

## BFA Defeats Motion to Dismiss in Twist Bioscience Securities Litigation

On September 3, 2025, Judge Eumi K. Lee of the Northern District of California denied in part Defendants' motion to dismiss the securities fraud class action *Peters v. Twist Bioscience Corporation*. The Amended Complaint alleges that Twist and certain of its senior management misrepresented that the company possessed effective and efficient technology to produce synthetic DNA at higher quality and lower cost than competitors. Judge Lee concluded that the complaint adequately pleaded claims under Section 10(b) of the Securities Exchange Act of 1934 and Section 11 of the Securities Act of 1933.

Notably, Judge Lee rejected Defendants' argument that the complaint failed to sufficiently allege loss causation (i.e., that Defendants' misstatements caused investors' losses) on the basis that Defendants' fraud was revealed by a so-called short seller report. Judge Lee agreed with BFA's argument that Ninth Circuit law permits a corrective disclosure to come from any source, even a short seller report, so long as the allegations plausibly suggest that the disclosure revealed the truth and caused the company's stock price to decline.

A team of BFA attorneys, including partners Joseph Fonti, Nancy Kulesa, George Bauer, and Benjamin Burry, investigated and drafted the Amended Complaint and opposed Defendants' motion to dismiss. BFA partner George Bauer argued the motion before Judge Lee in November 2024.

The case will now proceed to discovery.