UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA

Weining Hu v. Eli Baker, et al.; Eric Bowers, et al. v. Jason Kelly, et al.

Hu · No. 4:23-cv-02077-KAW; 4:23-cv-05396-KAW · Decided December 19, 2025

SUMMARY

The United States District Court for the Northern District of California granted final approval of a settlement resolving shareholder derivative actions concerning alleged misconduct related to the merger that formed Ginkgo Bioworks Holdings, Inc. The settlement requires payment of $4.125 million to Ginkgo, contract terminations, governance reforms, and enhanced oversight. The court awarded plaintiffs’ counsel $2,750,000 in attorneys’ fees and costs and approved $8,000 in service awards.

CASE DETAILS

COURT	United States District Court for the Northern District of California
WRITING FOR THE COURT	Kew A. Westmore
JURISDICTION	United States District Court for the Northern District of California
DECIDED	December 19, 2025
DOCKET	4:23-cv-02077-KAW; 4:23-cv-05396-KAW
DISPOSITION	approved
PROCEDURAL POSTURE	The court considered unopposed motions for final approval of a global settlement in two shareholder derivative actions and for attorneys' fees, litigation expenses, and service awards following preliminary approval and a fairness hearing.
STANDARD OF REVIEW	The court reviewed the proposed settlement for fairness, reasonableness, and adequacy under Federal Rules of Civil Procedure 23 and 23.1, applying the settlement factors identified in Hanlon v. Chrysler Corp. and exercising sound discretion.
PRECEDENTIAL VALUE	unpublished district court order
PARTIES	Weining Hu, Eric Bowers v. Eli Baker, et al., Jason Kelly, et al.

TOPICS

shareholder derivative suits · class actions · corporate governance · fiduciary duty · attorney fees

PRACTICE AREAS

civil procedure · corporate law · securities litigation · remedies · commercial litigation

QUESTIONS PRESENTED

1. Whether the proposed global settlement of the shareholder derivative actions was fair, reasonable, and adequate under Federal Rules of Civil Procedure 23 and 23.1.
2. Whether the notice provided to shareholders was sufficient.
3. Whether the requested $2,750,000 award of attorneys' fees and costs was reasonable, including whether a deviation from the Ninth Circuit's 25 percent benchmark was justified.
4. Whether $2,000 service awards for each of the four derivative plaintiffs were permissible and reasonable.

HOLDINGS

1. The proposed global settlement was fair, reasonable, and adequate, and final approval was warranted.
2. The notice provided to shareholders pursuant to the previously approved notice plan was sufficient.
3. The court awarded plaintiffs' counsel $2,750,000 in attorneys' fees and costs and approved a deviation from the Ninth Circuit's 25 percent benchmark.
4. Service awards of $2,000 each to Hu, Bowers, Newman, and Moskowitz were permissible and presumptively reasonable.

KEY QUOTATIONS

> *“The proposed settlement need not be ideal, but it must be fair and free of collusion, consistent with counsel's fiduciary obligations to the class.”* (at 6)

> *“Settlement is the offspring of compromise; the question we address is not whether the final product could be prettier, smarter or snazzier, but whether it is fair, adequate and free from collusion.”* (at 6)

> *“The proposed settlement must be “taken as a whole, rather than the individual component parts,” in the examination for overall fairness.”* (at 7)

FACTUAL BACKGROUND

The derivative actions concerned alleged material misstatements and omissions about Ginkgo's revenue and revenue sources, alleged misconduct connected with the merger that formed Ginkgo, and alleged breaches of fiduciary duties by directors, officers, and controlling shareholders of Ginkgo and its predecessor SPAC, Soaring Eagle. The global settlement required the individual defendants to pay $4.125 million to Ginkgo, terminate certain contracts, and implement governance reforms and enhanced oversight. Ginkgo was also to pay $2.75 million in attorneys' fees and costs, and the settlement contemplated $8,000 in service awards funded from counsel's fee award.

PROCEDURAL HISTORY

Hu and Bowers brought related federal shareholder derivative actions concerning alleged securities-law violations, breaches of fiduciary duty, aiding and abetting, and other Delaware-law claims arising from the merger that formed Ginkgo Bioworks. A related Delaware Chancery Court derivative action was resolved together with the federal actions through a global settlement. The court preliminarily approved the settlement on August 21, 2025, approved a provisional settlement class and notice plan, held a fairness hearing on December 18, 2025, received no objections, and granted final approval while awarding fees, costs, and service awards.

DISPOSITION

approved

CASES CITED

- Bernstein v. Ginkgo Bioworks Holdings, Inc., No. 21-cv-08943-KAW
- In re Hewlett-Packard Co. S'holder Derivative Litig., No. 12-cv-06003-CRB, 2015 WL 1153864, at *3 (N.D. Cal. Mar. 13, 2015)
- In re Cadence Design Sys., Inc. Sec. Litig., No. 08-cv-4966 SC, 2011 WL 13156644, at *2 (N.D. Cal. Aug. 26, 2011)
- In re Pac. Enters. Sec. Litig., 47 F.3d 373, 377, 379 (9th Cir. 1995)
- Lloyd v. Gupta, No. 15-cv-04183-MEJ, 2016 WL 3951652, at *4 (N.D. Cal. July 22, 2016)
- Class Plaintiffs v. City of Seattle, 955 F.2d 1268, 1276 (9th Cir. 1992)
- In re Tableware Antitrust Litig., 484 F. Supp. 2d 1078, 1080 (N.D. Cal. 2007)
- Hanlon v. Chrysler Corp., 150 F.3d 1011, 1026-27 (9th Cir. 1998)
- Bushansky v. Armacost, No. 12-cv-01597-JST, 2014 WL 2905143, at *6 (N.D. Cal. June 25, 2014)
- In re Omnivision Techs., Inc., 559 F. Supp. 2d 1036, 1043 (N.D. Cal. 2008)
- Churchill Vill., LLC v. Gen. Elec., 361 F.3d 566, 577 (9th Cir. 2004)
- In re Wells Fargo & Co. S'holder Derivative Litig., 445 F. Supp. 3d 508, 518, 532-33 (N.D. Cal. 2020), aff'd, 845 F. App'x 563 (9th Cir. 2021)
- In re Facebook, Inc., IPO Sec. & Derivative Litig., 343 F. Supp. 3d 394, 410 (S.D.N.Y. 2018)
- In re Linerboard Antitrust Litig., 321 F. Supp. 2d 619, 629 (E.D. Pa. 2004)
- Mills v. Elec. Auto-Lite Co., 396 U.S. 375, 396 (1970)
- Lewis v. Anderson, 692 F.2d 1267, 1270 (9th Cir. 1982)
- In re Oracle Sec. Litig., 852 F. Supp. at 1449
- In re Bluetooth Headset Prods. Liab. Litig., 654 F.3d 935, 942 (9th Cir. 2011)
- In re Online DVD-Rental Antitrust Litig., 779 F.3d 934, 954-55 (9th Cir. 2015)
- Vizcaino v. Microsoft Corp., 290 F.3d 1043, 1047-50 (9th Cir. 2002)
- In re Atmel Corp. Derivative Litig., No. C 06-4592 JF (HRL), 2010 WL 9525643, at *12 (N.D. Cal. Mar. 31, 2010)

- In re Apple Computer, Inc. Derivative Litig., No. C 06-4128 JF (HRL), 2008 WL 4820784, at *4-5 (N.D. Cal. Nov. 5, 2008)
- In re Bisys Sec. Litig., No. 04 CIV. 3840(JSR), 2007 WL 2049726, at *1 (S.D.N.Y. July 16, 2007)
- Rodriguez v. W. Publ'g Corp., 563 F.3d 948, 958-59 (9th Cir. 2009)
- In re Galena Biopharma, 2016 WL 3457165, at *12