

1 JAMES N. KRAMER (SBN 154709)  
 jkramer@orrick.com  
 2 ALEXANDER K. TALARIDES (SBN 268068)  
 atalarides@orrick.com  
 3 SUZETTE J. PRINGLE (SBN 273116)  
 springle@orrick.com  
 4 ORRICK, HERRINGTON & SUTCLIFFE LLP  
 The Orrick Building  
 5 405 Howard Street  
 San Francisco, CA 94105-2669  
 6 Telephone: (415) 773-5700  
 Facsimile: (415) 773-5759

7  
 8 Attorneys for Nominal Defendant  
 PayPal Holdings, Inc. and Individual Defendants  
 Daniel H. Schulman, John D. Rainey, Patrick  
 9 L.A. Dupuis, Wences Casares, Jonathan  
 Christodoro, John J. Donahoe, David W.  
 10 Dorman, Gail J. McGovern, David M. Moffett,  
 Pierre M. Omidyar and Frank D. Yeary

11 [additional counsel appear on following page]  
 12

13 UNITED STATES DISTRICT COURT  
 14 NORTHERN DISTRICT OF CALIFORNIA

15 STEPHEN SILVERMAN, derivatively on  
 16 behalf of PAYPAL HOLDINGS, INC.,

17 Plaintiff,

18 v.

19 DANIEL H. SCHULMAN, JOHN D.  
 20 RAINEY, PATRICK L.A. DUPUIS,  
 WENCES CASARES, JONATHAN  
 21 CHRISTODORO, JOHN J. DONAHOE,  
 DAVID W. DORMAN, GAIL J.  
 22 MCGOVERN, DAVID M. MOFFETT,  
 PIERRE M. OMIDYAR, and FRANK D.  
 23 YEARY,

24 Defendants,

25 and

26 PAYPAL HOLDINGS, INC.,

27 Nominal Defendant.  
 28

Case No. 5:17-cv-00162-RS

**STIPULATION AND ~~PROPOSED~~  
 ORDER REGARDING STAY OF  
 CASE PENDING RESOLUTION OF  
 MOTIONS TO DISMISS RELATED  
 SECURITIES CLASS ACTION**

1 Evan J. Smith  
BRODSKY & SMITH, LLC  
2 9595 Wilshire Blvd.  
Beverly Hills, CA 90212  
3 Telephone: (877) 534-2590

4 Jeffrey J. Ciarlanto  
Joseph M. Profy  
5 David M. Promisloff  
PROFY, PROMISLOFF & CIARLANTO, P.C.  
6 100 N. 22<sup>nd</sup> Street, Unit 105  
Philadelphia, PA 19103  
7 Telephone: (215) 529-5156

8 Alfred G. Yates, Jr.  
Gerald L. Rutledge  
9 LAW OFFICE OF ALFRED G. YATES, JR., P.C.  
519 Allegheny Building  
10 429 Forbes Avenue  
Pittsburg, PA 15219  
11 Telephone: (412) 391-5164

12 *Attorneys for Plaintiff Stephen Silverman*  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

1 WHEREAS, on January 12, 2017, Plaintiff Stephen Silverman filed this putative  
2 shareholder derivative action lawsuit (“Action”) purportedly on behalf of PayPal Holdings, Inc.  
3 (“PayPal”) asserting claims for breach of fiduciary duty, unjust enrichment and violations of  
4 Section 14(a) of the Securities Exchange Act of 1934 against Daniel H. Schulman, John D.  
5 Rainey, Patrick L.A. Dupuis, Wences Casares, Jonathan Christodoro, John J. Donahoe, David W.  
6 Dorman, Gail J. McGovern, David M. Moffett, Pierre M. Omidyar and Frank D. Yeary (the  
7 “Individual Defendants”);

8 WHEREAS, on December 28, 2016, a related putative securities class action lawsuit  
9 captioned *Cho v. PayPal Holdings, Inc., et al.*, Case No. 3:16-cv-07371-RS (N.D. Cal.) (“Related  
10 Securities Class Action”) was filed in this Court against PayPal and certain of the Individual  
11 Defendants, alleging violations of the federal securities laws based on substantially the same facts  
12 and circumstances at issue in this Action;

13 WHEREAS, on February 8, 2017, the Court entered an order formally relating this Action  
14 with the Related Securities Class Action;

15 WHEREAS, the outcome of the anticipated motions to dismiss the Related Securities  
16 Class Action will be informative to the litigation of this Action;

17 WHEREAS, the defendants in the Related Securities Class Action intend to file motions  
18 to dismiss directed at the pleadings pursuant to Fed. R. Civ. P. 12(b)(6) and the Private Securities  
19 Litigation Reform Act of 1995;

20 WHEREAS, the parties agree that a stay of this Action pending resolution of the  
21 anticipated motions to dismiss directed at the pleadings in the Related Securities Class Action is  
22 appropriate in that it will avoid inefficiencies and duplicative efforts, will better preserve the  
23 resources of the Court and the parties, and will more closely align the proceedings in this Action  
24 with the proceedings in the Related Securities Class Action;

25 IT IS HEREBY STIPULATED AND AGREED, by and among the parties listed below,  
26 by their undersigned counsel, subject to approval of the Court, as follows:

27 1. The parties agree that a temporary stay of this Action pending resolution of the  
28 anticipated motions to dismiss directed at the pleadings in the Related Securities Class Action is

1 appropriate in that it will avoid inefficiencies and duplicative efforts, will better preserve the  
2 resources of the Court and the parties, and will more closely align the proceedings in this Action  
3 with the proceedings in the Related Securities Class Action.

4 2. The proceedings in this Action shall be temporarily stayed pending the ruling on  
5 the anticipated motions to dismiss directed at the pleadings filed in the Related Securities Class  
6 Action; the stay shall remain in effect until thirty (30) days following the filing of an order  
7 resolving those motions to dismiss.

8 3. Plaintiff will have thirty (30) days from the filing of an order ruling on the motions  
9 to dismiss filed in the Related Securities Class Action to file an amended complaint in this  
10 Action. PayPal and/or the Individual Defendants will answer, move against, or otherwise respond  
11 to the amended complaint within thirty (30) days after Plaintiff files the amended complaint.

12 4. In the event that PayPal and/or the Individual Defendants file and serve any  
13 motions directed at the amended complaint, Plaintiff shall file and serve his opposition within  
14 thirty (30) days after service of PayPal's and/or the Individual Defendants' motion(s). If PayPal  
15 and/or the Individual Defendants file and serve replies to Plaintiff's opposition, they will do so  
16 within fifteen (15) days after service of Plaintiff's opposition. Counsel agree to confer to select a  
17 hearing date.

18 5. Any party may cause the stay to be lifted upon 30 days' written notice, after which  
19 point the briefing schedule set forth in paragraphs 3 and 4 will be in effect starting on the date the  
20 Court enters an order lifting the stay

21 6. In the event that a mediation is held in an effort to settle the Related Securities  
22 Class Action during the pendency of the stay, counsel for PayPal and/or the Individual  
23 Defendants shall provide Plaintiff's counsel with reasonable notice of said mediation.

24 7. Counsel for PayPal and/or the Individual Defendants will notify Plaintiff's counsel  
25 if any other shareholder derivative proceedings are initiated on behalf of PayPal based on the  
26 same set of facts alleged in this Action.

27  
28

1 Dated: February 8, 2017

JAMES N. KRAMER  
ALEXANDER K. TALARIDES  
SUZETTE J. PRINGLE  
Orrick, Herrington & Sutcliffe LLP

2  
3  
4 /s/ Alexander K. Talarides  
ALEXANDER K. TALARIDES

5 Attorneys for Nominal Defendant  
6 PayPal Holdings, Inc., and Individual Defendants  
7 Daniel H. Schulman, John D. Rainey, Patrick L.A.  
8 Dupuis, Wences Casares, Jonathan Christodoro, John  
9 J. Donahoe, David W. Dorman, Gail J. McGovern,  
10 David M. Moffett, Pierre M. Omidyar and Frank D.  
11 Yeary

12 *I, Alexander K. Talarides, am the ECF user whose ID and password are being used to file  
13 this Stipulation and [Proposed] Order Regarding Stay of Case Pending Resolution of Motions to  
14 Dismiss Related Securities Class Action. In compliance with General Order 45, X.B., I hereby  
15 attest that Evan J. Smith has concurred in this filing.*

16 Dated: February 8, 2017

EVAN J. SMITH  
BRODSKY & SMITH, LLC

17 /s/ Evan J. Smith  
18 EVAN J. SMITH

19 Attorneys for Plaintiff Stephen Silverman

20 \*\*\*

21 ORDER

22 Based on the stipulation of the signed parties, and good cause appearing, IT IS HEREBY  
23 ORDERED that the Stipulation is approved.

24 It is so ORDERED.

25 DATED: 2/8/17

26 

27 THE HONORABLE RICHARD SEEBORG  
28 UNITED STATES DISTRICT JUDGE