

“Congratulations again on a terrific result and especially on the outstanding brief that caused it.”

—Attorney for the SDL directors’ insurance company, June 23, 2008

Client:	<b>Directors of SDL, Inc.</b>
Industry:	Technology
Area of Law:	Securities Class Action
Venue:	California Superior Court
Result:	Developed a new use for a venerable legal doctrine and spared the clients from lengthy litigation



### Blazing a Faster Route to the Right Result

After a federal jury found executives at JDS Uniphase (JDSU) had made no false or misleading statements to stockholders prior to a 99% drop in the company’s stock value, it made sense that the same findings should apply to the directors of SDL, Inc., a company JDSU had acquired in a stock-for-stock deal that later tied SDL shareholders to the same descent.

But the SDL directors were actually facing their own long and difficult shareholder class action suit, until Pillsbury attorneys successfully applied collateral estoppel principles in a novel way.

Just weeks after the SDL directors were sued in California state court, Pillsbury moved for summary judgment. Pillsbury’s brief demonstrated the thoroughness of the JDSU federal trial—drawing facts from more than 14 million documents and 100 depositions—and how the SDL-turned-JDSU shareholders in state court were identical to the SDL subclass certified in the federal action.

The SDL shareholders’ case had already been decided, Pillsbury argued. “The doctrine of collateral estoppel, also known as issue preclusion, bars the SDL Class from relitigating issues decided against it in the Federal Action, where such issues were actually litigated and necessary to a final determination,” wrote Pillsbury attorneys.

That brief was so persuasive that the plaintiffs voluntarily dropped their complaint before the Court could even rule. Pillsbury’s creative thinking provided a quick victory for our clients and a potential new approach for other defendants.