



## Arthur J. Shartsis

### PARTNER

ashartsis@sflaw.com | 415-421-6500 ext. 220

### AREAS OF EXPERTISE

Litigation, Antitrust, Intellectual Property, Securities, Construction, Professional Liability, Fiduciary Duty/Shareholder & Partnership Disputes, Government Representation, Employment, Trusts and Estates

---

## Overview

Mr. Shartsis' specialty is complex litigation. Mr. Shartsis co-founded the San Francisco law firm of Shartsis Friese LLP in 1975. The 63 lawyer firm, comprising top graduates from top law schools, conducts a general business practice, with specialties in litigation, securities, general corporate law, investment and brokerage services, real estate, estate planning and taxation. Mr. Shartsis is the senior manager of the firm.

## Experience

Mr. Shartsis specializes in complex litigation, including general business disputes, securities, financial institutions, intellectual property, fiduciary, antitrust and construction litigation. He has tried cases in state and federal courts, before judges and juries, and in arbitration. He has appeared in both federal and state appellate courts, including the California Supreme Court. Mr. Shartsis has litigated a number of cases involving claims for more than one billion dollars. He has also represented major law firms, federal and state court judges, a number of California Constitutional Officers (including the Governor), and the States of California and Hawaii.

The following are a sample of some of the cases that Mr. Shartsis has handled:

### **In Re Apple Inc. E-Book Derivative Litigation**

Retained to represent the Special Litigation Committee of the Apple Board of Directors in connection with derivative litigation arising out of the eBooks antitrust litigation.

- [Report of the Special Litigation Committee of the Board of Directors Regarding Director Defendants and Settlement, May 2017](#)
- [Report of the Special Litigation Committee of the Board of Directors Regarding Mr. Eduardo Cue, January 2017](#)

### **Pharmaceutical Research and Manufacturers of America, et al. v. County of Alameda**

Successfully defended Alameda County in a landmark case brought by the pharmaceutical industry (with the support of the U.S. Chamber of Commerce) challenging a first-in-the-nation regulation requiring drug companies to provide for disposal of all unused prescription drugs sold in the county. The case was won in federal district court and upheld on appeal by the Ninth Circuit; following briefing by both sides, the United States Supreme Court declined to grant review. Mr. Shartsis' argument in the Ninth Circuit may be viewed by clicking on <http://youtu.be/E0ldzld5GE4>. After the conclusion of the litigation, a number of counties in California adopted similar legislation.

### **GSI Technology, Inc. v. Cypress Semiconductor Corporation**

Represented GSI in a Sherman Act Section 1 restraint of trade claim arising out of the exclusion of GSI from a

consortium of SRAM manufacturers. The case was settled following GSI's defeat of Cypress' comprehensive motion for summary judgment.

**Steven Poizner, as Insurance Commissioner of the State of California, etc. v. ALTUS Finance S.A., et al.**

Retained by the California Department of Insurance to serve as lead trial counsel in the federal jury trial of a fraud claim arising out of the failure of the Executive Life Insurance Company. The case settled with payment to the Department of Insurance of \$200 million.

**Alejandro Madrid v. James E. Tilton**

Represented Governor Arnold Schwarzenegger in a federal court proceeding in which a court-appointed Special Master sought authority to conduct a public investigation of the Governor's Office in connection with prison reform matters. The Governor's two most senior staff members were alleged by the Special Master to have committed perjury. Mr. Shartsis successfully opposed the proposed investigation.

**Mikhail Khodorkovsky Accusation By the Russian Federation**

Retained to assist in the defense of Mikhail Khodorkovsky, former owner of Yukos Oil Company in Russia, involving criminal claims by the Russian Federation for allegedly embezzling \$30 billion from Yukos.

**Rabobank v. National Westminster Bank**

Concluded a seven-year defense of NatWest (formerly National Westminster Bank and now owned by Royal Bank of Scotland) in a claim by a major Dutch bank for approximately \$200,000,000, involving litigation both in England and California. The case was defended successfully at trial in England, with full "indemnity" fees of approximately \$25 million awarded to our client after trial.

**Charles Davis, et al. v. California Health And Human Services Agency, et al.**

Retained to assist the Attorney General's Office of California defending California State health and welfare agencies in a federal case challenging the long-term health care system of the State of California, with multi-billion dollar annual exposure. The case was resolved on favorable terms.

**Eureka Federal v. Kidwell**

Retained to replace Joseph Alioto as lead defense trial counsel in this \$500,000,000 claim arising out of the savings and loan crisis. The matter was settled for \$13,000,000 less than the defendants' pre-trial settlement offer after six weeks of jury trial in a case which the federal government had publicly asserted it would never settle.

**In re National Mortgage Equity Corporation Securities Litigation, MDL 647**

Served as lead plaintiffs' counsel in obtaining approximately \$120,000,000 of recovery from parties including the Bank of America and Wells Fargo Bank on behalf of a number of savings and loans in what at the time was one of the largest mortgage-backed securities frauds in American history. This case was featured as a cover story in the [American Lawyer](#).

**Hummel v. Bank of America**

Retained by the Bank of America after other counsel failed in eight years to resolve complicated trust litigation involving over \$90,000,000. Mr. Shartsis settled the matter within months for a small fraction of the claim.

**HBOC/McKesson**

Retained by Arthur Andersen to represent one of its senior auditors in SEC proceedings arising from one of the largest securities fraud claims in history, involving an \$8,000,000,000 loss of capital value. Successfully

represented the client through SEC proceedings.

### **Fair v. Bakhtiari**

Successfully argued in the California Supreme Court a major case upholding important aspects of confidential communications in mediation. The Supreme Court voted 7-0 to overturn a unanimous decision in the California Court of Appeal, and return the case to the trial court. *Fair v. Bakhtiari*, 40 Cal. 4th 189 (2006). The case was tried successfully in 2008, defeating a claim of \$14 million and recovering property rights for our clients worth \$5 million. The trial court was upheld on appeal. *Fair v. Bakhtiari*, 195 Cal. App. 4th 1135 (2011). The case was featured in the San Francisco Daily Journal: "Mixing Client, Business Ends Badly."

### **Simpson Strong-Tie Company, Inc. v. Stewart, Estes & Donnell**

Won a landmark decision in the Tennessee Supreme Court regarding lawyer advertising and defamation.

### **Eshelman, et al, v. Orthoclear Holdings, Inc.**

Successfully defended securities class action against manufacturer that was accused of misleading investors about the prospects of patent litigation brought by its major competitor that was eventually settled on unfavorable terms. Representing the company, directors and officers, succeeded in winning a motion to dismiss all claims without leave to amend. The case was featured in The Recorder: "Suit over lost patent trial rejected."

### **Sierra REIT securities litigation**

Successfully defended the officers, directors and entities in state and federal derivative and securities class action litigation against the seven Sierra REITS.

### **Harbor Bay Business Park Litigation**

Retained by Harbor Bay Business Park in Alameda County to develop and execute a strategy to avoid impending foreclosure. After litigating simultaneously in three forums, caused the creditors to cease foreclosure proceedings. Harbor Bay Business Park is successfully operating today.

### **Point Tiburon Construction Defect Litigation**

Represented the developer in a massive construction defect case, simultaneously defending two class actions and successfully obtaining full recovery from over thirty defendants.

### **Success for All Foundation v. Education Partners**

Retained by Success for All, the largest educational reform program in the United States, to attempt to void a 25-year license agreement and a 7-year, \$10 million-per year printing contract following their second year of performance. Termination of the license agreement was obtained following a full arbitration of the matter, and the printing agreement was terminated by subsequent settlement.

### **Computerized Ticket Distribution Antitrust cases; Department of Justice Inquiry into Computerized Ticket Distribution**

As counsel to Bay Area Seating Services (BASS), persuaded the United States Justice Department to take no action with regard to complaints (including the complaint of the rock group Pearl Jam) against the computerized ticket distribution industry. Also acted as counsel in the California class actions challenging computerized ticket distribution practices.

### **Rudolph & Sletten v. DPR Construction**

Retained by Rudolph & Sletten, the premier California construction company for high-tech plants and facilities, to seek damages from former executives who had left the company with know-how, customer and prospect lists and

employee information. Obtained a \$7 million recovery for the client.

#### **Alexander, et al. v. Masters Institute**

Retained by a vocational school to defend 170 individual claims by former students alleging fraud in connection with their vocational education. After the voluntary or court-ordered dismissal of nearly 100 plaintiffs' actions, the remainder of the plaintiffs were dismissed by the Santa Clara Superior Court as a result of a motion brought based upon discovery abuse. This unique dismissal ruling was discussed in a feature article in the Daily Journal on May 24, 2000. Dismissal was upheld by the California Court of Appeal.

#### **California Corporations Code section 2000 Proceeding**

Represented one of two 50% shareholders in what appears to be one of the largest disputed dissolutions of a privately held corporation in the history of California.

#### **Tri-Valley Growers Litigation**

Represented the former president of Tri-Valley Growers, formerly the largest agricultural co-op in the United States, defending claims in excess of \$100,000,000.

#### **Ida Eu v. Regents of the University of California**

Retained by the Regents to represent them on appeal from a judgment in their favor in their most high profile sexual harassment case. Prevailed in the California Court of Appeal.

#### **Lillick & Charles v. Pillsbury, Madison & Sutro**

Retained by the San Francisco law firm of Lillick & Charles to attempt to enjoin the use of the "Lillick" name in the merger between Pillsbury, Madison & Sutro and Lillick & McHose, and succeeded in doing so.

#### **Olympic Club v. Lloyds of London**

Retained by Lloyds of London to dispute the Olympic Club's entitlement to insurance coverage in its defense of claims by the City and County of San Francisco of race and sex discrimination. Won in the Federal District Court, and the case was affirmed on appeal by the Ninth Circuit Court of Appeals.

#### **The People of the State of California v. Honig**

Retained by former California State Superintendent of Public Instruction Bill Honig and successfully represented him in connection with reducing his four-count felony sentence to misdemeanors.

## **Publications/Speaking**

Mr. Shartsis has lectured widely on legal matters, having appeared on programs sponsored by PLI, CEB, The Rutter Group, CLE International, the California Judges Association, the Special Practice Institute of the Litigation Section of the American Bar Association, the American Bar Association Annual Meeting, the Association of Business Trial Lawyers, The American Lawyer, Thomson-Reuters, and the Construction Superconference. Mr. Shartsis has been the featured speaker in the Rutter Group's bi-annual Northern California program on trial preparation and tactics. Mr. Shartsis has performed trial demonstrations, lectured on presenting and deposing expert witnesses, presented a program to judges on "cutting edge" evidence, and lectured on developments in alternative dispute resolution. Mr. Shartsis has presented numerous programs on the use of computerized trial graphics for simplifying jury presentations. Mr. Shartsis pioneered in training state and federal judges in modern settlement techniques. Mr. Shartsis addressed the Municipal Waste Management Association of the U.S. Conference of Mayors on the landmark case of PhRMA v. Alameda County, in which he successfully represented Alameda County. Mr. Shartsis has also made presentations on law firm management.

Mr. Shartsis has published on a number of legal and professional matters, and is a leading authority on statutory

buy-outs of shareholders of privately held companies. His two articles on statutory buyouts are: [\*Dissolution Actions Yield Less than Fair Market Enterprise Value \(Appraising for "Fair Value" under California Corporations Code Section 2000\)\*](#) and [\*Using California Corporations Code Section 2000 to Resolve 50-50 Shareholder Deadlocks in Privately Held Corporations.\*](#)

#### **5.18.20 / Media**

Hurricane Protection Straps Suit Blown Out Of Court

#### **4.3.14 / Media**

Drugmakers seek to block disposal rule

#### **6.1.09 / Media**

The Art of Being Independent

#### **1.28.09 / Media**

Mixing Client, Business Ends Badly

## Professional Activities

Mr. Shartsis is the founding President of the Association of Business Trial Lawyers of Northern California, an organization of over 1,600 lawyers specializing in business litigation and trials.

Mr. Shartsis served as an elected director and president of the San Francisco Bay Area Rapid Transit District (BART). He also served on the Executive Committee of the Mayor's Task Force which helped restructure the San Francisco Municipal Railway public transit system.

Mr. Shartsis has been a founding member of a number of public organizations, including California Lawyers For The Arts, The Henry's Fork Foundation, and The Center Stage Ticket Foundation. He has also served on the boards of the International House at U.C. Berkeley and the U.C. Berkeley Alumni Association, the Berkeley Law Alumni Association and was Co-Chair of the Berkeley Law Centennial.

Mr. Shartsis' pro bono activities include serving as co-counsel with Professor (and later Justice) Frank Newman on one of the first international human rights cases brought at the United Nations, involving the torture of political prisoners.

Mr. Shartsis is the coach of the University of California mock trial program, one of the top college programs in the country.

## Education

University of California, Berkeley  
A.B., with honors, Valedictorian, 1967

Oxford University, 1968

University of California, Berkeley  
Boalt Hall School of Law  
J.D., 1971

## Admissions

California State Bar

All California State Courts

California Supreme Court

U.S. District Court for the Northern, Eastern and Central Districts of California

U.S. District Court for the Southern District of New York

Ninth Circuit Court of Appeals

United States Supreme Court

## Accolades

Mr. Shartsis has been listed as a litigator in *Best Lawyers in America* since 1991. The Los Angeles and San Francisco Daily Journal identified Mr. Shartsis in its special American Bar Association Convention Edition as one of the top 14 litigators in California. He has been named as one of the top 100 Northern California Super Lawyers. In 2004 he received the “Distinguished Jurisprudence Award” from the Anti-Defamation League, and in 2013 he received the Judge Learned Hand Award from the American Jewish Committee.

