UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA

In re Edwards Lifesciences Corporation Derivative Litigation

In re Edwards Lifesciences Derivative Litigation · No. 8:24-cv-02822-AH (KESx) · Decided June 10, 2025

SUMMARY

The United States District Court for the Central District of California ordered the parties to show cause why a consolidated shareholder derivative action concerning Edwards Lifesciences Corporation should not be stayed. The proposed stay would remain in effect pending resolution of a related securities class action because of substantial overlap and the need to promote judicial efficiency.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	Anne Hwang
JURISDICTION	United States District Court for the Central District of California
DECIDED	June 10, 2025
DOCKET	8:24-cv-02822-AH (KESx)
DISPOSITION	other
PROCEDURAL POSTURE	The district court issued an order to show cause why a consolidated shareholder derivative action should not be stayed pending resolution of a related securities class action.
PRECEDENTIAL VALUE	unpublished district court order; nonprecedential status not expressly stated in the source

TOPICS

shareholder derivative suits · civil procedure · securities fraud · corporate law · commercial litigation

PRACTICE AREAS

civil procedure · securities litigation · shareholder derivative litigation · corporate law

QUESTIONS PRESENTED

1. Whether the consolidated shareholder derivative action should be stayed pending resolution of the related securities class action because of substantial overlap and the need to promote judicial efficiency

and avoid duplicative efforts.

HOLDINGS

1. A federal district court has inherent authority to stay proceedings as an incident of its power to control the disposition of cases on its docket, including to promote judicial economy and avoid duplicative efforts; the court ordered the parties to show cause why that authority should not be exercised here.

KEY QUOTATIONS

> *"the "power to stay proceedings is incidental to the power inherent in every court to control disposition of the causes on its docket with economy of time and effort for itself, for counsel, and for litigants.""*

FACTUAL BACKGROUND

The Patel Action alleges violations of the Securities Exchange Act of 1934 by Edwards Lifesciences and its corporate officers. The Ho and Sheridan Actions allege Exchange Act violations and state-law claims including breach of fiduciary duty, unjust enrichment, abuse of control, gross mismanagement, and waste of corporate assets. The derivative actions concern the same corporation and officers and were consolidated after being transferred to the same district court as related cases.

PROCEDURAL HISTORY

Dhimant Patel filed a securities class action against Edwards Lifesciences Corporation and its officers. Manh Ho and Barbara Sheridan separately filed shareholder derivative actions involving Edwards Lifesciences and its officers. The Ho and Sheridan actions were transferred to the Central District of California as related cases and were consolidated on April 10, 2025. The court then ordered the parties to show cause why the consolidated derivative action should not be stayed because of substantial overlap with the Patel Action.

DISPOSITION

other

CASES CITED

- Rammohan v. Thomas, 2021 U.S. Dist. LEXIS 30867, at *4–*6 (C.D. Cal. Feb. 16, 2021)
- In re STEC, Inc. Derivative Litig., 2012 WL 8978155, at *6 (C.D. Cal. Jan. 11, 2012)
- Landis v. N. Am. Co., 299 U.S. 248, 254 (1936)