

Cahill Wins Dismissal for Credit Suisse in ZIV ETNs Class Action

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A Cahill litigation team prevailed on behalf of Credit Suisse and certain of its officers in defeating a class action in New York federal court, which alleged that Credit Suisse violated the federal securities laws by failing to disclose adequately the risks associated with its offering of Velocity Shares Daily Inverse VIX Medium Term ETNs. Plaintiffs alleged claims arising under Sections 11 and 15 of the Securities Act of 1933, and claimed that Credit Suisse also violated Items 303 and 105 of SEC Regulation S-K, based on an alleged one-day loss of approximately 14.5% in the value of the ETNs. On April 28, 2020, Judge Valerie Caproni of the U.S. District Court for the Southern District of New York granted Credit Suisse's motion to dismiss all claims, ruling that the relevant offering documents adequately and repeatedly warned investors of the exact risks associated with the ZIV ETNs. Judge Caproni dismissed Plaintiffs' Regulation S-K claims by finding that Plaintiffs did not plead actual knowledge by Credit Suisse of any trend, vent or risk that was required to be disclosed by Items 303 and 105.

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