

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

MICHAEL ANTHONY CARRETTA,	)	
Individually and on Behalf of All Others	)	
Similarly Situated,	)	
	)	
Plaintiffs,	)	
	)	
v.	)	C.A. No. 25-96-JLH-EGT
	)	
CROCS, INC., et al.,	)	
	)	
Defendants.	)	

MEMORANDUM ORDER

At Wilmington, this 15th day of October 2025:

Presently before the Court are motions to appoint as lead plaintiffs filed by (1) Neil Shah and Richard Lunn, (2) John D. Burgess, (3) Paula Bosler and (4) Teamsters Local 237 Additional Security Benefit Fund and Teamsters Local 237 Supplemental Fund for Housing Authority Employees (“Teamsters Local 237”). (*See* D.I. 7 (Shah and Lunn’s motion); D.I. 11 (Burgess’s motion); D.I. 14 (Bosler’s motion); D.I. 20 (Teamsters Local 237’s motion)). For the reasons set forth below, the motions filed by Shah and Lunn (D.I. 7), Burgess (D.I. 11) and Bosler (D.I. 14) are DENIED as MOOT and the motion filed by Teamster’s Local 237 (D.I. 20) is GRANTED.

I. BACKGROUND

On January 22, 2025, Plaintiff Michael Carretta filed the present action against Crocs, Inc., its CEO Andrew Rees, and its former CFO Anne Mehlman and current CFO Susan Healy (collectively, “Defendants”) on behalf of all purchasers of Crocs common stock between November 3, 2022 and October 28, 2024 (“the Class Period”). (D.I. 1 ¶¶ 1 & 27-30). On March 21, 2025, Plaintiff Neil Shah filed the related action (C.A. No. 25-356) against Crocs, Inc. and Defendants on behalf of all purchasers of Crocs common stock and call options during the Class Period. (C.A. No. 25-356, D.I. 1 ¶ 1 & 27-30). In both cases, Plaintiffs assert claims against

Defendants arising under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (“the Exchange Act”) (found at 15 U.S.C. §§ 78j(b) and 78t(a)), as well as under Securities and Exchange Commission (“SEC”) Rule 10b-5. (D.I. 1 ¶¶ 77-84).

On the same day that Plaintiff Carretta filed the Complaint, Plaintiff’s counsel published notice of this purported class action lawsuit with *New Media Wire*, informing potential class members of the ability to seek appointment as lead plaintiff until March 24, 2025. (See, e.g., D.I. 9, Ex. A). On March 24, 2025, Shah and Lunn, Burgess, Bosler and Teamsters Local 237 all filed motions for appointment as lead plaintiff in the present action, as well as for approval of their selection of counsel for the proposed class action. (See D.I. 7 (Shah and Lunn’s motion); D.I. 11 (Burgess’s motion); D.I. 14 (Bosler’s motion); D.I. 20 (Teamsters Local 237’s motion)).¹ On April 7, 2025, Shah and Lunn, Burgess and Bosler filed statements of non-opposition to Teamsters Local 237’s motion for appointment as lead plaintiff. (See D.I. 27 (Bosler’s non-opposition), D.I. 28 (Burgess’s non-opposition) & D.I. 29 (Shah and Lunn’s non-opposition)).

II. LEGAL STANDARD

The present case is one arising under the Private Securities Litigation Reform Act of 1995 (“PLSRA”). The PLSRA provides that, in any private action arising under the Exchange Act brought as a class action, the Court shall consider any motion made by a purported class member and shall appoint as lead plaintiff the member or members determined to be the “most capable of adequately representing the interests of class members” – *i.e.*, the “most adequate plaintiff.” See 15 U.S.C. § 78u-4(a)(3)(B)(i). The Court must follow a two-step process for determining the most

¹ At the time the motions were filed, there were two related actions – this one and *Shah v. Crocs, Inc., et al.*, C.A. No. 25-356-JLH (D. Del. Mar. 21, 2025). The motions filed by the various parties also requested consolidation of the related actions. Plaintiff Neil Shah has since voluntarily dismissed his claims in the other action, leaving only this action pending. (C.A. No. 25-356, D.I. 14). Therefore, the Court need not reach the issue of consolidation.

adequate plaintiff for the class action. *See OFI Risk Arbitrages v. Cooper Tire & Rubber Co.*, 63 F. Supp. 3d 394, 399 (D. Del. 2014). First, the Court must identify the person or group of persons entitled to the statutory presumption of most adequate plaintiff. *Id.* Second, the Court must determine whether that presumption has been rebutted. *Id.*

The PSLRA provides that the presumptive lead plaintiff is the person or group that: (1) either filed the complaint or made a timely motion for appointment as lead plaintiff, (2) has the largest financial interest in the relief sought in the class action and (3) otherwise satisfies the requirements of Federal Rule of Civil Procedure 23. *See* 15 U.S.C. § 78u-4(a)(3)(B)(iii)(I). Once the Court identifies the movant with the largest financial interest, it must independently determine whether the movant satisfies the typicality and adequacy requirements of Rule 23. *See In re Cendant Corp. Litig.*, 264 F.3d 201, 263 (3d Cir. 2001) (“otherwise satisfies” language refers to the typicality requirements of Rule 23(a)(3) and adequacy requirements of Rule 23(a)(4)). If the Court finds that the movant satisfies these requirements, that person or group is presumptively the most adequate plaintiff to represent the class. This presumption may be rebutted “only upon proof” by a purported class member that the plaintiff “will not fairly and adequately protect the interests of the class” or that the plaintiff is “subject to unique defenses that render [it] incapable of adequately representing the class.” 15 U.S.C. § 78u-4(a)(3)(B)(iii)(II)(aa) & (bb).

Once the Court has determined the most adequate plaintiff to represent the purported class, the lead plaintiff then, subject to the Court’s approval, selects and retains counsel to represent the class. *See* 15 U.S.C. § 78u-4(a)(3)(B)(v). The selection of a lead plaintiff and the approval of lead plaintiff’s choice of counsel are both committed to the discretion of the Court. *See Vandeveld v. China Nat. Gas, Inc.*, 277 F.R.D. 126, 131 (D. Del. 2011).

III. DISCUSSION

As described above, several individuals initially moved for appointment as lead plaintiff in this action but have since filed statements indicating that they believe Teamsters Local 237 has the largest financial interest in this litigation and, as such, these individuals do not oppose the appointment of Teamsters Local 237 as lead plaintiff. (*See* D.I. 27 (Bosler’s non-opposition), D.I. 28 (Burgess’s non-opposition) & D.I. 29 (Shah and Lunn’s non-opposition)). The motions filed by Shah and Lunn (D.I. 7), Burgess (D.I. 11) and Bosler (D.I. 14) are therefore moot.

Teamsters Local 237 is the only remaining party who seeks to be appointed as lead plaintiff in this action. (D.I. 20 & 29). The Court will therefore only briefly evaluate whether Teamsters Local 237 is the most adequate plaintiff within the relevant PSLRA framework.

A. Presumptive Lead Plaintiff

The presumptive lead plaintiff is the person or group who satisfies the requirements set forth in the PSLRA. *See* 15 U.S.C. § 78u-4(a)(3)(B)(iii)(I). The threshold determination of which person or group is the presumptive lead plaintiff “should be a product of the court’s independent judgment.” *In re Cendant*, 264 F.3d at 263; *see also OFI Risk Arbitrages*, 63 F. Supp. 3d at 399. That is, the Court must independently evaluate whether the movant: (1) filed the complaint or timely moved, (2) has the largest financial interest in the requested relief and (3) otherwise satisfies the requirements of Rule 23.

1. Whether Teamsters Local 237 Timely Moved to Serve as Lead Plaintiff

On January 22, 2025, Plaintiff Carretta’s counsel published notice of this purported class action lawsuit with *New Media Wire*. The notice gave potential class members until March 24, 2025 to seek appointment as lead plaintiff. (D.I. 9, Ex. A). Teamsters Local 237 filed its motion on the deadline. (D.I. 20). Teamsters Local 237 therefore timely moved to serve as lead plaintiff.

2. Whether Teamsters Local 237 Has the Largest Financial Interest

The Third Circuit has instructed that, when determining the “largest financial interest,” courts are to consider (among other things) the number of shares purchased during the class period, the total funds the plaintiff spent during the class period, and the approximate losses suffered by the plaintiff. *In re Cendant*, 264 F.3d at 262. Of those factors, the weightiest is a plaintiff’s approximate loss. *Soto v. Hensler*, 235 F. Supp. 3d 607, 615 (D. Del. 2017).

Teamsters Local 237 claims a loss of \$190,208 during the Class Period. (D.I. 30 at 2). In support, Teamsters Local 237 provides an accounting of its losses according to the “last-in, first-out” (LIFO) method. (D.I. 23 Ex. C; *see also* D.I. 21 at 4). No other party claims to have suffered a loss of similar scale. (*See* D.I. 30 at 2-3 (tabulating each known plaintiffs’ approximate losses)). Indeed, the other plaintiffs expressly acknowledge that their losses are smaller than the loss claimed by Teamsters Local 237. (*See* D.I. 27 (Bosler’s non-opposition), D.I. 28 (Burgess’s non-opposition) & D.I. 29 (Shah and Lunn’s non-opposition)). Therefore, Teamsters Local 237 has the largest financial interest in the relief sought in this action.

3. Whether Teamsters Local 237 Satisfies the Other Requirements of Rule 23

The typicality requirement of Rule 23 requires that the lead plaintiff’s claims and circumstances not be “markedly different” from those of other class members. *In re Cendant*, 264 F.3d at 265. Teamsters Local 237’s claims against Crocs are based on the same events as all other proposed plaintiffs – *i.e.*, that Crocs allegedly withheld information related to consumer demand for its HEYDUDE products. (*See* D.I. 21 at 2-3, 5; *see also* D.I. 8 at 2-5, 9; D.I. 12 at 1-2; D.I. 18 at 1). And Teamsters Local 237 and the others assert this conduct violated Sections 10(b) and 20(a) of the Exchange Act. (*Id.*). Because Teamsters Local 237’s claims arise from the same events and under the same legal theory as the other plaintiffs, Teamsters Local 237’s claims are

typical of the class. *See In re Merck & Co., Inc. Sec., Derivative & ERISA Litig.*, C.A. 05-1151, 2013 WL 396177, at *5 (D.N.J. Jan. 30, 2013).

The adequacy requirement of Rule 23 requires the lead plaintiff to be able and incentivized to vigorously represent the class claims, to not have any conflicts with the class claims, and to have obtained adequate counsel. *Soto*, 235 F. Supp. 3d at 616. There are no apparent conflicts between Teamsters Local 237's claims and the class claims, and no party contends otherwise. Teamsters Local 237 has also already retained Robbins Geller as counsel. (*See* D.I. 21 at 6-8). Moreover, Teamsters Local 237 manages "hundreds of millions of dollars in assets," making it the type of sophisticated investor that Congress sought to serve as lead plaintiff in PSLRA cases. *See In re Cendant*, 264 F.3d at 261-62. Teamsters Local 237 is thus an adequate plaintiff under Rule 23.

* * *

Because Teamsters Local 237 timely moved, has the largest financial interest in the litigation outcome and otherwise satisfies the requirements of Rule 23, the Court finds that Teamsters Local 237 is the presumptive lead plaintiff.

B. Rebutting the Presumption

No party contends – let alone offers proof – that Teamsters Local 237 is subject to any "unique defenses" or is otherwise unable to "fairly and adequately protect the interests of the class." Because the PSLRA presumption is un rebutted, Teamsters Local 237 is the lead plaintiff.

C. Approval of Lead Counsel

Once appointed, a lead plaintiff "shall, subject to the approval of the court, select and retain counsel to represent the class." 15 U.S.C. § 78u-4(a)(3)(B)(v). "[The PSLRA] evidences a strong presumption in favor of approving a properly-selected lead plaintiff's decisions as to counsel selection and counsel retention." *In re Cendant*, 264 F.3d at 276. Here, the Court's role is

generally limited to reviewing and approving (or disapproving) of the lead plaintiff's choice of counsel. *Id.* at 273. The fundamental inquiry is "whether the lead plaintiff's selection and agreement with counsel are reasonable on their own terms." *Id.* at 276. Relevant factors to consider include: (1) the lead plaintiff's legal experience and sophistication; (2) how the lead plaintiff chose potential law firms to consider; (3) how the lead plaintiff selected its proposed counsel; (4) the qualifications and experience of lead plaintiff's proposed counsel; and (5) evidence relating to whether the retainer agreement arose out of serious negotiations between the lead plaintiff and its proposed counsel. *Id.*

Teamsters Local 237 requests that the Court approve its selection of Robbins Geller as lead counsel for the proposed class in this action. (D.I. 21 at 6-8). Robbins Geller has significant experience with securities class actions and has obtained some of the largest securities class action settlements in the nation. (*Id.* at 6-8). None of the other plaintiffs object to Robbins Geller serving as lead counsel in this action. There is no basis here to disturb the PSLRA's "strong presumption" in favor of a lead plaintiff's selection and retention of counsel. The Court therefore approves Teamsters Local 237's selection of Robbins Geller as lead counsel for the proposed class.

IV. CONCLUSION

For the foregoing reasons, Teamster's Local 237's motion for appointment as lead plaintiff (D.I. 20) is GRANTED, and the motions filed by Neil Shah and Richard Lunn (D.I. 7), John D. Burgess (D.I. 11) and Paula Bosler (D.I. 14) are DENIED as MOOT.


UNITED STATES MAGISTRATE JUDGE