

## BFA Issues Client Update on the Supreme Court's Dismissal of NVIDIA

On December 11, 2024, the U.S. Supreme Court dismissed an appeal from NVIDIA in a highly anticipated securities fraud class action ruling, providing a single-sentence explanation that the appeal was “improvidently granted.” During oral arguments held on November 13, 2024, U.S. Supreme Court Justices second-guessed their decision to hear the case in the first instance, questioning whether the Justices were being asked to engage in a purely case-specific error correction analysis, rather than adopting a broader rule under the Private Securities Litigation Reform Act of 1995 (“PSLRA”).

The U.S. Supreme Court was set to address the fundamental requirements for pleading securities fraud claims under the PSLRA. Namely, what facts must investors allege in their complaint, prior to the commencement of any discovery, to satisfy the necessary elements of falsity and scienter under the PSLRA?

The Supreme Court's dismissal of the appeal means the Ninth Circuit's reversal of NVIDIA stands and the case will return to the District Court for further proceedings. More broadly, the dismissal marks an important victory for investors. The already stringent pleading standards under the PSLRA remain unchanged by the additional, heightened requirements advocated by NVIDIA, which provides greater clarity and certainty for investors in future cases. The dismissal also signals the Supreme Court's reluctance to delve into highly factual and complex securities litigation disputes, preserving such disputes for lower courts that are better equipped to handle these issues.

A copy of the client alert sent out by BFA can be found on the right.

For additional information concerning the substance and procedural posture of NVIDIA, as well as the amicus brief that BFA filed in this matter, please refer to BFA's October 25, 2024 Investor Update, titled *BFA Files Supreme Court Amicus Curiae Brief in NVIDIA v. E. Ohman J: or Fonder AB et al.*, linked on the right.

In addition, in the [article](#) published by Reuters, BFA Partner Javier Bleichmar noted that these dismissals may signal the Court's reluctance to get involved in fact-specific securities disputes.