

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No. 2:25-cv-07844-RGK-RAO Date December 5, 2025

Title *Omar Abdul-Hameed v. Snap Inc. et al*

Present: The Honorable R. GARY KLAUSNER, UNITED STATES DISTRICT JUDGE

Joseph Remigio	Not Reported	N/A
Deputy Clerk	Court Reporter / Recorder	Tape No.
Attorneys Present for Plaintiff: Not Present	Attorneys Present for Defendants: Not Present	

Proceedings: (IN CHAMBERS) Order Re: Motions for Appointment of Lead Plaintiff and Counsel [18, 22]

I. INTRODUCTION

On August 21, 2025, Omar Abdul-Hameed filed a putative Class Action Complaint against Snap, Inc. (“Snap”), Evan T. Spiegel, and Derek Andersen (collectively, “Defendants”), alleging violations of the Securities Exchange Act. (ECF No. 1.) That same day, pursuant to the requirements under the Private Securities Litigation Reform Act (“PSLRA”), Levi and Korsinsky, LLP, counsel representing Abdul-Hameed, properly published a notice informing potential class members that this action was pending and that they had sixty days to file a motion to seek appointment as lead plaintiff in this action. 15 U.S.C. § 77z-1(a)(3)(A). By the deadline, Abdul-Hameed and Rodney Parsons, another movant, filed competing Motions for Appointment of Lead Plaintiff and Counsel. (ECF Nos. 18, 22.) Abdul-Hameed and Parsons oppose each other’s Motions. (ECF Nos. 24, 25.)

Presently before the Court are Abdul-Hameed and Parsons’ cross Motions for Appointment of Lead Plaintiff and Counsel. (ECF Nos. 18, 22.) For the following reasons, the Court **GRANTS** Abdul-Hameed’s Motion and **DENIES** Parsons’ Motion.

II. FACTUAL BACKGROUND

The following facts are alleged in the Complaint:

Snap is a technology company that operates Snapchat, a visual messaging application. It is listed on the New York Stock Exchange under the symbol “SNAP.” Beginning in April 2025, Defendants made various materially false and misleading statements about Snap’s business, including regarding Snap’s expected advertising revenue and anticipated growth. These statements artificially inflated the market price of Snap stock. In August 2025, Defendants released “disappointing second quarter, fiscal year 2025 results, disclosing that advertising revenue decelerated significantly in the quarter.” (Compl. ¶ 26.) In the wake of this news, Snap’s stock price fell precipitously.

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No. 2:25-cv-07844-RGK-RAO

Date December 5, 2025

Title *Omar Abdul-Hameed v. Snap Inc. et al*

III. JUDICIAL STANDARD

The PSLRA provides a straightforward process for the court’s appointment of a lead plaintiff in a securities class action. *See* 15 U.S.C. § 78u-4; *In re Cavanaugh*, 306 F.3d 726, 729 (9th Cir. 2002). The court “must compare the financial stakes of the various plaintiffs and determine which one has the most to gain from the lawsuit . . . [and] then focus its attention on *that* plaintiff and determine . . . whether he satisfies the requirements of [Federal Rule of Civil Procedure] 23(a), in particular those of ‘typicality’ and ‘adequacy.’” *Id.* at 730 (emphasis in original). Assuming the plaintiff with the largest financial stake can satisfy Federal Rule of Civil Procedure (“Rule”) 23(a)’s typicality and adequacy requirements, they are the presumptive lead plaintiff. *Id.* The presumption may be rebutted only upon proof by a class member that the plaintiff “will not fairly and adequately protect the interests of the class;” or “is subject to unique defenses that render such plaintiff incapable of adequately representing the class.” 15 U.S.C. § 78u-4(a)(3)(B)(iii)(II).

With respect to the appointment of lead counsel, the PSLRA provides: “The most adequate plaintiff shall, subject to the approval of the court, select and retain counsel to represent the class.” 15 U.S.C. § 78-u4(a)(3)(B)(v).

IV. DISCUSSION

A. Lead Plaintiff

Here, Abdul-Hameed and Parsons agree that Abdul-Hameed has the greater financial stake in this matter: he lost approximately \$5,594,523.46 in connection with his purchases of Snap’s securities, whereas Parsons lost \$867,502.95. Thus, the Court focuses its attention on Abdul-Hameed and considers whether he has made a threshold showing that he has met the typicality and adequacy requirements of Rule 23(a).

The typicality requirement of Rule 23(a)(3) is satisfied when the named plaintiff has: (1) suffered the same injuries as the absent class members, (2) because of the same course of conduct, and (3) their claims are based on the same legal issues. *Hanon v. Dataproducts Corp.*, 976 F.2d 497, 508 (9th Cir. 1992). The adequacy requirement of Rule 23(a)(4) is satisfied if the interests of the class representative coincide with those of the class, and the representative can prosecute the action vigorously through the services of competent counsel. *In re Computer Memories Sec. Litig.*, 111 F.R.D. 675, 682 (N.D. Cal. 1986).

Here, Abdul-Hameed purports that his claims are typical of the proposed class because he, like the other class members, acquired Snap securities during the class period at prices allegedly inflated by Defendants’ misleading statements and suffered a loss when those misleading statements came to light. Abdul-Hameed asserts his interests fall within the class definition for this action, which includes “all

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No. 2:25-cv-07844-RGK-RAO

Date December 5, 2025

Title *Omar Abdul-Hameed v. Snap Inc. et al*

investors who purchased or otherwise acquired Snap securities” during the class period. (Reply at 1, ECF No. 27 (quoting Compl. ¶ 1).)

Parsons challenges Abdul-Hameed’s Motion on the grounds that Abdul-Hameed is atypical and inadequate to be the lead plaintiff and is subject to unique defenses because most of his Snap securities transactions were in the form of options contracts. During the class period, Abdul-Hameed transacted Snap common shares thirteen times, earning a total loss of \$1,395,892.24, and in Snap options contracts forty-one times, earning a loss of \$3,209,169.15.

To the Court’s knowledge, the Ninth Circuit has not reached the issue of whether options investors are qualified to be lead plaintiffs. The Court finds that district courts are split as to this question. *See, e.g., Lucid Alternative Fund, LP v. AeHR Test Sys., Inc.*, 2025 WL 880251, at *4 (N.D. Cal. Mar. 19, 2025) (collecting cases on both sides of the issue). Notably, courts have “allowed an options trader to be lead plaintiff when the challenging movant failed to provide evidence ‘suggesting that the nature of his options, the history of their purchase and sale, or some other factor made him inadequate to represent the class.’” *Id.* at *3 (quoting *Hall v. Medicis Pharm. Corp.*, 2009 WL 648626, at *4 (D. Ariz. Mar. 11, 2009)).

There is no dispute that Abdul-Hameed transacted in both common stock and options contracts. Abdul-Hameed argues that this mixed composition of ownership is sufficiently typical to be the named plaintiff for the class in this action, and the Court agrees. Indeed, the class definition for this action is broad, covering those who acquired Snap securities, including options. *See* 15 U.S.C. § 78c(a)(10) (“The term ‘security’ means any note, stock, . . . any put, call, straddle, option or privilege on any security[.]”). Moreover, other than simply pointing to the number of Abdul-Hameed’s options transactions, Parsons does not present any other evidence that would make Abdul-Hameed inadequate to represent the class. Considering the broad class definition and no other evidence was presented demonstrating inadequacy, the Court finds Abdul-Hameed to be an adequate lead plaintiff, “as it sees no basis for a conflict of interest with other class members and no reason to doubt [his] ability to prosecute the action with vigor.” *Lucid Alternative Fund, LP*, 2025 WL 880251 at *4; *see also In re Mersho*, 6 F.4th 891, 899 (9th Cir. 2021) (“The statute requires proof that the presumptive lead plaintiff is not adequate.”). Moreover, since there are “no [apparent] defenses applicable to the common stock holders that are not also applicable to the options holders, the Court is reluctant to disqualify [Abdul-Hameed] simply because he trades in options.” *Hall*, 2009 WL 648626 at *4.

In summary, Abdul-Hameed has the greatest financial interest in the outcome of the case and has satisfied the typicality and adequacy requirements of Rule 23(a). As such, Abdul-Hameed is the presumptive lead plaintiff. Because neither Parsons nor any other class member “provide[d] ‘proof’ that [Abdul-Hameed] will not fairly and adequately protect the interests of the class or is otherwise subject to unique defenses that would render him incapable of doing so,” this presumption has not been rebutted. *Hall*, 2009 WL 648626 at *4 (granting an options trader’s motion to be appointed lead plaintiff).

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No. 2:25-cv-07844-RGK-RAO

Date December 5, 2025

Title *Omar Abdul-Hameed v. Snap Inc. et al*

Accordingly, the Court appoints Abdul-Hameed as lead plaintiff.

B. Lead Counsel

Abdul-Hameed has retained Levi & Korsinsky, LLP as proposed lead counsel for the class. The record reflects that Levi & Korsinsky has extensive experience prosecuting complex securities class actions such as this one. The Court finds no reason to disturb Abdul-Hameed’s choice of counsel.

The Court appoints Levi & Korsinsky as lead counsel.

V. CONCLUSION

Accordingly, the Court **GRANTS** Abdul Hameed’s Motion for Appointment of Lead Plaintiff and Counsel [22] and **DENIES** Parsons’ Motion for Appointment of Lead Plaintiff and Counsel [18]. The Court appoints Abdul-Hameed as lead plaintiff and appoints Levi & Korsinsky as lead counsel.

IT IS SO ORDERED.

Initials of Preparer

: _____

JRE/gz