



# RICHARD A. RUSSO, JR. PARTNER

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## **FOCUS AREAS**

Securities Fraud

#### **EDUCATION**

Villanova University B.S. 2003, *cum laude* 

Temple University Beasley School of Law J.D. 2006, *cum laude*, Staff Member— Temple Law Review

## **ADMISSIONS**

Pennsylvania

New Jersey

USDC, Eastern District of Pennsylvania

USDC, Eastern District of Arkansas

USDC, Western District of Arkansas

USCA. First Circuit

USCA, Second Circuit

USCA, Eighth Circuit

USCA, Tenth Circuit

USDC, District of New Jersey

Richard A. Russo, Jr., a partner of the Firm, concentrates his practice in the area of securities litigation, and principally represents the interests of plaintiffs in class actions and complex commercial litigation.

Rick specializes in prosecuting complex securities fraud actions arising under the Securities Exchange Act of 1934 and the Securities Act of 1933, and has significant experience in all stages of pre-trial litigation, including drafting pleadings, litigating motions to dismiss and motions for summary judgment, conducting extensive document and deposition discovery, and appeals.

Rick has represented both institutional and individual investors in a number of notable securities class actions. These matters include:

- In re Bank of America Securities Litigation, where shareholders' \$2.425 billion recovery represents one of the largest recoveries ever achieved in a securities class action and the largest recovery arising out of the 2008 subprime mortgage crisis;
- In re Citigroup Inc. Bond Litigation, where the class's \$730 million recovery was one of the largest recoveries ever for claims brought under Section 11 of the Securities Act of 1933; and
- In re Lehman Brothers, where shareholders recovered \$616 million from Lehman's officers, directors, underwriters and auditors following the company's 2008 bankruptcy filing.

Rick also played a key role in achieving significant recoveries for investors in Kraft Heinz Company (\$450 million); General Electric

1 of 6 11/1/2025 6:29 AM

(\$362.5 million); and Luckin Coffee (\$175 million).

In addition to prosecuting securities class actions, Rick has also assisted in prosecuting whistleblower actions, consumer class actions, and patent infringement matters.

Rick has been recognized as a Litigation Star by Benchmark Litigation. In 2016, Rick was also selected as an inaugural member of Benchmark Litigation's Under 40 Hot List, an award meant to honor the achievements of the nation's most accomplished attorneys under the age of 40. Rick was again selected as a member of the 40 & Under Hot List in 2018, 2019, and 2020. Rick has also been selected by his peers as a Pennsylvania Super Lawyers Rising Star on five occasions.

#### **Current Cases**

Rivian Automotive Inc.

This securities fraud class action case arises out of Defendants' representations and omissions made in connection with Rivian's highly-anticipated initial public offering ("IPO") on November 10, 2021. Specifically, the Company's IPO offering documents failed to disclose material facts and risks to investors arising from the true cost of manufacturing the Company's electric vehicles, the R1T and R1S, and the planned price increase that was necessary to ensure the Company's long-term profitability. During the Class Period, Plaintiffs allege that certain defendants continued to mislead the market concerning the need for and timing of a price increase for the R1 vehicles. The truth concerning the state of affairs within the Company was gradually revealed to the public, first on March 1, 2022 through a significant price increase—and subsequent retraction on March 3, 2022—for existing and future preorders. And then on March 10, 2022, the full extent Rivian's long-term financial prospects was disclosed in connection with its Fiscal Year 2022 guidance. As alleged, following these revelations, Rivian's stock price fell precipitously, causing significant losses and damages to the Company's investors.

On July 22, 2022, Plaintiffs filed a Consolidated Class Action Complaint on behalf of a putative class of investors alleging that Rivian, and its CEO Robert J. Scaringe ("Scaringe"), CFO Claire McDonough ("McDonough"), and CAO Jeffrey R. Baker ("Baker") violated Sections 10(b) and 20(a) of the Securities Exchange Act. Plaintiffs also allege violations of Section 11, Section 12(a)(2), and Section 15 of the Securities Act against Rivian, Scaringe, McDonough, Baker, Rivian Director Karen Boone, Rivian Director Sanford Schwartz, Rivian Director Rose Marcario, Rivian Director Peter Krawiec, Rivian Director Jay Flatley, Rivian Director Pamela Thomas-Graham, and the Rivian IPO Underwriters. In August 2022, Defendants filed motions to dismiss, which the Court granted with leave to amend in

February 2023. On March 16, 2023, Defendants filed motions to dismiss the amended complaint. In July 2023, the Court denied Defendants' motions to dismiss the amended complaint in its entirety. Thereafter, on December 1, 2023, Plaintiffs moved for class certification. Following the parties' briefing on the motion, on July 17, 2024 the Court granted Plaintiffs' motion for class certification. Fact and expert discovery are complete and the parties are engaged in summary judgment and *Daubert* motion practice.

Read Notice of Pendency of Class Action Here
Read Consolidated Class Action Complaint Here
Read Amended Consolidated Class Action Complaint Here

### Signature Bank

This securities fraud class action arises out of representations and omissions made by former executives of Signature Bank ("SBNY" or the "Bank") and the Bank's auditor, KPMG, about the Bank's emergent risk profile and deficient management of those risks that ultimately caused the Bank to collapse in March 2023. The Bank's collapse marked the third largest bank failure in U.S. history, and erased billions in shareholder value.

As is alleged in the Complaint, SBNY had long been a conservative New York City-centric operation serving real estate companies and law firms. Leading up to and during the Class Period, however, the individual Defendants pursued a rapid growth strategy focused on serving cryptocurrency clients. In 2021, the first year of the Class Period, SBNY's total deposits increased \$41 billion (a 67% increase); cryptocurrency deposits increased \$20 billion (constituting over 25% of total deposits); and the stock price hit record highs. Defendants assured investors that the Bank's growth was achieved in responsible fashion—telling them that the Bank had tools to ensure the stability of new deposits, was focused on mitigating risks relating to its growing concentration in digital asset deposits, and was performing required stress testing.

Unknown to investors throughout this time, however, Defendants lacked even the most basic methods to analyze the Bank's rapidly shifting risk profile. Contrary to their representations, Defendants did not have adequate methods to analyze the stability of deposits and did not abide by risk or concentration limits. To the contrary, deposits had become highly concentrated in relatively few depositor accounts, including large cryptocurrency deposits—an issue that should have been flagged in the Bank's financial statements. The Bank's stress testing and plans to fund operations in case of contingency were also severely deficient. The Bank's regulators communicated these issues directly to Defendants leading up to and throughout the Class Period—recognizing on multiple occasions that Defendants had failed to remedy them.

3 of 6 11/1/2025 6:29 AM

Investors began to learn the truth of Defendants' misrepresentations and omissions of material fact as widespread turmoil hit the cryptocurrency market in 2022, resulting in deposit run-off and calling into question SBNY's assessment and response to the cryptocurrency deposit risks. During this time period, Defendants again assured investors that the Bank had appropriate risk management strategies and even modeled for scenarios where cryptocurrency deposits were all withdrawn. Investors only learned the true state of SBNY's business on March 12, 2023, when the Bank was shuttered and taken over by regulators.

In December, Plaintiff filed a 166-page complaint on behalf of a putative class of investors alleging that Defendants violated Section 10(b) of the Securities Exchange Act of 1934. Defendants and the FDIC (as Receiver for the Bank) both moved to dismiss the complaint. In the Spring 2025, the Court granted the FDIC's motion on jurisdictional grounds. The Court did not address Defendants' motions to dismiss related to the sufficiency of the allegations under the Exchange Act. Plaintiff is currently in the process of appealing that decision to the Second Circuit.

#### **Settled**

Luckin Coffee Inc.

Case Caption: In re Luckin Coffee Inc. Sec. Litig.

Case Number: 1:20-cv-01293-JPC-JLC Court: Southern District of New York Judge: Honorable John P. Cronan

Plaintiffs: Sjunde AP Fonden and Louisiana Sheriffs' Pension &

Relief Fund

**Defendants**: Luckin Coffee Inc.

Overview: This securities fraud class action arose out of Defendants' misrepresentations and omissions concerning the financial status of the Chinese coffee company Luckin Coffee, Inc. During the class period, Luckin promoted a sales model wherein it would operate at a loss for several years for the purpose of gaining market share by opening thousands of app-based quick -serve coffee kiosks throughout China. Between 2017 and 2018, Luckin claimed its number of stores increased from just nine to 2,073 stores. It also claimed that its total net revenues grew from \$35,302 to \$118.7 million in that same period.

On May 17, 2019 Luckin, through an initial public offering (IPO) offered 33 million ADSs to investors at a price of \$17.00 per ADS, and reaped over \$650 million in gross proceeds. On January 10, 2020 Luckin conducted an SPO of 13.8 million ADSs pried at \$42.00 each, netting another \$643 million for the company. Unbeknownst to investors, however, Luckin's reported sales, profits, and other key operating metrics were vastly inflated by fraudulent receipt

numbering schemes, fake related party transactions, and fraudulent inflation of reported costs, among other methods of obfuscating the truth. Following a market analyst's report wherein the sustainability of Luckin's business model and the accuracy of its reported earnings were challenged, after conducting an internal investigation, Luckin ultimately admitted to the fraud. Plaintiffs filed a 256 page complaint alleging violations of Section 10(b) of the Securities Exchange Act against the Exchange Act Defendants, violations of Section 20(a) of the Exchange Act against the Executive Defendants, violations against Section 11 of the Securities Act against all Defendants, violations of Section 15 of the Securities Act against the Executive Defendants and the Director Defendants, and violations of Section 12(a)(2) of the Securities Act against the Underwriter Defendants. As alleged, following a series of admissions from Luckin and Defendant Lu admitting the existence and scope of the fraud, Luckin's share price dropped from \$26.20 to \$1.38 per share, before ultimately being delisted. With Luckin undergoing liquidation proceedings in the Cayman Islands and in the midst of Chapter 15 bankruptcy in the Southern District of New York, Plaintiffs reached a \$175 million settlement with Luckin to resolve all claims against all Defendants.

## **News**

- August 19, 2021 Claims Against Kraft Heinz and 3G Capital Arising From Unprecedented \$15.4 Billion Writedown Proceed to Discovery
- October 1, 2020 Kessler Topaz Meltzer & Check, LLP Once Again Included in the Benchmark Litigation Guide to America's Leading Litigation Firms and Attorneys for 2021
- September 24, 2019 Kessler Topaz Meltzer & Check, LLP Once Again Included in the Benchmark Litigation Guide to America's Leading Litigation Firms and Attorneys for 2020
- May 8, 2017 Kessler Topaz Again Named Class Action
   Litigation Department of the Year by The Legal Intelligencer
- January 3, 2017 Kessler Topaz Again Named One of America's Leading Litigation Firms by Benchmark Litigation
- April 1, 2015 Brazilian Oil Giant Petrobras Engulfed in Massive Corruption Scandal, Investors Bring Suit

#### **Awards/Rankings**

- Benchmark Litigation Star, 2025
- Benchmark Litigation Future Star, 2020 & 2021
- Benchmark Litigation Under 40 Hot List, 2016, 2018, 2019, 2020
- Pennsylvania Super Lawyers Rising Star, 2012-2016

