

Simpson Thacher Secures Dismissal of Venture Capital Investors in Securities Class Action

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Simpson Thacher successfully briefed and argued a demurrer (motion to dismiss) on behalf of its client, California-based Silver Lake Partners (“Silver Lake”), and fellow venture capital investor New Enterprise Associates (“NEA”) in a securities class action relating to Tintri, Inc. (“Tintri”).

Tintri—a provider of storage hardware for datacenters—conducted an IPO in July 2017 and declared bankruptcy in July 2018 following a series of negative business developments. Following the IPO, shareholders filed a series of securities class action lawsuits against Tintri, members of its leadership team and the venture capital investors, alleging that the venture capital investors were “controlling shareholders.”

Simpson Thacher briefed and argued a demurrer on behalf of the venture capital investors, and in May 2021, the Court wholeheartedly adopted Simpson Thacher’s arguments that the venture capital investors—unaffiliated minority stockholders—did not control Tintri as a matter of law. Although the plaintiffs were afforded an opportunity to amend their complaint, they declined to do so, leading to full early dismissal of Silver Lake and NEA from the lawsuit, which continues against Tintri and its leadership team.

The Simpson Thacher team included James Kreissman, Stephen Blake and Wyatt Honse.

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