

New York State Supreme Court Stays State Securities Class Action Despite Differences from Parallel First-Filed Federal Action

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New York Supreme Court Justice Barry R. Ostrager's recent decision in *In re NIO Inc. Securities Litigation*, No. 0653422/2019 (N.Y. Sup. Ct. Aug. 21, 2020) ("*In re NIO*") represents a significantly favorable outcome for companies facing parallel claims in federal and state courts under the Securities Act of 1933 (the "Securities Act"). Justice Ostrager initially stayed the proceeding pending resolution of the parallel first-filed federal action. On August 21, 2020, Justice Ostrager declined to vacate his stay despite plaintiffs' argument that the proposed consolidated amended complaint in the state action included different alleged misstatements and different defendants than the parallel first-filed federal action.

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