



## Grace A Carter

Senior Counsel, Litigation Department

gracecarter@paulhastings.com

**Grace Carter**, a senior counsel in the Paul Hastings Litigation practice in San Francisco, has practiced extensively in both state and federal courts in the area of class actions and complex commercial litigation. The clients represented by Ms. Carter include health care organizations, financial services companies, mutual funds, investment advisors, hedge funds, publishing companies, manufacturers and energy companies, as well as corporate officers and directors. Ms. Carter has successfully represented clients in shareholder class action lawsuits, derivative litigation, investigations by government and self-regulatory organizations, and internal investigations.

Ms. Carter's litigation experience includes suits dealing with business torts, insurance coverage, breach of fiduciary duty, securities fraud, ERISA violations, contract, and fraud. In addition, she has defended numerous clients in cases brought under California's Unfair Business Practices Act (Business & Professions Code Sections 17200 and 17500, *et seq.*) and Consumer Legal Remedies Act (Civil Code Section 1750, *et seq.*).

### Recent Representations

#### Representative Complex Litigation and Class Action Matters:

- Won a dismissal and successfully resolved a federal data breach suit against a healthcare information technology company under the California Confidentiality of Medical Information Act ("CMIA").
- Led a team that obtained summary judgment in favor of an investment advisor in a significant ERISA class action involving claims of excessive fees, failures to disclose, and breach of fiduciary duties, eliminating all but one minor claim which was later dismissed by the plaintiff. *Kanawi v. Bechtel Corp., Fremont Investment Advisors, Inc., et al.*, 590 F. Supp. 2d 1213 (Nov. 3, 2008).
- Served as co-lead trial counsel with a multi-disciplinary team in a product liability failure to warn case. The trial resulted in a jury verdict win for the client, an automotive insulation manufacturer, for \$122 million. *CTA Acoustics, Inc., v.*

### San Francisco

T: 1(415) 856-7015

F: 1(415) 856-7115

### Practice Areas

Internet of Things  
Securities Litigation  
Complex Litigation and  
Arbitration  
Investment Management  
Class Actions  
Litigation

### Admissions

California Bar

### Languages

French

### Education

University of California,  
Berkeley, B.A. 1977  
University of California,  
Berkeley, School of Law, J.D.  
1981

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Borden Chemical, Inc. (Circuit Court, Kentucky, May 21, 2007).

- Defended a large health care company in a class action in California state court claiming unfair competition and false advertising. Ms. Carter and her team successfully obtained rulings decertifying a class of over 1 million putative class members, and striking all claims for monetary relief against the client, leading to final resolution of all claims.
- Represented a hedge fund manager in conducting an internal investigation and responding to a government inquiry from a foreign securities regulator relating to alleged inappropriate trading activities involving foreign securities.
- Represented a hedge fund and its chief investment officer in an insider trading investigation.
- Defended a corporate officer sued in over 50 consolidated federal securities class actions arising out of the merger of a healthcare products manufacturer and a medical software company in federal securities class, in ERISA-related follow-on actions, and in state securities law actions.
- Represented a corporate client as part of a team in multi-party federal litigation involving billion-dollar claims filed as an outgrowth of the Orange County bankruptcy, in which the First Amendment status of published debt ratings was confirmed. The case was later resolved for a nominal sum equivalent to the return of the fees paid by Orange County to the client. In re County of Orange and related cases, United States District Court, Central District of California, Case No. SACV 96-0765 (1999).

### **Representative Insurance Coverage Matters:**

- Ms. Carter has extensive experience in resolving complex insurance coverage disputes. Her experience includes taking the leading role in negotiation of multi-party settlements involving directors and officers (D&O), errors and omissions (E&O), fidelity coverage, fiduciary liability, environmental, toxic tort, construction defect, product liability, business interruption, advertising injury, and numerous other types of insurance coverage.
- In addition to her co-lead role at trial in CTA Acoustics, Inc., v. Borden Chemical, Inc. (Circuit Court, Kentucky, May 21, 2007), Ms. Carter led the team in a successful effort to business interruption and property damage coverage for the \$120 million loss incurred by the client manufacturer.
- Other recent representations include leading a construction products company's successful recovery of multi-million dollar losses in a governmental investigation, spearheading a foreign manufacturer's effort to recoup losses for trade secret proceedings, and obtaining a manufacturer's full reimbursement for large losses incurred under a fidelity policy.
- She also has extensive experience in advising boards and company management and conducting negotiations with insurers on D&O, E&O and

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other coverages.

### **Speaking Engagements and Publications**

Ms. Carter has written and spoken on commercial litigation, investment management liabilities, securities litigation, and insurance coverage. Selected publications as author or co-author include:

- Retailers in California Face New Scrutiny in Light of Pineda v. Williams-Sonoma Stores, Inc. (published in Financial Fraud Law Report, A. S. Pratt & Sons, May 2011).
- Supreme Court to Review Direct Liability of Investment Advisor for Prospectus Disclosure (Stay Current Paul Hastings Client Alert August 2010) (on Janus Capital Group v. First Derivative Traders decision).
- South Cherry Street, LLC v. Hennessee Group LLC: Investment Advisor Not Liable For Securities Fraud In Recommending Hedge Fund That Was Part Of A Ponzi Scheme (August 2009 Client Alert).
- Selective Waiver Falls Again: The 10th Circuit's Decision in Qwest Communications (published in White Collar Crime, Andrews Litigation Reporter, October 2006).
- In addition, Ms. Carter and other members of the Securities Litigation Practice Group co-authored Securities Litigation: A Practical Guide (Oceana 2004), a book designed for general counsel.

### **Professional and Community Involvement**

- Throughout her career, Ms. Carter has actively participated in organizations representing disadvantaged persons. She formerly served as a member of the Judiciary Committee of the Bar Association of San Francisco, was a member of the State Bar Administration of Justice Committee and worked pro bono with several legal services groups.
- Currently, Ms. Carter serves as a Board member and Board Vice Chair of the Western Center on Law & Poverty, an organization devoted to impact litigation and legislative advocacy in the areas of housing, healthcare and safety net for low-income California residents.
- She also serves as Board Chair of Raising A Reader, San Francisco and Alameda Counties, which furthers early literacy for disadvantaged children.
- She frequently advises clients on matters involving professional responsibility and privilege issues, and has served for several years as a member of the Firm's Professional Responsibility Committee.

### **Education**

- Received her J.D. degree from University of California at Berkeley School of

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Law (Boalt Hall) in 1981.

- Received her B.A. degree, with great distinction from the University of California at Berkeley in 1977.

## News

### January 08, 2014

Paul Hastings Represents Fisher Brothers in Acquisition of Additional Interests in Manhattan Office Buildings

### August 14, 2013

Paul Hastings Provides Pro Bono Support in a Class Action against Contra Costa County Juvenile Hall for Depriving Disabled Youth Education

### February 01, 2013

Paul Hastings Team Assists Korean Air Lines With Major Development Project

### August 16, 2010

Best Lawyers Names 91 Lawyers to 2011 Edition of Rankings

## Insights

### September 28, 2016

Final Regulations Clarify Definition of “Real Property” for REIT Purposes

### December 21, 2015

Hedge Fund Report: Summary of Key Developments - Fall 2015

### June 01, 2015

Hedge Fund Report - Summary of Key Developments - Spring 2015

### December 23, 2014

Hedge Fund Report—Summary of Key Developments—Fall 2014

### May 16, 2014

Hedge Fund Report - Summary of Key Developments - Spring 2014

### November 08, 2013

Settling With Named Plaintiffs in Federal Class Actions: Does Timing Matter?

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**October 09, 2013**

Hedge Fund Report: Summary of Key Developments - Fall 2015

**April 25, 2013**

Hedge Fund Report - Summary of Key Developments - Spring 2013

**April 16, 2013**

The Untold Tale: American Pipe Tolling in the Wake of Dukes v. Wal-Mart

**December 06, 2012**

Emerging Trends in Class Action Settlements in the Ninth Circuit

**December 05, 2012**

Hedge Fund Report - Summary of Key Developments - Fall 2012

**April 25, 2012**

In re Pacific Pictures Corp.: Ninth Circuit Rejects Selective Waiver of Attorney-Client Privilege

**June 27, 2011**

Bifurcated Discovery in Class Actions: An Effective Strategy to Prevent the Continuation of the Unmeritorious Lawsuit

**June 14, 2011**

An Investment Adviser Cannot Be Sued in Private Action Under Rule 10B-5 for Inaccurate Statements in a Mutual Fund Prospectus

**April 25, 2011**

Hedge Fund Report Summary of Key Developments - Spring 2011

**March 14, 2011**

Retailers in California Face New Scrutiny of Credit Card Transactions in Light of Pineda v. Williams-Sonoma Stores, Inc., 51 Cal. 4th 524 (2011)

**January 31, 2011**

SEC Adopts First of ABS Disclosure Regulations

**October 29, 2010**

Hedge Fund Report Summary of Key Developments Fall 2010

**August 02, 2010**

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Supreme Court to Review Direct Liability of Investment Adviser for Prospectus Disclosure

### **April 01, 2010**

Supreme Court Unanimously Reinforces *Gartenberg* Approach in Investment Company Adviser Fee Cases

### **August 10, 2009**

Investment Advisor Not Liable for Securities Fraud in Recommending Hedge Fund That Was Part of a Ponzi Scheme

### **April 13, 2009**

More Subprime Fallout: Court Finds Private Right of Action Under Investment Company Act of 1940 for Violation of Investment Objectives

### **June 02, 2008**

The Future of *Gartenberg*: A New Approach in Evaluating Investment Adviser Fees

### **October 17, 2007**

Webinar Held on Rule 12b-1 Fees: Past, Present and Future

### **April 12, 2005**

Arbitration and Preemption: California Supreme Court and Ninth Circuit Issue Two Key Rulings

### **February 02, 2004**

California Attorney General Uses New Watchdog Powers In the Mutual Fund Arena

### **March 01, 2001**

California Supreme Court Ruling Impacts Organizations Subject to Environmental Cleanup Orders