

Ninth Circuit Affirms Win For Stitch Fix in Securities Class Action

October 26, 2022

Cooley litigators scored an important win on behalf of Stitch Fix, a company that provides online personal styling services, before the US Court of Appeals for the Ninth Circuit. The win affirmed the 2021 dismissal of a putative class action alleging violations of the Securities Exchange Act of 1934. Lawyers Patrick Gibbs, Samantha Kirby, Zaneta Kim and Samuel Blankenship led the Cooley team representing Stitch Fix. The successful appellate outcome [earned the Cooley team a shout out](#) as part of The American Lawyer's Litigation Daily Litigator of the Week Runners-Up and Shout Outs list.

Background

In 2018, four putative class actions were filed against Stitch Fix in the US District Court for the Northern District of California alleging that the company made material misrepresentations about its active client growth and TV advertising efforts. Stitch Fix's first motion to dismiss was granted, but the plaintiff was given a chance to amend. In November 2020, the plaintiff renewed claims against the company concerning its TV advertising efforts, alleging that Stitch Fix made material misrepresentations to its investors by stating that its advertising efforts included TV when the company had in fact halted national TV advertising for 10 weeks to test the efficacy of that marketing channel.

Decision Affirmed

In 2021, US District Judge James Donato issued an order dismissing all claims with prejudice, holding that the plaintiff failed to allege any false or misleading statement to support an actionable securities fraud claim. The judge also held that Stitch Fix did not have a duty to disclose its 10-week stoppage of national TV advertising to its investors, because the plaintiff failed to show that Stitch Fix "touted" the importance of TV advertising to the company's growth as to give rise to such duty.

The Ninth Circuit recently held that the California federal judge was correct to toss the putative investor class action, finding that the challenged statements were broad and not misleading.

Contributors



Patrick Gibbs
[Bio](#)



Samantha Kirby
[Bio](#)

This content is provided for general informational purposes only, and your access or use of the content does not create an attorney-client relationship between you or your organization and Cooley LLP, Cooley (UK) LLP, or any other affiliated practice or entity (collectively referred to as "Cooley"). By accessing this content, you agree that the information provided does not constitute legal or other professional advice. This content is not a substitute for obtaining legal advice from a qualified attorney licensed in your jurisdiction, and you should not act or refrain from acting based on this content. This content may be changed without notice. It is not guaranteed to be complete, correct or up to date, and it may not reflect the most current legal developments. Prior results do not guarantee a similar outcome. Do not send any confidential information to Cooley, as we do not have any duty to keep any information you provide to us confidential. This content may have been generated with the assistance of artificial intelligence (AI) in accordance with our [AI Principles](#), may be considered Attorney Advertising and is subject to our [legal notices](#). Copyright © 2026