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# TRAILBLAZERS

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## Samuel Rudman


PARTNER

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**PIONEER SPIRIT** The #MeToo movement has revealed more than men behaving badly and paying their victims money to cover it up. Samuel Rudman sees corporate misbehavior, as well, in hiding details of sexual misconduct allegations from investors. Rudman, a founding partner of Robbins Geller Rudman & Dowd, represents investors in a securities-fraud class action against the CBS television network, alleging it failed to disclose it fostered a hostile work environment marked by a culture of sexual harassment, discrimination, intimidation and retaliation. The case involves behavior that occurred well before #MeToo — but that would not likely be the subject of litigation if not for the movement. Rudman alleged that former CBS chief executive Leslie Moonves made "materially false and misleading statements" about the #MeToo movement's impacts on CBS, when he denied issues concerning the sexual misconduct that he was later accused of participating in. Rudman, a former attorney with the U.S. Securities and Exchange Commission, said that Moonves' statements artificially inflated CBS' stock price, which plummeted after The New Yorker published reports of sexual misconduct by Moonves and others at the network.

**TRAILS BLAZED** In Rudman's view, this kind of litigation might have been all but impossible before #MeToo. "#MeToo really changed things in a material way." Before, "you didn't have a lot of companies speaking specifically about these kinds of issues. Companies would never speak to sexual misconduct." But then, "you actually started getting people making specific statements: What are you doing about sexual misconduct?" That's what happened to Moonves, who publicly denied any issues at CBS. "At the time that he made that statement, he knew he was under criminal investigation. He'd been texting the board of directors, former members of the board of directors. He knew he had problems." And, Rudman alleges, Moonves was divesting himself of CBS stock before the scandal broke. "We think it's fairly obvious that that states a claim for securities fraud." A judge denied a defense motion to dismiss the complaint in full. The claim that Moonves committed securities fraud by lying about his own misconduct is the only one that survives.

**FUTURE EXPLORATIONS** As managing partner of his firm's New York office, Rudman spent the early spring closely monitoring the effects of the coronavirus pandemic on the firm's work. "I think it's safe to say it will slow things down. Litigation tends to go very slowly, anyway. So, if you're talking about a few months — two or three or four months — that's not a huge change." But the pandemic could leave behind an economic collapse on the order of the late 2000s' financial crisis. "It's a big difference if the courts shut down and there's no fairness hearings and we can't get settlements approved. That, obviously, affects our ability to get money back to people." The volatility of the stock market could create new securities cases, but "this kind of macroeconomic jolt to the market" may have one positive outcome: "Wrongdoers see an opportunity and let bad news out because it kind of gets lost in the mix."