

# Securities Class Action Trends in 2025: Fewer Cases Filed, But More Dollars at Stake

February 26, 2026

Two leading consulting and expert firms – [Cornerstone](#) and [NERA](#) – recently released their reports on securities class action filings in 2025. Both observed a decline in new filings, driven largely by fewer Section 10(b) cases. At the same time, measures of potential investor losses reached historical highs, propelled by “mega filings” (cases where the dollar-value change in the company’s market capitalization during the relevant period is in the billions).

As for subject matter trends, both firms reported that artificial intelligence-related filings continued to rise and accounted for a disproportionate share of potential investor losses. Healthcare sector filings also increased, and new categories of filings tied to tariffs and immigration began to emerge.

NERA’s review of case outcomes reflected that dismissals rose 32% from 105 in 2024 to 139 in 2025, while the number of settlements declined. The median settlement value reached \$17 million – the highest since 2016. And the 10 largest settlements in 2025 (seven of which crossed the \$100 million mark) accounted for more than half of the year’s total settlement value. In a [separate report on settlements](#), Cornerstone attributed the overall rise in median settlement value to an increase in settlements for cases that only alleged violations of Section 11 and/or Section 12(a)(2) (not Section 10(b)). For those Securities Act of 1933 cases, the median settlement amount in 2025 was three times more than 2024 and reached an all-time high of \$32.5 million.

## Record-breaking market capitalization losses despite fewer new filings

Cornerstone recorded 207 new securities class actions in 2025 alleging violations of Sections 10(b), 11 or 12, down from 226 filings in 2024. The number of Section 10(b)-only cases declined from 198 (in 2024) to 176 (in 2025), an 11% decrease. Despite a 25% increase in initial public offerings (IPOs) on major US exchanges, there was only one more IPO filing in 2025 than in 2024. Cornerstone noted that IPO filings typically lag IPOs by approximately 300 days, suggesting any increase in IPO-related litigation may not appear until 2026.

Although fewer cases were filed in 2025, those cases involved significantly higher measures of potential investor losses. Cornerstone reported that the Disclosure Dollar Loss Index (DDL Index) rose to a record \$694 billion (a 61% increase from 2024), while the Maximum Dollar Loss Index (MDL Index) climbed to \$2.86 trillion (a 75% increase from 2024). Filings with an MDL of at least \$10 billion accounted for 89% of the total MDL, even though the number of such filings rose only slightly (36 in 2025 versus 34 in 2024).

Cornerstone also observed that filings against tech companies and AI-related filings involved a much higher MDL than other types of filings. While only 15% of filings in 2025 were against companies in the technology sector, those cases accounted for 44% of the total MDL Index (and increased by 260% compared to 2024). Similarly, AI-related filings made up 8% of total filings but were responsible for 57% of the total MDL Index.

## Key filing trends by subject matter and sector

Cornerstone recorded 16 AI-related cases in 2025, up slightly from the 15 filed in 2024. Dismissal rates for AI-related cases increased, likely as a result of courts becoming more familiar with the subject matter and how to apply securities law doctrines to AI-related disclosures. AI-related cases filed in 2021 and 2022 were dismissed at lower rates than other filings (38% and 33% for AI cases versus 56% and 51% for non-AI cases, respectively). But that trend reversed for cases filed in 2023, with 57% of AI cases dismissed compared to 46% of non-AI cases. It remains to be seen whether that trend continues for cases filed in 2024 and beyond, given that the vast majority of those motions have yet to be decided. (See [this Law360 article authored by Cooley attorneys](#) to learn more about how courts are applying securities law doctrines to AI-related disclosures.)

COVID-related filings reached a historical low, with only three cases filed in 2025. Cornerstone noted that COVID-related filings have consistently been dismissed at a higher rate than other filings, which, along with timing considerations, might explain the decrease in filings.

Cornerstone recorded 10 filings related to special purpose acquisition companies (SPACs), the lowest level in five years and down from a peak of 33 in 2021. At the same time, NERA noted that SPAC IPO activity rebounded, “with 144 SPAC IPOs in 2025 compared to 57 in 2024 and 31 in 2023.” Given that SPACs typically have 18 to 24 months to complete a deSPAC merger, it remains to be seen whether the resurgence of SPAC IPOs will lead to renewed SPAC-related litigation.

Both Cornerstone and NERA observed growth in healthcare-related filings. Cornerstone recorded 13 filings in the “healthcare-products” sector, up from nine in 2024. NERA, using a different classification system, reported that filings in the “health technology and services” sector accounted for 31% of total filings in 2025, the highest share in five years.

In 2025, the Trump administration implemented a series of tariff and immigration policies – and plaintiffs are beginning to file securities cases against companies that were negatively affected by them. NERA recorded four filings with tariff-related claims and one filing related to visa restrictions in 2025.

## **More than half of filings included allegations of false forward-looking statements**

According to Cornerstone, 56% of 2025 filings involved allegations of false forward-looking statements, up slightly from 2024 (53%). NERA similarly observed that 43% of filings included allegations related to missed earnings guidance, and 41% included allegations related to misleading future performance statements – both five-year highs.

## **Ninth Circuit filings fell while Third Circuit filings surged**

The Second, Third and Ninth Circuits continue to account for about 66% of filings recorded by Cornerstone in 2025. But while Second Circuit filings remained steady (63 in 2025 compared to 64 in 2024), Ninth Circuit filings declined sharply from 69 in 2024 to 48 in 2025. At the same time, Third Circuit filings increased from 19 in 2024 to 26 in 2025, which Cornerstone attributed to increased filings against biotech and pharmaceutical companies. The Eleventh Circuit also saw filings nearly double, from seven in 2024 to 13 in 2025.

Section 11 filings in state courts continued their decline – with four state court filings in 2025, down from a peak of 52 in 2019. In New York state courts, more than 70% of the filings over the past five years (25 of 35) were against non-US issuers.

## **Dismissals rose as settlements declined**

NERA recorded 139 dismissals of Sections 10(b), 11 or 12 cases in 2025, up 32% from 2024. NERA observed that defendants filed motions to dismiss in 96% of cases filed and resolved between 2016 and 2025. Among cases where a decision was reached, 62% of the motions were granted (with or without prejudice) while 38% were denied in part or in full. The median time from filing of the first complaint to dismissal was 1.6 years in 2025, down from 1.9 years in 2024.

With dismissal rates up, it may not come as a surprise that settlements declined. The number of settlements fell from 94 (in 2024) to 79 (in 2025). Aggregate settlement value also declined, from \$3.9 billion (in 2024) to \$2.9 billion (in 2025). The vast majority of settlements (84%) were under \$20 million, and the median settlement value was \$17 million – the highest since 2016. The 10 largest settlements in 2025 ranged from \$80 million to \$433.5 million and accounted for \$1.7 billion (59%) of the \$2.9 billion aggregate settlement value. The median time to settlement remained steady at 3.3 years.

Cornerstone also noted that the number of settlements may remain low going forward considering the “relatively stable” number of securities filings in the last five years and the high rate of dismissal for COVID-19 cases.

---

Defined as “core filings” in the Cornerstone report and “standard cases” in the NERA report. For simplicity, this article omits the words “core” and “standard” when discussing such filings.

The DDL Index measures the “dollar-value change in the defendant firm’s market capitalization” between the two days immediately before and after the end of the putative class period.

The MDL Index measures the “dollar-value change in the defendant firm’s market capitalization” from the day with the highest market capitalization during the putative class period to the end of the putative class period.

## **Contributors**



**Tijana Brien**  
[Bio](#)



**Brett De Jarnette**  
[Bio](#)



**Brian French**  
[Bio](#)



**Bingxin Wu**  
[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