

First Department Affirms Dismissal of Shareholder Derivative Suit Related to S&P's Rating of Structured Finance Securities

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A Cahill litigation team prevailed again on behalf of certain current and former directors, officers and employees of S&P Global Inc. in a shareholder derivative litigation based on S&P's ratings of various structured finance securities.

The suit, brought by shareholders in their derivative capacity, asserted that defendants breached their fiduciary duties by failing to properly oversee S&P's ratings of certain structured finance securities. Plaintiffs sought to recover from defendants more than one billion dollars purportedly on behalf of the company. On Dec. 21, 2016, Justice Jeffrey K. Oing of the Supreme Court of the State of New York granted defendants' motions to dismiss the complaint, holding, inter alia, that plaintiffs lacked standing to assert their derivative claims, that the claims were time-barred, and that plaintiffs failed to plead their claims with the requisite particularity.

After oral argument, on February 13, 2018, the Appellate Division, First Department affirmed the New York Supreme Court's December 2016 dismissal of all claims.

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