

Bond Case Briefs

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Krupka v. Stifel Nicolaus & Co., Inc.

United States District Court, E.D. Missouri, Eastern Division - July 5, 2023 - Slip Copy - 2023 WL 4350946

California Plaintiffs filed this putative class action in Missouri state court alleging that Missouri Defendant Stifel Nicolaus made negligent misrepresentations and was negligent in its underwriting of municipal bonds issued by the Illinois Finance Authority to fund low-income housing developments in Chicago.

Defendant removed the case to this Court under the Class Action Fairness Act and filed a motion for judgment on the pleadings.

Plaintiffs then moved to remand the case, arguing that their claims fall under CAFA's jurisdictional exception for actions related to securities. 28 U.S.C. § 1332(d)(9). Noting that the Eighth Circuit had not opined on the proper application of CAFA's securities exception, this Court followed other circuit and district court precedent and accordingly denied the motion and directed Plaintiffs to respond to Defendant's motion for judgment on the pleadings.

Plaintiffs then filed a petition for permission to appeal in the Eighth Circuit, during which the Court stayed the case pending a ruling by the appellate court. The Eighth Circuit summarily denied Plaintiffs' petition, after which the Court ordered Plaintiffs to file a response to Defendants motion for judgment on the pleadings by June 26, 2023. On that date, Plaintiffs filed the present motion to stay the case again pending their petition for writ of certiorari in the Supreme Court.

"The Court agrees with Defendant that further delay is not warranted here. Defendant's motion for judgment on the pleadings, which centrally asserts that Plaintiffs' claims are time-barred, has been pending for six months. Even accepting Plaintiffs' premise that Brady applies, in this Court's estimation their likelihood of success in the Supreme Court is tenuous. Further, the Court fails to see any material prejudice they would suffer from filing a responsive brief, particularly considering the resources they have expended seeking interlocutory appeals. In contrast, Defendant is prejudiced by the ongoing pendency of this lawsuit without a threshold ruling on its viability. Additionally, the Court finds that any further delays in this case would undermine the interests of judicial efficiency. The Court will therefore deny Plaintiffs' motion to stay the case while they await a ruling from the Supreme Court."