

Defendants Win Motion to Dismiss in CorpBanca-Itaú Merger Securities Litigation

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On September 26, Judge P. Kevin Castel in the Southern District of New York granted the CorpBanca Defendants' motion to dismiss the complaint in *Cartica Management, LLC v. CorpBanca, S.A.* Cartica, an activist shareholder, sought to enjoin the proposed merger between CorpBanca and Banco Itaú Chile under Sections 10(b), 13(d), and 20(a) of the Securities Exchange Act of 1934. It also sought money damages for a common law fraud claim.

The Court's decision rejected Cartica's claims under the federal securities laws and refused to exercise jurisdiction over its state law claim for fraud. With respect to Cartica's claim for securities fraud under Section 10(b) of the Securities Exchange Act of 1934, the Court held that Cartica lacked standing to assert a claim because it was neither a purchaser nor seller in the United States of CorpBanca's securities during the relevant period. In reaching this decision, the Court ruled that the Supreme Court's 1975 opinion in *Blue Chip Stamps v. Manor Drug Stores* requiring that Section 10(b) plaintiffs be purchasers or sellers applies to claims for injunctive relief. With respect to Cartica's claims under Section 13(d), the Court ruled that Corp Group and Itaú had already filed the necessary information regarding their agreements and that there was nothing further to disclose. With respect to Cartica's state law fraud claim, the Court found that Cartica had erroneously asserted a basis for independent federal jurisdiction and declined to exercise discretionary jurisdiction given that the federal law claims were dismissed. The Court also dismissed the claims asserting that certain individuals and entities controlled other defendants because the Court found that there were no violations of the federal securities laws.

The Simpson Thacher team representing the CorpBanca Defendants includes Joshua Slocum, Jeannie Chung, Jordan Botjer, Rita Maxwell, Marissa Cohen, Pete Kazanoff, and Lynn Neuner, with powerhouse corporate leadership from David Williams, Ed Chung, Juan Naveira, Paula Querol, and James Rapp.

The Court's decision also granted the motion to dismiss filed by Itaú Unibanco Holding S.A. and Banco Itaú Chile. The Itaú defendants are represented by Wachtell, Lipton, Rosen & Katz.

Team and[Lynn Neuner](#)[Peter Kazanoff](#)

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