

Winston & Strawn Defeats Securities Class Action Filed Against Cisco

APRIL 30, 2013

Winston & Strawn defeated a large-scale securities class action filed against our client Cisco Systems, Inc.

The case started in early 2011 when, following a decline in Cisco's stock price, several law firms filed class action lawsuits on behalf of purchasers of Cisco's stock. After the various lawsuits were consolidated, the plaintiffs filed a 124-page consolidated amended complaint alleging that Cisco and several of its top executives engaged in securities fraud by making false or misleading statements over the course of more than a year about many aspects of Cisco's business, cutting across nearly all of Cisco's businesses and product lines. The plaintiffs argued that they lost money due to these purported false and misleading statements, because the company's stock price allegedly had been artificially inflated and they then suffered losses after the fraud was revealed and the stock price fell. Based on the scope and nature of the plaintiffs' allegations, it is clear that the plaintiffs intended to seek billions of dollars in damages from Cisco.

To defeat the action, Winston & Strawn filed a comprehensive motion to dismiss that the court granted on March 29, 2013. The Court agreed with Winston that the complaint was flawed on multiple levels, including because it used improper "puzzle-pleading," failed to adequately identify what statements were false and how they were false, and failed to allege sufficient facts demonstrating that Cisco and its executives knew any statements they made were false. On the heels of the court's order, the plaintiffs agreed to dismiss the action with prejudice and give up any right to appeal, provided that Cisco agree that no costs would be awarded against them. The court entered the order dismissing the action on April 30, 2013, providing a total victory to Cisco.

The Winston & Strawn team representing Cisco included Dan Webb, Joe Motto, and Robine Morrison.

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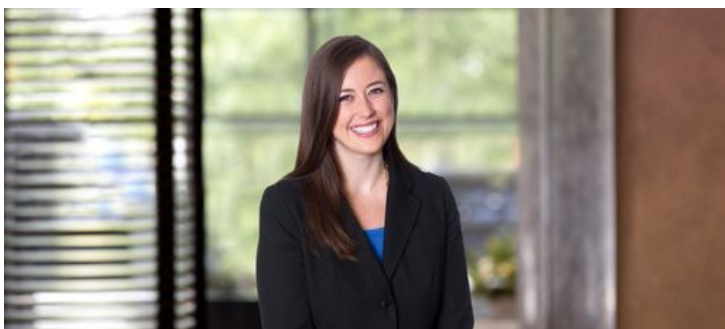
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