

# Pinterest Diversity Suits Multiply

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Late last month, a new batch of plaintiffs filed a stockholder derivative suit against Pinterest, Inc., in Delaware Chancery Court, making similar allegations to those made in a pair of cases filed in the Northern District of California in 2019.

The plaintiffs allege that Pinterest executives ignored and failed to correct systemic race and gender discrimination across the company and retaliated against employees who voiced concerns about the problem.

As previously covered [here](#), public reports that two Black women left the company in May 2020, combined with gender-discrimination allegations by the former Chief Operating Officer (COO), led to complaints that Pinterest executives breached their fiduciary duties through their alleged unequal treatment of women and minorities. Although the COO eventually settled her own claims against Pinterest, the derivative actions have moved forward. Since our last update, the two cases filed in the Northern District of California have been consolidated.

Like the California plaintiffs, the Delaware plaintiffs have alleged that requirements under Delaware Corporate law that stockholders first demand corporate board action on their complaints before filing their own surrogate suits were excused as futile. The plaintiffs claim such actions would be futile because the board members are loyal to the company's Chief Executive Officer, defendant Benjamin Silbermann.

One can only speculate on the reasons behind the new filing. Pinterest, a Delaware corporation, maintains corporate headquarters in San Francisco. When public corporations are involved, derivative actions are sometimes subject to a forum selection clause in the company's certificate of incorporation or by-laws, which limits potential suits to the local court in the state of incorporation. Should that be the case here, we could expect Pinterest to raise it as a potential defense in the California actions.

We will continue to provide updates as these cases move forward.

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