

WILSON SONSINI

Gregory L. Watts

PARTNER

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FOCUS AREAS

Board and Internal
Investigations
Commercial Litigation
Corporate Governance
Corporate Governance
Litigation
Government Investigations
Litigation
Mergers & Acquisitions
Securities Litigation

HIGHLIGHTS

- **Experienced Securities Litigator**
Greg has represented clients in over 125 securities, shareholder, and corporate governance matters and has had exceptional success in winning securities class action and shareholder derivative lawsuits filed against public companies.
- **Investigative Expertise**
Greg has extensive experience defending companies and individuals in connection with SEC investigations, and frequently conducts board, audit committee, and special committee internal investigations.
- **A Recognized Practitioner**
Greg has been recognized in the 2023-2026 editions of *Chambers USA* for his securities and shareholder litigation practice.

EXPERIENCE

Working out of the firm's Seattle and Salt Lake City offices, Greg Watts is a partner at Wilson Sonsini Goodrich & Rosati, where he focuses on securities and complex commercial litigation. For 25 years, Greg has specialized in counseling and defending companies and their directors and officers in securities class actions, shareholder derivative actions, contested mergers and acquisitions, corporate governance matters, SEC investigations and enforcement proceedings, and internal investigations.

Greg authored *Directors' and Officers' Liability*, 4th ed., published by the Practising Law Institute (PLI), and co-authored the 3rd edition. He has represented clients in over 125 securities, shareholder, and corporate governance matters. He has had exceptional success in winning securities class action and shareholder derivative lawsuits, including most recently for Blucora, Costco Wholesale, Domo, eHealth, Fennec Pharmaceuticals, Globus Medical, Isoray, Mentor Graphics, Novan, PowerSecure International, Seagen, Starbucks, and Sterling Financial. Due to his expertise, Greg has represented clients around the country in federal and state courts, including in Alabama, California, Colorado, Delaware, Idaho, Minnesota, Missouri, New Jersey, New York, North Carolina, Oregon, Pennsylvania, Texas, Utah, and Washington.

Greg has extensive experience defending companies and individuals in connection with SEC investigations, including those involving financial reporting and accounting fraud allegations, disclosure issues, and potential insider trading violations. In SEC matters, he has represented clients at every stage—from the inception of an SEC inquiry through the Wells Notice (the point at which the SEC enforcement staff recommends the initiation of a lawsuit) to bench and jury trials.

Greg frequently conducts board, audit committee, and special committee internal investigations. These investigations often are time sensitive, complex, and/or involve highly confidential corporate information, and Greg prides himself on working with board members and outside auditors to develop cost-effective investigation procedures.

CREDENTIALS

Education

- J.D., Duke University School of Law
Member and Editor, Duke Law Journal
- B.A., English Literature and Philosophy, Utah State University
Valedictorian, Summa Cum Laude

Associations and Memberships

- Vice Chair, Utah Business and Chancery Court Rules Advisory Committee
- Co-chair, Northwest Securities Institute, 2013-2016
- Former Member, Washington State Bar Association, Business Law Section Securities Committee

Honors

- Recognized in the 2023-2026 editions of *Chambers USA: America's Leading Lawyers for Business*, where sources describe him as an attorney “who really understands business needs and sees the bigger picture,” is “responsive,” “practical,” and an “excellent writer and thinker who provides high-caliber work”

Admissions

- State Bar of California
- State Bar of Utah
- State Bar of Washington
- Supreme Court of California
- All federal district courts in Washington, Utah, Colorado and California
- U.S. Courts of Appeals for the Third, Fourth, Eighth, Ninth, Tenth, and Eleventh Circuits
- U.S. Supreme Court

MATTERS

Select Matters

Securities Class Actions and Derivative Actions:

- ***ImmunityBio Securities Class Action (S.D. Cal. 2025)***. Represented pharmaceutical company in a securities class action alleging that the company made false and misleading statements about the cGMP compliance of its contract manufacturer's facilities, and the likelihood of FDA approval of a biologics license application, for its primary product candidate. Settled for \$10.5 million, well within insurance limits.
- ***Athira Pharma Securities Class and Derivative Actions (W.D. Wash. 2024)***. Represented pharmaceutical company in a securities class action stemming from allegations that the company's former CEO altered western blot images in published research papers concerning the company's then-primary drug under development. After obtaining dismissal of claims relating to statements made in connection with the company's initial and secondary public offerings, settled securities class action for \$10 million and derivative action for governance changes and attorneys' fees, together well within insurance limits.
- ***Recursion Pharmaceuticals Merger Litigation (N.Y. Supreme Court, 2024)***. Represented Recursion in litigation contesting its approximately \$688 million stock-for-stock acquisition of Exscientia.
- ***Silk Road Medical Merger Litigation (N.Y. Supreme Court, 2024)***. Represented Silk Road Medical in litigation contesting its \$1.26 billion acquisition by Boston Scientific.
- ***Meta Materials Securities Class Action (E.D.N.Y. 2024)***. Obtained dismissal of securities class action complaint alleging that the company made false and misleading statements about the status of its product development. Subsequently settled for \$3 million, well within insurance during pendency of plaintiffs' motion to vacate the judgment and file an amended complaint.
- ***Rover Merger Litigation (D. Del, Wash. Superior Court, King County 2024)***. Represented Rover in litigation contesting its \$2.3 billion acquisition by private equity funds managed by Blackstone.
- ***Starbucks Derivative Action (E.D. Wash. 2023)***. Won shareholder derivative action for Starbucks in which plaintiff alleged that the company's diversity, equity, and inclusion (“DEI”) policies violated state and federal law and that the board's implementation and approval of those policies violated their fiduciary duties. Recognized as a *Law360* “Legal Lion” for this victory.

- ***eHealth Securities Class Action (N.D. Cal. 2023)***. Won securities class action for eHealth in which plaintiffs alleged that the company misled investors about its customer churn, operational expenses associated with customer retention, and the expected life of Medicare-related policies and related revenue assumptions. Derivative plaintiffs voluntarily dismissed related lawsuits after victory.
- ***Costco Wholesale Derivative Action (Wash. Superior Court, King County 2023)***. Won shareholder derivative action on behalf of Costco in which plaintiffs alleged that the company's poultry production business violated animal welfare statutes to keep costs low in order to maintain the price for its popular rotisserie chicken and that the company's board and management condoned these violations.
- ***Sierra Oncology Merger Litigation (S.D.N.Y., E.D.N.Y., N.D. Cal. 2022)***. Represented Sierra Oncology in litigation contesting its \$1.9 billion merger with GlaxoSmithKline.
- ***Benefitfocus Securities Class Action (N.Y. Supreme Court 2022)***. Represented a cloud-based benefits management solutions provider in a securities class action alleging that the company made false and misleading statements about the impact of wind-up of a contract with a major customer and reliance on a new broker channel for financial projections in a secondary public offering registration statement. Settled for \$11 million, well within insurance limits.
- ***Fennec Pharmaceuticals Securities Class Actions (M.D.N.C. 2021, 2022)***. Won two separate securities class actions on behalf of Fennec in which plaintiffs alleged that the company made false or misleading statements about the company's drug substance manufacturing capabilities and the timing and prospects of its NDA and resubmitted NDA for PEDMARK, a drug used to prevent hearing loss in children undergoing certain types of chemotherapy.
- ***Ra Medical Securities Class Action (S.D. Cal. 2021)***. Represented a medical device company in a securities class action related false or misleading statements, including its IPO registration statement, concerning malfunctions and the subsequent recall of the company's device, the findings of an internal investigation, and allegations of off-label marketing that prompted Department of Justice investigations. After obtaining dismissal of IPO-specific Section 11 claims, settled for \$10 million, well within insurance.
- ***Costco Wholesale Securities Class Action (W.D. Wash. 2021)***. Won securities class action on behalf of Costco in which plaintiffs alleged that the company made false and misleading statements about its internal controls over financial reporting related to user access and program change management after it disclosed a material weakness with respect to those controls. Won in both the federal district court and on appeal in the Ninth Circuit Court of Appeals. Derivative plaintiffs voluntarily dismissed related lawsuits after victory.
- ***Domo Securities Class Action (Utah Dist. Court 2021)***. Won securities class action in state court on behalf of Domo in which plaintiff alleged that the company made false and misleading statements in its IPO registration statement by arguing that venue was improper due to the company's federal forum provision in its bylaws. Won in both the trial court and on appeal in the Utah Court of Appeals.
- ***Domo Securities Class Action (D. Utah 2020)***. Won securities class action in federal court on behalf of Domo in which plaintiffs alleged that the company made false and misleading statements, including in its IPO registration statement, about its ability to achieve projections and generate billings.
- ***Pluralsight Merger Litigation (D. Del., Del. Ch. 2020)***. Represented Pluralsight in litigation contesting its \$3.5 billion acquisition by private equity firm Vista Equity.
- ***Mentor Graphics Securities Class Action (D. Or. 2019)***. Won securities class action on behalf of Mentor Graphics in which plaintiffs alleged that the company made false or misleading statements concerning the company's financial projections and the impact of competition and semiconductor industry consolidation on the company's business. Won in both the federal district court and on appeal in the Ninth Circuit Court of Appeals.
- ***FLIR Systems Derivative Action (Oregon Circuit Court, Multnomah Cty. 2019)***. Won shareholder derivative action on behalf of FLIR in which plaintiff alleged breaches of fiduciary duty related to the company's settlement with United States Department of State of alleged export control violations.
- ***Novan Securities Litigation (M.D.N.C. 2018)***. Won securities class action on behalf of Novan in which plaintiffs alleged that the company made false or misleading statements, including in its IPO registration statement, concerning its Phase 3 clinical trials for SB204, a nitric oxide-based topical gel for the treatment of acne vulgaris.
- ***Blucora Derivative Actions (Del. Ch. 2018)***. Won a series of shareholder derivative actions on behalf of Blucora filed in Washington, California, and finally in Delaware in which plaintiffs alleged breaches of fiduciary duty related to two acquisitions, share repurchases and insider trading. Obtained dismissals of actions in Washington and California based upon the company's Delaware venue selection provision in its bylaws, forcing the plaintiff to file in Delaware. Once in Delaware, obtained dismissal with prejudice.
- ***Starbucks Derivative Action (W.D. Wash. 2018)***. Won shareholder derivative action on behalf of Starbucks in which plaintiffs alleged that the board insufficiently investigated and wrongfully

refused a shareholder litigation demand that the company pursue claims against certain directors and officers for the company's alleged underpayment of taxes in the European Union.

- ***Seagen Securities Class Action (W.D. Wash. 2018)***. Won securities class action on behalf of Seagen in which plaintiffs alleged that the company made false or misleading statements concerning the safety profile of a developmental cancer drug. The lawsuit was filed after the FDA placed clinical holds on certain clinical trials of the drug. Derivative plaintiffs voluntarily dismissed related lawsuits after victory.
- ***PowerSecure International (E.D.N.C. 2014)***. Won securities class action on behalf of PowerSecure in which plaintiffs alleged that the company, a provider of utility and energy technologies and services, issued false financial projections and misled investors about the nature of a large new service contract with a major utility. Won in both the federal district court and on appeal in the Fourth Circuit Court of Appeals.
- ***Isoray Derivative Action (D. Minn. 2017)***. Won a shareholder derivative action on behalf of Isoray in which plaintiff alleged that the board and management breached their fiduciary duties by authoring, allowing and/or failing to correct an allegedly misleading press release concerning a published study concerning its radiation therapy seeds for treating cancer.
- ***Globus Medical Securities Class Action (E.D. Pa. 2017)***. Won securities class action on behalf of Globus Medical in which plaintiffs alleged that the company issued false annual financial projections that included revenue from a distributor with which it was no longer doing business. Won in federal district court and on appeal in the Third Circuit Court of Appeals.
- ***Atossa Genetics Securities Litigation (W.D. Wash. 2017)***. Obtained federal district court dismissal of securities class action alleging that defendants made false or misleading statements, including in its IPO prospectus regarding the company's breast cancer screening products. Dismissal was largely affirmed on appeal by the Ninth Circuit Court of Appeals. Subsequently settled for \$3.5 million, well within insurance limits.
- ***Sterling Financial Securities Class Action (E.D. Wash. 2017)***. Won securities class action on behalf of Sterling Financial arising from an FDIC cease and desist order and alleging that the bank failed to properly reserve for non-performing construction loans and otherwise misled shareholders as to the quality of the bank's loan portfolio and underwriting practices. Won in federal district court and on appeal in the Ninth Circuit Court of Appeals.
- ***Starbucks Derivative Action (Wash. Superior Court, King County 2014)***. Won shareholder derivative action on behalf of Starbucks in which plaintiffs alleged that board members breached their fiduciary duties in deciding to terminate Starbucks' commercial relationship with Kraft and for failing to accrue a litigation loss contingency during the pendency of the Kraft-Starbucks arbitration that ultimately resulted in a \$2.8 billion arbitration award against Starbucks.
- ***Sterling Financial Merger Litigation (Wash. Superior Court, Spokane County 2013)***. Represented Sterling Financial in litigation contesting its merger with Umpqua Holdings that had a transaction value of \$2 billion.

Government Investigations and Enforcement Proceedings:

- Lead counsel for pharmaceutical company in civil DOJ and SEC investigations related to alleged violations of the False Claims Act for obtaining an NIH grant through an application that allegedly referenced or relied upon research papers containing altered western blot images.
- Lead counsel for medical device company in civil DOJ and SEC investigations related to alleged violations of the False Claims Act and the federal anti-kickback statute, off-label promotion, and failure to follow Current Good Manufacturing Practices
- Lead counsel for utility services provider in SEC investigation into the company's segment reporting
- Lead counsel for computer hardware manufacturer in SEC investigation stemming from a financial restatement
- Represented broadband-cable hardware company in SEC investigation stemming from company's financial restatement
- Represented global technology company in SEC investigation into whether the company offered or sold securities without a registration statement when it provided stock options to employees before going public
- Represented former controller of a healthcare information technology company in SEC investigation into two alleged "roundtrip" transactions

Corporate Investigations:

- ***Special Committee of Private SaaS Company***. Conducted internal investigation into allegations that company and its auditor violated auditor independence guidelines by collaborating on the sales of the company's product and the audit firm's non-audit implementation of that product.
- ***Special Committee of Public Drug Development and Testing Company***. Conducted investigation into allegations that CEO and certain board members breached their fiduciary duties by granting

- themselves equity without proper board diligence and process.
- *Audit Committee of Private For-Profit Education Company.* Conducted investigation into allegation that board member usurped a corporate opportunity.
- *Audit Committee of Private SaaS Company.* Conducted investigation into former employee's allegations of executive management breaches of fiduciary duty and improper accounting.
- *Board of Directors of Public Software Company.* Conducted an investigation into shareholder litigation demand alleging company failed to satisfy shareholder meeting quorum requirements and therefore did not obtain shareholder approval for stock plan amendments.
- *Board of Directors of Starbucks Corporation.* Conducted investigation into shareholder litigation demand alleging directors and officers breached their fiduciary duties with respect to the company's alleged underpayment of taxes in the European Union.
- *Audit Committee of Public Financial Services Company.* Conducted an internal investigation into unreported overpayment of CEO compensation.
- *Demand Evaluation Committee of Public Biotechnology Company.* Conducted an independent investigation into allegations that compensation awarded to certain executives was not tax-deductible under Internal Revenue Code Section 162(m).
- *Audit Committee of Public Software Company.* Conducted an internal investigation under intense time pressure into allegations that the company improperly recognized revenue on a large software sale.
- *Audit Committee of Public Secure Identification Provider.* Conducted an internal investigation into allegations that the company improperly capitalized costs in violation of certain accounting rules.

CLIENTS

Select Clients

Public companies represented in one or more securities class action and/or shareholder derivative lawsuits.

Life Sciences

- Align Technology*
- Athira Pharma
- Atossa Genetics
- CTI Biopharma
- Chelsea Therapeutics
- Fennec Pharmaceuticals*
- Globus Medical
- ImmunityBio
- Integra LifeSciences
- Isoray*
- Novan
- Nighthawk Radiology*
- Ra Medical
- Seagen
- Sierra Oncology
- Solta Medical
- Sonus Pharmaceuticals
- Ventyx Biosciences
- Virecta Therapeutics

Hardware

- BlackSky
- FLIR Systems
- Flow International
- Freescale Semiconductor
- Impinj
- Intermec
- Isilon Systems*
- Juniper Networks
- Marvell Technology Group
- Mentor Graphics
- Micron Technology
- Read-Rite
- Redback Networks
- Sarcos Robotics

Software/SaaS

- Aptio
- Avaya
- Domo*
- Legato Systems
- McAfee
- NetSolve
- New Era of Networks*
- Pluralsight*

Financial Services

- Banc of America Securities
- Blucora
- H&R Block (directors)
- Sterling Financial Corporation*

Other Sectors

- Benefitfocus
- Boeing
- Costco Wholesale*
- eHealth
- Fisher Communications
- Meta Materials
- Nabors Industries
- Outerwall/Redbox
- PlyGem (officers)
- PowerSecure International
- Rover
- Starbucks Corporation*
- Trulia
- Wheaton Precious Metals

*Indicates representation in multiple lawsuits during different time periods.

INSIGHTS

Select Publications

- Author, *Directors' & Officers' Liability: Current Law, Recent Developments, Emerging Issues*, Fourth Edition, Practising Law Institute, 2025
- Contributing Author, Shareholder Litigation in Washington State, WSBA, 2024
- Contributor, "U.S. Supreme Court Holds SEC Cannot Use In-House Proceedings When Seeking Civil Penalties for Securities Fraud," Wilson Sonsini Alert, July 1, 2024
- Contributor, "SEC Proposes Rules to Alter Disclosure and Liability Regime for De-SPAC Transactions," Wilson Sonsini Alert, April 7, 2022
- Contributor, "Ninth Circuit Cuts Shareholders More Slack on Section 11 Claims," Wilson Sonsini Alert, September 22, 2021
- Contributor, "SEC Announces Enforcement Action Relating to Proposed De-SPAC Transaction," Wilson Sonsini Alert, July 13, 2021
- Contributor, "SEC Signals Heightened Focus on SPACs and de-SPAC Transactions," Wilson Sonsini Alert, April 12, 2021
- "I Got a Bad Feeling About This': Are Caremark's Walls Closing In on Directors?" American Bar Association, Class Action & Derivative Suits, December 10, 2019
- Co-author, *Directors' & Officers' Liability: Current Law, Recent Developments, Emerging Issues*, Third Edition, Practising Law Institute, 2016