

# 2015 LITIGATION DEPARTMENTS OF THE YEAR

## WHITE COLLAR



## Latham & Watkins

**W**hen Manouch Moshayedi faced one of the biggest insider trading cases brought by the U.S. Securities and Exchange Commission in recent years, he turned to white-collar defense lawyers at Latham & Watkins.

The SEC accused the former CEO of the computer data storage technology company sTec Inc. of unjustly enriching himself and family members by about \$267 million by selling 9 million shares of company stock in a secondary offering while knowing that the company's largest customer, EMC Corp., would not renew a \$120 million supply contract.

"The government was asking triple the amount of everything I made at the company," Moshayedi said. "It basically became evident that I had to put on the biggest and the best defense I could."

He hired a Latham team led by partners Patrick Gibbs, Matthew Rawlinson, and Sean Berkowitz, who paired with Thomas Zaccaro, then a partner with Paul Hastings.

The Latham lawyers tackled opening statements and closing arguments, and they questioned government witnesses, while Zaccaro handled Moshayedi's testimony. The

defense had to get a Santa Ana jury to see that Moshayedi had no reason to believe that EMC wouldn't renew its contract and that the market was well aware of information the SEC accused him of concealing. "We felt like we were winning this case every single day" of the 11-day trial, said Gibbs.

After just four hours of deliberations in June, the jury handed Moshayedi a complete defense verdict.

While trial work is the bread-and-butter of any great white-collar group, Latham also tackled delicate enforcement challenges for companies. Hercules-based life science client Bio-Rad Laboratories turned to Latham to fend off Foreign Corrupt Practices Act investigations from the U.S. Department of Justice and the SEC. The statute's broad definition of who qualifies as a "foreign official" poses a major threat to health care companies such as Bio-Rad, which has 30 foreign subsidiaries operating in more than 150 countries. In a year when the average total monetary resolution in FCPA cases topped \$150 million, Bio-Rad agreed to pay \$55 million in penalties and disgorgement as part of settlements announced in November. The DOJ

credited Latham's "extensive internal investigation in several countries" in announcing its nonprosecution agreement.

Pacific Gas & Electric Co. turned to Latham after a natural gas pipeline exploded in San Bruno in September 2010, killing eight people, injuring 66 and destroying 38 homes. By the third anniversary of the blast, Latham had helped settle all private litigation, including about 100 civil cases involving nearly 500 plaintiffs. The company paid out nearly \$565 million, but avoided trial. "It was really important to the company to resolve these as quickly as possible and do right by the people who were harmed," says Latham partner Margaret Tough, one of PG&E's lead lawyers.

Latham, however, has dug in to defend PG&E against related criminal charges. Alongside co-counsel at Orrick, Herrington & Sutcliffe, Latham's Tough and Steven Bauer are fighting a 28-count federal indictment. Notably, no PG&E executives or engineers have been charged.

—Ross Todd