

Why Your Clients Should Thank Kirkland's Sandra Goldstein

'The court finds that the defendants have shown good cause justifying a protective order staying discovery during the pendency of their motion to dismiss,' a state court judge in Connecticut found.

By Jenna Greene
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In the world of securities litigation, there's been a nagging question since the U.S. Supreme Court in *Cyan v. Beaver County Employees Retirement Fund* last year made clear that plaintiffs can bring lawsuits under the Securities Act of 1933 in state court, and not just in federal court.

That is, can defendants get discovery stayed pending resolution of a motion to dismiss?

In federal court, the answer is yes, thanks to the Private Securities Litigation Reform Act.

But what about state courts? Does that federal statute apply?

In an issue of first impression in Connecticut, a Superior Court judge on Wednesday said yes—a nice win for defendant Pitney Bowes, represented by Kirkland & Ellis litigation partner Sandra Goldstein, who joined the firm from Cravath, Swaine & Moore last year.

In August of 2018, the city of Livonia's retiree health and disability benefit plans—represented by Motley Rice and Robbins Geller Rudman & Dowd—sued Pitney Bowes, some of its directors and about a dozen banks that underwrote the relevant note offering, including Goldman Sachs, Merrill Lynch, Citi, JP Morgan, Morgan Stanley and HSBC. The plaintiffs alleged the relevant registration statement and prospectus contained misrepresentations and



omissions. The banks are represented by Goodwin Procter.

Judge Charles Lee in Stamford on Wednesday agreed to stay pretrial discovery. "The court finds that the defendants have shown good cause justifying a protective order staying discovery during the pendency of their motion to dismiss," he wrote. "[T]he requested discovery is extensive and may be unnecessary."