

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA

Sidney Hsu v. PubMatic, Inc., et al.

Hsu · No. 25-cv-07067-JSC · Decided November 25, 2025

SUMMARY

The United States District Court for the Northern District of California appoints Sidney Hsu as lead plaintiff in a Private Securities Litigation Reform Act class action involving PubMatic, Inc. securities. The Court appoints Glancy Prongay & Murray LLP as lead counsel and denies Julie Kim’s competing motion, concluding that her assigned claims may not give her a financial stake and subject her to unique standing defenses. The order also sets duties for lead counsel and requires the parties to meet and confer regarding a consolidated amended complaint.

CASE DETAILS

COURT	United States District Court for the Northern District of California
WRITING FOR THE COURT	Jacqueline Scott Corley
JURISDICTION	United States District Court for the Northern District of California
DECIDED	November 25, 2025
DOCKET	25-cv-07067-JSC
DISPOSITION	other
PROCEDURAL POSTURE	In a Private Securities Litigation Reform Act securities class action, Sidney Hsu and Julie Kim separately moved to be appointed lead plaintiff and for appointment of lead counsel.
STANDARD OF REVIEW	Under the PSLRA, the court applies the statutory presumption favoring the movant with the largest financial interest who satisfies Rule 23's typicality and adequacy requirements; the presumption may be rebutted by proof that the presumptive plaintiff cannot fairly and adequately protect the class or is subject to unique defenses. At the lead-plaintiff stage, the Rule 23 inquiry is based on the pleadings and declarations and requires only a prima facie showing.
PRECEDENTIAL VALUE	Unknown; district court order appointing lead plaintiff

TOPICS

- class actions
- securities fraud
- standing
- civil procedure

PRACTICE AREAS

securities litigation

class actions

civil procedure

standing

QUESTIONS PRESENTED

1. Which movant was entitled to the PSLRA presumption of being the most adequate lead plaintiff?
2. Whether Kim's assignment agreement gave her a financial interest in the litigation and subjected her to a unique standing defense that rebutted the lead-plaintiff presumption.
3. Whether Hsu made a prima facie showing of typicality and adequacy under Federal Rule of Civil Procedure 23.
4. Whether Glancy Prongay & Murray LLP should be appointed lead counsel.

HOLDINGS

1. Kim's assigned claims did not provide her with a financial stake in the action because the assignment directed the litigation proceeds to the assignor, Lee.
2. Kim was subject to a unique standing defense that rendered her incapable of adequately representing the class, rebutting any presumption in her favor.
3. Hsu was the proper lead plaintiff because he had the next greatest financial interest after Kim was disqualified and made a prima facie showing of typicality and adequacy.

KEY QUOTATIONS

"Under the PSLRA, a court must "appoint as lead plaintiff the member or members of the purported plaintiff class that the court determines to be most capable of adequately representing the interests of class members." " (at 1)

"There is no requirement at this early stage to prove a defense, only to show a degree of likelihood that a unique defense might play a significant role at trial." (at 2)

"The final requirement to be the presumptive lead plaintiff is to "otherwise satisf[y] the requirements of Rule 23 of the Federal Rules of Civil Procedure," meaning the plaintiff must "ma[ke] a prima facie showing of adequacy and typicality." " (at 3)

FACTUAL BACKGROUND

Hsu brought a securities class action alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act and Rule 10b-5 based on alleged misrepresentations and omissions that artificially inflated PubMatic's stock price. Hsu claimed losses of approximately \$5,397.38 from purchases during the proposed class period, while Kim claimed approximately \$7,212.91 based on PubMatic securities transactions assigned to her by her husband, Yunsoo Lee. The assignment agreement directed proceeds to Lee and stated that it could not be revoked without Lee's written consent, creating questions about Kim's financial stake and standing.

PROCEDURAL HISTORY

Hsu filed the securities class action on August 20, 2025, and notice of the action was published the same day. Hsu and Kim timely moved for appointment as lead plaintiff. The court granted Hsu's motion, appointed Glancy Prongay & Murray LLP as lead counsel, denied Kim's motion, and directed the parties to meet and confer regarding a consolidated amended complaint.

DISPOSITION

other

CASES CITED

- In re Cavanaugh, 306 F.3d 726, 729 (9th Cir. 2002)
- May v. Barclays PLC, No. 23-CV-2583 (LJL), 2023 WL 5950689, at *14 (S.D.N.Y. Sept. 13, 2023)
- In re Netflix, Inc. Sec. Litig., Nos. 12-0225 SC, 12-1030 LHK, 2012 WL 1496171, at *5 (N.D. Cal. Apr. 27, 2012)
- Hanon v. Dataproducts Corp., 976 F.2d 497, 508 (9th Cir. 1992)
- Maeshiro v. Yatsen Holding Ltd., No. 22-CV-8165 (JPC) (BCM), 2023 WL 4684106, at *8 (S.D.N.Y. July 21, 2023)
- Advanced Magnetics, Inc. v. Bayfront Partners, Inc., 106 F.3d 11, 18 (2d Cir. 1997)
- Smajlaj v. Brocade Commc'ns Sys. Inc., No. C 05-02042 CRB, 2006 WL 7348107, at *3 (N.D. Cal. Jan. 12, 2006)
- Pino v. Cardone Cap., LLC, No. 2:20-CV-08499-JFW (KSx), 2020 WL 7585839, at *6 (C.D. Cal. Dec. 18, 2020)
- In re Paysafe Ltd. Sec. Litig., No. 21-CV-10611 (ER) (KHP), 2024 WL 1636415, at *7 (S.D.N.Y. Apr. 16, 2024)
- In re Mersho, 6 F.4th 891, 899-900 (9th Cir. 2021)
- Ellis v. Costco Wholesale Corp., 657 F.3d 970, 985 (9th Cir. 2011)

OPINION

1 2 3 4 UNITED STATES DISTRICT COURT 5 NORTHERN DISTRICT OF CALIFORNIA 6 7
SIDNEY HSU, Case No. 25-cv-07067-JSC 8 Plaintiff, ORDER APPOINTING LEAD 9 v.
PLAINTIFF AND COUNSEL 10 PUBMATIC, INC., et al., Re: Dkt. Nos. 17, 20 Defendants. 11
12 13 Sidney Hsu brings this Private Securities Litigation Reform Act (“PSLRA”) securities 14
class action on behalf of himself and a group of similarly situated individuals who purchased 15
PubMatic, Inc. (“PubMatic”) securities between February 27, 2025 and August 11, 2025.

(Dkt. 16 No. 1.)¹ Now pending before the Court are Julie Kim’s and Mr. Hsu’s motions to be
appointed 17 lead plaintiff. (Dkt. Nos. 17, 20.) Having carefully considered the parties’
submissions, the Court 18 concludes oral argument is unnecessary, see N.D. Cal. Civ. L.R. 7-1(b),
VACATES the December 19 4, 2025 oral argument, GRANTS Mr. Hsu’s motion to be lead
plaintiff, and appoints Glancy 20 Prongay & Murray LLP as lead counsel.

(Dkt. No. 20.) The Court DENIES Ms. Kim's motion. 21 (Dkt. No. 17.) Under the agreement assigning these claims to Ms. Kim, she may not have a 22 financial stake and is also subject to a unique standing defense which renders her incapable of 23 adequately representing the class. 24 BACKGROUND 25 On August 20, 2025, Mr. Hsu filed this securities class action alleging Defendants violated 26 Sections 10(b) and 20(a) of the Securities Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5.

27 1 (Dkt. No. 1 at 17-20.) Glancy Prongay & Murray LLP published notice of the action the same 2 day. (Dkt. No. 21-1.) On October 20, 2025, Mr. Hsu moved to be appointed lead plaintiff and for 3 the appointment of Glancy Prongay & Murray LLP as lead counsel. (Dkt. No. 20.)

The same day, 4 Julie Kim also moved to be appointed lead plaintiff and for appointment of The Rosen Law Firm, 5 P.A. as lead counsel. (Dkt. No. 17.) 6 DISCUSSION 7 Under the PSLRA, a court must "appoint as lead plaintiff the member or members of the 8 purported plaintiff class that the court determines to be most capable of adequately representing 9 the interests of class members." 15 U.S.C. § 78u-4(a)(3)(B)(i).

The PSLRA creates "a 10 presumption that the most adequate plaintiff" is the individual who (1) "has either filed the 11 complaint or made a motion in response to a notice"; (2) "has the largest financial interest in the 12 relief sought by the class"; and (3) "otherwise satisfies the requirements of Rule 23 of the Federal 13 Rules of Civil Procedure." Id. § 78u-4(a)(3)(B)(iii)(I).

This presumption "may be rebutted only 14 upon proof by a member of the purported plaintiff class that the presumptively most adequate 15 plaintiff" (1) "will not fairly and adequately protect the interests of the class" or (2) "is subject to 16 unique defenses that render such plaintiff incapable of adequately representing the class." Id. § 17 78u-4(a)(3)(B)(iii)(II).

18 Both Mr. Hsu and Ms. Kim made timely motions in response to notice and so satisfy the 19 presumption's first requirement. See id. § 78u-4(a)(3)(B)(i); see also id. § 78u-4(a)(3)(A)(i)(II) 20 (requiring proposed lead plaintiffs' motions be filed within 60 days of the publication of notice of 21 the action). 22 The second required element is to be the plaintiff "who has the greatest financial stake in 23 the outcome of the case." In re Cavanaugh, 306 F.3d 726, 729 (9th Cir.

2002). Mr. Hsu alleges 24 he lost around \$5,397.38, but Ms. Kim alleges she lost approximately \$7,212.91. (Dkt. No. 21-2 25 at 2; Dkt. No. 17-5 at 2.) However, Ms. Kim admits she "pursues claims in this litigation in 26 connection with the PubMatic securities transactions of her husband, Yunsoo Lee," who assigned 27 her the right to pursue his claims. (Dkt.

No. 17 at 1 n.1; Dkt. No. 17-4 at 2.) Furthermore, Mr. 1 result of the Assignment" to Mr. Lee. (Dkt. No. 17-4 at 2.) So, the assignment agreement does 2 not provide Ms. Kim any financial stake in this action. See May v. Barclays PLC, No. 23-CV- 3 2583 (LJL), 2023 WL 5950689, at *14 (S.D.N.Y. Sept. 13, 2023) ("Assignments structured... — 4 [so] all of the proceeds earned through

the lawsuit on KBM's Insurance and Kristi Baker's shares 5 were remitted back to KBM Insurance and Kristi Baker—do[] not give [Kenny] Baker a monetary 6 interest in the proceeds.”).

7 Even if Ms. Kim had the greatest financial stake in this action, Mr. Hsu has rebutted the 8 presumption she is the most adequate plaintiff by proving Ms. Kim is “subject to unique defenses 9 that render [her] incapable of adequately representing the class.” Id. § 78u-4(a)(3)(B)(iii)(II). 10 “There is no requirement at this early stage to prove a defense, only to show a degree of likelihood 11 that a unique defense might play a significant role at trial.” *In re Netflix, Inc. Sec. Litig.*, Nos. 12- 12 0225 SC, 12-1030 LHK, 2012 WL 1496171, at *5 (N.D.

Cal. Apr. 27, 2012); see also *Hanon v. 13 Dataproducts Corp.*, 976 F.2d 497, 508 (9th Cir. 1992) (explaining unique defenses disqualify 14 lead plaintiff to avoid “danger that absent class members will suffer if their representative is 15 preoccupied with defenses unique to it” (cleaned up)).

Because the assignment agreement only 16 states it “may not be revoked without the written consent of [Mr. Lee],” (Dkt. No. 17-4 at 2), it 17 may be revocable at will by Mr. Lee, which calls into question Ms. Kim's standing to pursue her 18 PSLRA claims. See *Maeshiro v. Yatsen Holding Ltd.*, No. 22-CV-8165 (JPC) (BCM), 2023 WL 19 4684106, at *8 (S.D.N.Y. July 21, 2023) (“[I]f the assignor retains a right to terminate the 20 assignee's authority to pursue claims, the assignment fails to confer standing for purposes of the 21 PSLRA.”); *Advanced Magnetics, Inc. v. Bayfront Partners, Inc.*, 106 F.3d 11, 18 (2d Cir.

1997) 22 (finding no assignment in part because assignor “retained the right to terminate [assignee's] power 23 to pursue [assignor's] claims”). So, Defendants' unique defense as to Ms. Kim's standing could 24 play a significant role at trial. 25 Ms. Kim's argument the revocability provision is likely a “scrivener's error,” so the Court 26 should “not read the assignment as being revocable at will,” is not persuasive.

(Dkt. No. 24 at 3 27 n.1.) Even if the contract might reasonably be interpreted that way, Defendants' ability to contest 1 the class-wide claims. See *Smajlaj v. Brocade Commc'ns Sys. Inc.*, No. C 05-02042 CRB, 2006 2 WL 7348107, at *3 (N.D. Cal. Jan. 12, 2006) (disqualifying movant because “there are too many 3 questions surrounding [its] standing... that may give rise to unique defenses and are atypical of 4 the class as a whole”); *Pino v. Cardone Cap., LLC*, No. 2:20-CV-08499-JFW (KSx), 2020 WL 5 7585839, at *6 (C.D.

Cal. Dec. 18, 2020) (“[T]he probability that [the movant] will face [standing] 6 defense alone justifies denying his motion for appointment as co-lead plaintiff.”); *In re Paysafe 7 Ltd. Sec. Litig.*, No. 21-CV-10611 (ER) (KHP), 2024 WL 1636415, at *7 (S.D.N.Y. Apr. 16, 8 2024) (“[T]he assignments themselves are silent as to revocability,... increasing the likelihood 9 Defendants would at least attempt to raise such defenses.”).

So, the revocability of the assignment 10 agreement subjects Ms. Kim to a “unique defense[] that render[s] [her] incapable of adequately 11 representing the class.” 15 U.S.C. § 78u-4(a)(3)(B)(iii) (II). 12 The Court therefore turns to Mr. Hsu as the plaintiff with the next greatest financial stake. 13 The final requirement to be the presumptive lead plaintiff is to “otherwise satisf[y] the 14 requirements of Rule 23 of the Federal Rules of Civil Procedure,” meaning the plaintiff must 15 “ma[ke] a prima facie showing of adequacy and typicality.” *In re Mersho*, 6 F.4th 891, 899 (9th 16 Cir.

2021) (cleaned up). “Courts determine whether a plaintiff will adequately represent a class by 17 answering two questions: (1) do the movant and its ‘counsel have any conflicts of interest with 18 other class members’ and (2) will the movant and its ‘counsel prosecute the action vigorously on 19 behalf of the class?’” *Id.* at 899-900 (quoting *Ellis v. Costco Wholesale Corp.*, 657 F.3d 970, 985 20 (9th Cir.

2011)). “At this step, the process is not adversarial, so the Rule 23 determination should 21 be based on only the movant's pleadings and declarations.” *Id.* at 899. 22 Mr. Hsu’s pleading and declarations establish his claims are typical of those asserted by 23 the purported class because he purchased PubMatic securities during the class period and suffered 24 losses as a result of “the artificial inflation of PubMatic’s stock price caused by Defendants’ 25 alleged misrepresentations and omissions.” (Dkt.

No. 20 at 8; Dkt. No. 1 ¶ 35; Dkt. No. 21-2 at 26 2.) His financial interest creates a sufficient incentive to vigorously advocate for the class, and he 27 is “not aware of any conflict between his claims and those asserted on behalf of the class.” (Dkt. 1 has submitted its firm resume as evidence it has the expertise and experience to vigorously 2 || prosecute the case and intends for “the class to receive the highest caliber of legal representation.” 3 (Dkt.

No. 21-3; Dkt. No. 20 at 9.) So, Mr. Hsu has made a prima facie showing of typicality and 4 adequacy, and because Ms. Kim does not attempt to rebut the presumption Mr. Hsu is the most 5 adequate plaintiff, Mr. Hsu is the proper lead plaintiff. 6 CONCLUSION 7 For the reasons stated above, the Court GRANTS Mr. Hsu’s motion to be lead plaintiff in 8 this action and any subsequently filed or transferred actions that are consolidated with this action, 9 || pursuant to 15 U.S.C. § 78u-4(a)(3)(B).

The Court appoints Glancy Prongay & Murray as lead 10 || counsel. Lead counsel shall have the following responsibilities and duties on behalf of lead 11 plaintiff and the putative class: 12 (a) Preparing and filing all pleadings; 5 13 (b) Briefing and arguing any and all motions; 14 (c) Conducting any and all discovery proceedings including depositions; 15 (d) Settlement negotiations; 16 (e) Pretrial discovery proceedings and the preparation for trial and the trial of this matter; 3 17 and S 18 (f) The supervision of all other matters concerning the prosecution or resolution of the 19 consolidated action.

20 Pursuant to Docket No. 14, within 10 business days of the date of this Order, lead plaintiff 21 and Defendants shall meet and confer and submit a stipulation regarding the filing of a 22 || consolidated amended complaint and Defendants' response. 23 The Court DENIES Ms. Kim's motion to be lead plaintiff. 24 This Order disposes of Docket Nos. 17, 20. 25 IT IS SO ORDERED.

26 Dated: November 25, 2025 td 27 ne ACWQUELINE SCOTT CORLE 28 United States District Judge