

RECOGNITIONS

Winston Team Led by James P. Smith and Jeffrey L. Steinfeld Featured in Litigator of the Week Column

APRIL 12, 2024

A Winston & Strawn team led by partners James P. Smith and Jeffrey L. Steinfeld was featured in *The Am Law Litigation Daily's* [Litigator of the Week](#) column on April 12, 2024.

Their recognition is a result of a complete dismissal on behalf of Cantor Fitzgerald, affiliated entities, and their D&OS in a securities fraud class action stemming from a \$1.6 billion de-SPAC merger between a Cantor-sponsored SPAC and View Inc., a “smart” window maker. Post merger, View restated its public financials after an audit committee investigation. Plaintiffs thereafter filed suit alleging the full panoply of federal securities claims, including violations of Sections 11, 12, and 15 of the Securities Act and Sections 10(b), 14(a), and 20 of the Exchange Act. After over two years of motion practice and two lengthy oral arguments—argued by Jeff Steinfeld—U.S. District Judge Beth Labson Freeman of the Northern District of California granted dismissal, addressing numerous timely securities issues regarding affirmative defenses, Section 12 statutory sellers, standing, and loss causation.

The court’s initial dismissal in May 2023 was significant because it found that the due diligence defense to Section 11 applied on the face of the complaint and that Winston’s clients were not statutory sellers under Section 12. Winston’s successful motion practice continued as the court dismissed all claims, including Exchange Act claims, in April 2024, with prejudice.

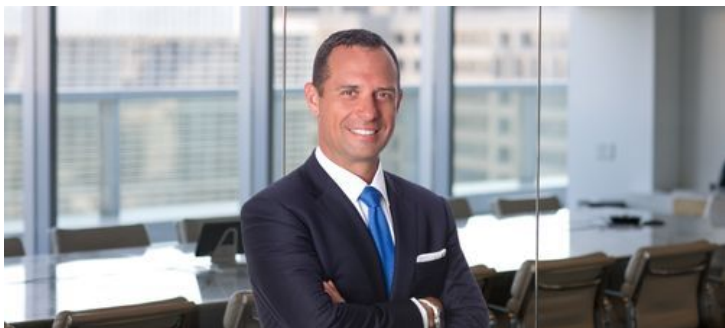
The latest decision was crucial, not only for dismissing the case entirely, but also for addressing loss causation and standing issues. The court synthesized recent appellate decisions and found that a company’s announcement of an investigation cannot serve as a corrective disclosure if the plaintiff sold its holdings before the “truth” was fully revealed. Accordingly, Lead Plaintiff could not plead loss causation and lacked standing. The court rejected Lead Plaintiff’s attempt to rectify its standing issues with an additional new named plaintiff, leading to the dismissal with prejudice.

The Winston team also included associates Thania Charmani, Michael Stern, and Daniel Aronsohn.

1 Min Read

Related Capabilities

Related Professionals



James P. Smith III



Jeffrey L. Steinfeld



Thania Charmani



Michael Stern



Daniel M. Aronsohn