee," April 14, 2011
- "United States Supreme Court Reiterates Materiality Standard For Securities Fraud Claims Under Rule 10b-5," March 29, 2011
- "Second Circuit Clarifies Standard Regarding Knowledge Of Facts That Constitute A Securities Fraud Violation For Purposes Of Triggering The Two-Year Statute Of Limitations For Rule 10b-5 Claims," March 16, 2011
- "Delaware Supreme Court Reverses Chancery Court Dismissal Of Derivative Plaintiff's Section 220 Books And Records Action," February 4, 2011
- "District Of Columbia Circuit Holds That Certifications In Financial Statements Do Not Constitute Omissions That Qualify For A Presumption Of Reliance In Fraud Claims Under Rule 10b-5," February 2, 2011
- "Tenth Circuit Affirms High Standard For Scienter Pleading In Securities Fraud Cases Against Independent Auditors," February 2, 2011
- "Delaware Supreme Court Holds That Chancery Court Is Not Bound By Merger Price Or Fairness Opinion In Appraisal Proceedings Under Delaware General Corporate Law Section 262(h)," January 21, 2011
- "California Court Of Appeal Holds That Privity Of Contract Is Necessary To Maintain An Action For Rescission Under California Corporations Code Sections 25504 And 25504.1," January 21, 2011
- "2010 Year-End Securities Litigation Reports Show a Second Half Increase In New Class Action Filings, With Merger Cases Spiking," January 21, 2011
- "Fifth Circuit Rejects Section 10(b) Scheme Liability in Absence of Explicit Attribution of Conduct or Statements to Defendant," November 17, 2010
- "Delaware Supreme Court Clarifies Law Regarding Standing Of Plaintiff-Shareholders To Bring A Post-Merger Double Derivative Action," October 28, 2010
- "Delaware Supreme Court Requires Credible Evidence Of A 'Proper Purpose' To Review A Corporation's Books And Records," October 22, 2010
- "Second Circuit Holds That No Private Right Of Action Exists Under Section 304 Of The Sarbanes-Oxley Act," October 8, 2010
- "California Court Of Appeal Holds That Shareholders Have Standing To Pursue Derivative Actions After Dissolution Of A Corporation," October 8, 2010
- "Second Circuit Rejects Application Of 'Bespeaks Caution' Doctrine To Statement Containing Both Historical And Forward-Looking Elements," September 28, 2010
- "Third Circuit Rejects The 'Fraud-Created-The-Market' Theory Of Reliance In A Section 10(b) Private Securities Fraud Action," September 20, 2010

- "Third Circuit Holds That Mixed Present/Future Statements Are Protected By Reform Act Safe Harbor," August 27, 2010
- "Ninth Circuit Rejects Private Right Of Action To Enforce Section 13(a) Of The Investment Company Act Of 1940," August 27, 2010
- "D.C. Circuit Vacates Proposed Fee For NYSE Arca 'Depth-Of-Book' Data And Remands To SEC For Further Review," August 23, 2010
- "United States Supreme Court Limits Extraterritorial Reach Of Private Federal Securities Claims," July 30, 2010
- "United States Supreme Court Limits Scope Of Federal Criminal 'Honest Services' Fraud Statute," July 30, 2010
- "Ninth Circuit Holds That Safe Harbor Provision Of The Reform Act Applies To Forward-Looking Statements Accompanied By Cautionary Language And Forward-Looking Statements Made Without Actual Knowledge Of Falsity," July 23, 2010
- "Delaware Chancery Court Applies 'Unified Standard' For Reviewing Controlling Stockholder Freeze-Outs; Certifies Issue For Interlocutory Appeal To Delaware Supreme Court," July 23, 2010
- "District Of Columbia Circuit Holds That Providing Attorney Work Product To Independent Auditors Does Not *Per Se* Waive The Protection Of The Work Product Doctrine," July 23, 2010
- "Delaware Chancery Court Enjoins Stockholder Vote For Lack Of Adequate Disclosures In Proxy Statement," June 21, 2010
- "In A Case Of First Impression, Delaware Chancery Court Holds That Preferred Stockholders Have The Right To Bring Derivative Actions," June 21, 2010
- "Arizona Federal District Court Holds That Securities & Exchange Commission Need Not Allege Wrongdoing On The Part Of CEO When Pursuing Reimbursement Under Section 304 Of Sarbanes-Oxley Act," June 15, 2010
- "Delaware Chancery Court Dismisses Derivative Plaintiff's Section 220 Books And Records Action," June 8, 2010
- "Second Circuit Affirms Dismissal Of Securities Fraud Complaint, But Rejects Reform Act Safe Harbor Defense," June 8, 2010
- "California Court Of Appeal Applies Three-Year Limitation Under Delaware Law To Claim Against Dissolved Delaware Corporation", May 10, 2010
- "United States Supreme Court Clarifies Statute Of Limitations For Private Securities Fraud Actions", May 7, 2010
- "Second Circuit Affirms Dismissal Of Securities Fraud Claims Against Secondary Actors Because Alleged False Statements Were Not Attributed To Them", May 7, 2010
- "In *Omnicom* Second Circuit Provides Guidance On What Type Of Information Will Justify Investor Reliance For Securities Fraud", April 6, 2010
- "First Circuit, Sitting En Banc, Clarifies What It Means To 'Make' A Statement Under SEC Rule 10b-5(b)", March 26, 2010
- "Tenth Circuit Holds Corporate Shareholders Do Not Have Standing Under Rico To Sue Derivatively For Alleged Injuries To Corporation", March 8, 2010
- "United States Supreme Court Clarifies Standard For Determining Corporate Citizenship For Purposes Of Federal Court Diversity Jurisdiction", March 1, 2010
- "Ninth Circuit Affirms Dismissal Of Section 14(a) Class Action Holding That A Share Dilution Theory For Pleading Economic Loss Is Unsupported By Case Law", February 22, 2010

- "Eleventh Circuit Affirms Dismissal Of Options Backdating Securities Fraud Class Action For Failure To Meet Reform Act's Heightened Pleading Standards", February 12, 2010
- "Sixth Circuit Affirms Dismissal Of Securities Fraud Complaint Where Inference Of Scierter Was Not Supported By Sufficiently Particularized Allegations Of Fact", February 12, 2010
- "2009 Year-End Securities Litigation Reports Are Out; Filings Are Down Following Easing Of The Financial Crisis And Reduced Stock Price Volatility", February 12, 2010
- "California Court Of Appeal Addresses Important Issues Affecting Shareholder Derivative Claims Under Delaware Law", January 4, 2010
- "Second Circuit Reverses Order Disqualifying Defense Counsel In Suit Over Demutualization Of Insurance Company", October 13, 2009
- "Ninth Circuit Holds That Absence Of 'Upjohn Warning' Does Not Bar Admissibility In Criminal Prosecution Of Statements Elicited By Corporate Counsel During Internal Investigation", October 8, 2009
- "Delaware Senate Confirms J. Travis Laster As Newest Member Of Chancery Court", October 1, 2009
- "New York Federal District Court Rejects Credit Rating Agencies' First Amendment Defense", September 22, 2009
- "First Circuit Holds That Tax Accrual Work Papers Are Not Protected Under The Attorney Work Product Doctrine", September 16, 2009
- "Ninth Circuit Rejects Attempt To Expand Scope Of Short-Swing Profit Insider Liability Claims Under Section 16(b)", August 27, 2009
- "Second Circuit Holds That Computer Hacking For Purposes Of Trading On Inside Information May Be A 'Deceptive Device' Under Section 10(b) Even In The Absence Of A Breach Of Any Fiduciary Duty", August 7, 2009
- "2009 Mid-Year Securities Litigation Reports Are Out; Filings Have Leveled Off", July 29, 2009
- "Ninth Circuit Rules That D&O Policies' 'Insured Versus Insured' Exclusion Applies To Debtors-In-Possession And Assignee Creditors During Bankruptcy Proceedings", July 22, 2009
- "Delaware Supreme Court Holds That Minority Stockholders In A Short Form Merger Are Entitled To 'Quasi-Appraisal' Remedy When Material Facts Are Not Disclosed", July 21, 2009
- "Third Circuit Applies Tellabs To Reject Motive And Opportunity Test In Favor Of A 'Holistic Approach' To Pleading Scierter In Securities Fraud Actions", June 18, 2009
- "Ninth Circuit Reaffirms Particularity Requirement In Securities Fraud Actions For Pleading Scierter", February 3, 2009
- "Delaware Supreme Court Rejects Application Of Entire Fairness Scrutiny In Controlling Shareholder's Non-Coercive Offer", February 3, 2009
- "2008 Year-End Securities Litigation Reports Are Out; The Financial Sector Was Hit Hardest By Increased Class Action Filings", January 7, 2009
- "Ninth Circuit Holds That Section 304 Of The Sarbanes Oxley Act Does Not Provide Litigants With A Private Right Of Action", January 6, 2009
- "Ninth Circuit Rejects Theory Of 'Collective Scierter' And Reaffirms Pre-Tellabs Authority Applying Heightened Requirements For Pleading Scierter In Securities Fraud Actions", December 4, 2008

- "The Delaware Chancery Court Rejects Attempt By Acquirer To Cancel Merger Amid Worldwide Credit Crisis", November 11, 2008
- "Ninth Circuit Reaffirms That The 'Core Operations Inference,' Standing Alone, Is Insufficient To Support A Strong Inference Of Scienter In Securities Fraud Actions", September 23, 2008
- "Ninth Circuit Reverses Dismissal Of Securities Fraud Complaint On Loss Causation Grounds Despite Three-Month Delay Between Corrective Disclosure And Market Reaction", September 22, 2008
- "2008 Mid-Year Securities Litigation Reports Are Out, And The Numbers Are Up", August 7, 2008
- "Ninth Circuit Affirms Dismissal With Prejudice Of Corinthian Colleges Securities Fraud Class Action", August 7, 2008
- "Delaware Chancery Court Holds That Self-Interested Directorial Compensation Decisions Made Without Independent Protections Will Not Survive An Entire Fairness Review", July 22, 2008
- "Delaware Chancery Court Issues Rulings On Preliminary Injunctions Regarding Materiality Of Disclosures In Proxy Statements", July 17, 2008
- "Second Circuit Rejects 'Collective Scienter' Theory For Pleading A Securities Fraud Claim Against A Corporation", July 17, 2008
- "Delaware Chancery Court Holds That IAC Spin-Offs Can Proceed Without Liberty's Consent", July 8, 2008
- "Delaware Chancery Court Holds That Advance Notice Bylaws Must Clearly State That They Apply To Self-Funded Proxy Solicitations", July 8, 2008
- "Ninth Circuit Allows SEC to Proceed Against Director for Insider Trading Even Where Director Owed No Fiduciary Duty to Company Whose Stock He Traded", July 8, 2008
- "New York's Highest Court Holds That Members of Limited Liability Company May Bring Derivative Suits on the LLC's Behalf," February 29, 2008
- "California Supreme Court Imposes a Continuous Ownership Rule on Plaintiffs in Shareholder Derivative Actions," February 26, 2008
- "Delaware Supreme Court Holds That Board Members Who Do Not Own Shares Lack Standing to File a Derivative Suit," February 25, 2008
- "Supreme Court Severely Limits Secondary Actors' Exposure To Securities Fraud Lawsuits," January 17, 2008
- "Literally True Statement In A Prospectus Can Still Support A Federal Securities Claim If, In Context, The Statement Is Materially Misleading," January 7, 2008
- "Personal Jurisdiction Over Nonresident Officer Proper Under Delaware Law Only If There Was Active Conduct Performed In Officer's Official Capacity," December 19, 2007
- "Presentation Of Special Committee Report To Full Board Waives Attorney-Client Privilege," December 19, 2007
- "DOJ, Courts Lessen Pressure On Corporations To Deny Indemnification To Management Targets Of Prosecutions," November 15, 2007
- "Delaware Chancery Court Declines To Enjoin Merger, Recognizing High Burden To Succeed In Enjoining Premium Transaction In Absence of Competing Bid," November 15, 2007
- "Delaware Chancery Court Holds That Granting 'Spring-Loaded' Stock Options to Executives Without Full Disclosure to Shareholders Violates Fiduciary Duties," November 2, 2007

- "High Court Confirms Private Securities Litigation Reform Act's Heightened Requirements for Pleading Scienter," July 2, 2007
- "Delaware Chancery Court Criticizes Small-Cap Company's Board for Failing to Fulfill Revlon Duties When Selling Company to Private Equity Firm," June 19, 2007
- "Delaware Supreme Court Affirms Disney Decision," June 12, 2006
- "Supreme Court Rules That Federal Law Pre-Empts State Law Securities Fraud Class Actions By Holders," May 10, 2006
- "Sentencing Guidelines Amended to Remove Requirement That Corporations Waive Privilege to Reduce Sentence," May 8, 2006
- "Prosecutors and Regulators Continue to Pressure Corporations to Deny Indemnification to Management Targets," May 5, 2006

Class Action Defense Strategy Law Blog Articles

- "Second Circuit Rejects the Use of 'Aggregate Proof' of Causation in a Putative Consumer Class Action," October 15, 2010
- "Delaware Chancery Court Dismisses Plaintiffs' Counsel In Merger Class Action, Challenging Credibility Of All Counsel In Connection With Proposed Settlement," April 21, 2010
- "Ninth Circuit Holds that District Courts May Reject, But May Not Select, Lead Plaintiffs' Counsel in Class Actions Brought Under the Private Securities Litigation Reform Act," November 11, 2009
- "Third Circuit Holds That Plaintiffs Alleging Respa Violations Under Section 8 Need Not Show An Overcharge To Have Article III Standing To Sue," November 2, 2009

SPEECHES

- Speaker, SEC Enforcement and Securities Class Action Trends Since the Great Recession of 2008, U.S. Law Firm Group Corporate & Securities Committee Section Meeting, San Francisco, May 2010
- Q&A With Sheppard Mullin's John P. Stigi III, Law360, July 16, 2009
- Speaker, Deconstructing *Ryan v. Gifford*, Cal CPA Fraud Section, Los Angeles, February 2008
- Speaker, Environmental Disclosures, Los Angeles County Bar Association, Los Angeles, February 2008
- Speaker & Panelist, Securities Litigation, CLE International Conference on Class Actions, San Francisco, January 2008
- Co-chair, CLE International Conference on Class Actions, Los Angeles, January 2007
- Podcast, *Merrill Lynch v. Dabit*, TheCorporateCounsel.net Blog, April 2006
- Speaker & Panelist, McMaster World Congress Conference on Corporate Governance, Hamilton, Ontario, January 2006
- Speaker, Washington Metropolitan Area Corporate Counsel Association, SEC Enforcement, Reston, VA, December 2005
- Speaker & Panelist, International Bar Association Annual Conference, Prague, September 2005
- Speaker & Panelist, InSight CLE, M&A Litigation, Vancouver, BC, April 2005
- Speaker & Panelist, Glasser LegalWorks, Electronic Discovery, San Francisco, April 2004
- Speaker, Venture Capital Task Force, Palo Alto, July 2002

EVENTS

- Delaware Counsel Speaks - Navigating Delaware Corporate Law