Parsing Rule 12(c) Motion Overuse In Securities Class Actions

By **Lauren Ormsbee, Jesse Jensen and Charles Stiene** (April 3, 2026)

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Thirty years ago, Congress passed the Private Securities Litigation Reform Act, which, among other things, introduced heightened pleading standards for claims filed pursuant to the Securities Exchange Act.

Given this elevated pleading burden, defendants have unsurprisingly challenged nearly every class action complaint brought under the Exchange Act with a motion to dismiss for the failure to state a claim upon which relief can be granted under Rule 12(b)(6) of the Federal Rules of Civil Procedure 12(b)(6).

Particularly given that the PSLRA also provides an automatic stay of discovery pending the resolution of any motions to dismiss in such actions, these Rule 12(b)(6) motions seek to end a case before discovery can begin. Further, these challenges often succeed in securities class actions, with a 30-year dismissal rate of 52%,[1] which has increased over the past decade to 62%.[2]

Beyond Rule 12(b)(6), Rule 12 also provides other ways to challenge a complaint, including motions for judgment on the pleadings under Rule 12(c) of the Federal Rules of Civil Procedure. While Rule 12(b)(6) refers to the "failure to state a claim upon which relief can be granted" and Rule 12(c) refers to "judgment on the pleadings," motions under either rule essentially address the same analysis — the legal sufficiency of the allegations — and carry the same standard of review.

The primary difference is timing: Rule 12(b)(6) motions to dismiss must be filed before serving an answer, while Rule 12(c) motions must be filed only "[a]fter the pleadings are closed," i.e., after an answer is filed, "but early enough not to delay trial."[3]

Likely in light of both the legal overlap and fact that defendants nearly always file Rule 12(b)(6) motions, Rule 12(c) motions in securities class actions have historically been rare: If defendants raise all of their meritorious arguments challenging the legal sufficiency of a complaint in a Rule 12(b)(6) motion, often with success, what is left for a Rule 12(c) motion that has not already been raised and decided?

However, over the past several years — as illustrated most recently in the U.S. District Court for the Central District of California's Jan. 22 rejection of a Rule 12(c) motion in Indiana Public Retirement System v. Rivian Automotive Inc. — securities class action defendants have filed an increasing number of Rule 12(c) motions soon after courts deny, in full or in part, their Rule 12(b)(6) motions.

This article examines this trend and considers why and to what effect defendants have turned to these often-duplicative Rule 12(c) motions. We posit that defendants have increasingly dusted off this tool in their tool kit for a few possible reasons, including backdoor attempts to use Rule 12(c) as relatively less onerous proxies for reconsideration,

as well as expansive interpretations offering the potential to postpone discovery for months, if not longer.

However, several courts have cast doubt on these attempts in recent opinions, including in Rivian, and have heightened concerns that Rule 12(c) motions are improper tools to relitigate already-decided issues and do not provide any justification to further prolong discovery once a court has already ruled on the legal sufficiency of claims in denying a Rule 12(b)(6) motion. These opinions should caution against the overuse of these motions going forward.

A Substantial Increase in Largely Unsuccessful Rule 12(c) Motions

Our empirical review of Rule 12(c) motions filed in federal securities class actions over the past decade — 2016 through 2025 — makes clear that defendants have increased their Rule 12(c) motion filings.[4] Indeed, in just the past five years, the number of Rule 12(c) motions filed by defendants — after their Rule 12(b)(6) motions failed — increased by 75% compared to the five years prior: from 20 motions in 2016-2020, to 35 motions in 2021-2025.[5]

At the same time, however, courts appear to be growing increasingly skeptical of the merits of the subsequent Rule 12(c) challenges. For the 20 Rule 12(c) motions filed between 2016 and 2020, courts granted in full nine, and in part three, of the motions.[6]

These results reversed themselves over the past five years. Of the 35 Rule 12(c) motions filed between 2021 and 2025, courts granted in full only six and granted in part only three motions, with 20 Rule 12(c) motions denied in full, while six remain pending, withdrawn or unaddressed prior to settlement. These numbers show a converse relationship between defendants' inclination to file Rule 12(c) motions and courts' inclination to grant Rule 12(c) motions.[7]

To better understand the current dynamics of Rule 12(c) challenges, this article examines the 18 Rule 12(c) opinions issued over a two-year period since the start of 2024. Ten Rule 12(c) motions were denied in full, including an appeals court reversal of the granting of a Rule 12(c) motion;[8] three were denied in part and granted in part;[9] four were granted in full;[10] and one was denied as moot in the wake of an agreement to settle.[11]

Reconsideration Motions Masquerading as Rule 12(c) Motions

Rules 12(b)(6) and 12(c) both challenge the legal sufficiency of a complaint using the same test, differing only in timing (pre- versus postanswer): "[I]n each case, the court must 'accept as true the complaint's factual allegations and draw all inferences in the plaintiff's favor,'" according to the U.S. Court of Appeals for the Second Circuit's 2006 decision in Cleveland v. Caplaw Enterprises.[12]

This means that a secondary Rule 12(c) motion requires no greater standard of review than a Rule 12(b)(6) motion.

In contrast, a party directly challenging the disposition of a Rule 12(b)(6) motion through a motion for reconsideration faces a significantly heavier burden: (1) an intervening change in controlling law; (2) new evidence not previously available; or (3) a clear error of law or to prevent manifest injustice.[13]

The federal rules do not prohibit parties from filing separate motions under Rule 12(b)(6)

and Rule 12(c). That does not mean, however, that courts allow pure relitigation of identical legal issues, which would amount to the proverbial second bite at the apple. This is even more true when the Rule 12(c) motion raises arguments that could have and should have been raised, if at all, under the more stringent pleading standards of a reconsideration motion of the Rule 12(b)(6) opinion.

As noted above, out of 18 recent Rule 12(c) opinions, the district court denied defendants' motions in full 11 times, and in part an additional three times. In six out of these 14 opinions, discussed below, the district court specifically concluded that defendants' Rule 12(c) motions were transparent attempts to relitigate the law of the case and seek reconsideration of the Rule 12(b)(6) opinions without invoking the heightened reconsideration elements.

On March 21, 2025, the U.S. District Court for the Western District of Texas in Schneider v. Natera Inc. expressly criticized defendants for "attempting to take a second bite at the apple" by filing a Rule 12(c) motion to relitigate issues that "have already been decided" based on the "same standard" as the Rule 12(b)(6) motion to dismiss.[14]

Similarly, in Glazing Employers and Glaziers Union Local #27 Pension and Retirement Fund v. iRhythm Technologies Inc., the U.S. District Court for the Northern District of California on Nov. 7, 2025, denied a Rule 12(c) motion because defendants' arguments were "barred by the law of the case doctrine," and observed that while the defendants "should have moved for leave to file a motion for reconsideration" to challenge the Rule 12(b)(6) decision, "they could not have successfully done so," given the strict standard for such motions.[15]

In Pampena v. Musk, the Northern District of California, on Aug. 5, 2024, similarly denied the defendants' Rule 12(c) motion "based on the law of the case doctrine," finding the motion did not meet any standards for reconsideration of the court's Rule 12(b)(6) motion.[16]

In denying in part the defendants' Rule 12(c) motions in Underwood v. Coinbase Global Inc. and Local 272 Labor-Management Pension Fund v. Walt Disney Co., the U.S. District Court for the Southern District of New York and the Central District of California, respectively, also criticized the defendants' tactics, observing in Coinbase on Feb. 7, 2025, that "[m]uch of Defendants' arguments here do appear to be a rehashing of their Motion to Dismiss,"[17] and converting on May 20, 2025, the Rule 12(c) motion in Walt Disney to a motion for reconsideration "[b]ecause Defendants' Motion requests the Court consider the same arguments for dismissal it previously considered under the motion to dismiss."[18]

Most recently, the Central District of California in Rivian denied the defendants' Rule 12(c) motion on the grounds that they simply raised again arguments the court had already rejected at the Rule 12(b)(6) motion to dismiss stage. The court firmly rejected the defendants' attempt to justify a second bite at the apple based on the U.S. Court of Appeals for the Ninth Circuit's Aug. 20, 2025, ruling in Sneed v. Talphera Inc., finding that the decision "did not create new case law or clarify existing case law" regarding the issue at hand.[19]

By contrast, when courts granted defendants' Rule 12(c) motions in full or in part, they based their decisions largely on case-specific circumstances.

For example, on March 7, 2025, the Southern District of New York in Lian v. Tuya Inc. granted the Rule 12(c) motion after finding that its Rule 12(b)(6) motion to dismiss

ruling had created confusion by inadvertently failing to analyze whether the misstatements at issue were actually false and misleading as a matter of law.[20]

Likewise, the U.S. District Court for the Southern District of California in In re: Dexcom Inc. Class Action Securities Litigation on Jan. 7, 2026, granted the Rule 12(c) motion after the court's Rule 12(b)(6) motion to dismiss order inadvertently failed to dismiss an individual defendant who made no actionable misstatement, and further had not addressed the falsity of the alleged misstatements.[21]

Other rulings are likewise idiosyncratic, concerning arguments raised by newly hired counsel[22] or for which the court had expressly reserved judgment at the motion to dismiss.[23]

Rule 12(c) Motions as Attempted Means to Further Delay Discovery

While permitted, sequential motions under Rule 12(b)(6) and then Rule 12(c) arguably implicate one critical aspect unique to private securities litigation: the automatic stay of discovery provided by the PSLRA.

The PSLRA deviates from ordinary civil procedure by requiring that "all discovery and other proceedings shall be stayed during the pendency of any motion to dismiss," with only certain exceptions.[24] In the three decades since the PSLRA became law, both parties and courts presented with the issue generally agreed that the PSLRA's reference to "any motion to dismiss" encompassed any Rule 12(b)(6) motion.[25]

Consequently, opinions denying Rule 12(b)(6) motions became a meaningful inflection point, as the automatic discovery stay allowed defendants to delay the substantial costs and burdens of discovery until a court weighed in on whether a case was legally sufficient, accepting the alleged facts as true. However, once a case is deemed legally sufficient following a Rule 12(b)(6) motion, the parties dive into fact discovery, class certification, expert discovery, summary judgment and trial, with a settlement most often occurring at some stage before trial if the case survives a Rule 12(b)(6) motion.

Rule 12(c) motions are not commonly characterized as motions to dismiss. Instead, such motions are more ordinarily described — consistent with the text of Rule 12(c) itself — as motions for judgment on the pleadings. Thus, a Rule 12(c) motion does not facially trigger — or retrigger — the PSLRA discovery stay.

However, in 2012 — nearly two decades after the enactment of the PSLRA — the U.S. District Court for the Eastern District of New York held in Gardner v. Major Automotive Companies that the PSLRA automatic discovery stay was "triggered by defendants' Rule 12(c) motion," embracing a novel interpretation put forward by the defendants that Rule 12(c) motions are a "species of motion to dismiss" contemplated by the PSLRA merely because such motions "employ[] the same standard" as Rule 12(b)(6).[26] After Gardner, several other courts adopted its reasoning and extended the PSLRA discovery stay through the pendency of the Rule 12(c) motion.[27]

If unchecked, a ticket to delay discovery could be sufficient justification for defendants to file a Rule 12(c) motion, even if the Rule 12(c) motion simply relitigates already-decided issues. However, two recent Northern District of California decisions within the Ninth Circuit provide compelling reasoning to reject discovery stay efforts.

First, in In re: Facebook Inc. Securities Litigation, the court found on Feb. 19, 2025, that

the PSLRA stay "does not apply when there is a post-answer motion for judgment on the pleadings under Rule 12(c)," because the plaintiffs' claims were already found "to be properly stated" at the motion to dismiss stage.[28]

Later in 2025, the court in iRhythm went even further, ruling that a Rule 12(c) motion is not a motion to dismiss that qualifies for the PSLRA discovery stay.[29]

Should other courts likewise depart from the expansive interpretation embraced in Gardner and reject requests to extend the discovery stay, a key benefit to defendants of Rule 12(c) motions would disappear.

Conclusion

The growing overuse of procedurally improper or nonmeritorious Rule 12(c) motions should serve as a cautionary tale.

Courts have demonstrated an increasing willingness to reject Rule 12(c) motions that are nothing more than transparent attempts to relitigate already-decided issues. Defendants that pursue this strategy risk not only denial, but also pointed criticism from the bench for circumventing the proper procedural channels.

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[1] Securities Class Action Clearing House, STAN. L. SCH., https://securities.stanford.edu/stats.html (last visited on Mar. 16, 2026).

[2] Edward Flores, et al., Recent Trends in Securities Class Action Litigation: 2025 Full-Year Review, NAT'L ECON. RSCH. ASSOCS., INC. (Jan. 21, 2026) (describing how, between 2016 and 2025, motions to dismiss were granted in full in 62% of cases, partially granted in 21% of cases, and denied in full in only 17% of cases).

[3] Fed. R. Civ. P. 12(c).

[4] This study is limited to Rule 12(c) motions filed by defendants after their Rule 12(b)(6) motion to dismiss was denied, at least in part, in federal securities class actions that involve solely claims under the Securities Act of 1933 and/or the Securities Exchange Act of 1934.

[5] The acceleration in Rule 12(c) motion filings over this period is even more remarkable considering that, according to Cornerstone, the number of securities class action filings, in federal and state courts, actually decreased from the prior five-year period. See Securities Class Action Filings – 2025 Year in Review (Cornerstone Research 2026), at 29 (Appendix 1: Filings Basic Metrics).

[6] Of the 20 identified Rule 12(c) motions filed by defendants from 2016 through 2020, nine of the 20 (45%) Rule 12(c) motions were granted in full, eight of the 20 (40%)

motions were denied, and three of the 20 (15%) motions were granted in part and denied in part.

[7] Of the 35 identified Rule 12(c) motions filed by defendants from 2021 through 2025: 20 of the 35 Rule 12(c) motions were denied (57%), 6 of the 35 motions were granted (17%), 3 of the 35 Rule 12(c) motions were granted and denied in part (9%), and 6 of the remaining motions filed during this period (17%) either still remain pending, were withdrawn by defendants, or were mooted by a subsequent settlement.

[8] See Indiana Pub. Ret. Sys. v. Rivian Auto. Inc., 2026 WL 199989 (C.D. Cal. Jan. 22, 2026); Glazing Emps. & Glaziers Union Loc. #27 Pension & Ret. Fund v. iRhythm Techs. Inc., 2025 WL 3128193 (N.D. Cal. Nov. 7, 2025); Sills v. United Nat. Foods Inc., 2025 WL 2104374 (S.D.N.Y. July 28, 2025); In re: Mylan N.V. Sec. Litig., 2025 WL 1874621, at *2 (W.D. Pa. July 8, 2025); Schneider v. Natera Inc., 2025 WL 1499218 (W.D. Tex. Mar. 21, 2025); Underwood v. Coinbase Glob. Inc., 2025 WL 438547, at *12 (S.D.N.Y. Feb. 7, 2025); Sundaram v. Freshworks Inc., 2024 WL 4369649 (N.D. Cal. Oct. 1, 2024); Yoshikawa v. Exxon Mobil Corp., 2024 WL 3802997, at *2 (N.D. Tex. Aug. 12, 2024); Pampena v. Musk, 2024 WL 3678002 (N.D. Cal. Aug. 5, 2024); Okla. Firefighters Pension & Ret. Sys. v. Six Flags Ent. Corp., 2024 WL 1674125, at *4 (5th Cir. Apr. 18, 2024).

[9] See In re: Coinbase Glob. Inc. Sec. Litig., 2025 WL 2779024, at *27 (D.N.J. Sept. 30, 2025); Loc. 272 Lab.-Mgmt. Pension Fund v. Walt Disney Co., 2025 WL 1461139 (C.D. Cal. May 20, 2025), amended and superseded by, 2025 WL 2428897 (C.D. Cal. Aug. 21, 2025); Shash v. Biogen Inc., 2025 WL 928779, at *6 (D. Mass. Mar. 27, 2025).

[10] See In re: Dexcom, Inc. Class Action Sec. Litig., No. 24-cv-1485-RSH-VET (S.D. Cal. Jan. 7, 2026), ECF No. 66 (order granting defendants' Rule 12(c) motion with leave to amend); In re: Enovix Corp. Sec. Litig., 2025 WL 2841682, at *6 (N.D. Cal. Oct. 7, 2025); Okla. Police Pension & Ret. Sys. v. PlayAGS Inc., 2025 WL 927296, at *1 (9th Cir. Mar. 27, 2025); Lian v. Tuya Inc., 2025 WL 733253, at *5 (S.D.N.Y. Mar. 7, 2025).

[11] See Murray v. EarthLink Holdings Corp., No. 4:18-cv-00202-JM (E.D. Ark. Sept. 9, 2024), ECF No. 185 (order denying defendants' Rule 12(c) motion as moot).

[12] Cleveland v. Caplaw Enters., 448 F.3d 518, 521 (2d Cir. 2006).

[13] See, e.g., In re: Valeant Pharms. Int'l Inc. Sec. Litig., 2017 WL 3880657, at *1 (D.N.J. Sept. 5, 2017).

[14] Natera, 2025 WL 1499218, at *3-7.

[15] iRhythm, 2025 WL 3128193, at *3-4.

[16] Pampena, 2024 WL 3678002, at *2-3.

[17] Coinbase, 2025 WL 2779024, at *18.

[18] Walt Disney, 2025 WL 2428897, at *1.

[19] Rivian, 2026 WL 199989, at *2.

[20] Lian, 2025 WL 733253, at *5-8.

[21] Dexcom, No. 24-cv-1485-RSH-VET (S.D. Cal. Jan. 7, 2026), ECF No. 66.

[22] Enovix, 2025 WL 2841682, at *6.

[23] PlayAGS, 2025 WL 927296, at *2 n.1 ("the district court explicitly preserved its review of the scheme claim in its first order.").

[24] 15 U.S. Code § 78u-4(b)(3)(B).

[25] Fed. R. Civ. P. 12(b)(6) advisory committee's note to 1946 amendment.

[26] Gardner v. Major Auto. Cos., 2012 WL 1230135, at *3-4 (E.D.N.Y. Apr. 12, 2012).

[27] See, e.g., Lian v. Tuya Inc., 2024 WL 1932623, at *2 (S.D.N.Y. May 2, 2024); Shash v. Biogen Inc., 2024 WL 1415842, at *1-2 (D. Mass. Apr. 2, 2024).

[28] In re: Facebook Inc. Sec. Litig., 2025 WL 556282, at *1-2 (N.D. Cal. Feb. 19, 2025).

[29] iRhythm, 2025 WL 2243640, at *2-3.