

# Daily Journal

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# TOP 100

## EDITORS' NOTE

Every year, the editors of the *Daily Journal* look at the work of hundreds of California lawyers. Lawyers who have impact – on an industry or on the larger society – are whom we seek to honor. They get results by the sheer force of their intellect and skill and sometimes just by sheer force.

## Lawyers in California

### LITIGATION

## PATRICK GIBBS

LATHAM & WATKINS LLP | MENLO PARK

SPECIALTIES: securities litigation, professional liability

This year, Gibbs served as lead counsel in the defense of Manouch Moshayedi, former chairman and CEO of California-based sTec Inc.

In what is billed as one of the largest insider-trading actions brought by the Securities and Exchange Commission, the SEC alleged that Moshayedi had engaged in insider trading and had made false or misleading statements in connection with a secondary offering of approximately \$267 million worth of eTec stock owned by Moshayedi and his family. *U.S. Securities and Exchange Commission v. Moshayedi*, 8:12-cv-01179 (C.D. Cal., filed July 19, 2012).

"Representing a very wealthy client, one who made a substantial amount of money selling the company's stock, there is always a concern that some people may be unable to look beyond the sheer size of the stock sales," Gibbs said. "Some people assume that, if you made that much money, you must have done something

wrong. So that was one challenge we faced in trying this case to a jury." But, in this case, the jury deliberated for only four hours before delivering a complete defense victory in June.

A particularly complex case, Gibbs said, noting that the jury viewed hundreds of emails and other documents, along with listening to a parade of witnesses.

"They got a lot of information thrown at them in a short period of time," he said. "The challenge was to help them see, not just the trees, but the whole forest."

Much was at stake when the SEC put his client on the stand, Gibbs said.

"When he was done testifying, I felt very good," Gibbs added. "He came across as credible and thoughtful and truthful."

Given the legal landscape, spurred by the financial crisis and increased government scrutiny, he said, trying this type of case was an uphill battle.

"My team and I were extremely committed to this case," Gibbs said. "We thought



that the government case against Mr. Moshayedi should not have been brought in the first place. He had to deal with this situation for nearly five years. He didn't do anything wrong, but he had a cloud over him."

Gibbs added, "It was extremely gratifying for the jury come back and find that Mr. Moshayedi did not do anything wrong."

<< Pat Broderick