

# Daily Journal

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In the rarified world of securities litigation, Masuda made history twice recently. With the first, he won a court ruling that allows corporations to restrict certain shareholder lawsuits to federal court, despite contrary language from a statute and a U.S. Supreme Court decision.

The Supreme Court concluded in 2018 that corporations could not remove state actions under the Securities Act of 1933 to federal court. In early 2020, however, the Delaware Supreme Court held that businesses incorporated there restrict those lawsuits to Delaware courts through clauses in their bylaws or charters.

Masuda co-led a team that won a ruling in September from a San Mateo Superior Court judge declaring that a Delaware corporation's "federal forum provision" should be enforced by California courts. "Unless the forum-selection clause violates some fundamental California public policy or clearly established statutory right, the [California] court should honor the clause because it represents the will of the parties," he explained. The case is now on appeal. *Wong v. Restoration Robotics Inc.*, A161489 (Cal. App. 1st Dist., filed Nov. 23, 2020)

His other history-making accomplishment came a few months earlier. Masuda co-leads a team representing 14 large banks that underwrote Pivotal Software Inc.'s \$555 million initial public offering in 2018. Investors filed suit — in federal and state courts — against the company and the underwriters alleging deceptive statements in the IPO registration. The Latham team persuaded the plaintiffs to stay their state case then quickly won a dismissal of the federal case.

When the state case resumed, Masuda and his colleagues did the unexpected. They appealed San Francisco Superior Court discovery rulings up to the U.S. Supreme Court. The high court is poised to decide soon whether to grant certiorari to decide if the Private Securities Litigation Reform Act's discovery-stay provision applies to a private action in state court. *Pivotal Software Inc. v. Tran*, 20-1541

"You'll rarely see this happen again just because of the timing of discovery," Masuda said.

In yet another massive case, he secured an unusual settlement for a Big Four accounting firm growing out of a \$1 billion Ponzi scheme that sent the scheme's mastermind to prison for 25 years. Litigation included a class action, five lawsuits on behalf of hundreds of individual investors and a receiver from the Securities and Exchange Commission, all taking place in Oregon's plaintiff-friendly courts.

"We flipped the script on them, and we took depositions of every single plaintiff," he said. "We focused on the fact that our client really had nothing to do with the securities sales." A couple of years later, the litigation settled.

Some of his other securities litigation clients include Oracle Corp. founder Larry Ellison and Pacific Gas & Electric Corp over shareholder claims from the Northern California fires.

Finally, in a pro bono case, he represents an immigrant suing Daly City to enforce California's immigration sanctuary laws.

— Don DeBenedictis



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