

U.S. District Court Dismisses Securities Class Action Lawsuit Against Alibaba Group

June 22, 2016 – Alibaba Group (NYSE: BABA) today announced that the U.S. District Court for the Southern District of New York dismissed in its entirety a consolidated securities class action lawsuit brought against Alibaba Group and several executives concerning disclosures primarily made in connection with the company’s initial public offering.

The Court dismissed the case based on a finding that Plaintiffs had failed to plead that Alibaba made any actionable misstatements or omissions, and also failed to plead facts sufficient to show that any of the defendants sought to defraud investors. The Court also found Alibaba’s Registration Statement to be “unusually comprehensive” and to “fully disclose[] all substantive investment risks.”

As Alibaba Group disclosed previously, seven shareholder class action lawsuits were filed against the company asserting claims of securities fraud under the U.S. Securities Exchange Act since January 30, 2015, following the release of the so-called “white paper” briefly published on the website of the Chinese State Administration for Industry and Commerce (“SAIC”).

The plaintiffs generally alleged that Alibaba’s Registration Statement, IPO prospectus, and various other public statements, were false and misleading because they failed to disclose heightened regulatory scrutiny by the SAIC prior to the company’s IPO.

Contrary to the plaintiff’s complaint, the Court found Alibaba’s disclosures to be “accurate and sufficiently candid” with regard to their description of the SAIC’s crackdown on violations of Chinese laws on e-commerce sites. The Court also held that Alibaba did not downplay the problem of counterfeit sales on its platforms or the likelihood of an administrative action with respect to such issue.

Alibaba is pleased that the judge in the Southern District of New York has dismissed the litigation and concluded that Plaintiffs have failed to state any claim for violation of the U.S. securities laws.

The lawsuits are docketed under the master caption Christine Asia Co., Ltd. et al. v. Alibaba Group Holding Limited et al., No. 1:15-md-02631-CM (S.D.N.Y.) in the Southern District of New York.