

Daily Journal

WEDNESDAY, APRIL 1, 2026



DAVID A. KNOTTS

ROBBINS GELLER RUDMAN
& DOWD LLP

SAN DIEGO

SECURITIES & CORPORATE
TAKEOVER LITIGATION

David Knotts has spent 20 years doing what his father did as an engineer — the difference is the tools.

“When I was growing up, my dad was an engineer and would always say that he got paid to show up to work every day and just solve problems,” Knotts said. “I eventually realized that the same general concept applies to a law degree — we just solve different kinds of problems.”

Knotts, a partner at Robbins Geller Rudman & Dowd LLP, focuses on securities class action litigation, where the problems

tend to arrive in the form of corporate mergers gone wrong and investments that collapse. His clients are often investors who walked away from a transaction with nothing.

“Now, I’m part of a team that goes into work every day and figures out how to find a solution to a client’s problem, usually in the form of hard-earned money erased from a retirement account,” he said.

Two recent cases illustrate the scope of his practice.

In one case, Knotts and his team secured an \$85 million recovery for a nationwide class of former EarthLink stockholders — one of the largest securities class action recoveries in the Eighth Circuit in several years. *Murray v. EarthLink Holdings Corp.*, 4:18-cv-00202 (E.D. Ark., filed March 19, 2018).

Approved in 2025 by the Eastern District of Arkansas, the case challenged the merger of EarthLink with Windstream and survived Windstream’s bankruptcy during litigation. EarthLink stockholders received nothing from that bankruptcy.

The litigation spanned three multi-billion-dollar corporate transactions across nearly a decade. Both companies filed for Chapter 11 during the case and each attempted to obtain a release of the securities claims through bankruptcy proceedings. Knotts’ team hired bankruptcy counsel, appeared in Windstream’s proceeding and blocked those efforts on behalf of the class.

“The challenge we faced was to develop a discovery plan that would obtain the

previously hidden corporate evidence regarding all three transactions, but in a targeted manner that would not swamp our team with a flood of irrelevant material,” Knotts said.

Knotts’ team also produced a result with no precedent in securities litigation. The \$192.5 million settlement — with initial distributions made to Rite Aid investors in August 2025 — was paid not by Rite Aid, which had filed for bankruptcy, but by Walgreens and some of its executives. *Chabot v. Walgreens Boots Alliance, Inc.*, 1:18-cv-02118 (M.D. Pa., filed Nov. 2, 2018).

It is the largest securities recovery ever paid by one company to the shareholders of a different company over misrepresentations regarding an antitrust merger review. ISS Securities Class Action Services ranked it the third-largest class action disbursement nationwide in 2025.

Getting there required breaking through a privilege wall. Defendants withheld more than 17,000 documents — roughly 20% of their combined production — on privilege grounds, Knotts said. A motion to compel resulted in a court order that Walgreens had waived attorney-client privilege, requiring production of all documents related to the FTC antitrust review. The case survived summary judgment and was headed to trial before settling.

“It’s tough to prove a case to a jury only with a series of blacked-out emails,” Knotts said. “But one of our motions to compel resulted in the court’s ruling that Walgreens waived its attorney-client privilege.”