

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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: 05 Civ. 8626 (JSR)  
In re REFCO, INC. SECURITIES LITIGATION :  
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**JOINT DECLARATION OF SALVATORE J. GRAZIANO AND MEGAN D. MCINTYRE IN SUPPORT OF (A) LEAD PLAINTIFFS’ MOTION FOR FINAL APPROVAL OF SETTLEMENTS WITH GRANT THORNTON LLP AND THE SETTLING OFFICER DEFENDANTS, AUTHORIZATION OF APPLICATION OF THE PREVIOUSLY APPROVED PLAN OF ALLOCATION TO THE ADDITIONAL SETTLEMENTS AND FINAL CERTIFICATION OF A CLASS FOR SETTLEMENT PURPOSES, AND (B) LEAD COUNSEL’S MOTION FOR AN AWARD OF ATTORNEYS’ FEES AND REIMBURSEMENT OF EXPENSES**

SALVATORE J. GRAZIANO and MEGAN D. MCINTYRE declare under penalty of perjury as follows:

1. Salvatore J. Graziano is a partner of the law firm of Bernstein Litowitz Berger & Grossmann LLP (“BLB&G”). Megan D. McIntyre is a director at the law firm of Grant & Eisenhofer P.A. (“G&E”). BLB&G and G&E (together, “Lead Counsel”) are counsel for Lead Plaintiffs RH Capital Associates LLC (“RH Capital”) and Pacific Investment Management Company LLC (“PIMCO”), respectively, and the Court-appointed co-Lead Counsel for the class. We have personal knowledge of the matters set forth herein based on our active participation in all aspects of the prosecution and settlement of this Action.

2. We submit this declaration in support of (a) Lead Plaintiffs’ motion for final approval of the proposed settlement resolving all claims of the Settlement Class<sup>1</sup> in this securities

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<sup>1</sup> The “Settlement Class” or “Class” consists of all persons and entities who purchased or otherwise acquired Refco Group Ltd., LLC/Refco Finance Inc. 9% Senior Subordinated Notes due 2012 (CUSIP Nos. 75866HAA5 and/or 75866HAC1) and/or common stock of Refco (CUSIP No. 75866G109) during the period July 1, 2004 through and including October 17, 2005

class action against Grant Thornton LLP (“Grant Thornton”) in return for the payment of \$25 million in cash for the benefit of the Settlement Class (the “Grant Thornton Settlement”), and against Joseph J. Murphy (“Murphy”), Dennis A. Klejna (“Klejna”) and William M. Sexton (“Sexton”) (collectively, the “Settling Officer Defendants” and, together with Grant Thornton, the “Settling Defendants”) in return for payments totaling \$300,000 for the benefit of the Settlement Class (the “Officers Settlement” and, together with the Grant Thornton Settlement, the “Additional Settlements”). If the Additional Settlements are approved, the Action will be resolved as against all current defendants in the Action.<sup>2</sup>

3. We also submit this declaration in support of (i) Lead Plaintiffs’ motion to authorize application of the previously approved Plan of Allocation to the proceeds of the Additional Settlements; (ii) Lead Plaintiffs’ motion for final certification of a class for settlement purposes as against the Settling Defendants; and (iii) Lead Counsel’s motion for an award of attorneys’ fees and reimbursement of litigation expenses.

## **I. INTRODUCTION AND OVERVIEW**

4. This Court has already approved partial settlements of this action (the “Initial Settlements”) which will yield recoveries to the Settlement Class of approximately \$342 million.<sup>3</sup> Lead Plaintiffs have now achieved two additional outstanding recoveries for the

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and who were damaged thereby, but excluding Refco, Inc., the defendants, and certain of their affiliates.

<sup>2</sup> Lead Plaintiffs have a petition for certiorari pending in the United States Supreme Court seeking review of the Court’s dismissal of claims in this Action against defendants Mayer Brown and Joseph Collins. If that petition is granted and the dismissal of claims against these defendants is reversed, litigation will resume against those defendants. Settlements and/or voluntary dismissals have been entered with all other defendants.

<sup>3</sup> The “Initial Settlements” include (i) \$149 million recovered from BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft (“BAWAG”) (plus interest); (ii) \$140 million recovered from the Audit Committee Defendants and the THL

Settlement Class.<sup>4</sup> The Additional Settlements provide for the total payment of \$25,300,000 in cash (the “Additional Settlement Amount”) to the Settlement Class, and are each the product of full discovery, careful analysis of the claims and defenses relevant to each defendant, and extensive arm’s-length negotiations. In particular, the Grant Thornton Settlement involved the efforts of an experienced mediator, the Honorable Layn R. Phillips (Ret.), and resulted from an initial, formal mediation session followed by over a year of intermittent, arm’s-length negotiations during which the parties completed fact and expert discovery and fully briefed class certification and summary judgment motions. The Officers Settlement is also the product of lengthy arm’s-length negotiations between Lead Counsel and separate counsel for each of Defendants Murphy, Klejna and Sexton, which finally concluded only after the completion of discovery.

5. Together with the Initial Settlements, the Additional Settlement Amount brings the settlement funds recovered for the benefit of the Settlement Class in this Action to \$367.3 million (the “Total Settlement Amount”). In addition, Lead Plaintiffs and Lead Counsel have secured recoveries of over \$40 million for the Settlement Class from victim restitution funds established by the federal government (the “Restitution Amount”).<sup>5</sup> Accordingly, the Additional

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Defendants (plus interest); and (iii) \$53 million recovered from the Underwriter Defendants (plus interest).

<sup>4</sup> The terms of the Grant Thornton Settlement are set out in the previously filed Stipulation and Agreement of Settlement Between Lead Plaintiffs and Grant Thornton LLP dated October 18, 2010 (the “Grant Thornton Stipulation”) and the terms of the Officers Settlement are set out in the previously filed Stipulation and Agreement of Settlement Between Lead Plaintiffs and Defendants Joseph J. Murphy, Dennis A. Klejna and William Sexton dated September 30, 2010 (the “Officers Stipulation”). *See* Declaration of Megan D. McIntyre dated October 18, 2010 (Dkt. 743), Exhs. 1 (Grant Thornton Stipulation) and 2 (Officers Stipulation). Unless defined otherwise herein, all capitalized terms shall have the meanings ascribed to them in either the Grant Thornton Stipulation or Officers Stipulation.

<sup>5</sup> Pursuant to settlements reached between the Settling Officer Defendants and the U.S. Attorney’s office, the Settling Officer Defendants each agreed to forfeit monies in contribution to

Settlement Amount brings the total recovery for the benefit of the Settlement Class to over \$407 million (the “Total Recovery Amount”). The Total Recovery Amount represents more than 41% of the Class’s highest possible damages claim (which Lead Plaintiffs’ expert has estimated to be approximately \$989 million).

6. If the Settling Defendants’ arguments seeking to limit the Class’s recoverable damages were to prevail at trial, the Total Settlement Amount would *far exceed* the Class’s recoverable damages. Indeed, had the Settling Defendants succeeded on their damages arguments, they would have faced *zero exposure* to the Class’s claims – even if Lead Plaintiffs established their liability – because the total amount previously recovered in the Initial Settlements (*i.e.*, excluding the Additional Settlement Amount) would already exceed the Class’s recoverable damages. Given the substantial risk that the Class could recover *nothing* from the Settling Defendants, the Additional Settlements provide an excellent result for the Settlement Class.

7. Lead Plaintiffs also faced other serious risks in prosecuting the litigation against the Settling Defendants, including that the Settling Defendants could ultimately be successful in showing that, among other things, (i) other parties with significantly less funds were responsible for the fraud – such as the insiders of Refco, Inc. (“Refco” or the “Company”) who pled guilty or were convicted on criminal charges of securities fraud concerning Refco, including charges relating to these criminals lying directly to certain of the Settling Defendants; (ii) Grant Thornton did not act with scienter; (iii) Grant Thornton’s audits of Refco financial statements complied

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the victim restitution fund established by the government in the following amounts: Defendant Murphy forfeited \$5,000,000, Defendant Sexton forfeited \$2,050,000 and Defendant Klejna forfeited \$1,250,000. Pursuant to an agreement obtained by Lead Counsel, the Settlement Class will receive approximately 30% of the funds forfeited by the Settling Officer Defendants, as well as 30% of the funds forfeited by other individuals, through the Class’s receipt of the Restitution Amount.

with Generally Accepted Auditing Standards (“GAAS”); (iv) the Settling Officer Defendants satisfied their due diligence obligations; (v) Refco’s securities did not trade in efficient markets and thus reliance could not be presumed on a class-wide basis; and/or (vi) the Class’s damages were caused by factors other than the alleged false and misleading statements by the Settling Defendants such as, for example, an intervening run on the bank causing Refco to collapse.

8. Furthermore, at the time the Additional Settlements were entered into, Lead Plaintiffs’ motions for class certification and for final approval of the Initial Settlements were still pending. In those circumstances, there was a significant risk that an unfavorable ruling on Grant Thornton’s objections to Lead Plaintiffs’ class certification motion – for example, a ruling concerning the efficiency of the markets for Refco securities or loss causation – could have adversely affected the Initial Settlements. Thus, when the Additional Settlements were entered into, continued prosecution of the case against Grant Thornton and the Settling Officer Defendants not only risked the Class’s ability to recover from those specific defendants, but also placed in jeopardy the Class’s ability to recover the settlement funds that had already been agreed to, but not finally approved, in the Initial Settlements.

9. Accordingly, while Lead Counsel believe that the Settlement Class’s claims have merit, one or more arguments by the Settling Defendants may have ultimately proved insurmountable and the Settlement Class may have ended up with little or no recovery. The Additional Settlements provide for substantial monetary benefit to the Settlement Class while removing the significant risks associated with further litigation against the Settling Defendants.

10. As described in detail herein, each of the Additional Settlements is the product of a comprehensive investigation, extensive litigation, and protracted negotiations by experienced counsel. Lead Counsel, working closely with Lead Plaintiffs, negotiated each of the Settlements

with a thorough understanding of the strengths and weaknesses of the claims asserted against each of the Settling Defendants. This understanding was based on Lead Counsel's prosecution of the action, which has included, *inter alia*, (i) drafting two detailed amended complaints that were the product of, among other things, communications with third parties with knowledge of the round-trip loans at issue in the case, and review and analysis of the Company's SEC filings, press releases, other public statements issued by defendants, media and news reports about the Company, publicly available trading data relating to the price and volume of Refco securities, and other information regarding the criminal proceedings against Refco's CEO Philip Bennett and other Refco insiders; (ii) thoroughly researching the law pertinent to the claims against each Settling Defendant and potential defenses available to these defendants; (iii) extensive briefing in opposition to ten separate motions to dismiss brought by twenty-two defendants with respect to the First Amended Consolidated Class Action Complaint and two motions to dismiss the Second Amended Consolidated Class Action Complaint, as well as several motions for reconsideration of the denial of such motions and one appeal to the Second Circuit from the grant of one such motion; (iv) exchanging written discovery requests and responses with the Settling Defendants; (v) reviewing and analyzing tens of millions of pages of documents produced by the defendants and various third parties in the Action; (vi) taking or participating in depositions of over one hundred (100) fact witnesses taken in more than one hundred and fifty (150) days of testimony, including twelve (12) depositions of representatives of the Settling Defendants (including Grant Thornton's experts); (vii) retaining experts who provided detailed opinions concerning the adequacy of the audits performed by Grant Thornton, the propriety of Refco's accounting practices, the efficiency of the markets in which Refco's securities traded, and the damages suffered by class members due to the fraud at Refco; (viii) working with Lead Plaintiffs'

damages expert in analyzing the opinions proffered by Grant Thornton's and other defendants' experts and in preparing rebuttal reports; (ix) briefing discovery motions, including a motion to challenge Grant Thornton's confidentiality designations on its productions; (x) meeting with former Refco CEO Philip Bennett to obtain additional insight regarding the roles of various defendants in the fraud at Refco; (xi) briefing of Lead Plaintiffs' motion for class certification, which was opposed by Grant Thornton; (xii) briefing in opposition to Grant Thornton's motion for summary judgment; and (xiii) drafting and exchanging mediation statements for a mediation session with Grant Thornton (as well as multiple mediation sessions with other defendants). As a result of these litigation efforts, Lead Counsel were fully informed regarding the strengths and weaknesses of the case against each of the Settling Defendants before agreeing to the Additional Settlements.

11. Given the size of each of the Additional Settlements and considering the significant risks that Lead Plaintiffs faced in establishing liability and damages against each Settling Defendant, Lead Counsel believe each of the Additional Settlements is fair, reasonable, adequate, and in the best interests of the Settlement Class, and that each should be approved by the Court. Rather than proceed with this litigation and risk obtaining little or nothing from any or all of the Settling Defendants – the Additional Settlements collectively provide the Settlement Class with an additional substantial recovery totaling \$25.3 million in cash. Lead Plaintiffs, who are sophisticated institutional investors, oversaw the negotiations of the Additional Settlements and have endorsed both of the Additional Settlements.

12. Pursuant to a fee agreement that was entered between Lead Counsel and Lead Plaintiffs in 2006, Lead Counsel now seek approval of (i) reimbursement of their litigation expenses that have not already been reimbursed in connection with the Initial Settlements (the

“Additional Legal Expenses”), and (ii) attorneys’ fees equal to 18% of the net amount of the Additional Settlements after reimbursement of the Additional Legal Expenses, with interest on such fees and expenses earned at the same rate earned on the settlement funds (the “Final Fee Award”). Approval of the Final Fee Award would bring Lead Counsel’s total attorneys’ fees in this action to \$45,309,814.27, which is approximately 12.3% of the Total Settlement Amount (or approximately 11.1% of the Total Settlement Amount plus the Restitution Amount). As discussed below (*see* ¶ 82), the requested fee amounts to significantly *less* than the amount of Lead Counsel’s total “lodestar” (*i.e.*, Lead Counsel’s hourly rates multiplied by the hours spent on prosecuting and settling this Action).

13. Pursuant to the Court’s Amended Order Preliminarily Approving Proposed Settlement With Defendant Grant Thornton LLP And Proposed Settlement With Defendants Joseph J. Murphy, Dennis A. Klejna, And William M. Sexton dated November 15, 2010 (Dkt. 763) (the “Preliminary Approval Order”), Lead Counsel caused the Notice of (I) Proposed Settlement of Class Action with Defendants Grant Thornton LLP, Joseph J. Murphy, Dennis A. Klejna and William M. Sexton, (II) Hearing on Proposed Settlements and (III) Motion for Award of Attorneys’ Fees and Reimbursement of Expenses (the “Notice”) and the Approved Plan of Allocation Updated to Apply to Settlements Achieved with Defendants Grant Thornton LLP, Joseph J. Murphy, Dennis A. Klejna and William M. Sexton (the “Updated Plan of Allocation” and, with the Notice, the “Notice Packet”) to be mailed to all Settlement Class Members who were identified in connection with the mailing of notices of the previously achieved Initial Settlements. Lead Counsel have been advised by the Garden City Group, Inc. (“GCG”), whose retention as Claims Administrator was authorized by the Preliminary Approval Order, that 40,508 copies of the Notice Packet were mailed to potential Settlement Class Members and

brokers and nominees on December 15, 2010. GCG advised Lead Counsel that it mailed an additional 2,744 Notice Packets from December 16, 2010 through January 31, 2011, bringing the total number mailed through January 31, 2011 to 43,252. In addition, a summary notice of the proposed Additional Settlements (the “Summary Notice”) was published in *Investor’s Business Daily* on December 21, 2010.<sup>6</sup> The Notice Packet and Lead Plaintiffs’ papers in support of preliminary approval, which include the Stipulations, have been posted on the website established for the action, which can be found at [www.refcosecuritieslitigation.com](http://www.refcosecuritieslitigation.com). Lead Plaintiffs’ papers in support of their motion for final approval and Lead Counsel’s papers in support of their motion for an award of attorneys’ fees and reimbursement of expenses will also be posted on that website.

14. The Notice and Summary Notice advised Class Members that the Proof of Claim was available for downloading from the Refco securities litigation website, [www.refcosecuritieslitigation.com](http://www.refcosecuritieslitigation.com), and that copies could also be obtained by calling the Claims Administrator at a toll-free number maintained for the settlements. The Notice also advised all recipients of, among other things: (i) the definition of the Settlement Class; (ii) their right to exclude themselves from the Settlement Class; (iii) their right to object to any aspect of the Additional Settlements, including Lead Counsel’s request for attorneys’ fees and reimbursement of expenses; (iv) the fact that a new Proof of Claim need not be submitted if one was submitted in connection with the Initial Settlements; and (v) the manner for submitting a Proof of Claim, if one was not previously submitted.

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<sup>6</sup> In accordance with the terms of the Preliminary Approval Order, GCG will, no later than seven calendar days prior to the Settlement Hearing, serve and file an affidavit attesting to the mailing of the Notice Packet and publication of the Summary Notice.

15. The Court-ordered deadline for filing objections to the Additional Settlements (or any parts thereof) or requesting to “opt out” of the Settlement Class is February 19, 2011. To date Lead Counsel have not received any objections and have received no requests for exclusion (other than the one received in connection with the Initial Settlements). Lead Plaintiffs will address any objections and requests for exclusion in a supplemental submission as provided for in the Preliminary Approval Order.

## **II. LEAD PLAINTIFFS’ CLAIMS AGAINST THE SETTLING DEFENDANTS**

16. This case arises from the sale of Refco securities to investors based on materially false and misleading statements made in connection with two public offerings. First, in connection with a leveraged buy-out (the “LBO”) of Refco in 2004, Refco issued \$600 million in debt securities pursuant to an exemption from registration under Rule 144A. These unregistered Bonds were later exchanged for registered bonds (the “Bonds”) in April 2005 (the “Exchange Offer”). Shortly thereafter, in August 2005, Refco launched an initial public offering (the “IPO”) selling \$670 million of Refco common stock (the “Stock”) to the public.

17. A mere two months after the IPO, on October 10, 2005, Refco disclosed the existence of an “undisclosed affiliate transaction” in the form of a \$430 million receivable owed to Refco by an entity controlled by its CEO, Philip Bennett. It was later revealed that this previously undisclosed receivable had started out as an uncollectible customer receivable, and instead of writing it off as they should have done, certain members of Refco’s management converted it to a receivable owed by the related party (which also lacked the ability to pay it). Then, through a series of round-trip loan transactions at the end of each financial reporting period, Refco’s management created the illusion that this uncollectible related-party receivable was a legitimate third-party receivable. Through these machinations, Refco’s management

concealed from purchasers of Refco's securities that the Company was carrying a multi-hundred million dollar, uncollectible receivable on its books.<sup>7</sup>

18. Grant Thornton was Refco's auditor and provided unqualified audit opinions on Refco's financial statements included in the registration statements for both the Exchange Offer and the IPO. Defendant Murphy was Executive Vice President of Refco Group since 1999 and president of various Refco subsidiaries. Defendant Klejna served as Executive Vice President and General Counsel of Refco beginning in 1999. Defendant Sexton served as Executive Vice President and Chief Operating Officer of Refco beginning in August 2004. Lead Counsel's investigation and the discovery taken in this action have yielded no credible evidence that Defendants Murphy, Klejna and Sexton were among the members of Refco's management who directly participated in the fraud.

**A. Lead Plaintiffs' Claims Against Grant Thornton**

19. The Complaint alleges that Grant Thornton violated Section 11 of the Securities Act of 1933 (the "Securities Act") and Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") during the Class Period. Lead Plaintiffs allege that Grant Thornton failed to conduct appropriate due diligence and violated GAAS in its audits of Refco's financial statements. Lead Plaintiffs further allege that Grant Thornton's audit failures amounted to recklessness and caused Grant Thornton to falsely certify Refco's financial statements as compliant with Generally Accepted Accounting Principles ("GAAP").

**B. Lead Plaintiffs' Claims Against The Settling Officer Defendants**

20. The Complaint alleged that the Settling Officer Defendants violated Sections 11 and 15 of the Securities Act and Sections 10(b) and 20(a) of the Exchange Act during the Class

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<sup>7</sup> Refco and its affiliates are not named as defendants in this lawsuit due to their filing for bankruptcy protection under Chapter 11 of the Bankruptcy Code on October 17, 2005.

Period. Lead Plaintiffs alleged that the Settling Officer Defendants failed to conduct appropriate due diligence and recklessly failed to disclose material information about Refco's financial condition when they prepared, approved and/or signed various SEC filings and other public statements on behalf of Refco during the Class Period, including Refco's materially false and misleading registration statements filed in respect of the Exchange Offer and IPO.

21. Following the conclusion of fact discovery in this action, the Court entered a stipulation and order of partial discontinuance (the "Discontinuance Order"), dismissing the scienter-based claims asserted against the Settling Officer Defendants pursuant to Sections 10(b) and 20(a) of the Exchange Act. Thus, at the time of settlement, only Lead Plaintiffs' non-scienter-based claims pursuant to Sections 11 and 15 of the Securities Act remained pending against the Settling Officer Defendants.

### **III. HISTORY OF THE LITIGATION**

22. This section describes the history of the Action relevant to the Settling Defendants. A more detailed description of the history of the litigation was included in Lead Plaintiffs' motion papers filed in respect of the Initial Settlements. *See* Joint Declaration Of Salvatore J. Graziano And Megan D. McIntyre In Support Of (A) Lead Plaintiffs' Motion For Final Approval Of Settlements With The THL And Audit Committee Defendants And With The Underwriter Defendants, Final Approval Of Plan Of Allocation Of Settlement Proceeds And Final Certification Of A Class For Settlement Purposes, And (B) Lead Counsel's Motion For An Award Of Attorney's Fees And Reimbursement Of Expenses dated September 22, 2010 (the "Initial Settlements Declaration") (Dkt. 738). For ease of reference, details relevant to the Settling Defendants are repeated herein.

**A. The Initial and Amended Complaints**

23. Commencing in October 2005, multiple securities class action complaints were filed against Refco and other defendants, including certain of Refco's former officers and directors, fifteen underwriters, the THL Defendants and the Settling Defendants. By Order dated February 8, 2006, the Court consolidated the class actions, appointed PIMCO and RH Capital as Lead Plaintiffs, and appointed G&E and BLB&G to serve as co-lead counsel for the putative class.

24. On April 3, 2006, Lead Plaintiffs filed a Consolidated Amended Class Action Complaint and, on May 5, 2006, filed a First Amended Consolidated Class Action Complaint. The allegations in each of these complaints were the product of Lead Counsel's thorough investigation of the issues involved in the Action, including information obtained by private investigators retained by Lead Counsel, and communications between Lead Counsel and third parties with knowledge about the round-trip loan transactions through which the Refco fraud was perpetrated.

25. In July 2006, twenty-two defendants filed a total of ten motions to dismiss the First Amended Consolidated Class Action Complaint, including the Settling Defendants.

26. On September 15, 2006, following extensive legal research, Lead Counsel filed a detailed 129-page memorandum of law on behalf of Lead Plaintiffs and the class, in opposition to all defendants' motions to dismiss.

27. On April 30, 2007, the Court denied the bulk of defendants' motions to dismiss the First Amended Consolidated Class Action Complaint. The Settling Defendants' motions to dismiss were granted in part and denied in part – certain Securities Act claims related to unregistered Rule 144A Bonds and claims brought by plaintiffs who acquired registered bonds in

the Exchange Offer were dismissed, while all other claims against the Settling Defendants were sustained. The Court's decision on the motions to dismiss cleared the way for discovery to commence.

28. In June 2007, the Settling Defendants each filed their respective Answers and Affirmative Defenses to the First Amended Consolidated Class Action Complaint.

29. On December 3, 2007, Lead Counsel filed the Complaint (*i.e.*, Lead Plaintiffs' Second Amended Consolidated Class Action Complaint) on behalf of the class.

30. On February 1, 2008, Grant Thornton filed its Answer and Affirmative Defenses to the Complaint.

31. On March 3, 2008, Murphy and Sexton filed their Answers and Affirmative Defenses to the Complaint.

**B. Lead Plaintiffs' Extensive Investigation And Discovery Efforts**

32. Lead Counsel conducted an extensive investigation of the facts and issues in this case, including those relevant to the Settling Defendants. This investigation included, among other things, reviewing SEC filings, news reports and other publicly available information; retention of a private investigator; communications with counterparties to some of the round-trip loans through which the fraud was committed; monitoring the ongoing Refco bankruptcy proceedings, including the retention of consulting bankruptcy counsel who (in consultation with Lead Counsel) filed objections and other papers in the bankruptcy proceedings; and monitoring various proceedings in the criminal cases brought against the participants in the Refco fraud, including attendance at trial and participation in sentencing hearings to advocate for the payment of restitution for the benefit of the class.

33. Following the Court's April 30, 2007 decision on the motions to dismiss, the parties embarked on two and a half years of formal discovery, which was coordinated with the other Refco-related actions also pending in this Court.

**1. Document Discovery**

34. Lead Plaintiffs started serving their requests for documents on defendants and third parties in June 2007. With the assistance of numerous attorneys and professionals dedicated to reviewing and analyzing the productions and searching the electronic databases in which the productions were stored, Lead Counsel identified and reviewed more than 31 million relevant pages of Refco-related documents, including documents produced by Refco, numerous third parties and the Settling Defendants.

**2. Fact Depositions**

35. Fact depositions commenced in February 2008 and were substantially completed by November 30, 2009. Lead Counsel took or participated in the depositions of one hundred and eight fact witnesses involving approximately one-hundred and fifty days of deposition testimony. Lead Counsel took or participated in the depositions of eight representatives of Grant Thornton over twelve days of testimony. Lead Counsel also participated in the depositions of Defendants Murphy and Sexton. Further, Lead Counsel defended the depositions of representatives of each of the Lead Plaintiffs.

**3. Lead Plaintiffs' Debriefing Of Refco's Former CEO**

36. During the spring of 2008, Lead Counsel attended a series of meetings with Philip Bennett, Refco's former CEO who pleaded guilty to a number of felonies in connection with his role in the Refco fraud. During these meetings, Bennett provided Lead Counsel with important

information concerning the conduct of various defendants in the Action, but did not claim that any of the Settling Defendants had knowledge of the fraud.

#### **4. Interrogatories And Requests For Admission**

37. On December 29, 2009, Lead Counsel served a total of 89 contention interrogatories, including 20 directed to Grant Thornton. During the course of the litigation, Lead Counsel also responded to a total of 76 interrogatories served by the defendants, including 22 contention interrogatories served jointly by the Underwriter Group Defendants and Grant Thornton. Lead Counsel also responded to 88 requests for admission, including 30 served by Grant Thornton.

#### **5. Expert Discovery**

38. To support the class's claims, Lead Counsel retained three testifying experts in the fields of accounting/auditing, damages/market efficiency, and underwriters' due diligence. These experts included: (1) Morris Hollander, a CPA and partner in the firm of Marcum Rachlin, who provided an opinion on whether Refco's financial statements violated GAAP, and whether Grant Thornton conducted its audits in conformity with GAAS; and (2) Chad Coffman, a CFA and president of Winnemac Consulting, who provided an opinion analyzing, among other things, the damages suffered by class members and the efficiency of the markets for Refco's Bonds and common stock.<sup>8</sup>

39. Grant Thornton and others deposed Messrs. Hollander and Coffman, and Lead Counsel defended those depositions.

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<sup>8</sup> James F. Miller, an experienced investment banker, also provided Lead Plaintiffs with an expert opinion concerning the adequacy of the diligence investigation conducted by the Underwriter Defendants. Mr. Miller was not deposed because the settlement with the Underwriter Group Defendants was reached following the submission of his report, making the deposition unnecessary.

40. Lead Counsel also took the depositions of Grant Thornton's experts proffered on the topics of damages/bond market efficiency (Christopher M. James) and accounting principles and auditing standards (Sandra K. Johnigan). These depositions required extensive analysis and preparation by Lead Counsel.

**C. Lead Plaintiffs Dismiss Certain Claims Against the Settling Officer Defendants**

41. As noted above, on March 24, 2010, following completion of fact discovery in this Action and based on their review of all available evidence, Lead Plaintiffs agreed to dismiss their scienter-based claims asserted against the Settling Officer Defendants pursuant to Sections 10(b) and 20(a) of the Exchange Act.

42. On March 26, 2010, this Court entered the Discontinuance Order.

**D. Lead Plaintiffs' Motion For Class Certification**

43. On April 9, 2010, Lead Plaintiffs filed a motion and supporting papers in support of class certification. Grant Thornton filed opposition papers on May 21, 2010. Lead Plaintiffs filed detailed reply papers in further support of the class certification motion on June 28, 2010. The parties were in the midst of scheduling a hearing concerning Lead Plaintiffs' class certification motion when Lead Plaintiffs reached a settlement-in-principle with Grant Thornton in August 2010.

**E. Grant Thornton's Motion For Summary Judgment**

44. On April 23, 2010, Grant Thornton filed a motion for summary judgment with respect to Lead Plaintiffs' claims against it. Lead Counsel devoted significant time to the opposition to that motion, including preparation of a detailed counter-statement of facts and a comprehensive memorandum of law, which was submitted to Special Master Capra on June 4,

2010. Grant Thornton's summary judgment motion was fully briefed and pending when the parties reached the settlement-in-principle in August 2010.

**F. Lead Plaintiffs' Preparations For Trial**

45. At a status conference held on January 13, 2010, this Court scheduled the trial in this Action to start on November 1, 2010. Following the conclusion of fact and expert discovery, Lead Plaintiffs started preparations for trial, including, among other things, detailed post-discovery analysis of their claims and the defenses available to the remaining defendants, deposition designations, and the consideration of possible motions *in limine*, including *Daubert* motions to exclude expert testimony.

46. On July 27, 2010, Lead Plaintiffs filed a letter brief challenging Grant Thornton's assertion of confidentiality over voluminous documents and transcripts of deposition testimony. On or about August 3, 2010, Lead Plaintiffs and Grant Thornton resolved the dispute over Grant Thornton's confidentiality designations, which included the unsealing of considerable materials.

**IV. THE NEGOTIATION OF THE SETTLEMENTS**

47. The Additional Settlements each resulted from extensive negotiations, which were conducted at arm's length between experienced counsel. Once the key terms of the Additional Settlements were agreed upon, Lead Counsel drafted the settlement agreements and supporting documents, and continued to negotiate at arm's length with each of the Settling Defendants' respective counsel to work out the details of each of the Additional Settlements.

**A. The Grant Thornton Settlement**

48. The Grant Thornton Settlement resulted from intense and hard-fought negotiations spanning more than a year, which were assisted by an experienced mediator and former federal judge, the Honorable Layn Phillips (Ret.).

49. On July 27, 2009, the parties engaged in a formal mediation session, which involved the submission of detailed mediation statements to Judge Phillips. Despite intense negotiations, a settlement was not reached at that time.

50. Over the next year, while engaging in fact and expert discovery and briefing the class certification and summary judgment motions, the parties engaged in continued, intermittent discussions concerning a possible resolution of the dispute between them, and included Judge Phillips in many of those discussions.

51. On August 22, 2010, the parties' protracted negotiations culminated in an agreement-in-principle to settle Lead Plaintiffs' claims against Grant Thornton on terms that include the payment of a total of \$25,000,000 (twenty-five million dollars) in cash to the Settlement Class.

52. Judge Phillips has submitted a declaration detailing his involvement in the negotiation of the Grant Thornton Settlement and stating that the negotiations were complex, adversarial and fully at arm's length, and that the advocacy on both sides of the case was outstanding and that, in his view, the Grant Thornton Settlement is fair and reasonable. *See* Declaration of Layn Phillips (attached hereto as Exhibit 1).

53. On October 18, 2010, Lead Plaintiffs and Grant Thornton entered into the Stipulation and Agreement of Settlement Between Lead Plaintiffs and Grant Thornton LLP. *See* Dkt. 743-1.

**B. The Officers Settlement**

54. The settlements with each of the Settling Officer Defendants are also the product of intense and difficult negotiations, which were conducted at arm's-length between experienced counsel.

55. Lead Plaintiffs initially engaged in negotiations with Defendant Klejna's counsel beginning in the summer of 2007. By that time, Lead Plaintiffs had received, reviewed and analyzed millions of pages of documents produced by defendants and third parties. These negotiations culminated in a settlement agreement dated December 6, 2007 between Lead Plaintiffs and Defendant Klejna (the "Initial Klejna Settlement"). Pursuant to the Initial Klejna Settlement, Klejna agreed to pay a total settlement of \$7,600,000 – with \$7,550,000 to be funded by proceeds from Directors & Officers insurance policies issued to Refco under which Klejna was an insured person, and the remaining \$50,000 to be paid by Klejna personally.

56. The Initial Klejna Settlement was preliminarily approved by the Court on January 22, 2008. Subsequently, the insurance carriers denied coverage, and Klejna's efforts to force the insurers to fund the Initial Klejna Settlement agreement were unsuccessful. The Initial Klejna Settlement was thus unfunded and eventually became void.

57. In late 2007, following announcement of the Initial Klejna Settlement, Lead Counsel and counsel for Defendant Murphy also engaged in arm's-length settlement discussions, which culminated in the execution of a settlement agreement dated February 12, 2008 (the "Initial Murphy Settlement"). Pursuant to the Initial Murphy Settlement, Murphy agreed to pay a total settlement of \$7,900,000 – with \$7,550,000 to be funded by proceeds from Directors & Officers insurance policies issued to Refco under which Murphy was an insured person, and the remaining \$350,000 to be paid by Murphy personally.

58. The Initial Murphy Settlement was preliminarily approved by the Court on March 26, 2008. As had occurred with the Initial Klejna Settlement, the insurance carriers denied coverage subsequent to the Court's preliminary approval of the settlement and Murphy's efforts

to force the insurers to fund the Initial Murphy Settlement agreement were unsuccessful. Unfunded, the Initial Murphy Settlement eventually became void.

59. Over the following two years, the parties completed fact and expert discovery. Lead Plaintiffs participated in the depositions of Murphy and Sexton. Based on the information learned through the extensive discovery process, however, Lead Plaintiffs determined that it was not necessary to depose Klejna. During this period, counsel for the parties engaged in intermittent, arm's-length negotiations.

60. Also during this two-year period, the Settling Officer Defendants each forfeited monies in contribution to the victim restitution fund established by the government. Defendant Murphy forfeited \$5,000,000, Defendant Sexton forfeited \$2,050,000 and Defendant Klejna forfeited \$1,250,000. The Settling Officer Defendants were not criminally charged in connection with the Refco fraud, but rather entered into consent orders of forfeiture of these sums as property which constitutes and is derived from proceeds traceable to fraud in the sale of securities.

61. As a result of Lead Plaintiffs' filing of a petition seeking remission of these and other forfeited funds to the class in this Action, the U.S. Attorney's office agreed to transfer 30% of the forfeited funds to an escrow account for the benefit of the class. Taking this substantial recovery from each of the Settling Officer Defendants into consideration, Lead Plaintiffs embarked upon arm's-length settlement negotiations with counsel for the Settling Officer Defendants in an effort to resolve the Action against them while avoiding the risks and expense of a trial.

62. On September 30, 2010, Lead Plaintiffs and the Settling Officer Defendants reached an agreement-in-principle to settle the class's claims against these defendants in

exchange for the following consideration: \$150,000 in cash from Defendant Murphy, \$100,000 in cash from Defendant Sexton and \$50,000 in cash from Defendant Klejna, amounting to a total payment of \$300,000 to the Settlement Class over and above the amounts already forfeited to the government. In light of the substantial amounts the Settling Officer Defendants had previously forfeited, Lead Counsel believed that the cost of additional litigation against these defendants far outweighed the amounts Lead Plaintiffs could collect from them after a successful trial and appeal. All payments under the Officers Settlement are being funded personally by the Settling Officer Defendants and not by any of Refco's insurance carriers.

**V. THE RISKS FACED BY LEAD PLAINTIFFS AND LEAD COUNSEL**

63. As a result of the substantial discovery, legal research and analysis conducted by Lead Counsel, it is respectfully submitted that Lead Plaintiffs and Lead Counsel had a thorough understanding of the strengths and weaknesses of the claims against the Settling Defendants at the time the Additional Settlements were reached. As with all securities litigation under the PSLRA, Lead Plaintiffs and Lead Counsel faced hurdles to succeed on their claims. From the outset, Lead Counsel recognized that – notwithstanding the commission of a massive fraud by certain criminally charged individuals – the particular legal challenges associated with bringing claims under the federal securities laws and recovering damages from defendants with the resources to pay those damages might prove difficult. Indeed, one of the individuals who was criminally convicted of fraud in connection with his role in the Refco fraud – Refco's former lawyer, Joseph Collins – was found by Judge Lynch and the Second Circuit to be beyond the reach of a civil claim under Section 10(b) of the federal securities laws. Accordingly, this Action presented the real possibility that the class would be unable to obtain a meaningful recovery against the Settling Defendants.

64. For example, absent the settlements, Lead Counsel expect that the Settling Defendants would have continued to dispute whether Lead Plaintiffs could establish liability on their claims. All of the Settling Defendants had serious arguments available to them that other parties were responsible for the fraud – such as the Refco insiders who pled guilty or were convicted on criminal charges of securities fraud concerning Refco, including, *inter alia*, charges that they lied to certain of the Settling Defendants. Indeed, in Grant Thornton’s brief filed in support of its motion for summary judgment, Grant Thornton claimed that it “was the Refco fraud’s primary target.” (Dkt. 686 at 1.)

65. With respect to Lead Plaintiffs’ claim against Grant Thornton under Section 10(b) of the Exchange Act, Lead Plaintiffs faced the substantial hurdle of showing that Grant Thornton had actual knowledge of the fraud or acted with sufficient recklessness to establish scienter. The burden of establishing Grant Thornton’s scienter was a focus of Grant Thornton’s pending motion for summary judgment and would have been a central and difficult issue at trial against Grant Thornton.

66. With respect to Lead Plaintiffs’ Securities Act claims, we expect that the Settling Defendants would have argued that they satisfied their due diligence obligations. Grant Thornton claimed that it had conducted adequate due diligence concerning Refco and conducted its audits in accordance with GAAS. As evidence of its due diligence, Grant Thornton claimed, among other things, that it had requested confirmations concerning a sufficient number of the “round-trip loan” transactions that were used to conceal the massive, uncollectible receivable on Refco’s books. The Settling Officer Defendants would also undoubtedly have claimed at trial that they had conducted “reasonable” due diligence.

67. On the issue of damages, we believe the Settling Defendants would also have certainly pursued a series of arguments seeking to reduce or eliminate the damages that could be recovered by the class in the Action. For example, Grant Thornton opposed Lead Plaintiffs' motion for class certification on the basis that Refco's securities did not trade on an efficient market. Grant Thornton also claimed that the class's damages, among other things, should be limited to the drop in the price of Refco's securities that occurred immediately after Refco's October 10, 2005 announcement. Further, we expect that Grant Thornton would have argued that its exposure to the class's damages claim, if any, was substantially reduced or even eliminated by monies recovered by Lead Plaintiffs from other defendants.

68. In addition, at the time the Additional Settlements were entered into, Lead Plaintiffs' motion for class certification and separate motion for final approval of the Initial Settlements were still pending. This situation gave rise to a significant risk that an unfavorable ruling on Grant Thornton's objections to Lead Plaintiffs' class certification motion – for example, regarding market efficiency or loss causation – might have adversely affected the Initial Settlements, as they had not been finally approved at the time. Accordingly, when the Additional Settlements were entered into, continued prosecution of the case against Grant Thornton and the Settling Officer Defendants not only risked the class's ability to recover from those specific defendants, but also placed in jeopardy the class's ability to recover the settlement funds that had already been agreed to, but not finally approved, in the Initial Settlements.

69. If the Settling Defendants had been successful, even in part, in advancing these arguments, the consequences to the class's claims and recoverable damages could have been substantial. In particular, if the Settling Defendants had prevailed on their arguments concerning damages, then even if the class were successful in establishing the liability of these defendants,

the class may have nonetheless been unable to recover any damages from the Settling Defendants due to the magnitude of the Initial Settlements and the PSLRA's judgment-reduction provision.

70. Finally, even if Lead Plaintiffs had completely prevailed at trial on both liability and damages, post-verdict motions and appeals would have been almost inevitable, raising the risk of additional months (and likely years) of delay in finally resolving the class's claims.

71. In short, while Lead Counsel believe that the claims asserted in the Complaint and litigated through discovery have substantial merit, if the litigation continued, the class would have borne the risk of establishing liability in the face of numerous factual and legal issues that create considerable uncertainty and the possibility that, as a matter of law, there might be no additional recoverable damages even if liability were established. Each Settlement provides a substantial cash recovery for the benefit of the Settlement Class, and eliminates the risks attendant to continued litigation against the Settling Defendants.

## **VI. THE PLAN OF ALLOCATION**

72. The Plan of Allocation proposed here is the same Plan of Allocation that this Court approved with respect to the Initial Settlements. *See* Order Approving Plan Of Allocation Of Net Total Settlement Fund entered October 28, 2010 (Dkt. 756). As the Settlement Class was advised in the Notice, Lead Plaintiffs now request that the Court authorize application of the previously approved plan to the proceeds of the Additional Settlements.

73. As described in detail in Lead Plaintiffs' motion papers filed in respect of the Initial Settlements, the Plan of Allocation is based upon the following premises: (i) the market price of Refco's securities was artificially inflated; (ii) the degree of inflation decreased with each partial disclosure of adverse information; and (iii) the value of a Recognized Claim should vary depending

on when the claimant bought and/or sold Refco securities. The Plan of Allocation also takes into account certain specific facts relating to the claims asserted under the Exchange Act as compared to the claims asserted under the Securities Act. Taking all of these and other factors into account, the Plan of Allocation allocates approximately 83% of the settlement monies to the Securities Act damages and approximately 17% to the non-overlapping Exchange Act damages. *See* Initial Settlements Declaration (Dkt. 738) at 26-28.

74. In sum, the Plan of Allocation, developed in consultation with Lead Plaintiffs' damages expert, was designed to fairly and rationally allocate the proceeds of the Net Settlement funds among Settlement Class Members based on the strength of the various claims and resulting damages.

#### **VII. LEAD COUNSEL'S FEE AND EXPENSE APPLICATION**

75. As set forth in the Initial Settlements Declaration, Lead Counsel undertook this prosecution entirely on a contingent-fee basis and assumed significant risk in bringing these claims.

76. After the appointment of Lead Plaintiffs in early 2006, Lead Counsel and Lead Plaintiffs PIMCO and RH Capital, both of which are sophisticated institutional investors, negotiated and entered into a written fee agreement dated June 9, 2006. (Dkt. 738-3.) With the Initial Settlements, Lead Counsel and Lead Plaintiffs confirmed their commitment to the terms of this fee agreement. (Dkt 738-6, 738-7.)

77. The fee agreement provides that Lead Counsel may request, and Lead Plaintiffs will support, a fee award of 18% of the net recovery (after reimbursement of expenses) from the Settling Defendants, provided that the fee shall not exceed 4.75 times Lead Counsel's lodestar.

78. Consistent with the fee agreement, Lead Counsel now seek an award of attorneys' fees equal to \$4,532,273.27, plus reimbursement of litigation expenses in the amount of \$120,704.06 which were not reimbursed in connection with the Initial Settlements, with interest on such fees and expenses from the date of funding at the same rate as earned by the settlement funds. The \$4,532,273.27 attorneys' fee request was derived as follows:

<u>Settlement</u>	<u>Settlement Amount</u>	<u>Unreimbursed Expenses<sup>9</sup></u>	<u>Net Settlement Amount</u>	<u>Fee %</u>	<u>Fee Request</u>
Grant Thornton Settlement	\$25,000,000	\$119,272.78	\$24,880,727.22	18%	\$4,478,530.90
Officers Settlement	\$ 300,000	\$1,431.28	\$298,568.72	18%	\$53,742.37
TOTAL	\$25,300,000	\$120,704.06	\$25,179,295.94		\$4,532,273.27

As noted with respect to the Initial Settlements, Lead Counsel are not seeking any fees or expenses from the government restitution funds (more than \$40 million) that they secured for distribution to the class.

79. In support of the requested award of attorneys' fees, I, Salvatore Graziano, hereby attest that the schedule attached hereto as Exhibit 2 is a summary indicating the amount of time spent by each attorney and professional support staff of BLB&G who was involved in this Action, and the lodestar calculation based on their current billing rates. The hourly rates for attorneys and paraprofessionals included in the schedule are commensurate with the hourly rates charged by lawyers and paraprofessionals performing similar services in New York, New York. For personnel who are no longer employed by BLB&G, the lodestar calculation is based upon the billing rates for such personnel in his or her final year of employment by my firm. The

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<sup>9</sup> These expenses exclude those that were already reimbursed in connection with the Initial Settlements. Lead Counsel have allocated their unreimbursed expenses *pro rata* among the Additional Settlements, based on the relative settlement amounts.

schedule was prepared from contemporaneous daily time records regularly prepared and maintained by BLB&G, which are available at the request of the Court. As set forth in the schedule, BLB&G attorneys and professional support staff spent a total of 78,393.4 hours for a lodestar of \$32,442,654.50 on this action from its inception through January 31, 2011. These figures exclude time spent on Lead Counsel's motions for awards of attorneys' fees and reimbursement of expenses.

80. In support of the requested award of attorneys' fees, I, Megan McIntyre, hereby attest that the schedule attached hereto as Exhibit 3 is a summary indicating the amount of time spent by each attorney and professional support staff of G&E who was involved in this Action, and the lodestar calculation based on their current billing rates. The hourly rates for attorneys and paraprofessionals included in the schedule are commensurate with the hourly rates charged by lawyers and paraprofessionals performing similar services in New York, New York. For personnel who are no longer employed by G&E, the lodestar calculation is based upon the billing rates for such personnel in his or her final year of employment by my firm. The schedule was prepared from contemporaneous daily time records regularly prepared and maintained by G&E, which are available at the request of the Court. As set forth in the schedule, G&E attorneys and professional support staff spent a total of 56,330.6 hours for a lodestar of \$22,000,965.25 on this action from its inception through January 31, 2011. These figures exclude time spent on Lead Counsel's motions for awards of attorneys' fees and reimbursement of expenses.

81. It is generally not possible for us to segregate out time spent in connection with the claims against the Settling Defendants from time spent in connection with the claims against other defendants because, *inter alia*, so many of the tasks in this case related to claims against multiple defendants. Thus, time spent reviewing documents, taking and defending depositions,

working with damages experts, briefing class certification, and other matters related to the claims against the Settling Defendants and other defendants as well. Therefore, we cannot provide a listing of time that relates exclusively to the Settling Defendants.

82. Based upon the above-referenced schedules, the total number of hours expended on this litigation through January 31, 2011 by Lead Counsel is 134,724, and Lead Counsel's total lodestar is \$54,443,619.75. The fees previously awarded and the current requested fee award, together, total \$45,309,814.27, which is approximately 83.2% of the amount of Lead Counsel's total lodestar through January 31, 2011. This "negative" multiplier of 0.83 is far less than the 4.75 cap on the multiplier included in the fee agreement.

83. Lead Plaintiffs RH Capital and PIMCO are sophisticated institutional investors with a direct interest in maximizing the overall recovery to the Settlement Class. They have each agreed to the fees requested by Lead Counsel here, and previously submitted declarations in support of the Initial Settlements supporting a fee request based on the same fee agreement and structure as the fee requested by Lead Counsel here. *See* Declaration of Robert Horwitz (Dkt. 738-6) and Declaration of Christian Stracke (Dkt. 738-7).

84. Lead Counsel's lodestar figures are based upon each firm's billing rates, which rates do not include charges for expense items. Expense items are billed separately and such charges are not duplicated in Lead Counsel's billing rates.

85. As set out in the Initial Settlements Declaration, Lead Counsel were motivated to, and did, take steps to minimize expenses whenever practicable, and to litigate the case as efficiently as possible while avoiding unnecessary duplication of work. Lead Counsel are now requesting reimbursement of their Additional Legal Expenses – *i.e.*, only those expenses that have not already been reimbursed in connection with the Initial Settlements.

86. In support of the request for reimbursement of expenses, I, Salvatore Graziano, hereby attest that, as set forth in the schedule attached hereto as Exhibit 4, BLB&G has incurred and paid Additional Legal Expenses totaling \$21,859.78 in the Action for which no reimbursement has been received. These expenses are reflected on the books and records of BLB&G which are prepared from expense vouchers, check records and other source materials and are an accurate record of the expenses incurred.

87. In support of the request for reimbursement of expenses, I, Megan McIntyre, hereby attest that, as set forth in the schedule attached hereto as Exhibit 5, G&E has incurred and paid Additional Legal Expenses totaling \$11,755.27 in the Action for which no reimbursement has been received. These expenses are reflected on the books and records of G&E which are prepared from expense vouchers, check records and other source materials and are an accurate record of the expenses incurred.

88. In addition to the Additional Legal Expenses that have been paid by Lead Counsel, there are unreimbursed expenses invoices in the amount of \$87,089.01 for Additional Legal Expenses incurred in the prosecution of the Action.<sup>10</sup> A description of those expenses is set forth in the schedule attached hereto as Exhibit 6.

89. Based on the foregoing, Lead Counsel have together incurred a total of \$120,704.06 in paid and payable unreimbursed Additional Legal Expenses in connection with the prosecution of this Action. Below is a summary of these expenses, by category:

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<sup>10</sup> Included in these unreimbursed expenses is an amount to be paid to the Special Master. The figure for the Special Master fees includes Lead Counsel's estimate of their portion of the fees that will be billed between the date of this submission and the date of the Settlement Hearing. In the event that Lead Counsel's estimate exceeds the actual fees that are ultimately billed, the excess will be returned to the settlement fund for the benefit of the Class. Lead Counsel have agreed with the other Refco-related Plaintiffs' Counsel to pay their portion of the Special Master fees through the date of final approval of the Additional Settlements.

Court Fees	\$300.00
On-Line Legal and Factual Research	\$5,280.72
Document Management (Electronic Database)	\$13,168.79
Duplication/Printing	\$10,358.10
Postage, Express Mail and Hand Delivery	\$273.67
Expert Fees & Expenses	\$21,790.00
Telephone	\$260.88
Travel/Local Transportation/Working Meals	\$3,908.97
Court Reporting & Transcripts	\$2,497.35
Special Master Fees	\$57,865.58
Mediator Fees	\$5,000.00
<b>Total</b>	<b>\$120,704.06</b>

90. The foregoing expenses were reasonable and necessary to the prosecution of this Action, and are the type of expenses Lead Counsel typically incur in complex litigation, and for which Lead Counsel are typically reimbursed when the litigation gives rise to a common fund.

91. The Notice informed Settlement Class Members of Lead Counsel's intent to apply for an award of attorneys' fees in the amount of 18% of the net amount of the Additional Settlements after deduction of litigation expenses, and for reimbursement of litigation expenses in an amount not to exceed \$200,000, plus interest on such fees and expenses from the date of funding at the same rate as earned by the settlement funds. While the deadline set by the Court for Settlement Class Members to object to the requested fees and expenses has not yet passed, to date we are not aware of a single objection by any Settlement Class Member.

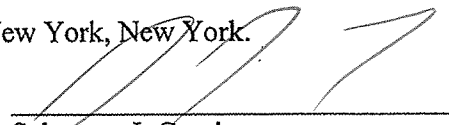
#### **VIII. LEAD COUNSEL'S EXPERIENCE AND QUALIFICATIONS**

92. Lead Counsel are experienced in prosecuting securities class actions, and worked diligently and efficiently in prosecuting this Action. As demonstrated by the firm resumes attached hereto as Exhibits 7 and 8, Lead Counsel are each among the most experienced and

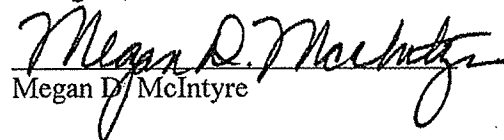
skilled law firms in the securities litigation field, with long and successful track records representing investors in such cases. Both firms are consistently ranked among the top plaintiffs' firms in the country. Further, each firm has taken complex cases such as this to trial, and we are among the few firms with experience doing so on behalf of plaintiffs in securities class actions. We believe this willingness and ability added valuable leverage in the settlement negotiations.

We declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

DATED this 4th day of February, 2011 at New York, New York.

  
\_\_\_\_\_  
Salvatore J. Graziano

DATED this 4th day of February, 2011 at Wilmington, Delaware.

  
\_\_\_\_\_  
Megan D. McIntyre

# 510694

# **Exhibit 1**

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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	:	
	:	05 Civ. 8626 (GEL)
In re REFCO, INC. SECURITIES LITIGATION	:	
	:	
	:	
-----	X	

**DECLARATION OF LAYN R. PHILLIPS**

I, LAYN R. PHILLIPS, declare as follows:

1. I am filing this Declaration in my capacity as the mediator in connection with the proposed settlement of the claims asserted by Lead Plaintiffs and the Class against Grant Thornton LLP (“GT”), (the “GT Settlement”).

2. I am a retired federal judge, currently employed as a litigation partner with the firm of Irell & Manella LLP, and separately employed as a mediator and arbitrator. I am based in the firm’s Newport Beach, California office. I am a member of the bars of Oklahoma, Texas, California and the District of Columbia, as well as the U.S. Courts of Appeals for the Ninth and Tenth Circuits and the Federal Circuit.

3. I earned my Bachelor of Science in Economics as well as my J.D. from the University of Tulsa. I also completed two years of L.L.M. work at Georgetown University Law Center in the area of economic regulation of industry. After serving as an antitrust prosecutor and an Assistant United States Attorney in Los Angeles, California, I was nominated by President Reagan to serve as a United States Attorney in Oklahoma, and did so for approximately four years.

4. I personally tried many cases and oversaw the trials of numerous other cases as a United States Attorney. While serving as a United States Attorney, I was nominated by

President Reagan to serve as a District Judge for the Western District of Oklahoma. During my tenure as a Federal Judge, I presided over trials in all three districts of the state (Northern, Western and Eastern) and sat by designation on the United States Court of Appeals for the Tenth Circuit. I also presided over cases in Texas, New Mexico and Colorado. While on the bench, I presided over a total of more than 140 federal trials. I left the federal bench in 1991 and joined Irell & Manella shortly thereafter.

5. In addition to litigating, I devote a considerable amount of my professional time to serving as a mediator and arbitrator in connection with large, complex cases such as this. I have successfully mediated numerous complex commercial cases, including dozens of securities class action cases.

6. In May 2009, Lead Plaintiffs' counsel contacted me with a request – which I understand they had already discussed with counsel for GT – that I attempt to mediate a resolution of the Class's claims against GT. I agreed to so, and was able to schedule a mediation session in July 2009. In advance of that session, the parties submitted to me detailed mediation statements.

7. Based on my review of the parties' mediation statements, it was clear to me that counsel were well-versed in the relative merits of their claims and defenses, and in the evidence that supported each side's position. It was also clear that there was a large gap between the parties' settlement positions, and that achieving a settlement would be difficult.

8. During the July 2009 mediation session, I engaged in numerous discussions with counsel for both sides in an effort to find common ground between the parties' respective positions. Ultimately, however, the parties were unable to resolve their dispute at this time.

9. From the July 2009 mediation session to August 2010, I understand that Lead Plaintiffs and GT completed fact and expert discovery and fully briefed motions for class certification and summary judgment. During this time, I periodically communicated with both sides in an effort to explore the possibility of settling the dispute – but no settlement was achieved. In the summer of 2010, the parties’ intermittent negotiations began to bear fruit. On August 22, 2010, following intense and hard-fought negotiations, the parties agreed on a settlement whereby GT agreed to pay \$25 million for the benefit of the class. I cannot delve into the specifics regarding each party’s positions – however, I can say that there were many complex issues that required careful analysis and creative solutions. I can also attest that the negotiations were fully at arm’s length, with no collusion at all.

10. Based on my experience as a litigator, a mediator, and a former federal judge, I believe this settlement represents a recovery and outcome that is reasonable and fair for the Class and all parties involved. I further believe it was in the best interests of all of the parties that they avoid the burdens and risks associated with taking a case of this size and complexity to trial, and that they agree upon the settlement now before the Court.

11. Lastly, the advocacy on both sides of the case was outstanding. I had experience with the principal attorneys working on this case for Lead Plaintiffs (from the law firms of Bernstein Litowitz Berger & Grossmann LLP and Grant & Eisenhofer P.A.) from other cases I have mediated, and I was familiar with the effort, creativity, and zeal they put into their work. I expected that they would represent their clients and the Class in the same manner here, and they did. Similarly, the advocacy from counsel representing GT (from Winston & Strawn LLP) was of the highest caliber. Lead Plaintiffs’ counsel were able to go toe-to-toe with top-notch defense lawyers, and all counsel displayed the highest level of professionalism in carrying out their

duties on behalf of their respective clients. The settlement is a direct result of all counsel's experience, reputation and ability in these types of cases.

Dated: February 1, 2011

  
\_\_\_\_\_  
Layn R. Phillips

# **Exhibit 2**

*In re Refco, Inc. Securities Litigation,*  
Master File No. 05 Civ. 8626 (JSR)

**BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP**

**TIME REPORT**  
**Inception through January 31, 2011**

NAME	HOURS	HOURLY RATE	LODESTAR
<b>Partners</b>			
Max Berger	629.25	\$895.00	\$ 563,178.75
John Browne	3,683.65	650.00	2,394,372.50
John P. Coffey	1,114.50	850.00	947,325.00
Salvatore Graziano	1,642.25	750.00	1,231,687.50
Jeffrey Leibell	69.85	675.00	47,148.75
Gerald Silk	229.00	750.00	171,750.00
<b>Of Counsel</b>			
Jonathan Harris	134.00	650.00	87,100.00
Doug McKeige	127.00	690.00	87,630.00
Elliott Weiss	180.75	690.00	124,717.50
<b>Senior Counsel</b>			
Jai Chandrasekhar	212.50	550.00	116,875.00
Pamela Kulsrud Corey	8.00	650.00	5,200.00
Rochelle Hansen	590.75	650.00	383,987.50
Avi Josefson	26.00	490.00	12,740.00
<b>Associates</b>			
Geoffrey Brounell	20.50	380.00	7,790.00
Wendy Kay Erdly	12.00	395.00	4,740.00
Pat Gillane	4,667.75	470.00	2,193,842.50
Ann Lipton	597.25	490.00	292,652.50
Noam Mandel	694.00	465.00	322,710.00
John Mills	31.50	490.00	15,435.00
Michael Petrusic	1,081.25	390.00	421,687.50
Jeremy Robinson	5,882.45	465.00	2,735,339.25
David H. Webber	480.75	450.00	216,337.50
<b>Staff Associates</b>			
Matthew Berman	6.00	390.00	2,340.00
David Duncan	325.50	390.00	126,945.00
David Steacie	5,308.50	390.00	2,070,315.00

NAME	HOURS	HOURLY RATE	LODESTAR
<b>Staff Attorneys</b>			
Andrew Afifian	1,998.75	310.00	619,612.50
Walter Brown	1,260.25	310.00	390,677.50
Alexa Butler	2,500.00	395.00	987,500.00
Sherry Chachkin	904.50	310.00	280,395.00
Fred Chee	1,270.25	300.00	381,075.00
Eric Dixon	8.50	310.00	2,635.00
Jake Gertsman	321.50	300.00	96,450.00
Cynthia Gill	2,694.00	395.00	1,064,130.00
Christine Gladchuk	3,818.25	340.00	1,298,205.00
Mark van der Harst	1,327.50	375.00	497,812.50
Susan Kent	4,700.25	310.00	1,457,077.50
Donatella Keohane	803.50	395.00	317,382.50
Edward B. Mendy	58.00	300.00	17,400.00
Amanda Philip	4,052.50	395.00	1,600,737.50
Simmi Prasad	7,686.00	395.00	3,035,970.00
Loveena Rajanayakam	1,953.25	375.00	732,468.75
Shalu Rastogi	1,890.50	395.00	746,747.50
Daniel Renehan	5,152.25	395.00	2,035,138.75
Lisa Russell	928.25	310.00	287,757.50
Ronald Salley	1,025.25	310.00	317,827.50
Robert Stinson	1,377.00	395.00	543,915.00
Andrew Tolan	40.50	395.00	15,997.50
<b>Summer Associates</b>			
Lee Langston	38.50	310.00	11,935.00
<b>Litigation Support</b>			
Jesse Baidoe	323.50	220.00	71,170.00
Sheron P. Brathwaite	459.90	250.00	114,975.00
Ralph Carter	16.75	225.00	3,768.75
Wendy Parsons	52.50	210.00	11,025.00
<b>Financial Analysts</b>			
Nick DeFilippis	22.50	425.00	9,562.50
Sara Genua	81.00	225.00	18,225.00
Adam Weinschel	0.50	350.00	175.00
Ben Heiss	21.25	200.00	4,250.00
Amanda Beth Hollis	17.50	275.00	4,812.50
Rochelle Moses	109.50	275.00	30,112.50
Mithun Sahdev	66.00	195.00	12,870.00

NAME	HOURS	HOURLY RATE	LODESTAR
<b>Investigators</b>			
Amy Bitkower	15.25	425.00	6,481.25
Lisa C. Burr	17.00	250.00	4,250.00
David Kleinbard	52.75	345.00	18,198.75
Joelle (Sfeir) Landino	5.50	250.00	1,375.00
<b>Communications</b>			
Alexander Coxe	24.25	230.00	5,577.50
Seema Desai	21.50	190.00	4,085.00
Dalia El-Newehy	44.25	190.00	8,407.50
<b>Paralegals</b>			
Maureen Duncan	25.50	275.00	7,012.50
Larry Silvestro	42.50	275.00	11,687.50
Gary Weston	761.30	275.00	209,357.50
Martin Braxton	13.00	210.00	2,730.00
Shirley Chisolm	3.50	220.00	770.00
Ben Heiss	7.50	150.00	1,125.00
Cathleen Laporte	3.00	230.00	690.00
Dawn Larkin-Wallace	1,435.60	220.00	315,832.00
Naitrani Lugo	87.50	195.00	17,062.50
Dwayne Lunde	3.00	205.00	615.00
Ruben Montilla	832.00	210.00	174,720.00
Sara Genua	7.00	185.00	1,295.00
Tracy Jordan	27.15	180.00	4,887.00
Bob Manago	10.75	180.00	1,935.00
Saturina Taylor	198.00	190.00	37,620.00
<b>Document Clerk</b>			
Frank Barajas	9.00	175.00	1,575.00
<b>Interns</b>			
Jennifer Drewes	11.50	150.00	1,725.00
<b>TOTALS</b>	<b>78,393.40</b>		<b>\$32,442,654.50</b>

# 514273

# **Exhibit 3**

**GRANT & EISENHOFER P.A.**  
**REFCO SECURITIES LITIGATION**  
**SUMMARY (as of 1/31/11)**

<u>Timekeeper</u>	<u>Total Hours To Date</u>	<u>Current Hourly Rate</u>	<u>Total To Date</u>
<b><u>Partners</u></b>			
Stuart Grant	915.60	\$ 845.00	\$ 773,682.00
James Sabella	2,534.60	\$ 795.00	\$ 2,015,007.00
Megan McIntyre	3,052.50	\$ 695.00	\$ 2,121,487.50
Reuben Guttman	1.00	\$ 650.00	\$ 650.00
<b><u>Senior Counsel</u></b>			
Brenda Szydlo	1,117.60	\$ 620.00	\$ 692,912.00
Lesley Weaver	15.20	\$ 620.00	\$ 9,424.00
<b><u>Associates</u></b>			
Charles Caliendo	9.65	\$ 550.00	\$ 5,307.50
Jonathan Margolis	770.60	\$ 545.00	\$ 419,977.00
Michelle T. Wirtner	0.30	\$ 525.00	\$ 157.50
Christine Mackintosh	2,934.10	\$ 475.00	\$ 1,393,697.50
Jeff Almeida	178.41	\$ 475.00	\$ 84,744.75
Lydia Ferrarese	1,280.30	\$ 425.00	\$ 544,127.50
Natalia Williams	0.40	\$ 425.00	\$ 170.00
Peter Andrews	167.10	\$ 375.00	\$ 62,662.50
Jill Agro	674.20	\$ 325.00	\$ 219,115.00
<b><u>Staff Attorneys</u></b>			
Michelle Peterson	972.30	\$ 375.00	\$ 364,612.50
Lindsay Roseler	79.70	\$ 300.00	\$ 23,910.00
<b><u>Project Attorneys</u></b>			
James Cavanaugh	3,915.50	\$ 350.00	\$ 1,370,425.00
Lawrence Kempner	4,767.90	\$ 350.00	\$ 1,668,765.00
Leanne Brown	5,557.45	\$ 350.00	\$ 1,945,107.50
Matthew Rieder	4,241.70	\$ 350.00	\$ 1,484,595.00
Frank Delfi	5,802.70	\$ 325.00	\$ 1,885,877.50
Randal Cowles	3,847.65	\$ 325.00	\$ 1,250,486.25
Roberto DiMichele	1,822.40	\$ 325.00	\$ 592,280.00
Kenneth Primola	3,698.20	\$ 290.00	\$ 1,072,478.00
Shannon Schlott	3,542.70	\$ 290.00	\$ 1,027,383.00
Ami Desai	35.10	\$ 250.00	\$ 8,775.00
Cherriel Gentles	170.70	\$ 250.00	\$ 42,675.00
John Licari	650.40	\$ 250.00	\$ 162,600.00
John Meravi	1,013.20	\$ 250.00	\$ 253,300.00
Larry Schwartz	1.00	\$ 250.00	\$ 250.00
Micah Smith	211.40	\$ 250.00	\$ 52,850.00
Serena Palumbo	7.40	\$ 250.00	\$ 1,850.00
Tiffany D. Blakey	144.80	\$ 250.00	\$ 36,200.00
<b><u>Paralegals</u></b>			
Carolynn Nevers	233.60	\$ 225.00	\$ 52,560.00
Matt Hartman	5.60	\$ 225.00	\$ 1,260.00
Alexandra Carpio	1,603.20	\$ 190.00	\$ 304,608.00
S. Lee Sobocinski	107.90	\$ 190.00	\$ 20,501.00
Debbie Bartell	7.25	\$ 175.00	\$ 1,268.75
Kimberly B. Schwarz	8.00	\$ 175.00	\$ 1,400.00
Mary Swift	41.20	\$ 175.00	\$ 7,210.00
Todd Riddick	1.80	\$ 175.00	\$ 315.00
Kennedy Comer	148.00	\$ 140.00	\$ 20,720.00
Paige Alderson	8.50	\$ 140.00	\$ 1,190.00
Valarie Ziminsky	0.30	\$ 95.00	\$ 28.50
Pam Krakowski	31.50	\$ 75.00	\$ 2,362.50
<b>TOTAL</b>	<b>56,330.61</b>		<b>\$ 22,000,965.25</b>

# **Exhibit 4**

*In Re REFCO INC. Securities Litigation*  
05-CV-8626 (JSR)

**BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP**

**EXPENSE REPORT**

**September 11, 2010 through January 31, 2011**

**(Includes expenses incurred prior to September 11, 2010 that were not billed by the vendor as of that date and which were not previously applied for.)**

Category of Expense	Amount
Court Fees	\$ 300.00
On Line Legal Research	1,783.09
On Line Factual Research	2,703.53
Postage & Express Mail	49.55
Hand Delivery Charges	145.35
Local Transportation	297.84
Internal Copying	1,311.50
Outside Copying/Printing	5,966.35
Working Meals	1,190.17
Court Reporting & Transcripts	74.60
Mediation Fees	2,500.00
Special Master Fees	5,537.80
<b>TOTAL EXPENSES:</b>	<b>\$21,859.78</b>

# **Exhibit 5**

Grant & Eisenhofer P.A.  
Pacific Investment Management Company - Refco  
Expense Report

Unreimbursed Disbursements as of 1/31/11

	Expenses
Duplication Services	\$ 3,080.25
Postage & Delivery	78.77
Research	794.10
Special Master Fees	5,120.31
Telephone	260.88
Travel	2,420.96
Total Disbursements	\$ 11,755.27

# **Exhibit 6**

*In Re REFCO INC. Securities Litigation*  
**05-CV-8626 (JSR)**

**SCHEDULE OF OUTSTANDING EXPENSES\***  
**As of January 31, 2011**

Category of Expense	Amount Owed
Experts	\$21,790.00
Special Master Fees	47,207.47
Mediator	2,500.00
Document Management (Electronic Data Base)	13,168.79
Court Reporters & Transcripts	2,422.75
<b>TOTAL OUTSTANDING:</b>	<b>\$87,089.01</b>

- \* This schedule includes both amounts currently owing and estimated fees that will be owing to the Special Master through the date of final approval of the settlements. Should the actual amount paid to the Special Master be less than estimated, the balance will be deposited into the Settlement Fund for distribution to the Class.

# **Exhibit 7**

## FIRM RESUME

Visit our web site at [www.blbglaw.com](http://www.blbglaw.com) for the most up-to-date information on the firm, its lawyers and practice groups.

Bernstein Litowitz Berger & Grossmann LLP, a firm of over 50 attorneys in offices located in New York, California and Louisiana, prosecutes class and private actions, nationwide, on behalf of individual and institutional clients. The firm's litigation practice areas include securities class and direct actions in federal and state courts; corporate governance and shareholder rights litigation, including claims for breach of fiduciary duty and proxy violations; mergers and acquisitions and transactional litigation; intellectual property; alternative dispute resolution; distressed debt and bankruptcy; civil rights and employment discrimination; consumer class actions and antitrust. We also handle, on behalf of major institutional clients and lenders, more general complex commercial litigation involving allegations of breach of contract, accountants' liability, breach of fiduciary duty, fraud, and negligence.

We are the nation's leading firm in representing institutional investors in securities fraud class action litigation. The firm's institutional client base includes the New York State Common Retirement Fund, the California Public Employees Retirement System (CalPERS), and the Ontario Teachers' Pension Plan, the largest public pension funds in North America, collectively managing over \$300 billion in assets; the Los Angeles County Employees' Retirement Association (LACERA); the Chicago Municipal, Police and Labor Retirement Systems; the State of Wisconsin Investment Board; the Retirement Systems of Alabama; the Connecticut Retirement Plans and Trust Funds; the City of Detroit Pension Systems; the Houston Firefighters' and Municipal Employees' Pension Funds; the Louisiana School, State, Teachers and Municipal Police Retirement Systems; the Public School Teachers' Pension and Retirement Fund of Chicago; the New Jersey Division of Investment of the Department of the Treasury; TIAA-CREF and other private institutions; as well as numerous other public and Taft-Hartley pension entities.

Since its founding in 1983, Bernstein Litowitz Berger & Grossmann LLP has litigated some of the most complex cases in history and has obtained over \$20 billion on behalf of investors. Unique among its peers, the firm has negotiated the largest settlements ever agreed to by public companies related to securities fraud, and obtained four of the ten largest securities recoveries in history.

As Co-Lead Counsel for the Class representing Lead Plaintiff the New York State Common Retirement Fund in *In re WorldCom, Inc. Securities Litigation*, arising from the financial fraud and subsequent bankruptcy at WorldCom, Inc., we obtained unprecedented settlements totaling more than \$6 billion from the investment bank defendants who underwrote WorldCom bonds, the second largest securities recovery in history. Additionally, the former WorldCom Director Defendants agreed to pay over \$60 million to settle the claims against them. An unprecedented first for outside directors, \$24.75 million of that amount is coming out of the pockets of the individuals—20% of their collective net worth. Also, after four weeks of trial, Arthur Andersen, WorldCom's former auditor, settled for \$65 million. In July 2005, settlements were reached with the former executives of WorldCom, bringing the total obtained for the Class to over \$6.15 billion.

The firm was also Co-Lead Counsel in *In re Cendant Corporation Securities Litigation*, which settled for more than \$3 billion in cash. This settlement, the largest sums ever recovered from a public company and a public accounting firm, includes some of the most significant corporate governance changes ever achieved through securities class action litigation. The firm represented Lead Plaintiffs CalPERS, the New York State Common Retirement Fund, and the New York City Pension Funds on behalf of all purchasers of Cendant securities during the class period. The firm also recovered over \$1.3 billion for investors in Nortel Networks, and recent settlements in *In re McKesson HBOC Inc. Securities Litigation* total over \$1 billion in monies recovered for investors. Additionally, the firm was lead counsel in the celebrated *In re Washington Public Power Supply System Litigation*, which, after seven years of litigation and three months of jury trial, resulted in what was then the largest securities fraud recovery ever – over \$750 million.

A leader in representing institutional shareholders in litigation arising from the widespread stock options backdating scandals of recent years, the firm recovered nearly \$920 million in ill-gotten compensation directly from former officers and directors in the *UnitedHealth Group, Inc. Shareholder Derivative Litigation*. The largest derivative recovery in history, the settlement is notable for holding individual wrongdoers accountable for their role in illegally backdating stock options, as well as for the company's agreement to far-reaching reforms to curb future executive compensation abuses. (Court approval of the recovery is pending.)

The firm's prosecution of Arthur Andersen LLP, for Andersen's role in the 1999 collapse of the Baptist Foundation of Arizona ("BFA"), received intense national and international media attention. As lead trial counsel for the defrauded BFA investors, the firm obtained a cash settlement of \$217 million from Andersen in May 2002, after six days of what was scheduled to be a three month trial. The case was covered in great detail by *The Wall Street Journal*, *The New York Times*, *The Washington Post*, "60 Minutes II," National Public Radio, and the BBC, as well as various other international news outlets.

The firm is also a recognized leader in representing the interests of shareholders in M&A litigation arising from transactions that are structured to unfairly benefit the company's management or directors at the shareholder's expense. For example, in the high-profile *Caremark Takeover Litigation*, the firm obtained a landmark ruling from the Delaware Court of Chancery ordering Caremark's board to disclose previously withheld information, enjoin a shareholder vote on CVS' merger offer, and grant statutory appraisal rights to Caremark shareholders. CVS was ultimately forced to raise its offer by \$7.50 per share, equal to more than \$3 billion in additional consideration to Caremark shareholders.

Equally important, Bernstein Litowitz Berger & Grossmann LLP has successfully advanced novel and socially beneficial principles by developing important new law in the areas in which we litigate.

The firm served as co-lead counsel on behalf of Texaco's African-American employees in *Roberts v. Texaco Inc.*, which similarly resulted in a recovery of \$176 million, the largest settlement ever in a race discrimination case. The creation of a Task Force to oversee Texaco's human resources activities for five years was unprecedented and served as a model for public companies going forward.

On behalf of twelve public pension funds, including the New York State Common Retirement Fund, CalPERS, LACERA, and other institutional investors, the firm successfully prosecuted *McCall v. Scott*, a derivative suit filed against the directors and officers of Columbia/HCA Healthcare Corporation, the subject of the largest health care fraud investigation in history. This settlement included a landmark corporate governance plan which went well beyond all recently enacted regulatory reforms, greatly enhancing the corporate governance structure in place at HCA.

The firm also represents intellectual property holders who are victims of infringement in litigation against some of the largest companies in the world. Our areas of specialty practice include patents, copyrights, trademarks, trade dress, and trade-secret litigation, and our attorneys are recognized by industry observers for their excellence.

In the consumer field, the firm has gained a nationwide reputation for vigorously protecting the rights of individuals and for achieving exceptional settlements. In several instances, the firm has obtained recoveries for consumer classes that represented the entirety of the class' losses – an extraordinary result in consumer class cases.

Our firm is dedicated to litigating with the highest level of professional competence, striving to secure the maximum possible recovery for our clients in the most efficient and professionally responsible manner. In those cases where we have served as either lead counsel or as a member of plaintiffs' executive committee, the firm has recovered billions of dollars for our clients.

## **THE FIRM'S PRACTICE AREAS**

### **Securities Fraud Litigation**

Securities fraud litigation is the cornerstone of the firm's litigation practice. Since its founding, the firm has tried and settled many high profile securities fraud class actions and continues to play a leading role in major securities litigation pending in federal and state courts. Moreover, since passage of the Private Securities Litigation Reform Act of 1995, which sought to encourage institutional investors to become more pro-active in securities fraud class action litigation, the firm has become the nation's leader in representing institutional investors in securities fraud and derivative litigation. The firm has the distinction of having prosecuted many of the most complex and high-profile cases in securities law history, recovering billions of dollars and obtaining unprecedented corporate governance reforms on behalf of our clients.

The firm also pursues direct actions in securities fraud cases when appropriate. By selectively opting-out of certain securities class actions we seek to resolve our clients' claims efficiently and for substantial multiples of what they might otherwise recover from related class action settlements.

The attorneys in the securities fraud litigation practice group have extensive experience in the laws that regulate the securities markets and in the disclosure requirements of corporations that issue publicly traded securities. Many of the attorneys in this practice group also have accounting backgrounds. The group has access to state-of-the-art, online financial wire services and databases, which enables it to instantaneously investigate any potential securities fraud action involving a public company's debt and equity securities.

### **Corporate Governance and Shareholders' Rights**

The corporate governance and shareholders' rights practice group prosecutes derivative actions, claims for breach of fiduciary duty and proxy violations on behalf of individual and institutional investors in state and federal courts throughout the country. The group has prosecuted actions challenging numerous highly publicized corporate transactions which violated fair process and fair price, and the applicability of the business judgment rule. The group has also addressed issues of corporate waste, shareholder voting rights claims, and executive compensation. As a result of the firm's high profile and widely recognized capabilities, the corporate governance practice group is increasingly in demand by institutional investors who are exercising a more assertive voice with corporate boards regarding corporate governance issues and the board's accountability to shareholders.

The firm is actively involved in litigating numerous cases in this area of law, an area that has become increasingly important in light of efforts by various market participants to buy companies from their public shareholders "on the cheap."

### **Employment Discrimination and Civil Rights**

The employment discrimination and civil rights practice group prosecutes class and multi-plaintiff actions, and other high impact litigation against employers and other societal institutions that violate federal or state employment, anti-discrimination, and civil rights laws. The practice group represents diverse clients on a wide range of issues including Title VII actions, race, gender, sexual orientation and age discrimination suits, sexual harassment and "glass ceiling" cases in which otherwise qualified employees are passed over for promotions to managerial or executive positions.

Bernstein Litowitz Berger & Grossmann LLP is committed to effecting positive social change in the workplace and in society. The practice group has the necessary financial and human resources to ensure that the class action approach to discrimination and civil rights issues is successful. This litigation method serves to empower employees and other civil rights victims, who are usually discouraged from pursuing litigation because of personal financial limitations, and offers the potential for effecting the greatest positive change for the greatest number of people affected by discriminatory practice in the workplace.

## **Intellectual Property**

BLB&G's Intellectual Property Litigation practice group is dedicated to protecting the creativity and innovation of individuals and firms. Patent cases exemplify the type of complex, high-stakes litigation in which we specialize. Our areas of concentration include patent, trademark, false advertising, copyright, and trade-secret litigation. We have successfully prosecuted these actions against infringers in both federal and state courts across the country, in foreign courts and before administrative bodies. The firm is currently prosecuting patent cases on behalf of inventors in a variety of industries including electronics, liquid crystal display ("LCD") panels, and computer technology.

## **General Commercial Litigation and Alternative Dispute Resolution**

The General Commercial Litigation practice group provides contingency fee representation in complex business litigation and has obtained substantial recoveries on behalf of investors, corporations, bankruptcy trustees, creditor committees and other business entities. We have faced down powerful and well-funded law firms and defendants — and consistently prevailed.

However, not every dispute is best resolved through the courts. In such cases, BLB&G Alternative Dispute practitioners offer clients an accomplished team and a creative venue in which to resolve conflicts outside of the litigation process. BLB&G has extensive experience — and a marked record of successes — in ADR practice. For example, in the wake of the credit crisis, we successfully represented numerous former executives of a major financial institution in arbitrations relating to claims for compensation. Our attorneys have led complex business-to-business arbitrations and mediations domestically and abroad representing clients before all the major arbitration tribunals, including the American Arbitration Association (AAA), FINRA, JAMS, International Chamber of Commerce (ICC) and the London Court of International Arbitration.

## **Distressed Debt and Bankruptcy Creditor Negotiation**

BLB&G Distressed Debt and Bankruptcy Creditor Negotiation group has obtained billions of dollars through litigation on behalf of bondholders and creditors of distressed and bankrupt companies, as well as through third party litigation brought by bankruptcy trustees and creditor's committees against auditors, appraisers, lawyers, officers and directors, and others defendant who may have contributed to a clients' losses. As counsel, we advise institutions and individuals nationwide in developing strategies and tactics to recover assets presumed lost as a result of bankruptcy. Our record in this practice area is characterized by extensive trial experience in addition to completion of successful settlements.

## **Consumer Advocacy**

The consumer advocacy practice group at Bernstein Litowitz Berger & Grossmann LLP prosecutes cases across the entire spectrum of consumer rights, consumer fraud, and consumer protection issues. The firm represents victimized consumers in state and federal courts nationwide in individual and class action lawsuits that seek to provide consumers and purchasers of defective products with a means to recover their damages. The attorneys in this group are well versed in the vast array of laws and regulations that govern consumer interests and are aggressive, effective, court-tested litigators. The consumer practice advocacy group has recovered hundreds of millions of dollars for millions of consumers throughout the country. Most notably, in a number of cases, the firm has obtained recoveries for the class that were the entirety of the potential damages suffered by the consumer. For example, in actions against MCI and Empire Blue Cross, the firm recovered all of the damages suffered by the class. The group achieved its successes by advancing innovative claims and theories of liabilities, such as obtaining decisions in Pennsylvania and Illinois appellate courts that adopted a new theory of consumer damages in mass marketing cases. Bernstein Litowitz Berger & Grossmann LLP is, thus, able to lead the way in protecting the rights of consumers.

## THE COURTS SPEAK

Throughout the firm's history, many courts have recognized the professional competence and diligence of the firm and its members. A few examples are set forth below.

Judge Denise Cote (United States District Court for the Southern District of New York) has noted, several times on the record, the quality of BLB&G's ongoing representation of the Class in *In re WorldCom, Inc. Securities Litigation*. Judge Cote on December 16, 2003:

"I have the utmost confidence in plaintiffs' counsel . . . they have been doing a superb job. . . . The Class is extraordinarily well represented in this litigation."

In granting final approval of the \$2.575 billion settlement obtained from the Citigroup Defendants, Judge Cote again praised BLB&G's efforts:

"The magnitude of this settlement is attributable in significant part to Lead Counsel's advocacy and energy....The quality of the representation given by Lead Counsel...has been superb...and is unsurpassed in this Court's experience with plaintiffs' counsel in securities litigation. Lead Counsel has been energetic and creative.... Its negotiations with the Citigroup Defendants have resulted in a settlement of historic proportions."

\* \* \*

In February 2005, at the conclusion of trial of *In re Clarent Corporation Securities Litigation*, The Honorable Charles R. Breyer of the United States District Court for the Northern District of California praised the efforts of counsel: "It was the best tried case I've witnessed in my years on the bench....[A]n extraordinarily civilized way of presenting the issues to you [the jury]....We've all been treated to great civility and the highest professional ethics in the presentation of the case.... The evidence was carefully presented to you....They got dry subject matter and made it interesting... [brought] the material alive... good trial lawyers can do that.... I've had fascinating criminal trials that were far less interesting than this case. [I]t's a great thing to be able to see another aspect of life... It keeps you young...vibrant... [and] involved in things... These trial lawyers are some of the best I've ever seen."

\* \* \*

In granting the Court's approval of the resolution and prosecution of *McCall v. Scott*, a shareholder derivative lawsuit against certain former senior executives of HCA Healthcare (formerly Columbia/HCA), Senior Judge Thomas A. Higgins (United States District Court, Middle District of Tennessee) said that the settlement "confers an exceptional benefit upon the company and the shareholders by way of the corporate governance plan. . . . Counsel's excellent qualifications and reputations are well documented in the record, and they have litigated this complex case adeptly and tenaciously throughout the six years it has been pending. They assumed an enormous risk and have shown great patience by taking this case on a contingent basis, and despite an early setback they have persevered and brought about not only a large cash settlement but sweeping corporate reforms that may be invaluable to the beneficiaries."

\* \* \*

Judge Walls (District of New Jersey), in approving the \$3.2 billion *Cendant* settlement, said that the recovery from all defendants, which represents a 37% recovery to the Class, "far exceeds recovery rates of any case cited by the parties." The Court also held that the \$335 million separate recovery from E&Y is "large" when "[v]iewed in light of recoveries against accounting firms for securities damages." In granting Lead Counsel's fee request, the Court determined that "there is no other catalyst for the present settlement than the work of Lead Counsel. . . . This Court, and no other judicial officer, has maintained direct supervision over the parties from the outset of litigation to the present time. In addition to necessary motion practice, the parties regularly met with and reported to the Court every five or six weeks during this period about the status of negotiations between them. . . . [T]he Court has no reason to attribute a portion of the Cendant settlement to others' efforts; Lead Counsel were the only relevant material factors

for the settlement they directly negotiated.” The Court found that “[t]he quality of result, measured by the size of settlement, is very high. . . . The Cendant settlement amount alone is over three times larger than the next largest recovery achieved to date in a class action case for violations of the securities laws, and approximately ten times greater than any recovery in a class action case involving fraudulent financial statements. . . . The E&Y settlement is the largest amount ever paid by an accounting firm in a securities class action.” The Court went on to observe that “the standing, experience and expertise of the counsel, the skill and professionalism with which counsel prosecuted the case and the performance and quality of opposing counsel were high in this action. Lead Counsel are experienced securities litigators who ably prosecuted the action.” The Court concluded that this Action resulted in “excellent settlements of uncommon amount engineered by highly skilled counsel with reasonable cost to the class.”

\* \* \*

After approving the settlement in *Alexander v. Pennzoil Company*, the Honorable Vanessa D. Gilmore of the United States District Court for the Southern District of Texas ended the settlement hearing by praising our firm for the quality of the settlement and our commitment to effectuating change in the workplace. “... the lawyers for the plaintiffs ... did a tremendous, tremendous job. ... not only in the monetary result obtained, but the substantial and very innovative programmatic relief that the plaintiffs have obtained in this case ... treating people fairly and with respect can only inure to the benefit of everybody concerned. I think all these lawyers did an outstanding job trying to make sure that that’s the kind of thing that this case left behind.”

\* \* \*

On February 23, 2001, the United States District Court for the Northern District of California granted final approval of the \$259 million cash settlement in *In re 3Com Securities Litigation*, the largest settlement of a securities class action in the Ninth Circuit since the Private Securities Litigation Reform Act was passed in 1995, and the fourth largest recovery ever obtained in a securities class action. The district court, in an Order entered on March 9, 2001, specifically commented on the quality of counsel’s efforts and the settlement, holding that “counsel’s representation [of the class] was excellent, and ... the results they achieved were substantial and extraordinary.” The Court described our firm as “among the most experienced and well qualified in this country in [securities fraud] litigation.”

\* \* \*

United States District Judge Todd J. Campbell of the Middle District of Tennessee heard arguments on Plaintiffs’ Motion for Preliminary Injunction in *Cason v. Nissan Motor Acceptance Corporation Litigation*, the highly publicized discriminatory lending class action, on September 5, 2001. He exhibited his own brand of candor in commenting on the excellent work of counsel in this matter: “In fact, the lawyering in this case... is as good as I’ve seen in any case. So y’all are to be commended for that.”

\* \* \*

In approving the \$30 million settlement in the *Assisted Living Concepts, Inc. Securities Litigation*, the Honorable Ann L. Aiken of the Federal District Court in Oregon, praised the recovery and the work of counsel. She stated that, “...without a doubt...this is a...tremendous result as a result of very fine work...by the...attorneys in this case.”

\* \* \*

The Honorable Judge Edward A. Infante of the United States District Court for the Northern District of California expressed high praise for the settlement and the expertise of plaintiffs’ counsel when he approved the final settlement in the *Wright v. MCI Communications Corporation* consumer class action. “The settlement. . . . is a very favorable settlement to the class. . . . to get an 85% result was extraordinary, and plaintiffs’ counsel should be complimented for it on this record. . . . The recommendations of experienced counsel weigh heavily on the court. The lawyers before me are specialists in class action litigation. They’re well known to me, particularly Mr. Berger, and I have confidence that if Mr. Berger and the other plaintiffs’ counsel think this is a good, well-negotiated settlement, I find it is.” The case was settled for \$14.5 million.

\* \* \*

At the *In re Computron Software, Inc. Securities Litigation* settlement hearing, Judge Alfred J. Lechner, Jr. of the United States District Court for the District of New Jersey approved the final settlement and commended Bernstein Litowitz Berger & Grossmann's efforts on behalf of the Class. "I think the job that was done here was simply outstanding. I think all of you just did a superlative job and I'm appreciat[ive] not only for myself, but the court system and the plaintiffs themselves. The class should be very, very pleased with the way this turned out, how expeditiously it's been moved."

\* \* \*

The *In re Louisiana-Pacific Corporation Securities Litigation*, filed in the United States District Court, District of Oregon, was a securities class action alleging fraud and misrepresentations in connection with the sale of defective building materials. Our firm, together with co-lead counsel, negotiated a settlement of \$65.1 million, the largest securities fraud settlement in Oregon history, which was approved by Judge Robert Jones on February 12, 1997. The Court there recognized that ". . . the work that is involved in this case could only be accomplished through the unique talents of plaintiffs' lawyers . . . which involved a talent that is not just simply available in the mainstream of litigators."

\* \* \*

Judge Kimba M. Wood of the United States District Court for the Southern District of New York, who presided over the six-week securities fraud class action jury trial in *In re ICN/Viratek Securities Litigation*, also recently praised our firm for the quality of the representation afforded to the class and the skill and expertise demonstrated throughout the litigation and trial especially. The Court commented that ". . . plaintiffs' counsel did a superb job here on behalf of the class. . . This was a very hard fought case. You had very able, superb opponents, and they put you to your task. . . The trial work was beautifully done and I believe very efficiently done. . ."

\* \* \*

Similarly, the Court in the *In re Prudential-Bache Energy Income Partnership Securities Litigation*, United States District Court, Eastern District of Louisiana, recognized Bernstein Litowitz Berger & Grossmann LLP's ". . . professional standing among its peers." In this case, which was settled for \$120 million, our firm served as Chair of the Plaintiffs' Executive Committee.

\* \* \*

In the landmark securities fraud case, *In re Washington Public Power Supply System Litigation* (United States District Court, District of Arizona), the district court called the quality of representation "exceptional," noting that "[t]his was a case of overwhelmingly unique proportions. . . a rare and exceptional case involving extraordinary services on behalf of Class plaintiffs." The Court also observed that "[a] number of attorneys dedicated significant portions of their professional careers to this litigation, . . . champion[ing] the cause of Class members in the face of commanding and vastly outnumbering opposition. . . [and] in the face of uncertain victory. . . . [T]hey succeeded admirably."

\* \* \*

Likewise, in *In re Electro-Catheter Securities Litigation*, where our firm served as co-lead counsel, Judge Nicholas Politan of the United States District Court for New Jersey said, "Counsel in this case are highly competent, very skilled in this very specialized area and were at all times during the course of the litigation...always well prepared, well spoken, and knew their stuff and they were a credit to their profession. They are the top of the line."

\* \* \*

In our ongoing prosecution of the *In re Bennett Funding Group Securities Litigation*, the largest "Ponzi scheme" fraud in history, partial settlements totaling over \$140 million have been negotiated for the class. While the action continues to be prosecuted against other defendants, the United States District Court for the Southern District of New York has already found our firm to have been "extremely competent" and of "great skill" in representing the class.

\* \* \*

Judge Sarokin of the United States District Court for the District of New Jersey, after approving the \$30 million settlement in *In re First Fidelity Bancorporation Securities Litigation*, a case in which we were lead counsel, praised the “. . . outstanding competence and performance” of the plaintiffs’ counsel and expressed “admiration” for our work in the case.

## RECENT ACTIONS & SIGNIFICANT RECOVERIES

Currently, Bernstein Litowitz Berger & Grossmann LLP is counsel in many diverse nationwide class and individual actions and has obtained many of the largest and most significant recoveries in history. Some examples from our practice groups include:

### Securities Class Actions

***In re WorldCom, Inc. Securities Litigation*** -- (United States District Court for the Southern District of New York) The largest securities fraud class action in history. The court appointed BLB&G client the **New York State Common Retirement Fund** as Lead Plaintiff and the firm as Lead Counsel for the class in this securities fraud action arising from the financial fraud and subsequent bankruptcy at WorldCom, Inc. The complaints in this litigation alleged that WorldCom and others disseminated false and misleading statements to the investing public regarding its earnings and financial condition in violation of the federal securities and other laws. As a result, investors suffered tens of billions of dollars in losses. The Complaint further alleged a nefarious relationship between Citigroup subsidiary Salomon Smith Barney and WorldCom, carried out primarily by Salomon employees involved in providing investment banking services to WorldCom (most notably, Jack Grubman, Salomon's star telecommunications analyst), and by WorldCom's former CEO and CFO, Bernard J. Ebbers and Scott Sullivan, respectively. On November 5, 2004, the Court granted final approval of the \$2.575 billion cash settlement to settle all claims against the Citigroup defendants. In mid-March 2005, on the eve of trial, the 13 remaining "underwriter defendants," including J.P. Morgan Chase, Deutsche Bank and Bank of America, agreed to pay settlements totaling nearly \$3.5 billion to resolve all claims against them, bringing the total over \$6 billion. Additionally, by March 21, 2005, the day before trial was scheduled to begin, all of the former WorldCom Director Defendants had agreed to pay over \$60 million to settle the claims against them. An unprecedented first for outside directors, \$24.75 million of that amount came out of the pockets of the individuals— 20% of their collective net worth. The case generated headlines across the country—and across the globe. In the words of Lynn Turner, a former SEC chief accountant, the settlement sent a message to directors "that their own personal wealth is at risk if they're not diligent in their jobs." After four weeks of trial, Arthur Andersen, WorldCom's former auditor, settled for \$65 million. In July 2005, settlements were reached with the former executives of WorldCom, bringing the total obtained for the Class to over \$6.15 billion.

***In re Cendant Corporation Securities Litigation*** -- (United States District Court, District of New Jersey) Securities class action filed against Cendant Corporation, its officers and directors and Ernst & Young, its auditors. Cendant settled the action for \$2.8 billion and Ernst & Young settled for \$335 million. The settlements are the third largest in history in a securities fraud action. Plaintiffs alleged that the company disseminated materially false and misleading financial statements concerning CUC's revenues, earnings and expenses for its 1997 fiscal year. As a result of company-wide accounting irregularities, Cendant restated its financial results for its 1995, 1996 and 1997 fiscal years and all fiscal quarters therein. A major component of the settlement was Cendant's agreement to adopt some of the most extensive corporate governance changes in history. The firm represented Lead Plaintiffs **CalPERS** - the **California Public Employees Retirement System**, the **New York State Common Retirement Fund** and the **New York City Pension Funds**, the three largest public pension funds in America, in this action.

***Baptist Foundation of Arizona v. Arthur Andersen, LLP*** -- (Superior Court of the State of Arizona in and for the County of Maricopa) Firm client, the **Baptist Foundation of Arizona Liquidation Trust** ("BFA") filed a lawsuit charging its former auditors, the "Big Five" accounting firm of Arthur Andersen LLP, with negligence in conducting its annual audits of BFA's financial statements for a 15-year period beginning in 1984, and culminating in BFA's bankruptcy in late 1999. Investors lost hundreds of millions of dollars as a result of BFA's demise. The lawsuit alleges that Andersen ignored evidence of corruption and mismanagement by BFA's former senior management team and failed to investigate suspicious transactions related to the mismanagement. These oversights of accounting work, which were improper under generally accepted accounting principles, allowed BFA's undisclosed losses to escalate to hundreds of millions of dollars, and ultimately resulted in its demise. On May 6, 2002, after one week of trial, Andersen agreed to pay \$217 million to settle the litigation.

***In re Nortel Networks Corporation Securities Litigation*** -- (“Nortel II”) (United States District Court for the Southern District of New York) Securities fraud class action on behalf of persons and entities who purchased or acquired the common stock of Nortel Networks Corporation. The action charged Nortel, and certain of its officers and directors, with violations of the Securities Exchange Act of 1934, alleging that the defendants knowingly or, at a minimum, recklessly made false and misleading statements with respect to Nortel’s financial results during the relevant period. BLB&G clients the Ontario Teachers’ Pension Plan Board and the Treasury of the State of New Jersey and its Division of Investment were appointed as Co-Lead Plaintiffs for the Class, and BLB&G was appointed Lead Counsel for the Class by the court in July 2004. On February 8, 2006, BLB&G and Lead Plaintiffs announced that they and another plaintiff had reached an historic agreement in principle with Nortel to settle litigation pending against the Company for approximately \$2.4 billion in cash and Nortel common stock (all figures in US dollars). The Nortel II portion of the settlement totaled approximately \$1.2 billion. Nortel later announced that its insurers had agreed to pay \$228.5 million toward the settlement, bringing the total amount of the global settlement to approximately \$2.7 billion, and the total amount of the Nortel II settlement to over \$1.3 billion.

***In re McKesson HBOC, Inc. Securities Litigation*** -- (United States District Court, Northern District of California) Securities fraud litigation filed on behalf of purchasers of HBOC, McKesson and McKesson HBOC securities. On April 28, 1999, the Company issued the first of several press releases which announced that, due to its improper recognition of revenue from contingent software sales, it would have to restate its previously reported financial results. Immediately thereafter, McKesson HBOC common stock lost \$9 billion in market value. On July 14, 1999, the Company announced that it was restating \$327.8 million of revenue improperly recognized in the HBOC segment of its business during the fiscal years ending March 31, 1997, 1998 and 1999. The complaint alleged that, during the Class Period, Defendants issued materially false and misleading statements to the investing public concerning HBOC’s and McKesson HBOC’s financial results, which had the effect of artificially inflating the prices of HBOC’s and the Company’s securities. On September 28, 2005, the court granted preliminary approval of a \$960 million settlement which BLB&G and its client, Lead Plaintiff the **New York State Common Retirement Fund**, obtained from the company. On December 19, 2006, defendant Arthur Andersen agreed to pay \$72.5 million in cash to settle all claims asserted against it. On the eve of trial in September 2007 against remaining defendant Bear Stearns & Co. Inc., Bear Stearns, McKesson and Lead Plaintiff entered into a three-way settlement agreement that resolved the remaining claim against Bear Stearns for a payment to the class of \$10 million, bringing the total recovery to more than \$1.04 billion for the Class.

***HealthSouth Corporation Bondholder Litigation*** -- (United States District Court for the Northern District of Alabama {Southern Division}) On March 19, 2003, the investment community was stunned by the charges filed by the Securities and Exchange Commission against Birmingham, Alabama based HealthSouth Corporation and its former Chairman and Chief Executive Officer, Richard M. Scrushy, alleging a “massive accounting fraud.” Stephen M. Cutler, the SEC’s Director of Enforcement, said “HealthSouth’s fraud represents an appalling betrayal of investors.” According to the SEC, HealthSouth overstated its earnings by at least \$1.4 billion since 1999 at the direction of Mr. Scrushy. Subsequent revelations have disclosed that the overstatement actually exceeded over \$2.4 billion, virtually wiping out all of HealthSouth’s reported profits for the last five years. A number of executives at HealthSouth, including its most senior accounting officers -- including every chief financial officer in HealthSouth’s history -- have pleaded guilty to criminal fraud charges. In the wake of these disclosures, numerous securities class action lawsuits have been filed against HealthSouth and certain individual defendants. On June 24, 2003, the Honorable Karon O. Bowdre of the District Court appointed the **Retirement Systems of Alabama** to serve as Lead Plaintiff on behalf of a class of all purchasers of HealthSouth bonds who suffered a loss as a result of the fraud. Judge Bowdre appointed BLB&G to serve as Co-Lead Counsel for the bondholder class. On February 22, 2006, the RSA and BLB&G announced that it and several other institutional plaintiffs leading investor lawsuits arising from the scandal had reached a class action settlement with HealthSouth, certain of the company’s former directors and officers, and certain of the company’s insurance carriers. The total consideration in that settlement is approximately \$445 million for shareholders and bondholders. On April 23, 2010, RSA and BLB&G announced that it had reached separate class action settlements with UBS AG, UBS Warburg LLC, Benjamin D. Lorello, William C. McGahan and Howard Capek (collectively, UBS) and with Ernst & Young LLP (E&Y). The total consideration to be paid in the UBS settlement is \$100 million in cash and E&Y has agreed to pay \$33.5 million in cash. Bond purchasers will also receive approximately 5% of the recovery achieved in Alabama state court in a separate action brought on behalf of HealthSouth against UBS and Richard Scrushy. The total settlement for injured HealthSouth bond purchasers will be in excess of \$230 million, which should recoup over a third of bond purchaser damages.

***Ohio Public Employees Retirement System, et al. v. Freddie Mac, et al.*** -- (United States District Court for the Southern District of Ohio {Eastern Division}) Securities fraud class action filed on behalf of the **Ohio Public Employees Retirement System** and the **State Teachers Retirement System of Ohio** against the Federal Home Loan Mortgage Corporation (“Freddie Mac”) and certain of its current and former officers. The Class includes all purchasers of Freddie Mac common stock during the period July 15, 1999 through June 6, 2003. The Complaint alleges that Freddie Mac and certain current or former officers of the Company issued false and misleading statements in connection with Company’s previously reported financial results. Specifically, the complaint alleges that the defendants misrepresented the Company’s operations and financial results by having engaged in numerous improper transactions and accounting machinations that violated fundamental GAAP precepts in order to artificially smooth the Company’s earnings and to hide earnings volatility. On November 21, 2003, Freddie Mac restated its previously reported earnings in connection with these improprieties, ultimately restating more than \$5.0 billion in earnings. In October 2005, with document review nearly complete, Lead Plaintiffs began deposition discovery. On April 25, 2006, the parties reported to the Court that they had reached an agreement in principle to settle the case for \$410 million. On October 26, 2006, the Court granted final approval of the settlement.

***In re Washington Public Power Supply System Litigation*** -- (United States District Court, District of Arizona) Commenced in 1983, the firm was appointed Chair of the Executive Committee responsible for litigating the action on behalf of the class. The action involved an estimated 200 million pages of documents produced in discovery; the depositions of 285 fact witnesses and 34 expert witnesses; more than 25,000 introduced exhibits; six published district court opinions; seven appeals or attempted appeals to the Ninth Circuit; and a three-month jury trial, which resulted in a settlement of over \$750 million – then the largest securities fraud settlement ever achieved.

***In re Lucent Technologies, Inc. Securities Litigation*** -- (United States District Court for the District of New Jersey) A securities fraud class action filed on behalf of purchasers of the common stock of Lucent Technologies, Inc. from October 26, 1999 through December 20, 2000. In the action, BLB&G served as Co-Lead Counsel for the shareholders and Lead Plaintiffs, the **Parnassus Fund** and **Teamsters Locals 175 & 505 D&P Pension Trust**, and also represented the **Anchorage Police and Fire Retirement System** and the **Louisiana School Employees’ Retirement System**. Lead Plaintiffs’ complaint charged Lucent with making false and misleading statements to the investing public concerning its publicly reported financial results and failing to disclose the serious problems in its optical networking business. When the truth was disclosed, Lucent admitted that it had improperly recognized revenue of nearly \$679 million in fiscal 2000. On September 23, 2003, the Court granted preliminary approval of the agreement to settle this litigation, a package valued at approximately \$600 million composed of cash, stock and warrants. The appointment of BLB&G as Co-Lead Counsel is especially noteworthy as it marked the first time since the 1995 passage of the Private Securities Litigation Reform Act that a court has reopened the lead plaintiff or lead counsel selection process to account for changed circumstances, new issues and possible conflicts between new and old allegations.

***In re Williams Securities Litigation*** -- (United States District Court for the Northern District of Oklahoma) Securities fraud class action filed on behalf of a class of all persons or entities that purchased or otherwise acquired certain securities of The Williams Companies. The action alleged securities claims pursuant to Section 10(b) of the Securities Exchange Act of 1934 and Section 11 of the Securities Act of 1933. After a massive discovery and intensive litigation effort, which included taking more than 150 depositions and reviewing in excess of 18 million pages of documents, BLB&G and its clients, the Arkansas Teacher Retirement System and the Ontario Teachers’ Pension Plan Board, announced an agreement to settle the litigation against all defendants for \$311 million in cash on June 13, 2006. The recovery is among the largest recoveries ever in a securities class action in which the corporate defendant did not restate its financial results.

***In re DaimlerChrysler Securities Litigation*** -- (United States District Court for the District of Delaware) A securities class action filed against defendants DaimlerChrysler AG, Daimler-Benz AG and two of DaimlerChrysler’s top executives, charging that Defendants acted in bad faith and misrepresented the nature of the 1998 merger between Daimler-Benz AG and the Chrysler Corporation. According to plaintiffs, defendants framed the transaction as a “merger of equals,” rather than an acquisition, in order to avoid paying an “acquisition premium.” Plaintiffs’ Complaint alleges that Defendants made this representation to Chrysler shareholders in the August 6, 1998 Registration Statement, Prospectus, and Proxy, leading 97% of Chrysler shareholders to approve the merger. BLB&G is court-appointed Co-Lead Counsel for Co-Lead Plaintiffs the **Chicago Municipal Employees Annuity and Benefit Fund** and the **Chicago Policemen’s Annuity and Benefit Fund**. BLB&G and the Chicago funds filed the action on behalf of investors who exchanged their Chrysler Corporation shares for DaimlerChrysler

shares in connection with the November 1998 merger, and on behalf of investors who purchased DaimlerChrysler shares in the open market from November 13, 1998 through November 17, 2000. On August 22, 2003, BLB&G, as Co-Lead Counsel for Plaintiffs, obtained an agreement in principle to settle the action for \$300 million.

***In re The Mills Corporation Securities Litigation*** -- (United States District Court, Eastern District of Virginia) On July 27, 2007, BLB&G and **Mississippi Public Employees' Retirement System** ("Mississippi") filed a Consolidated Complaint against The Mills Corporation ("Mills" or the "Company"), a former real estate investment trust, certain of its current and former senior officers and directors, its independent auditor, Ernst & Young LLP, and its primary joint venture partner, the KanAm Group. This action alleged that, during the Class Period, Mills issued financial statements that materially overstated the Company's actual financial results and engaged in accounting improprieties that enabled it to report results that met or exceeded the market's expectations and resulted in the announcement of a restatement. Mills conducted an internal investigation into its accounting practices, which resulted in the retirement, resignation and termination of 17 Company officers and concluded, among other things, that: (a) there had been a series of accounting violations that were used to "meet external and internal financial expectations;" (b) there were a set of accounting errors that were not "reasonable and reached in good faith" and showed "possible misconduct;" and (c) the Company "did not have in place fully adequate accounting information systems, personnel, formal policies and procedures, supervision, and internal controls." On December 24, 2009, the Court granted final approval of settlements with the Mills Defendants (\$165 million), Mills' auditor Ernst & Young (\$29.75 million), and the Kan Am Defendants (\$8 million), bringing total recoveries obtained for the class to \$202.75 million plus interest. This settlement represents the largest recovery ever achieved in a securities class action in Virginia, and the second largest ever achieved in the Fourth Circuit Court of Appeals.

## Corporate Governance and Shareholders' Rights

***UnitedHealth Group, Inc. Shareholder Derivative Litigation*** – (United States District Court, District of Minnesota) Shareholder derivative action filed on behalf of Plaintiffs the St. Paul Teachers' Retirement Fund Association, the Public Employees' Retirement System of Mississippi, the Jacksonville Police & Fire Pension Fund, the Louisiana Sheriffs' Pension & Relief Fund, the Louisiana Municipal Police Employees' Retirement System and Fire & Police Pension Association of Colorado ("Public Pension Funds"). The action was brought in the name and for the benefit of UnitedHealth Group, Inc. ("UnitedHealth" or the "Corporation") against certain current and former executive officers and members of the Board of Directors of UnitedHealth. It alleges that defendants obtained, approved and/or acquiesced in the issuance of stock options to senior executives that were unlawfully backdated to provide the recipients with windfall compensation at the direct expense of UnitedHealth and its shareholders. The firm recovered nearly \$920 million in ill-gotten compensation directly from the former officer defendants—the largest derivative recovery in history. The settlement is notable for holding these individual wrongdoers accountable for their role in illegally backdating stock options, as well as for the fact that the company agreed to far-reaching reforms to curb future executive compensation abuses. As feature coverage in *The New York Times* indicated, "investors everywhere should applaud [the UnitedHealth settlement]...[T]he recovery sets a standard of behavior for other companies and boards when performance pay is later shown to have been based on ephemeral earnings."

***Caremark Merger Litigation*** – (Delaware Court of Chancery - New Castle County) Shareholder class action against the directors of Caremark RX, Inc. ("Caremark") for violations of their fiduciary duties arising from their approval and continued endorsement of a proposed merger with CVS Corporation ("CVS") and their refusal to consider fairly an alternative transaction proposed by Express Scripts, Inc. ("Express Scripts"). On December 21, 2006, BLB&G commenced this action on behalf of the **Louisiana Municipal Police Employees' Retirement System** and other Caremark shareholders in order to force the Caremark directors to comply with their fiduciary duties and otherwise obtain the best value for shareholders. In a landmark decision issued on February 23, 2007, the Delaware Court of Chancery ordered the defendants to disclose additional material information that had previously been withheld, enjoined the shareholder vote on the CVS transaction until the additional disclosures occurred, and granted statutory appraisal rights to Caremark's shareholders. The Court also heavily criticized the conduct of the Caremark board of directors and, although declining to enjoin the shareholder vote on procedural grounds, noted that subsequent proceedings will retain the power to make shareholders whole through the availability of money damages. The lawsuit forced CVS to increase the consideration offered to Caremark shareholders by a total of \$7.50 per share in cash (over \$3 billion in total), caused Caremark to issue a series of additional material disclosures, and twice postponed the shareholder vote to allow shareholders sufficient time to consider the new information. On March 16, 2007, Caremark shareholders voted to approve the revised offer by CVS.

***In re Dollar General Corporation Shareholder Litigation*** -- (Sixth Circuit Court for Davidson County, Tennessee; Twentieth Judicial District, Nashville) Class action filed against Dollar General Corporation (“Dollar General” or the “Company”) for breaches of fiduciary duty related to its proposed acquisition by the private equity firm Kohlberg Kravis Roberts & Co. (“KKR”), and against KKR for aiding and abetting those breaches. A Nashville, Tennessee corporation that operates retail stores selling discounted household goods, in early March 2007, Dollar General announced that its board of directors had approved the acquisition of the Company by KKR. On March 13, 2007, BLB&G filed a class action complaint alleging that the “going private” offer was approved as a result of breaches of fiduciary duty by the board and that the price offered by KKR did not reflect the fair value of Dollar General’s publicly-held shares. The Court appointed BLB&G Co-Lead Counsel and **City of Miami General Employees’ & Sanitation Employees’ Retirement Trust** as Co-Lead Plaintiff. On the eve of the summary judgment hearing, KKR agreed to pay a \$40 million settlement in favor of the shareholders, with a potential for \$17 million more for the Class.

***In re Yahoo! Inc., Takeover Litigation*** -- (Delaware Court of Chancery) Shareholder class action filed on behalf of the Police & Fire Retirement System of the City of Detroit and the General Retirement System of the City of Detroit (collectively “Plaintiffs”) (the “Detroit Funds”), and all other similarly situated public shareholders (the “Class”) of Yahoo! Inc. (“Yahoo” or the “Company”). The action alleged that the Board of Directors at Yahoo breached their fiduciary duties by refusing to respond in good faith to Microsoft Corporation’s (“Microsoft”) non-coercive offer to acquire Yahoo for \$31 per share - a 62% premium above the \$19.18 closing price of Yahoo common stock on January 31, 2008. The initial complaint filed on February 21, 2008 alleged that Yahoo pursued an “anyone but Microsoft” approach, seeking improper defensive options to thwart Microsoft at the expense of Yahoo’s shareholders, including transactions with Google, AOL, and News Corp. The Complaint also alleged the Yahoo Board adopted improper change-in-control employee severance plans designed to impose tremendous costs and risks for an acquirer by rewarding employees with rich benefits if they quit and claimed a constructive termination in the wake of merger. Following consolidation of related cases and appointment of BLB&G as co-lead counsel by Chancellor Chandler on March 5, 2008, plaintiffs requested expedited proceedings and immediately commenced discovery, including document reviews and depositions of certain third parties and defendants. In December 2008, the parties reached a settlement of the action which provided significant benefits to Yahoo’s shareholders including substantial revisions to the two challenged Change-in-Control Employee Severance Plans that the Yahoo board of directors adopted in immediate response to Microsoft’s offer back in February of 2008. These revisions included changes to the first trigger of the severance plans by modifying what constitutes a “change of control” as well as changes to the second trigger by narrowing what amounts to “good reason for termination” or when an employee at Yahoo could leave on his own accord and claim severance benefits. Finally, the settlement provided for modifications to reduce the expense of the plan. The Court approved the settlement on March 6, 2009.

***Ceridian Shareholder Litigation*** -- (Delaware Chancery Court, New Castle County) Shareholder litigation filed in 2007 against the Ceridian Corporation (“Ceridian” or “the Company”), its directors, and Ceridian’s proposed merger partners on behalf of BLB&G client, **Minneapolis Firefighter’s Relief Association** (“Minneapolis Firefighters”), and other similarly situated shareholders, alleging that the proposed transaction arose from the board of directors’ breaches of their fiduciary duty to maximize shareholder value and instead was driven primarily as a means to enrich Ceridian’s management at the expense of shareholders. Ceridian is comprised primarily of two divisions: Human Resources Solutions and Comdata. The Company’s biggest shareholder pursued a proxy fight to replace the current board of directors. In response to these efforts, the Company disclosed an exploration of strategic alternatives and later announced that it had agreed to be acquired by Thomas H. Lee Partners, LP (“THL”) and Fidelity National Financial, Inc. (“Fidelity”), and had entered into a definitive merger agreement in a deal that values Ceridian at \$5.3 billion, or \$36 per share. In addition, Ceridian’s directors were accused of manipulating shareholder elections by embedding into the merger agreement a contractual provision that allowed THL and Fidelity an option to abandon the deal if a majority of the current board is replaced. This “Election Walkaway” provision would have punished shareholders for exercising the shareholder franchise and thereby coerce the vote. The defendants were also accused of employing additional unlawful lockup provisions, including “Don’t Ask Don’t Waive” standstill agreements, an improper “no-shop/no-talk” provision, and a \$165 million termination fee as part of the merger agreement in order to deter and preclude the successful emergence of alternatives to the deal with THL and Fidelity. Further, in the shadow of the ongoing proxy fight, Ceridian refused to hold its annual meeting for over 13 months. Pursuant to Section 211 of the Delaware General Corporation Law, BLB&G and Minneapolis Firefighters successfully filed a petition to require that the Company hold its annual meeting promptly which resulted in an order compelling the annual meeting to take place. BLB&G and Minneapolis also obtained a partial

settlement in the fiduciary duty litigation. Pursuant to the settlement terms, the “Election Walkaway” provision in the merger agreement and the “Don’t Ask Don’t Waive” standstills were eliminated, letters were sent by the Ceridian board to standstill parties advising them of their right to make a superior offer, and the “no-shop/no-talk” provision in the merger agreement was amended to significantly expand the scope of competing transactions that can be considered by the Ceridian board. On February 25, 2008, the court approved the final settlement of the action.

***McCall v. Scott*** -- (United States District Court, Middle District of Tennessee). A derivative action filed on behalf of Columbia/HCA Healthcare Corporation -- now “HCA” -- against certain former senior executives of HCA and current and former members of the Board of Directors seeking to hold them responsible for directing or enabling HCA to commit the largest healthcare fraud in history, resulting in hundreds of millions of dollars of loss to HCA. The firm represented the **New York State Common Retirement Fund** as Lead Plaintiff, as well as the **California Public Employees’ Retirement System** (“CalPERS”), the **New York City Pension Funds**, the **New York State Teachers’ Retirement System** and the **Los Angeles County Employees’ Retirement Association** (“LACERA”) in this action. Although the district court initially dismissed the action, the United States Court of Appeals for the Sixth Circuit reversed that dismissal and upheld the complaint in substantial part, and remanded the case back to the district court. On February 4, 2003, the Common Retirement Fund, announced that the parties had agreed in principle to settle the action, subject to approval of the district court. As part of the settlement, HCA was to adopt a corporate governance plan that goes well beyond the requirements both of the Sarbanes-Oxley Act and of the rules that the New York Stock Exchange has proposed to the SEC, and also enhances the corporate governance structure presently in place at HCA. HCA also will receive \$14 million. Under the sweeping governance plan, the HCA Board of Directors is to be substantially independent, and would have increased power and responsibility to oversee fair and accurate financial reporting. In granting final approval of the settlement on June 3, 2003, the Honorable Senior Judge Thomas A. Higgins of the District Court said that the settlement “confers an exceptional benefit upon the company and the shareholders by way of the corporate governance plan.”

***Official Committee of Unsecured Creditors of Integrated Health Services, Inc. v. Elkins, et al.*** -- (Delaware Chancery Court) The Official Committee of Unsecured Creditors (the “Committee”) of Integrated Health Services (“IHS”), filed a complaint against the current and former officers and directors of IHS, a health care provider which declared bankruptcy in January 2000. The Committee, on behalf of the Debtors Bankruptcy Estates, sought damages for breaches of fiduciary duties and waste of corporate assets in proposing, negotiating, approving and/or ratifying excessive and unconscionable compensation arrangements for Robert N. Elkins, the Company’s former Chairman and Chief Executive Officer, and for other executive officers of the Company. BLB&G is a special litigation counsel to the committee in this action. The Delaware Chancery Court sustained most of Plaintiff’s fiduciary duty claims against the defendants, finding that the complaint sufficiently pleaded that the defendants “consciously and intentionally disregarded their responsibilities.” The Court also observed that Delaware law sets a very high bar for proving violation of fiduciary duties in the context of executive compensation. Resulting in a multi-million dollar settlement, the Integrated Health Services litigation was one of the few executive compensation cases successfully litigated in Delaware.

## **Employment Discrimination and Civil Rights**

***Roberts v. Texaco, Inc.*** -- (United States District Court for the Southern District of New York) Six highly qualified African-American employees filed a class action complaint against Texaco Inc. alleging that the Company failed to promote African-American employees to upper level jobs and failed to compensate them fairly in relation to Caucasian employees in similar positions. Two years of intensive investigation on the part of the lawyers of Bernstein Litowitz Berger & Grossmann LLP, including retaining the services of high level expert statistical analysts, revealed that African-Americans were significantly under-represented in high level management jobs and Caucasian employees were promoted more frequently and at far higher rates for comparable positions within the Company. Settled for over \$170 million. Texaco also agreed to a Task Force to monitor its diversity programs for five years. The settlement has been described as the most significant race discrimination settlement in history.

***ECOA - GMAC/NMAC/Ford/Toyota/Chrysler - Consumer Finance Discrimination Litigation*** (multiple jurisdictions) -- The cases involve allegations that the lending practices of General Motors Acceptance Corporation, Nissan Motor Acceptance Corporation, Ford Motor Credit, Toyota Motor Credit and DaimlerChrysler Financial cause African-American and Hispanic car buyers to pay millions of dollars more for car loans than similarly situated

white buyers. At issue is a discriminatory kickback system under which minorities typically pay about 50% more in dealer mark-up which is shared by auto dealers with the defendants.

- **NMAC:** In March 2003, the United States District Court for the Middle District of Tennessee granted final approval of the settlement of the class action pending against Nissan Motor Acceptance Corporation (“NMAC”). Under the terms of the settlement, NMAC agreed to offer pre-approved loans to hundreds of thousands of current and potential African-American and Hispanic NMAC customers, and limit how much it raises the interest charged to car buyers above the Company’s minimum acceptable rate. The company will also contribute \$1 million to America Saves, to develop a car financing literacy program targeted toward minority consumers. The settlement also provides for the payment of \$5,000 to \$20,000 to the 10 people named in the class-action lawsuit.
- **GMAC:** In March 2004, the United States District Court for the Middle District of Tennessee granted final approval of a settlement of the litigation against General Motors Acceptance Corporation (“GMAC”), in which GMAC agreed to take the historic step of imposing a 2.5% markup cap on loans with terms up to sixty months, and a cap of 2% on extended term loans. GMAC also agreed to institute a substantial credit pre-approval program designed to provide special financing rates to minority car buyers with special rate financing. The pre-approval credit program followed the example laid down in the successful program that NMAC implemented. The GMAC program extended to African-American and Hispanic customers throughout the United States and will offer no less than 1.25 million qualified applicants “no markup” loans over a period of five years. In addition, GMAC further agreed to (i) change its financing contract forms to disclose that the customer’s annual percentage interest rate may be negotiable and that the dealer may retain a portion of the finance charge paid by the customer to GMAC, and (ii) to contribute \$1.6 million toward programs aimed at educating and assisting consumers.
- **DaimlerChrysler:** In October 2005, the United States District Court for the District of New Jersey granted final approval of the settlement of BLB&G’s case against DaimlerChrysler. Under the Settlement Agreement, DaimlerChrysler agreed to implement substantial changes to the Company’s practices, including limiting the maximum amount of mark-up dealers may charge customers to between 1.25% and 2.5% depending upon the length of the customer’s loan. In addition, the Company agreed to (i) include disclosures on its contract forms that the consumer can negotiate the interest rate with the dealer and that DaimlerChrysler may share the finance charges with the dealer, (ii) send out 875,000 pre-approved credit offers of no-mark-up loans to African-American and Hispanic consumers over the next several years, and (iii) contribute \$1.8 million to provide consumer education and assistance programs on credit financing.
- **Ford Motor Credit:** In June 2006, the United States District Court for the Southern District of New York granted final approval of the settlement in this class action lawsuit. Under the terms of the settlement, Ford Credit agreed to make contract disclosures in the forms it creates and distributes to dealerships informing consumers that the customer’s Annual Percentage Rate (“APR”) may be negotiated and that sellers may assign their contracts and retain their right to receive a portion of the finance charge. Ford Credit also agreed to: (i) maintain or lower its present maximum differential between the customer APR and Ford Credit’s “Buy Rate”; (ii) to contribute \$2 million toward certain consumer education and assistance programs; and (iii) to fund a Diversity Marketing Initiative offering 2,000,000 pre-approved firm offers of credit to African-American and Hispanic Class Members during the next three years.
- **Toyota Motor Credit:** In November 2006, the United States District Court for the Central District of California granted final approval of the settlement of BLB&G’s case against Toyota. Under the Settlement Agreement, Toyota agreed to limit the amount of mark-up on certain automobiles for the next three years with a cap of 2.50% on loans for terms of sixty (60) months or less; 2.00% on loans for terms of sixty-one (61) to seventy-one (71) months; and 1.75% on loans for terms of seventy-two (72) months or more. In addition, Toyota agreed to: (i) disclose to consumers that loan rates are negotiable and can be negotiated with the dealer; (ii) fund consumer education and assistance programs directed to African-American and Hispanic communities which will help consumers with respect to credit financing; (iii) offer 850,000 pre-approved, no mark-up offers of credit to African-Americans and Hispanics over the next five years; and offer a certificate of credit or cash to eligible class members.

**Alexander v. Pennzoil Company** -- (United States District Court, Southern District of Texas) A class action on behalf of all salaried African-American employees at Pennzoil alleging race discrimination in the Company's promotion, compensation and other job related practices. The action settled for \$6.75 million.

**Butcher v. Gerber Products Company** -- (United States District Court, Southern District of New York) Class action asserting violations of the Age Discrimination in Employment Act arising out of the mass discharging of approximately 460 Gerber sales people, the vast majority of whom were long-term Gerber employees aged 40 and older. Settlement terms are confidential.

## Consumer Class Actions

**DoubleClick** -- (United States District Court, Southern District of New York) Internet Privacy. A class action on behalf of Internet users who have had personal information surreptitiously intercepted and sent to a major Internet advertising agency. In the settlement agreement reached in this action, DoubleClick committed to a series of industry-leading privacy protections for online consumers while continuing to offer its full range of products and services. This is likely the largest class action there has ever been - virtually every, if not every, Internet user in the United States.

**General Motors Corporation** -- (Superior Court of New Jersey Law Division, Bergen County) A class action consisting of all persons who currently own or lease a 1988 to 1993 Buick Regal, Oldsmobile Cutlass Supreme, Pontiac Grand Prix or Chevrolet Lumina or who previously owned or leased such a car for defective rear disc brake caliper pins which tended to corrode, creating both a safety hazard and premature wearing of the front and rear disc brakes, causing extensive economic damage. Settled for \$19.5 million.

**Wright v. MCI Communications Corporation** -- (United States District Court, District of California) Consumer fraud class action on behalf of individuals who were improperly charged for calls made through MCI's Automated Operator Services. Class members in this class action received a return of more than 85% of their losses. Settled for \$14.5 million.

**Empire Blue Cross** -- (United States District Court, Southern District of New York) Overcharging health care subscribers. BLB&G was lead counsel in a recently approved \$5.6 million settlement that represented 100% of the class' damages and offered all the overcharged subscribers 100 cents on the dollar repayment.

**DeLima v. Exxon** -- (Superior Court of Hudson County, New Jersey) A class action complaint alleging false and deceptive advertising designed to convince consumers who did not need high-test gasoline to use it in their cars. A New Jersey class was certified by the court and upheld by the appellate court. Under terms of the settlement, the class received one million \$3 discounts on Exxon 93 Supreme Gasoline upon the purchase of at least 8 gallons of the gasoline.

## Toxic/Mass Torts

**Fen/Phen Litigation ("Diet Drug" Litigation)** -- (Class action lawsuits filed in 10 jurisdictions including New York, New Jersey, Vermont, Pennsylvania, Florida, Kentucky, Indiana, Arizona, Oregon and Arkansas) The firm played a prominent role in the nationwide "diet drug" or "fen-phen" litigation against American Home Products for the Company's sale and marketing of Redux and Pondimin. The suits alleged that a number of pharmaceutical companies produced these drugs which, when used in combination, can lead to life-threatening pulmonary hypertension and heart valve thickening. The complaint alleged that these manufacturers knew of or should have known of the serious health risks created by the drugs, should have warned users of these risks, knew that the fen/phen combination was not approved by the FDA, had not been adequately studied, and yet was being routinely prescribed by physicians. This litigation led to one of the largest class action settlements in history, the multi-billion dollar Nationwide Class Action Settlement with American Home Products approved by the United States District Court for the Eastern District of Pennsylvania. In this litigation, BLB&G was involved in lawsuits filed in the 10 jurisdictions and was designated Class Counsel in the Consolidated New York and New Jersey state court litigations. Additionally, the firm was Co-Liaison Counsel in the New York litigations and served as the State Court Certified Class Counsel for the New York Certified Class to the Nationwide Settlement.

## **CLIENTS AND FEES**

Most of the firm's clients are referred by other clients, law firms and lawyers, bankers, investors and accountants. A considerable number of clients have been referred to the firm by former adversaries. We have always maintained a high level of independence and discretion in the cases we decide to prosecute. As a result, the level of personal satisfaction and commitment to our work is high.

As stated, our client roster includes many large and well known financial and lending institutions and pension funds, as well as privately held corporate entities which are attracted to our firm because of our reputation, particular expertise and fee structure.

We are firm believers in the contingency fee as a socially useful, productive and satisfying basis of compensation for legal services, particularly in litigation. Wherever appropriate, even with our corporate clients, we will encourage a retention where our fee is at least partially contingent on the outcome of the litigation. This way, it is not the number of hours worked that will determine our fee but, rather, the result achieved for our client.

## IN THE PUBLIC INTEREST

Bernstein Litowitz Berger & Grossmann LLP is guided by two principles: excellence in legal work and a belief that the law should serve a socially useful and dynamic purpose. Attorneys at the firm are active in academic, community and *pro bono* activities, as well as participating as speakers and contributors to professional organizations. In addition, the firm endows a public interest law fellowship and sponsors an academic scholarship at Columbia Law School.

**The Bernstein Litowitz Berger & Grossmann Public Interest Law Fellowship**, Columbia Law School. BLB&G is committed to fighting discrimination and effecting positive social change. In support of this commitment, the firm donated funds to Columbia Law School to create the Bernstein Litowitz Berger & Grossmann Public Interest Law Fellowship. This newly endowed fund at Columbia Law School will provide Fellows with 100% of the funding needed to make payments on their law school tuition loans so long as such graduates remain in the public interest law field. The Bernstein Litowitz Berger & Grossmann Fellows will be able to leave law school free of any law school debt if they make a long term commitment to public interest law.

**Firm sponsorship of inMotion**, New York, NY. BLB&G is a sponsor of inMotion, a non-profit organization in New York City dedicated to providing *pro bono* legal representation to indigent women, principally battered women, in connection with the myriad legal problems they face. The organization trains and supports the efforts of New York lawyers, typically associates at law firms or in-house counsel, who provide *pro bono* counsel to these women. Several members and associates of the firm volunteer their time and energies to help women who need divorces from abusive spouses, or representation on legal issues such as child support, custody and visitation. To read more about inMotion and the remarkable services it provides, visit the organization's website at [www.inmotiononline.org](http://www.inmotiononline.org).

**The Paul M. Bernstein Memorial Scholarship**, Columbia Law School. Paul M. Bernstein was the founding senior partner of the firm. Mr. Bernstein led a distinguished career as a lawyer and teacher and was deeply committed to the professional and personal development of young lawyers. The Paul M. Bernstein Memorial Scholarship Fund is a gift of the firm of Bernstein Litowitz Berger & Grossmann LLP, and the family and friends of Paul M. Bernstein. Established in 1990, the scholarship is awarded annually to one or more second-year students selected for their academic excellence in their first year, professional responsibility, financial need and contributions to fellow students and the community.

**Firm sponsorship of City Year New York**, New York, NY. BLB&G is also an active supporter of City Year New York, a division of AmeriCorps. The program was founded in 1988 as a means of encouraging young people to devote time to public service and unites a diverse group of volunteers for a demanding year of full-time community service, leadership development and civic engagement. Through their service, corps members experience a rite of passage that can inspire a lifetime of citizenship and build a stronger democracy.

**Max W. Berger Pre-Law Program at Baruch College**. In order to encourage outstanding minority undergraduates to pursue a meaningful career in the legal profession, the Max W. Berger Pre-Law Program was established at Baruch College. Providing workshops, seminars, counseling and mentoring to Baruch students, the program facilitates and guides them through the law school research and application process, as well as placing them in appropriate internships and other pre-law working environments.

**New York Says Thank You Foundation**. Founded in response to the outpouring of love shown to New York City by volunteers from all over the country in the wake of the 9/11 attacks, The New York Says Thank You Foundation sends volunteers from New York City to help rebuild communities around the country affected by disasters. BLB&G is a corporate sponsor of NYSTY and its goals are a heartfelt reflection of the firm's focus on community and activism.

## THE MEMBERS OF THE FIRM

**MAX W. BERGER** supervises the firm's litigation practice and prosecutes class and individual actions on behalf of the firm's clients.

He has litigated, with the other partners at the firm, many of the firm's most high profile and significant cases, including five of the largest securities fraud recoveries in history - the \$6.15 billion settlement of *In re WorldCom, Inc. Securities Litigation*, the \$3.3 billion settlement of *In re Cendant Corporation Securities Litigation*, the \$1.3 billion recovery in *In re Nortel Networks Corporation Securities Litigation*, the \$1.04 billion partial settlement of *In re McKesson HBOC, Inc. Securities Litigation*, and the over \$600 million investor recovery in *In re Lucent Technologies, Inc. Securities Litigation*.

Mr. Berger's role in the *WorldCom* case received extensive media attention, and he has been the subject of feature articles in numerous major publications including *BusinessWeek* and *The American Lawyer*. For his outstanding efforts on behalf of the *WorldCom* class, *The National Law Journal* profiled Mr. Berger (one of only eleven attorneys selected nationwide) in its special June 2005 "Winning Attorneys" section. Additionally, Mr. Berger was featured in the July 2006 *New York Times* article, "A Class-Action Shuffle," which assessed the evolving landscape of the securities litigation arena.

Mr. Berger is widely recognized for his professional excellence and achievements. For the past four consecutive years, he has received the top attorney ranking in plaintiff securities litigation by the *Chambers and Partners' Guide to America's Leading Lawyers for Business*. In the 2010 edition of *Benchmark: The Definitive Guide to America's Leading Litigation Firms & Attorneys* (published by Legal Media Group - *Institutional Investor* and *Euromoney*), Mr. Berger was singled out as one of New York's "local litigation stars." Additionally, since their various inception, he has been named a "litigation star" by the *Legal 500 USA Guide*, one of "10 Legal Superstars" by *Securities Law360*, and is consistently named as one of the "500 Leading Lawyers in America" and "100 Securities Litigators You Need to Know" by *Lawdragon* magazine. Further, *The Best Lawyers in America* guide has named Mr. Berger a leading lawyer in his field.

Mr. Berger also serves the academic community in numerous capacities as a member of the Dean's Council to Columbia Law School, and as a member of the Board of Trustees of Baruch College. In May 2006, he was presented with the Distinguished Alumnus Award for his many and varied contributions to Baruch College. In June 2009, he was elected to the Board of Trustees of The Supreme Court Historical Society, a prestigious non-profit organization committed to preserving the history of the Supreme Court of the United States. Mr. Berger is an Advisor to the American Law Institute, Restatement Third of Torts, and he currently serves on the Advisory Board of Columbia Law School's Center on Corporate Governance. Additionally, Mr. Berger has taught Profession of Law, an ethics course at Columbia.

Mr. Berger is a past chairman of the Commercial Litigation Section of the Association of Trial Lawyers of America (now known as the American Association for Justice) and lectures for numerous professional organizations. In 1997, Mr. Berger was honored for his outstanding contribution to the public interest by Trial Lawyers For Public Justice, where he was a "Trial Lawyer of the Year" Finalist for his work in *Roberts, et al. v. Texaco*, the celebrated race discrimination case, on behalf of Texaco's African-American employees.

Among numerous charitable and volunteer works, Mr. Berger is an active supporter of City Year New York, a division of AmeriCorps, dedicated to encouraging young people to devote time to public service. In July 2005, he was named City Year New York's "Idealist of the Year," for his long-time service and work in the community. He and his wife, Dale, have also established the Dale and Max Berger Public Interest Law Fellowship at Columbia Law School and the Max W. Berger Pre-Law Program at Baruch College.

**EDUCATION:** Baruch College-City University of New York, B.A., Accounting, 1968; President of the student body and recipient of numerous awards. Columbia Law School, J.D., 1971, Editor of the *Columbia Survey of Human Rights Law*.

**BAR ADMISSIONS:** New York; U.S. District Courts for the Eastern and Southern Districts of New York; U.S. Court of Appeals, Second Circuit; U.S. District Court, District of Arizona; U.S. Supreme Court.

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**GERALD H. SILK**'s practice focuses on representing institutional investors on matters involving federal and state securities laws, accountants' liability and the fiduciary duties of corporate officials. He also advises creditors on their rights with respect to pursuing affirmative claims against officers and directors, as well as professionals both inside and outside the bankruptcy context. Additionally, Mr. Silk is one of the partners who oversee the firm's new matter department, in which he, along with a group of financial analysts and investigators, counsels institutional clients on potential legal claims. He was the subject of "Picking Winning Securities Cases," a feature article in the June 2005 issue of *Bloomberg Markets* magazine, which detailed his work for the firm in this capacity. *Lawdragon* magazine has named him one of the "100 Securities Litigators You Need to Know," one of the "500 Leading Lawyers in America," and one of America's top 500 "rising stars" in the legal profession. Mr. Silk has also been selected for inclusion among *New York Super Lawyers* every year since 2006.

Mr. Silk is currently representing public pension funds who participated in a securities lending program administered and managed by Northern Trust Company and sustained losses as a result of Northern Trust's alleged breaches of fiduciary duty. He is also prosecuting claims on behalf of investors who purchased limited partnership interests in investment funds managed by Swiss bank Union Bancaire Privée ("UBP"), which were ultimately invested (and lost) in Bernie Madoff Investment Securities. Mr. Silk is also actively involved in the firm's prosecution of highly successful M&A litigation, representing shareholders in widely publicized lawsuits, including the litigation arising from the proposed acquisition of Caremark Rx, Inc. by CVS Corporation – which led to an increase of approximately \$3 billion in the consideration offered to shareholders.

Mr. Silk was one of the principal attorneys responsible for prosecuting the *In re Independent Energy Holdings Securities Litigation*, a case against the officers and directors of Independent Energy as well as several investment banking firms which underwrote a \$200 million secondary offering of ADRs by the U.K.-based Independent Energy. The *Independent Energy* litigation was resolved for \$48 million. Mr. Silk has also prosecuted and successfully resolved several other securities class actions, which resulted in substantial cash recoveries for investors, including *In re Sykes Enterprises, Inc. Securities Litigation* in the Middle District of Florida, and *In re OM Group, Inc. Securities Litigation* in the Northern District of Ohio. He was also a member of the litigation team responsible for the successful prosecution of *In re Cendant Corporation Securities Litigation* in the District of New Jersey, which was resolved for \$3.2 billion.

A graduate of the Wharton School of Business, University of Pennsylvania and Brooklyn Law School, in 1995-96, Mr. Silk served as a law clerk to the Hon. Steven M. Gold, U.S.M.J., in the United States District Court for the Eastern District of New York.

Mr. Silk lectures to institutional investors at conferences throughout the country, and has written or substantially contributed to several articles on developments in securities and corporate law, including "The Compensation Game," *Lawdragon*, Fall 2006; "Institutional Investors as Lead Plaintiffs: Is There A New And Changing Landscape?", *75 St. John's Law Review* 31 (Winter 2001); "The Duty To Supervise, Poser, Broker-Dealer Law and Regulation", 3<sup>rd</sup> Ed. 2000, Chapter 15; "Derivative Litigation In New York after Marx v. Akers", *New York Business Law Journal*, Vol. 1, No. 1 (Fall 1997).

EDUCATION: Wharton School of the University of Pennsylvania, B.S., Economics, 1991. Brooklyn Law School, J.D., *cum laude*, 1995.

BAR ADMISSIONS: New York; U.S. District Courts for the Southern and Eastern Districts of New York.

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**SALVATORE J. GRAZIANO** is an experienced trial attorney. He has taken a leading role in a number of major securities fraud class actions over the past fifteen years including cases against Raytheon Company and PricewaterhouseCoopers LLP, total recoveries of \$460 million; MicroStrategy, Inc. and PricewaterhouseCoopers LLP, total recoveries valued in excess of \$150 million; and Bristol-Myers Squibb Co., total recovery of \$125 million.

Mr. Graziano is currently prosecuting securities fraud claims on behalf of institutional investors and hedge funds in high profile cases including *Refco, Inc.* (Southern District of New York) and *New Century Financial Corp.* (Central District of California).

President Elect of the National Association of Shareholder & Consumer Attorneys, he is also a member of the Financial Reporting Committee of the Association of the Bar of the City of New York and previously served as a member of the Securities Regulation Committee of the New York City Bar Association.

Upon graduation from law school, Mr. Graziano served as an Assistant District Attorney in the Manhattan District Attorney's Office. He regularly lectures on securities fraud litigation and shareholder rights in numerous forums.

EDUCATION: New York University College of Arts and Science, B.A., psychology, *cum laude*, 1988. New York University School of Law, J.D., *cum laude*, 1991.

BAR ADMISSIONS: New York; U.S. District Courts for the Southern and Eastern Districts of New York; U.S. Courts of Appeals for the First, Second and Eleventh Circuits.

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**JOHN C. BROWNE** was previously an attorney at Latham & Watkins, where he had a wide range of experience in commercial litigation, including defending corporate officers and directors in securities class actions and derivative suits, and representing major corporate clients in state and federal court litigations and arbitrations. Mr. Browne was a member of the team representing the New York State Common Retirement Fund in *In re WorldCom, Inc. Securities Litigation*, which culminated in a five-week trial against Arthur Andersen LLP and a recovery for investors of over \$6.15 billion—the second largest securities fraud recovery in history.

Mr. Browne prosecuted *In re King Pharmaceuticals Litigation*, which settled for \$38.25 million. In March 2008, he achieved a \$28.5 million settlement on behalf of shareholders in *In re SFBC Securities Litigation*. Mr. Browne was a leading member of the team that in December 2009 achieved a \$32 million settlement in the *In re RAIT Financial Trust Securities Litigation*. Mr. Browne is currently prosecuting a number of securities and other cases, including *In re Refco Securities Litigation*, in which a partial settlement of \$140 million has been achieved, *In re the Reserve Fund Securities and Derivative Litigation*, *In re Horizon Lines, Inc.* and *The Football Association Premier League Limited, et al. v. YouTube, Inc., et al.*

Mr. Browne has been a panelist at various continuing legal education programs offered by the American Law Institute ("ALI") and has published several articles relating to securities litigation. Most recently, Mr. Browne co-authored, along with senior partner Max Berger, "Is the Sky Really Falling on the U.S. Capital Markets?," *The NAPPA Report*, Vol. 21, May 2007, available at [www.nappa.org](http://www.nappa.org).

EDUCATION: James Madison University, B.A., Economics, *magna cum laude*, 1994. Cornell Law School, J.D., *cum laude*, 1998; Editor of *The Cornell Law Review*.

BAR ADMISSIONS: New York; U.S. District Court for the Southern District of New York.

## SENIOR COUNSEL

**ROCHELLE FEDER HANSEN** has handled a number of high profile securities fraud cases at the firm, including *In re StorageTek Securities Litigation*, *In re First Republic Securities Litigation*, and *In re RJR Nabisco Litigation*. Ms. Hansen has also acted as Antitrust Program Coordinator for Columbia Law School's Continuing Legal Education Trial Practice Program for Lawyers.

EDUCATION: Brooklyn College of the City University of New York, B.A., 1966; M.S., 1976. Benjamin N. Cardozo School of Law, J.D., *magna cum laude*, 1979; Member, *Cardozo Law Review*.

BAR ADMISSIONS: New York; U.S. District Courts for the Southern and Eastern Districts of New York; U.S. Court of Appeals, Fifth Circuit.

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**JAI K. CHANDRASEKHAR** prosecutes securities fraud, corporate governance, and shareholder rights litigation for the firm's institutional investor clients, as well as patent infringement litigation for the firm's patent-holder clients.

Mr. Chandrasekhar has been a member of the litigation teams on several of the firm's recent high profile securities cases including *In re Refco, Inc. Securities Litigation*, in which partial settlements in excess of \$140 million have been achieved and lead plaintiffs continue to prosecute the action against the remaining defendants.

As a member of the Firm's patent litigation group, Mr. Chandrasekhar is participating in the prosecution of patent infringement actions on behalf of Anvik Corporation against Nikon Corporation, Sharp Corporation, Samsung Electronics Co., and many other large electronics companies relating to Anvik's patented technology for manufacturing liquid crystal display panels used in televisions, computer monitors, and other devices. He is also a member of the team prosecuting a patent infringement action on behalf of Xpoint Technologies, Inc. against Intel Corporation, Microsoft Corporation, Dell Inc., Hewlett-Packard Company, and numerous other large computer companies relating to Xpoint's patented One-Button Restore™ technology for restoring the operating system, applications programs, and user data on a computer after the computer is corrupted or damaged.

Prior to joining BLB&G, Mr. Chandrasekhar was a Staff Attorney with the Division of Enforcement of the United States Securities and Exchange Commission, where he investigated securities law violations and coordinated investigations involving multiple SEC offices and other government agencies. Before his tenure at the SEC, he was an associate at Sullivan & Cromwell LLP, where he represented corporate issuers and underwriters in public and private offerings of stocks, bonds, and complex securities and advised corporations on periodic reporting under the Securities Exchange Act of 1934, compliance with the Sarbanes-Oxley Act of 2002, and other corporate and securities matters.

Mr. Chandrasekhar is a member of the Federal Courts Committee of the Association of the Bar of the City of New York and the Federal Courts Committee of the New York County Lawyers' Association.

EDUCATION: Yale University, B.A., *summa cum laude*, 1987; Phi Beta Kappa. Yale Law School, J.D., 1997; Book Review Editor of the *Yale Law Journal*.

BAR ADMISSIONS: New York; U.S. District Courts for the Southern and Eastern Districts of New York; U.S. Courts of Appeals for the Second and Third Circuits.

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**AVI JOSEFSON** prosecutes securities fraud litigation for the firm's institutional investor clients, and has participated in many of the Firm's significant representations, including *In re SCOR Holding (Switzerland) AG Securities Litigation*, which resulted in a recovery worth in excess of \$143 million for investors. He was also a member of the team that litigated the *In re OM Group, Inc. Securities Litigation*, which resulted in a settlement of \$92.4 million.

Mr. Josefson is also actively involved in the M&A litigation practice, and represented shareholders in the litigation arising from the proposed acquisitions of Ceridian Corporation and Anheuser-Busch. A member of the firm's subprime litigation team, he is currently involved in the securities fraud action arising from the collapse of subprime mortgage lender American Home Mortgage and the actions against Lehman Brothers, Citigroup and Merrill Lynch, arising from those banks' multi-billion dollar loss from mortgage-backed investments.

As a member of the firm's new matter department, Mr. Josefson counsels institutional clients on potential legal claims. He has presented argument in several federal and state courts, including an appeal he argued before the Delaware Supreme Court.

Prior to joining BLB&G, Mr. Josefson was a litigation associate at Sachnoff & Weaver in Chicago, where his practice focused on insurance coverage litigation.

**EDUCATION:** Brandeis University, B.A., *cum laude*, 1997. Northwestern University, J.D., 2000; *Dean's List*; Justice Stevens Public Interest Fellowship (1999); Public Interest Law Initiative Fellowship (2000).

**BAR ADMISSIONS:** Illinois, New York; U.S. District Courts for the Southern District of New York and the Northern District of Illinois.

## ASSOCIATES

**PATRICIA S. GILLANE** is the author of “One Moment in Time: The Second Circuit Ponders Choreographic Photography as a Copyright Infringement: Horgan vs. MacMillan.” She is a member of the American Bar Association and a former member of the Association of the Bar of the City of New York, where she served on the Professional Responsibility Committee.

Together with firm partners Max Berger and Edward Grossmann, Ms. Gillane successfully prosecuted *In re Bennett Funding Group Litigation* which arose out of the largest Ponzi scheme in history. After years of litigation, the matter settled for a total of over \$165 million.

Most recently, she was a member of the team representing the New York State Common Retirement Fund in *In re WorldCom, Inc. Securities Litigation*, which culminated in a five-week trial against Arthur Andersen LLP and a recovery for investors of over \$6.15 billion—the second largest securities fraud recovery in history.

EDUCATION: Columbia University, B.A., *cum laude*, 1985. Brooklyn Law School, J.D., 1989; Editor of the *Brooklyn Law Review*.

ADMISSIONS: New York; U.S. District Courts, Southern and Eastern Districts of New York.

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**ANN LIPTON**'s practice focuses on complex commercial and appellate litigation. Following law school, Ms. Lipton clerked for the Chief Judge Edward R. Becker of the Third Circuit Court of Appeals and the Associate Justice David H. Souter of the United States Supreme Court. She has also served as an adjunct professor of legal writing at Benjamin N. Cardozo School of Law.

EDUCATION: Stanford University, B.A., *with distinction*, 1995; Phi Beta Kappa. Harvard Law School, J.D., *magna cum laude*, 2000; Sears Prize for 2<sup>nd</sup>-Year GPA; Articles and Commentaries Committee of *Harvard Law Review*; Best Brief in 1<sup>st</sup>-Year Ames Moot Court Competition; Prison Legal Assistance Project.

BAR ADMISSIONS: New York; U.S. District Courts for the Eastern and Southern Districts of New York; U.S. Courts of Appeals for the Second and Third Circuits; U.S. Supreme Court.

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**NOAM MANDEL** prosecutes securities fraud, corporate governance and shareholder rights litigation for the firm's institutional investor clients. He has been a member of the litigation teams on several of the firm's recent high profile cases including *In re Nortel Networks Corporation Securities Litigation*, which resulted in a recovery worth in excess of \$1.3 billion in cash and stock, as well as the securities class action against the Federal Home Loan Mortgage Corporation (“Freddie Mac”), in which a \$410 million settlement was obtained for defrauded investors. More recently, he was a member of the team that prosecuted the *Caremark Merger Litigation*, a shareholder class action contesting the terms of a proposed merger between Caremark Rx, Inc. and CVS Corporation on behalf of Caremark's shareholders. The litigation resulted in over \$3 billion in additional consideration being offered to Caremark shareholders by CVS.

Prior to joining BLB&G, Mr. Mandel was a litigation associate at Simpson Thacher & Bartlett LLP, where his practice focused on securities, shareholder and ERISA fiduciary matters. While in law school, Mr. Mandel participated in an exchange program with the University of Leiden, the Netherlands, where he concentrated his studies on international and comparative law.

EDUCATION: Georgetown University, B.S.F.S., 1998. Boston University School of Law, J.D., *cum laude*, 2002; Editor for the *Boston University Law Review*; recipient of awards in civil procedure, evidence, and international law.

BAR ADMISSIONS: New York; United States District Court, Southern District of New York.

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**JOHN J. MILLS'** practice concentrates on Class Action Settlements and Settlement Administration. Mr. Mills also has experience representing large financial institutions in corporate finance transactions.

EDUCATION: Duke University, B.A., 1997. Brooklyn Law School, J.D., *cum laude*, 2000; Member of *The Brooklyn Journal of International Law*; Carswell Merit Scholar recipient.

BAR ADMISSIONS: New York; U.S. District Courts for the Southern and Eastern Districts of New York.

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**MICHAEL PETRUSIC** has experience practicing a wide range of litigation, including complex commercial litigation, intellectual property, and securities enforcement. He has also devoted considerable time to *pro bono* matters.

During law school, Mr. Petrusic served as a summer intern for the Kings County District Attorney's Office in Brooklyn, New York, where he assisted the prosecution of two felony trials as second chair. He was also the managing editor of the *North Carolina Law Review*, which published two of his articles: *Oil and the National Security: CNOOC's Failed Bid to Purchase Unocal*, 84 N.C. L. REV. 1373 (2006) and *Enemy Combatants in the War on Terror and the Implications for the U.S. Armed Forces*, 85 N.C. L. REV. 636 (2007). Prior to attending law school, Mr. Petrusic was a Captain in the U.S. Army. He deployed to Iraq as a member of the 82nd Airborne Division, and was awarded the Bronze Star Medal and the Meritorious Service Medal.

Mr. Petrusic is currently a member of the Board of Directors of "Girl Talk: Read to Achieve," a nonprofit organization that seeks to empower at-risk adolescent girls through the discussion of literature.

EDUCATION: University of Virginia, B.A., *with distinction*, 1999. University of North Carolina School of Law, J.D., *with honors*, 2007; Managing Editor, *North Carolina Law Review*.

BAR ADMISSION: New York

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**JEREMY P. ROBINSON** has extensive experience in securities and civil litigation. Since joining BLB&G in 2006, Mr. Robinson has been involved in prosecuting many significant and high-profile securities cases. He is presently a member of the teams prosecuting *In re Refco Securities Litigation*, *In re Wellcare Health Plans, Inc. Securities Litigation*, *Police & Fire Retirement System of the City of Detroit v. SafeNet, Inc. et al.* and *Hoff v. Popular, Inc., et al.*

Prior to joining the firm, Mr. Robinson was awarded a Harold G. Fox scholarship and spent a year working with barristers and judges in London, England. In 2005, Mr. Robinson completed his Master of Laws degree at Columbia Law School where he was honored as a Harlan Fiske Stone Scholar.

EDUCATION: Queen's University, Faculty of Law in Kingston, Ontario, Canada, LL.B., 1998; graduated within the top 10% of class; Best Brief in the Niagara International Moot Court Competition. Columbia Law School, M.A., 2005; Harlan Fiske Stone Scholar.

BAR ADMISSIONS: Ontario, Canada; New York; U.S. District Court for the Eastern District of Michigan.

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# **Exhibit 8**

**GRANT & EISENHOFER P.A.  
FIRM BIOGRAPHY**

Grant & Eisenhofer P.A. (“G&E”) is a national litigation boutique with more than 50 attorneys that concentrates on federal securities and corporate governance litigation and other complex class actions. G&E primarily represents domestic and foreign institutional investors, both public and private, who have been damaged by corporate fraud, greed and mismanagement. The firm was named to the National Law Journal’s Plaintiffs’ Hot List for the last three years and is listed as one of America’s Leading Business Lawyers by Chambers and Partners, who reported that G&E “commanded respect for its representation of institutional investors in shareholder and derivative actions, and in federal securities fraud litigation.” Based in Delaware, New York and Washington, D.C., G&E routinely represents clients in federal and state courts throughout the country. G&E’s clients include the California Public Employees’ Retirement System, New York State Common Retirement Fund, Ohio Public Employees’ Retirement System, State of Wisconsin Investment Board, Teachers’ Retirement System of Louisiana, PIMCO, Franklin Templeton, Trust Company of the West, The Capital Guardian Group and many other public and private domestic and foreign institutions.

G&E was founded in 1997 by Jay W. Eisenhofer and Stuart M. Grant, formerly litigators in the Wilmington office of the nationally prominent firm of Skadden, Arps, Slate, Meagher & Flom LLP. Over the years, the firm’s partners have gained national reputations in securities and corporate litigation. G&E has recovered over \$12 billion dollars for its clients in the last five years, and has repeatedly been named one of the nation’s “Top Ten Plaintiff’s Firms” by the National Law Journal. In 2008 and 2009, RiskMetrics Group recognized G&E for winning the highest average investor recovery in securities class actions of any law firm in the U.S.

G&E has been lead counsel in some of the largest securities class action recoveries in U.S. history, including:

- \$3.2 billion settlement from Tyco International Ltd.
- \$895 million from United Healthcare
- \$450 million Pan-European settlement from Royal Dutch Shell
- \$448 million settlement from Global Crossing Ltd.
- \$420 million from Digex
- \$325 million from Delphi Corp
- \$303 million settlement from General Motors
- \$300 million settlement from DaimlerChrysler Corporation
- \$300 million recovery from Oxford Health Plans
- \$400 million recovery from Marsh & McLennan
- \$276 million judgment & settlement from Safety-Kleen

G&E currently serves as lead counsel in securities class actions involving, among others, Pfizer, Merck, Alstom, Parmalat, Satyam and Refco.

G&E has also achieved landmark results in corporate governance litigation, including:

*In re UnitedHealth Group Inc. Shareholder Derivative Litigation:* G&E represents the Ohio Public Employees Retirement System, State Teachers Retirement System of Ohio, and Connecticut Retirement Plans and Trust Funds as lead plaintiffs in a derivative breach of fiduciary duty action against William W. McGuire, the former CEO of UnitedHealth Group. The case relates to the improper backdating of over 55.4 million (split-adjusted) stock options issued by UnitedHealth from 1996 through 2002, and the issuance of an additional 12.31 million (split adjusted) stock options post-2002 that violated the terms of the applicable shareholder-approved stock option plans. G&E achieved a settlement that has resulted in significant governance reforms and payments in excess of \$900 million, the largest settlement in the history of derivative litigation in any jurisdiction.

*In re Digex, Inc. Shareholders Litigation* – G&E initiated litigation alleging that the directors and majority stockholder of Digex, Inc. breached fiduciary duties to the company and its public shareholders by permitting the majority shareholder to usurp a corporate opportunity that belonged to Digex. G&E's efforts in this litigation resulted in an unprecedented settlement of \$420 million, the largest settlement in the history of the Delaware Chancery Court.

*Caremark / CVS Merger* - G&E represented institutional shareholders challenging the conduct of the Caremark board in connection with the merger agreement with CVS, and its rejection of a competing proposal. G&E was able to force Caremark to provide additional disclosures to public shareholders and to renegotiate the merger agreement with CVS to provide Caremark shareholders with an additional \$3.19 billion in cash consideration and statutory appraisal rights.

*Teachers' Retirement System of Louisiana v. Greenberg, et al. and American International Group, Inc.:* In the largest settlement of shareholder derivative litigation in the history of the Delaware Chancery Court, G&E reached a \$115 million settlement in a lawsuit against former executives of AIG for breach of fiduciary duty. The case challenged hundreds of millions of dollars in commissions paid by AIG to C.V. Starr & Co., a privately held affiliate controlled by former AIG Chairman Maurice "Hank" Greenberg and other AIG directors. The suit alleged that AIG could have done the work for which it paid Starr, and that the commissions were simply a mechanism for Greenberg and other Starr directors to line their pockets.

*AFSCME v. AIG* – This historic federal appeals court ruling in favor of G&E's client established the right, under the then-existing proxy rules, for

shareholders to place the names of director candidates nominated by shareholders on corporate proxy materials – reversing over 20 years of adverse rulings from the SEC’s Division of Corporate Finance and achieving what had long been considered the “holy grail” for investor activists. Although the SEC took nearly immediate action to reverse the decision, the ruling renewed and intensified the dialogue regarding “proxy access” before the SEC, ultimately resulting in a new rule currently being considered by the SEC that, if implemented, will make “proxy access” mandatory for every publicly traded corporation.

*Unisuper Ltd. v. News Corp., et al.* – G&E forced News Corp. to rescind the extension of its poison pill on the grounds that it was obtained without proper shareholder approval.

*Teachers’ Retirement System of Louisiana v. HealthSouth* – G&E negotiated a settlement which ousted holdover board members loyal to indicted CEO Richard Scrushy and created mechanisms whereby *shareholders* would nominate their replacements.

*Carmody v. Toll Brothers* – This action initiated by G&E resulted in the seminal ruling that “dead-hand” poison pills are illegal.

In addition, the firm’s lawyers are often called upon to testify on behalf of institutional investors before the SEC and various judicial commissions, and they frequently write and speak on securities and corporate governance issues. G&E partners Jay Eisenhofer and Michael Barry are co-authors of the *Shareholder Activism Handbook*, and in 2008, Jay Eisenhofer was named one of the 100 most influential people in the field of corporate governance.

G&E is proud of its success in “fighting for institutional investors” in courts and other forums across the country and throughout the world.

**G&E's Attorneys**

**Jay W. Eisenhofer**

Jay Eisenhofer, co-founder and managing director of Grant & Eisenhofer, has been counsel in more multi-hundred million dollar cases than any other securities litigator, including the \$3.2 billion settlement in the Tyco case, the \$895 million United Healthcare settlement, the \$450 million settlement in the Global Crossing case, the historic \$450 million pan-European settlement in the Shell case, as well as a \$400 million settlement with Marsh McLennan, a \$303 million settlement with General Motors and a \$300 million settlement with DaimlerChrysler. Mr. Eisenhofer was also the lead attorney in the seminal cases of *American Federation of State, County & Municipal Employees, Employees Pension Plan v. American International Group, Inc.*, where the U.S. Court of Appeals required shareholder proxy access reversing years of SEC no-action letters, and *Carmody v. Toll Brothers*, wherein the Delaware Court of Chancery first ruled that so-called “dead-hand” poison pills violated Delaware law.

Mr. Eisenhofer has served as litigation counsel to many public and private institutional investors, including, among others, California Public Employees Retirement System, Colorado Public Employees Retirement Association, the Florida State Board of Administration, Louisiana State Employees Retirement System, the Teachers' Retirement System of Louisiana, Ohio Public Employee Retirement Systems, State of Wisconsin Investment Board, American Federation of State, County & Municipal Employees, Service Employees International Union, Amalgamated Bank, Lens Investment Management, Inc. and Franklin Advisers, Inc.

Mr. Eisenhofer is consistently ranked as a leading securities and corporate governance litigator in *Chambers USA – America's Leading Business Lawyers*. In the 2010 edition, Mr. Eisenhofer is hailed a “*master strategists*” and is lauded as an “*outstanding tactician...especially recommended for his strategic guidance.*” Mr. Eisenhofer was recognized by Directorship Magazine in 2008 as one of the 100 most influential people in the field of corporate governance, a list that included figures like Ben Bernanke, Henry Paulson, Barney Frank, and Warren Buffet. In addition, he has been named by Law Dragon to its list of the top 500 lawyers in America. *The National Law Journal* has selected Grant & Eisenhofer as one of the top ten plaintiffs' law firms in the country for the last four years, earning the firm a place in *The National Law Journal's* Plaintiffs Firms Hall Of Fame. Mr. Eisenhofer serves as a member of the Advisory Boards for the Program on Corporate Governance at Harvard Law School and the Weinberg Center for Corporate Governance at the University of Delaware.

Mr. Eisenhofer has written and lectured widely on securities fraud and insurance coverage litigation, business and employment torts, directors' and officers' liability coverage, and the Delaware law of shareholder rights and directorial responsibilities. Among the publications he has authored: “The Shareholders Activism Handbook” Aspen Publishers; “Proxy Access Takes Center Stage – The Second Circuit's Decision in AFSCME Employees Pension Plan v. American International Group, Inc.” *Bloomberg Law Reports*, Vol. 1, No. 5; “Investor Litigation in the U.S. - The System is Working” *Securities Reform Act Litigation Reporter*, Vol. 22, #5; “In re Walt Disney Co. Deriv. Litig. and the Duty of Good Faith Under Delaware Corporate Law” *Bank & Corporate Governance Law Reporter*, Vol. 37, #1; “Institutional Investors As Trend-

Settlers In Post-PSLRA Securities Litigation” *Practicing Law Institute*, July, 2006; “In re Cox Communications, Inc.: A Suggested Step in the Wrong Direction,” *Bank and Corporate Governance Law Reporter*, Vol. 35, #1; “Does Corporate Governance Matter to Investment Returns?” *Corporate Accountability Report*, Vol. 3, No. 37; “Loss Causation in Light of Dura: Who is Getting it Wrong?” *Securities Reform Act Litigation Reporter*, Vol. 20, #1; “Giving Substance to the Right to Vote: An Initiative to Amend Delaware Law to Require a Majority Vote in Director Elections,” *Corporate Governance Advisor*, Vol. 13, #1; “An Invaluable Tool in Corporate Reform: Pension Fund Leadership Improves Securities Litigation Process,” *Pensions & Investments*, Nov. 29, 2004; and “Securities Fraud, Stock Price Valuation, and Loss Causation: Toward a Corporate Finance-Based Theory of Loss Causation,” *Business Lawyer*, August 2004.

Mr. Eisenhofer is a graduate of the University of Pittsburgh, and a 1986 *magna cum laude* graduate of Villanova Law School, Order of the Coif. He was a law clerk to the Honorable Vincent A. Cirillo, President Judge of the Pennsylvania Superior Court and thereafter joined the Wilmington office of Skadden Arps Slate Meagher & Flom. Mr. Eisenhofer was a partner in the Wilmington office of Blank Rome Comisky & McCauley until forming G&E in 1997.

### **Stuart M. Grant**

Stuart M. Grant is co-founder and managing director of Grant & Eisenhofer. Mr. Grant is nationally recognized for his representation of institutional investors in securities, regulatory and corporate governance litigation. He serves as litigation counsel to many of the largest public and private institutional investors in the world.

Mr. Grant has extensive knowledge in the areas of Delaware corporate law, fiduciary responsibility, securities and investments, private equity and fixed income, appraisal remedies, valuation, proxy contests and other matters related to protecting and promoting the rights of institutional investors.

Mr. Grant has been consistently ranked as a leading securities and corporate governance litigator in *Chambers USA – America’s Leading Business Lawyers*. In the 2008 edition, it is noted that Mr. Grant “really understands the law and the psychology of litigation,” and is described by clients as an “extremely talented litigator who possesses deep theoretical knowledge about class actions and corporate governance.” Mr. Grant, who has been recognized as one of the Top 500 Leading Lawyers in America by Lawdragon, is rated AV by Martindale Hubbell.

Mr. Grant has testified on behalf of institutional investors before the SEC and before the Third Circuit Panel on Appointment of Class Counsel. He has successfully argued on behalf of institutional investors in many groundbreaking corporate governance cases including: *In re Digex Stockholders Litigation*, the largest settlement in Delaware Chancery Court history, which led to the establishment of lead plaintiff provisions in Delaware; *In re UniSuper Ltd., et al. v. News Corporation, et al.*, a landmark case in which the Delaware Chancery Court ruled that shareholders may limit board authority without amending the corporation’s charter; *In re Tyson Foods, Inc.*, which resulted in historic rulings from the Delaware Court of Chancery clarifying the fiduciary duties of corporate directors in connection with the administration of stock option

plans; *Teachers' Retirement System of Louisiana v. Aidinoff, et al.* and *American International Group, Inc.*, the largest derivative shareholder litigation settlement in the history of Delaware Chancery Court; *In re HealthSouth*, which ousted holdover board members loyal to indicted CEO Richard Scrushy and created mechanisms whereby shareholders would nominate their replacements; *In re Cablevision Systems Corp. Options Backdating Litigation* and *In re Electronics for Imaging, Inc. Shareholder Litigation*, both of which held directors and officers of their respective companies accountable for improperly granting backdated options and, most importantly, required the individual defendants to reach into their own pockets to cover a significant portion of the settlement.

Mr. Grant was the first attorney in the country to argue the provisions of the PSLRA allowing an institutional investor to be appointed as lead plaintiff in a securities class action. The opinion, which appointed the State of Wisconsin Investment Board as lead plaintiff and Grant & Eisenhofer as lead counsel, is widely considered the landmark on the standards applicable to lead plaintiff/lead counsel practice under the PSLRA; and the case, *Gluck, et al. v. Cellstar*, resulted in a class recovery of approximately 56% of the class' actual losses, which was four times the historical average gross recovery for securities fraud litigation.

Mr. Grant's more recent securities litigation representations include: *In re Delphi Corp Securities Litigation*, which resulted in settlement agreements totaling more than \$325 million from Delphi Corp, its directors and officers insurance and the company's auditor Deloitte & Touche; *In re Parmalat Securities Litigation*, which resulted in a settlement of approximately \$90 million in what the SEC described as "one of the largest and most brazen financial frauds in history;" *In re Refco Inc. Securities Litigation*, which resulted in a \$400 million settlement; and *In re Safety-Kleen Securities Corporation Bondholders Litigation*, which, after a six-week securities class action jury trial, resulted in judgments holding the company's CEO and CFO jointly and severally liable for nearly \$200 million and settlements with the remaining defendants for \$84 million.

Mr. Grant is a frequent speaker at the Practising Law Institute, the Council of Institutional Investors, the Australian Council of Super Investors and several other securities fora across the globe. Mr. Grant has authored a number of articles and published writings. His articles have been cited with approval by the U.S. Supreme Court, U.S. Court of Appeals for the 2nd and 5th Circuits and numerous U.S. District Courts. Mr. Grant's articles include, among others, "The Devil is in the Details: Application of the PSLRA's Proportionate Liability Provisions is so Fraught With Uncertainty That They May be Void for Vagueness"; "Class Certification and Section 18 of the Exchange Act"; "*Unisuper v. News Corporation*: Affirmation that Shareholders, Not Directors, Are the Ultimate Holders of Corporate Power"; "Executive Compensation: Bridging the Gap Between What Companies Are Required to Disclose and What Stockholders Really Need to Know"; and a number of annual PLI updates under the heading of "Appointment of Lead Plaintiff Under the Private Securities Litigation Reform Act."

Mr. Grant serves as a member of the Advisory Board of the Weinberg Center for Corporate Governance at the University of Delaware. Mr. Grant joined the Widener University School of Law faculty as an Adjunct Professor of Law in 1994, where he leads a securities litigation seminar for third-year law students. Mr. Grant is a Certified Teacher for the National Institute of

Trial Advocacy (NITA). Additionally, he has taught at PricewaterhouseCoopers University of Delaware Directors' College.

Mr. Grant graduated in 1982 *cum laude* from Brandeis University with a B.A. in Economics and received his J.D. from New York University School of Law in 1986. He served as Law Clerk to the Honorable Naomi Reice Buchwald in the United States District Court for the Southern District of New York. Prior to forming Grant & Eisenhofer, Mr. Grant was a partner at Blank, Rome, Comisky & McCauley (1994-97) and an associate at Skadden, Arps, Slate, Meagher & Flom (1987-94).

### **Michael J. Barry**

Michael Barry is a director at G&E. His practice focuses on corporate governance and securities litigation. He also advises clients on SEC matters. As a foremost practitioner in these areas, Mr. Barry has been significantly involved in groundbreaking class action recoveries, corporate governance reforms and shareholders rights litigation.

Mr. Barry has been instrumental in landmark corporate governance cases, including *AFSCME v. AIG*, where the Court of Appeals for the Second Circuit recognized the right of shareholders to introduce proxy access proposals; *Bebchuk v. CA, Inc.*, which opened the door for shareholders to introduce proposals restricting the ability of boards to enact poison pills; and *CA, Inc. v. AFSCME*, an historic 2008 decision of the Supreme Court of Delaware regarding the authority of shareholders to adopt corporate bylaws. Mr. Barry's case work also includes, among others, *In re Global Crossing Ltd. Securities Litigation*, which resulted in a \$450 million settlement; a well-publicized derivative litigation action challenging the terms of the Caremark Rx, Inc. and CVS merger that resulted in a \$3.2 billion settlement; and litigation between the Chicago Board of Trade and the Chicago Mercantile Exchange, which produced a \$485 million settlement. Each of these cases resulted in substantial reforms to the terms of merger agreements to provide increased consideration and structural benefits to shareholders.

Mr. Barry has spoken widely on corporate governance and related matters. In addition to serving as a frequent guest lecturer at Harvard Law School, he speaks at numerous conferences each year. Mr. Barry has authored numerous published writings, including the *Shareholder Activism Handbook*, a comprehensive guide for shareholders regarding their legal rights as owners of corporations, which he co-authored.

Prior to joining G&E, Mr. Barry practiced at a large Philadelphia-based firm, where he defended the Supreme Court of Pennsylvania, the Pennsylvania Senate and Pennsylvania state court judges in a variety of trial and appellate matters. He is a 1990 graduate of Carnegie Mellon University and graduated *summa cum laude* in 1993 from the University of Pittsburgh School of Law, where he was an Executive Editor of the *University of Pittsburgh Law Review* and a member of the Order of the Coif.

### **Daniel L. Berger**

Daniel Berger is a director with Grant & Eisenhofer. Prior to joining the firm, Mr. Berger was a partner at two major plaintiffs' class action firms in New York, including Bernstein Litowitz

Berger & Grossmann, where he litigated complex securities and discrimination class actions for twenty two years.

While at BLBG, Mr. Berger tried two 10b-5 securities class actions to jury verdicts, among the very few such cases ever tried. He served as principal lead counsel in many of the largest securities litigation cases in history, achieving successful recoveries for classes of investors in cases including *In re Cendant Corp. Securities Litigation* (D. N.J.) (\$3.3 billion); *In re Lucent Technologies, Inc. Securities Litigation* (D. N.J.) (\$675 million); *In re Bristol-Myers Squibb Securities Litigation*, (S.D.N.Y.) (\$300 million); *In re Daimler Chrysler A.G. Securities Litigation*, (D. Del.) (\$300 million); *In re Conseco, Inc. Securities Litigation*, (S.D. Ind.) (\$120 million); *In re Symbol Technologies Securities Litigation*, (E.D.N.Y.) (\$139 million); and *In re OM Group Securities Litigation*, (N.D. Ohio) (\$92 million.)

Mr. Berger has successfully argued several appeals that made new law favorable to investors, including *In re Suprema Specialties, Inc. Securities Litigation*, 438 F.3d 256 (3d Cir. 2005); *McCall v. Scott*, 250 F.3d 997 (6th Cir. 2001) and *Fine v. American Solar King Corp.*, 919 F.2d 290 (5th Cir. 1990.) In addition, Mr. Berger was lead class counsel in several important discrimination class actions, in particular *Roberts v. Texaco, Inc.* (S.D.N.Y.), where he represented African-American employees of Texaco and achieved the then largest settlement (\$175 million) of a race discrimination class action.

Mr. Berger currently serves on the editorial board of *Securities Law360*. He was a member of the Board of Managers of Haverford College from 2000-2003 and currently serves on the Board of Visitors of Columbia University Law School. He also served on the Board of inMotion, Inc., a non-profit organization providing legal services to victims of domestic violence, for six years, and currently is the Vice President of the Madison Square Park Conservancy.

### **Cynthia A. Calder**

Cynthia Calder is a director at Grant & Eisenhofer. She concentrates her practice in the areas of corporate governance and securities litigation. She has represented shareholders in such seminal cases in the Delaware Court of Chancery as *UniSuper Ltd. v. News Corp.*, vindicating the shareholders' right to vote; *Carmody v. Toll Brothers*, finding the dead-hand poison pill defensive measure was illegal under Delaware law, *Jackson National Life Insurance Co. v. Kennedy*, breaking new ground in the interpretation of fiduciary duties owed to preferred shareholders; *Haft v. Dart Group Corp.*, resolving a contest for control of a significant public corporation; and *Paramount Communications Inc. v. QVC Network*, obtaining an injunction preventing the closing of a merger to force the board of directors to appropriately consider a competing bid for the corporation. More recently, Ms. Calder prosecuted a shareholder derivative suit on behalf of American International Group, Inc. against the company's former CEO, Maurice Greenberg, and other former AIG executives. The action was concluded for a settlement of \$115 million – the largest such settlement in the history of the Delaware Court of Chancery. Ms. Calder was also the Court-appointed representative on the shareholder counsel's committee in the *UnitedHealth Group* derivative litigation, which was settled for more than \$900 million – the largest known derivative settlement in any court system. Ms. Calder also recently prosecuted a shareholder class action, *In re ACS Shareholder Litigation*, which resulted in one of the largest class recoveries in the history of the Court of Chancery.

Ms. Calder graduated *cum laude* from the University of Delaware in 1987 and graduated from the Villanova University School of Law in 1991. Upon graduating from law school, Ms. Calder served as a Judicial Law Clerk in the Delaware Court of Chancery to the Honorable Maurice A. Hartnett, III. Prior to joining Grant & Eisenhofer, Ms. Calder was an associate at Blank Rome LLP. She is a member of the Delaware Bar Association.

Ms. Calder has co-authored numerous articles on corporate governance and securities litigation, including “Options Backdating from the Shareholders’ Perspective” *Wall Street Lawyer*, Vol. 11, No. 3; “Securities Litigation Against Third Parties: Pre-Central Bank Aiders and Abettors Become Targeted Primary Defendants” *Securities Reform Act Litigation Reporter*, Vol. 16, No. 2; and “Pleading Scierter After Enron: Has the World Really Changed?” *Securities Regulation & Law*, Vol. 35, No. 45.

### **Robert G. Eisler**

Robert Eisler is a director in the firm’s antitrust practice group. Mr. Eisler has been involved in many of the most significant antitrust class action cases in recent years, and has frequently served as court-appointed lead or co-lead counsel. He is experienced in numerous industries, including pharmaceuticals, paper products, construction materials, industrial chemicals, processed foods, municipal securities, and consumer goods.

Mr. Eisler has served as lead or co-lead counsel in many of the largest antitrust cases litigated in recent years, including, *In re Buspirone Antitrust Litigation*, (which led to a \$90 million settlement and in which presiding Judge Koeltl stated that the plaintiffs’ attorneys had done “a stupendous job”), *In re Ciprofloxacin Hydrochloride Antitrust Litigation*, *In re Flat Glass Antitrust Litigation*, *In re Municipal Derivatives Antitrust Litigation*, and *In re Chocolate Confectionary Antitrust Litigation*.

Mr. Eisler has played major roles in a number of other significant antitrust cases, including *In re Linerboard Antitrust Litigation*, *In re Aftermarket Filters Antitrust Litigation*, and *In re Publication Paper Antitrust Litigation*.

Mr. Eisler also has extensive experience in securities, derivative, complex commercial and class action litigation at the trial and appellate levels. He has been involved in numerous securities and derivative litigation matters on behalf of public pension funds, municipalities, mutual fund companies and individual investors in state and federal courts.

### **Keith M. Fleischman**

Keith Fleischman is a director at Grant & Eisenhofer, focusing on high profile securities litigation cases. Mr. Fleischman is a nationally recognized litigator and trial lawyer with over 20 years of experience, including serving as a prosecutor in the Investigations and Major Offense Bureau of the Bronx District Attorney’s Office, a trial attorney in the Fraud Section of the U.S. Department of Justice, an Assistant United States Attorney in the U.S. Attorney’s Office and at large plaintiffs firms.

Mr. Fleischman has served as lead or co-lead counsel and on the executive committee for many notable and successful litigations, including America Online, Ann Taylor, Motorola, Aetna, John Hancock, Bell South and Taser, which collectively resulted in hundreds of millions of dollars in settlements to the respective classes. Most recently, Mr. Fleischman was co-lead counsel in the Marsh Securities Litigation which resulted in a \$400 million settlement to the class. In 1995, Mr. Fleischman was plaintiffs' chief trial counsel in *Robbins v. Koger Properties, Inc.*, in which a federal jury found Deloitte & Touche liable for securities violations and awarded the class over \$80 million after a month-long trial. Mr. Fleischman also successfully argued before the Second Circuit the case of *Novak v. Kasaks*, the precedent-setting decision regarding the pleading standard and disclosure of confidential informants under the Private Securities Litigation Reform Act (PSLRA).

During his eight years as prosecutor, Mr. Fleischman tried numerous cases to verdict and served as chief trial counsel in *United States v. Cheng & Heath*, one of the largest savings and loan prosecutions successfully brought by the federal government. Additionally, he served as a trial practice instructor for the Attorney General's Advocacy Institute, U.S. Department of Justice, as a member of the Dallas and New England Bank Fraud Task Force, and as a member of the Connecticut Bank Fraud Working Group. Mr. Fleischman has received awards from the Director of the FBI and the Attorney General for his work on behalf of the Justice Department.

Mr. Fleischman received his B.A. from the University of Vermont in 1980 and a J.D. from California Western School of Law in 1984. He has been recognized by both Super Lawyers and Lawdragon. For the past ten years, Mr. Fleischman has served as the co-chairman of the Practising Law Institute's Annual Conference on Class Actions and lectures in the United States and abroad on the investigation, litigation and prevention of securities fraud.

### **Reuben A. Guttman**

Reuben Guttman is a Director at Grant & Eisenhofer. His practice involves complex litigation and class actions. He has represented clients in claims brought under the federal False Claims Act, securities laws, the Price Anderson Act, Department of Energy (DOE) statutes and regulations, the WARN Act, RICO and various employment discrimination, labor and environmental statutes. He has also litigated and/or tried claims involving fraud, breach of fiduciary duty, antitrust, business interference and other common law torts.

Mr. Guttman has been counsel in some of the largest recoveries under the Federal False Claims Act, including *U.S. ex rel. Johnson v. Shell Oil Co.*, 33 F. Supp. 2d 528 (ED Tex. 1999), where over \$300 million were recovered from the oil industry. He also represented one of the six main whistleblowers in litigation resulting in the government's September 2009, \$2.3 billion settlement with Pfizer Pharmaceutical. Litigation brought by Mr. Guttman under the False Claims Act on behalf of a European whistleblower resulted in a \$13 million settlement with a Department of Defense contractor.

Mr. Guttman also served as lead counsel in a series of cases resulting in the recovery of more than \$30 million under the Federal Fair Labor Standards Act. Litigation brought by Mr. Guttman on behalf of nuclear weapons workers at "Manhattan Project" nuclear weapons sites resulted in

congressional oversight and changes in procurement practices affecting the nation's nuclear weapons complex. In addition, he served as lead counsel in litigation brought on behalf of prison workers in the District of Columbia, which resulted in injunctive relief protecting workers against exposure to blood-borne pathogens. Mr. Guttman served as lead counsel in a mediation before the United States Equal Employment Opportunity Commission, resulting in work place standards and back pay for minority employees at a large Texas oil refinery.

Mr. Guttman is the author and/or editor of numerous articles and technical publications. He is co-author of *Gonzalez v. Hewitt*, a case file published by the Emory University Law School Center for Advocacy and Dispute Resolution (2010) and used to train law students and practicing attorneys. He has appeared on *ABC Nightly News* and CNN, and has been quoted in major publications including *The Wall Street Journal*, *The Washington Post*, *The Los Angeles Times*, *The Atlanta Journal-Constitution*, *USA Today*, *Houston Chronicle*, *Dallas Morning News* and national wire services including the Associated Press and Reuters.

In addition to his writings, Mr. Guttman has testified before committees of the United States House of Representatives and the United States Senate on the Asbestos Hazard Emergency Response Act (AHERA). In 1992, he advised President-elect Clinton's transition team on labor policy and worker health and safety regulation.

Mr. Guttman earned his law degree at Emory University Law School (1985) and his Bachelor's Degree from the University of Rochester (1981). He is a faculty member at the Emory University School of Law Edison-Kessler Trial Advocacy Program where he Co-Chairs the Advisory Board for the Center for Advocacy and Dispute resolution. Mr. Guttman is a faculty member of the National Institute of Trial Advocacy. He has been a guest lecturer at a number of universities including Jao Tong University in Shanghai, Peking University in Beijing and Renmin University in Beijing. In 2006 he was invited by the Dutch Embassy in China to share his expertise with experts in China about changes to the nation's labor laws. He is a Co-Founder of Voices for Corporate Responsibility, [www.voicesforcorporateresponsibility.com](http://www.voicesforcorporateresponsibility.com), and founder of [www.whistleblowerlaws.com](http://www.whistleblowerlaws.com) and [www.thecorporateinsider.com](http://www.thecorporateinsider.com).

### **Stephen G. Grygiel**

Stephen Grygiel, a director with Grant & Eisenhofer, focuses his practice on complex securities, corporate governance and third party payor pharmaceutical cost-recovery cases. Mr. Grygiel has litigated and tried a variety of shareholder dissolution and shareholders' rights actions, adversary proceedings in bankruptcy court, and other corporate and commercial matters. He has litigated issues concerning the validity of stock issued in private companies, minority shareholders' rights under statutes, by-laws and contracts, valuations and requisite consideration for founders' stock, minority discounts and control premiums for valuation purposes, the interplay of security interests and stock ownership rights, secured party seizures of stock, and a bankruptcy estate's ownership of funds fraudulently obtained from banks through a sophisticated check-kiting scheme. Mr. Grygiel has also litigated private cost recovery actions under CERCLA, representing plaintiffs in the *Laurel Park Coalition v. Goodyear* (Connecticut) and *Hanlin v. IMC* (Maine) cases. Having written and contributed to articles addressing private cost recovery

actions and the intersection of CERCLA and common law rights of action, he has also lectured on those topics to industry professionals.

Mr. Grygiel, who is rated AV by Martindale Hubbell, graduated *magna cum laude* in 1979 from Hamilton College where he was elected to Phi Beta Kappa and won other honors and academic awards. He graduated from Harvard Law School in 1986. Following law school, Mr. Grygiel clerked for the Chief Justice of Maine's Supreme Judicial Court.

### **Geoffrey C. Jarvis**

Geoffrey Jarvis, a director with Grant & Eisenhofer, focuses on securities litigation for institutional investors. He had a major role in the Oxford Health Plans Securities Litigation and the DaimlerChrysler Securities Litigation, both of which were among the top ten securities settlements in U.S. history at the time they were resolved. Mr. Jarvis also has been involved in a number of actions before the Delaware Chancery Court, including a Delaware appraisal case that resulted in a favorable decision for the firm's client after trial. At the present time, he has primary responsibility for a number of cases in which Grant & Eisenhofer clients have opted-out of class actions and also has a lead role in class actions pending against Tyco, Alstom and Sprint.

Mr. Jarvis received a B.A. in 1980 from Cornell University, where he was elected to Phi Beta Kappa. He graduated *cum laude* from Harvard Law School in 1984. Until 1986, he served as a staff attorney with the Federal Communications Commission, participating in the development of new regulatory policies for the telecommunications industry. He then became an associate in the Washington office of Rogers & Wells, principally devoted to complex commercial litigation in the fields of antitrust and trade regulations, insurance, intellectual property, contracts and defamation issues, as well in counseling corporate clients in diverse industries on general legal and regulatory compliance matters. Mr. Jarvis was previously associated with a prominent Philadelphia litigation boutique and had first-chair assignments in cases commenced under the Pennsylvania Whistleblower Act and in major antitrust, First Amendment, civil rights, and complex commercial litigation, including several successful arguments before the United States Court of Appeals for the Third Circuit.

Mr. Jarvis authored "State Appraisal Statutes: An Underutilized Shareholder Remedy," *The Corporate Governance Advisor*, May/June 2005, Vol. 13, #3, and co-authored with Jay W. Eisenhofer and James R. Banko, "Securities Fraud, Stock Price Valuation, and Loss Causation: Toward a Corporate Finance-Based Theory of Loss Causation," *Business Lawyer*, August 2004.

### **John C. Kairis**

John Kairis is a director at Grant & Eisenhofer. He represents institutional investors in class action litigation, individual "opt-out" securities litigation and derivative and corporate governance litigation in the Delaware Chancery Court and other courts throughout the country. Mr. Kairis has been a leader of G&E teams that have achieved landmark results for clients, including some of the largest recoveries in securities class action history. He is currently representing British pension fund Hermes Focus Asset Management Europe Ltd. and other purchasers of Parmalat Finanziaria securities in a securities class action against Parmalat. He is

also representing Teachers' Retirement System of Louisiana in a securities class action against Hollinger International, Inc. and its officers, directors and auditors. He represented Stichting Pensioenfond ABP, the pension fund for government and education authorities in the Netherlands, in an opt-out action against AOL Time Warner, its officers and directors, auditors, investment bankers and business partners.

Mr. Kairis has achieved significant corporate governance improvements for G&E's institutional investor clients, as in the agreement by HealthSouth Corporation to replace its conflicted directors with independent directors approved by a committee including the institutional investor plaintiff. The groundwork for this case was established through Mr. Kairis's successful prosecution of a books and records case under Section 220 of the Delaware General Corporation Law, which resulted in HealthSouth disclosing documents they had previously refused to produce. Mr. Kairis has mediated and obtained favorable settlements for G&E clients in both major securities cases, including *Wyser-Pratte Management Co. v. Telxon Corp.*, and consumer class actions involving unfair competition and false marketing claims against both Johnson & Johnson and Bausch and Lomb.

Mr. Kairis graduated from the University of Notre Dame in 1984 and received his J.D. in 1987 from the Ohio State University School of Law, where he served as Articles Editor for the Law Review and received the American Jurisprudence Award and the John E. Fallon Memorial Award for scholastic achievement. He authored "Challenging Mis-representations in Mergers: You May Have More Time Than You Think," *Andrews Litigation Reporter*, Vol. 12, Issue 3, June 14, 2006. He is a member of the Delaware and American Bar Associations and the Delaware Trial Lawyers Association. Mr. Kairis has served on the boards of several nonprofit organizations, including the West-End Neighborhood House, Inc. and the Cornerstone West Development Corporation. He has also served on the Delaware Corporation Law Committee, where he evaluated proposals to amend the Delaware General Corporation Law.

### **Megan D. McIntyre**

Megan McIntyre is a director at Grant & Eisenhofer, practicing in the areas of corporate, securities and complex commercial litigation. Among other work, she has represented institutional investors, both public and private, in corporate cases in the Delaware Court of Chancery as well as in securities class actions in federal courts throughout the country that have resulted in significant recoveries. She was a member of the trial team in *In re Safety-Kleen Corp. Bondholders Litigation*, which ended in settlements and judgments totaling approximately \$280 million after six weeks of trial in the Spring of 2005. In 2006, she was a member of the litigation team in the landmark case of *UniSuper Ltd. v. News Corporation*, where the Delaware Court of Chancery ruled that shareholders may contractually limit directors' authority without amending the certificate of incorporation. Ms. McIntyre has successfully represented clients in obtaining access to corporate proxy statements for the purpose of presenting proposed shareholder resolutions and has brought and defended actions seeking to enforce shareholders' rights to inspect corporate books and records pursuant to the statutory authority of Section 220 of the Delaware General Corporation Law. She was also the principal author of the firm's amicus curiae brief on behalf of the Council of Institutional Investors (CII), filed in the Delaware Supreme Court in the Walt Disney derivative litigation, urging the Court's adoption as Delaware

law of the CII's standards or criteria for determining director "independence." She had a lead role in class actions involving Refco and Able Laboratories, in shareholder derivative actions involving Tyson Foods and Cablevision. At present, she has a lead role in class actions involving Refco and Genzyme, in a shareholder derivative action involving AIG, and in several cases on behalf of clients who have opted out of securities class actions to pursue individual actions.

Ms. McIntyre has appeared as a guest on CNBC's "On the Money," and has authored or co-authored a number of articles involving issues of Delaware corporate law and the federal securities laws, including "The Devil is in the Details: Application of the PSLRA's Proportionate Liability Provisions is So Fraught With Uncertainty That They May Be Void for Vagueness," 1505 *PLI/Corp* 83 (Sept. 2005); "Class Certification and Section 18 of the Exchange Act," *The Review of Securities and Commodities Regulation*, Vol. 35, No. 21, *Standard & Poor's* (Dec. 2002); "The Statutory Right of Inspection: An Important But Often Overlooked Tool," *Corporate Governance Advisor*, Vol. 9, No. 2 (May/June 2001); and "Causes of Action Available to Investors Under Delaware Law, Parts I and II," *Insights* (Oct. 1996; Nov. 1996).

Ms. McIntyre graduated from The Pennsylvania State University in 1991 and graduated *magna cum laude* in 1994 from The Dickinson School of Law, where she was an Articles Editor for the *Dickinson Law Review*. Ms. McIntyre is a member of the Delaware State Bar Association. Prior to joining Grant & Eisenhofer, she was associated with the Wilmington offices of both Skadden, Arps, Slate, Meagher & Flom, LLP and Blank, Rome, Comisky & McCauley, in their respective litigation departments.

### **Linda P. Nussbaum**

She was selected "Litigator of the Week" by the *AmLaw Litigation Daily* on April 2, 2010 for her role in the trial of *Kaiser Foundation Health Plan, Inc. and Kaiser Foundation Hospitals v. Pfizer*. Linda Nussbaum is a director at Grant & Eisenhofer. Ms. Nussbaum is nationally recognized for her representation of class and individual litigants in antitrust and pharmaceutical litigation. Her experience prior to Grant & Eisenhofer was as sole or co-lead counsel in many significant antitrust class actions which have resulted in substantial recoveries, many in the realm of hundreds of millions of dollars: *In re Microcrystalline Cellulose Antitrust Litigation; Oncology & Radiation Associates, P.A. v. Bristol-Myers Squibb Co., et al. (Taxol Antitrust Litigation); North Shore Hematology-Oncology Associates, P.C. v. Bristol-Myers Squibb Co. (Platinol Antitrust Litigation); In re Children's Ibuprofen Oral Suspension Antitrust Litigation; In re Relafen Antitrust Litigation; In re Plastics Additives Antitrust Litigation; In re Remeron Antitrust Litigation; Meijer, et al. v. Warner Chilcott Holdings Company, III, Ltd., et al. (Ovcon Antitrust Litigation); and In re Lorazepam & Clorazepate Antitrust Litigation.*

Current cases in which Ms. Nussbaum serves as lead counsel include *In re Puerto Rican Cabotage Antitrust Litigation; In re DDAVP Direct Purchaser Antitrust Litigation; In re Photochromic Lens Antitrust Litigation; In re Wellbutrin XL Antitrust Litigation; Meijer, Inc., et al. v. Astrazeneca Pharmaceuticals LP, et al (Torprol Antitrust Litigation); and Meijer, Inc., et al. v. Abbott Laboratories (Norvir Antitrust Litigation)*. In addition, she represented large

corporate entities in individual actions in *In re Payment Card Interchange Fee and Merchant Discount Antitrust Litigation*; *In re Neurontin Marketing and Sales Practices Litigation*; *In re Chocolate Confectionary Antitrust Litigation*; and *CVS Pharmacy v. American Express Travel Related Services, et al.*

Ms. Nussbaum has lectured and written extensively about various aspects of antitrust law. Her articles include: “The Evolving Challenges of Class Certification” presented at the American Antitrust Institute’s Third Annual Symposium on Private Antitrust Enforcement on December 8, 2009; “Daubert 15 Years Later: How Have Economists Fared?” presented at the ABA Section of Antitrust Law Spring Meeting in March 2009; and “The Hatch-Waxman Act 25 Years Later: Successes, Failures and Prescriptions for the Future,” presented at a panel on “Lawyers, Drugs and Money, a Prescription for Antitrust Enforcement in the Pharmaceutical Industry” at the University of San Francisco School of Law Antitrust Symposium on September 25, 2009. Ms. Nussbaum is a member of the Advisory Board of the American Antitrust Institute.

Ms. Nussbaum obtained her J.D. from George Washington University and a LL.M. degree in taxation from New York University School of Law.

### **James J. Sabella**

James Sabella is a director at Grant & Eisenhofer. He has over thirty years of experience in complex civil litigation, including representing plaintiffs and defendants in class and derivative actions involving trial and appellate work in state and federal courts. He has substantial experience in securities litigation and litigation involving claims against accounting firms and underwriters. He has also handled antitrust litigation and cases involving the fiduciary obligations of trustees under state law.

Prior to joining Grant & Eisenhofer, Mr. Sabella practiced for twenty-eight years at several large Manhattan law firms, most recently as a partner in Sidley, Austin, Brown & Wood LLP, where his practice focused largely on accountants’ liability defense, including the defense of actions alleging securities law violations and professional malpractice as well as grand jury investigations and investigations by the American Institute of Certified Public Accountants.

Mr. Sabella is a 1976 graduate of Columbia Law School, where he was a member of the Board of Directors of the *Columbia Law Review*. He received a B.A. *summa cum laude* from Columbia College in 1972 and a B.S. in 1973 from the Columbia School of Engineering, where he was valedictorian.

### **Mary S. Thomas**

Mary Thomas is a director at G&E. Ms. Thomas spent twelve years practicing business litigation with two of Los Angeles’ leading law firms before joining Grant & Eisenhofer in 2006. Her experience prior to Grant & Eisenhofer includes trade secret and intellectual property matters, contract actions, employment defense, consumer class action defense, insurance disputes and environmental matters.

At Grant & Eisenhofer, Ms. Thomas has represented institutional investors in class action securities and shareholder derivative litigation. Ms. Thomas graduated *magna cum laude* from Harvard Law School in 1994 and *magna cum laude* from the University of Delaware in 1991.

She served as a volunteer arbitrator for the L.A. County Bar Association and as a volunteer mediator for the L.A. Superior Court and now serves as a volunteer guardian *ad litem* through Delaware's Office of the Child Advocate. Ms. Thomas co-authored "California Wage and Hour Laws" (published by the National Legal Center for the Public Interest, January 2005). She was also one of several authors of the 10th and 11th editions of the *California Environmental Law Handbook*.

### **William A.K. Titelman**

William Titelman is a director at G&E. His practice focuses on plaintiff's securities litigation, representing public pension funds, union and Taft-Hartley funds. Prior to joining G&E, Mr. Titelman spent more than six years as a partner in a New York based plaintiffs' securities litigation firm.

He has been actively involved in government, law and public policy throughout his career. Mr. Titelman is actively involved in *In re Fannie Mae Securities Litigation*, *In re Royal Dutch/Shell Transport Securities Litigation*, *In re Marsh & McLennan Companies, Inc. Securities Litigation*, *In re Cigna Corp. Securities Litigation*, and *In re HealthSouth Stockholder Litigation*. He organized and served as counsel for Amici Curiae states and public pension funds in *Stoneridge Investment Partners, LLC v. Scientific-Atlanta, Inc.*, No. 06-43, and *Tellabs, Inc. v. Makor Issues & Rights, Ltd.*, No. 06-484, both before the United States Supreme Court, and *In re Dynex Capital Securities Litigation*, No. 06-2902-cv, before the Second Circuit. The briefs in these three cases were filed on behalf of eight states and five public pension funds concerning critical issues of investor protection and securities litigation.

Mr. Titelman began his career in the early 1970's serving in several key positions in Pennsylvania state government, including Director of Motor Vehicles and Special Assistant to the Governor for Government Management. After graduating from The Dickinson School of Law in 1980, Mr. Titelman led the Pennsylvania Trial Lawyers Association for nearly a decade in its efforts to protect and expand individual rights, including shareholder rights, and drafted key provisions of Pennsylvania's automobile insurance and consumer safety laws. Subsequently, he became a partner at a leading Pennsylvania law firm, where he served on the firm's Board of Directors and chaired both its Harrisburg office and its Administrative Law and Government Affairs Practice Group. One of his major clients was the Pennsylvania Public School Employees' Retirement System (PSERS).

In 1988, Mr. Titelman led the successful enactment of a new Pennsylvania Business Corporation Law. From 1989 to 1990, he led a national campaign organizing major public pension funds and other institutional investors, shareholder rights activists, former SEC Commissioners, leading economists and deans of business and law schools to oppose and successfully amend Pennsylvania Senate Bill 1310. *The Wall Street Journal* described this legislation as the most

onerous anti-shareholder, management-protection bill ever proposed in the United States. Mr. Titelman served as General Counsel to both the Pennsylvania Public School Building and Higher Educational Facilities Authorities. He went to serve on as Executive Vice President of Managed Care and Public Affairs at Rite Aid Corporation, where he suffered substantial losses as a victim of one of the nation's largest securities frauds. He subsequently brought and settled an individual action for securities fraud against Rite Aid.

### **Jeff A. Almeida**

Jeff Almeida is senior counsel at Grant & Eisenhofer P.A. practicing in the areas of corporate, securities and complex commercial litigation. Mr. Almeida has represented domestic and foreign institutional investors in prominent securities fraud actions including, *In re Qwest Comms. Int'l Securities Litigation* (D. Colo); *In re Alstom SA Securities Litigation* (S.D.N.Y.); *In re Refco Inc. Securities Litigation* (S.D.N.Y.); *In re Merck & Co., Inc. Vytarin/Zetia Securities Litigation* (D.N.J); *In re Pfizer Inc. Securities Litigation* (S.D.N.Y.); and *In re Global Cash Access Holdings Securities Litigation* (D. Nev.). Mr. Almeida has also been actively engaged in derivative and class litigation in the Delaware Court of Chancery, including the matters *In re Tyson Foods, Inc.*, which resulted in historic rulings clarifying the fiduciary duties of corporate directors in connection with the administration of stock option plans; *Louisiana Police Employees Retirement System v. Crawford* ("Caremark"), a well-publicized derivative action challenging the terms of the Caremark and CVS merger that resulted in a \$3.2 billion settlement; and *In re Genentech Inc. Shareholder Litigation*, where he successfully represented Genentech minority stockholders against Roche's heavy-handed attempt to squeeze out the minority to seize control of Genentech. In recent years, Mr. Almeida has also represented prominent hedge fund clients in complex commercial litigation involving claims of short-squeeze market manipulation and the marketing and sale of abusive tax shelters.

Prior to joining Grant & Eisenhofer in August 2004, Mr. Almeida was affiliated for seven years as an attorney with a major Philadelphia defense firm, where he practiced in the areas of complex commercial litigation, with a focus on consumer class actions, commercial contract disputes, insurance coverage and bad faith defense.

Mr. Almeida is a 1994 graduate of Trinity College in Hartford, Connecticut, where he captained the varsity basketball team and achieved election to Phi Beta Kappa, and a 1997 graduate of William and Mary Law School in Williamsburg, Virginia. Mr. Almeida is admitted to practice in Delaware, Pennsylvania, and New Jersey, along with several federal district courts.

### **Charles T. Caliendo**

Charles Caliendo represents institutional investors in class action securities, opt-out and shareholder derivative litigation. Prior to joining G&E, he served as an Assistant Attorney General in the Investment Protection Bureau of the New York State Attorney General's Office where he prosecuted cases and led investigations related to mutual fund market timing and late trading. Mr. Caliendo practiced at a Manhattan-based law firm in the areas of class action securities, mergers and acquisitions, corporate governance and other commercial litigation.

Mr. Caliendo has written and spoken on issues relating to regulatory enforcement, corporate internal investigations and securities and shareholder litigation. In November 2004 and June 2006, Mr. Caliendo was a speaker at financial services industry seminars sponsored by The Association of the Bar of the City of New York for which he authored articles entitled “The Investment Protection Bureau: An Overview of Financial Markets Regulation and Enforcement in New York” and “Thompson Memo Under A Microscope.” In June 2005, Mr. Caliendo spoke before a delegation of Chinese mutual fund CEOs participating in the Penn-China Mutual Fund CEO Leadership Program, University of Pennsylvania Graduate School of Education. Mr. Caliendo co-authored “Who Says The Business Judgment Rule Does Not Apply To Directors Of New York Banks?” 118 *Banking Law Journal* 493 (June 2001) and “Board of Directors’ ‘Revlon Duties’ Come Into Focus,” *New York Law Journal*, vol. 222, no. 86, col. 1 (Nov. 1, 1999).

Mr. Caliendo received his B.S. from Cornell University and J.D. from St. John’s University School of Law where he was an editor of the *St. John’s Law Review* and a Saint Thomas More Scholar.

### **John D. Radice**

John Radice is senior counsel with Grant & Eisenhofer. Mr. Radice practices in the areas of antitrust focusing on pharmaceutical antitrust, False Claims Act, and other areas of complex civil litigation.

His representative cases include: *In re Tricor Direct Purchaser Antitrust Litigation* (which yielded a \$250 million settlement after the start of trial in case alleging delayed entry of AB-rated generic versions of Tricor); *In re Neurontin Marketing & Sales Litigation* (resulting in a \$47 million jury verdict before interest and statutory trebling based on unlawful and fraudulent promotion of Neurontin); *United States ex rel. Piacentile v. Bristol-Myers Squibb Co.* (resulting in \$515 million settlement related to unlawful promotion of Abilify); *United States ex rel. Marchese v. Cell Therapeutics, Inc.* (resulting in \$10.5 million settlement stemming from unlawful marketing of Trisenox).

Prior to joining the firm, John was associated with major plaintiffs’ class action firms in New York and Philadelphia, where he represented clients pursuing antitrust, False Claims Act, and international human rights cases. He has published numerous articles including “Where do we go now? The Hatch-Waxman Act 25 Years Later: Successes, Failures, and Prescriptions for the Future” published in the *Rutgers Law Journal*; “The False Claims Act: A Public-Private Partnership” in Volume II, in *AAJ 2009 Annual Convention: AAJ Education Reference Materials* 1497 (Jennifer Adams ed., 2009); and “Daubert and Rule 702 in the Context of Antitrust Economic Experts: A Practitioner’s Guide,” *Daubert 15 Years Later: How Have Economists Fared* (ABA Spring Meeting 2009).

Mr. Radice obtained his J.D. from New York University School of Law and graduated *magna cum laude* from Princeton University with a B.A. He clerked for Judge Edith Brown Clement in the U.S. District Court of Appeals for the Fifth Circuit in New Orleans following his graduation from law school. Through the Arthur Garfield Hays Civil Liberties Program at NYU Law, where he was a Palmer Weber Fellow, John pursued internships at the NAACP Legal Defense &

Education Fund, the ACLU, and a prominent civil rights law firm. At Princeton, John was a member of the lightweight crew team. Together with Dr. Lee Shearer, John founded and is president of Insicknessandinhealth.org, a non-profit dedicated to promoting health and well-being in underserved communities.

### **Ralph N. Sianni**

Mr. Sianni's practice involves complex commercial litigation, including securities, corporate governance and third-party payor pharmaceutical cost-recovery cases. He joined Grant & Eisenhofer from another leading national securities litigation firm, where he handled class action securities cases, and cases involving mergers and acquisitions, general corporate law and breach of fiduciary duties. His experience includes working with a team of lawyers who appealed a pro bono prisoners' civil rights case to the Supreme Court of the United States.

Mr. Sianni co-authored the article, "Is the Fix In? - Are Hedge Funds Secretly Disenfranchising Shareholders?," *Bloomberg Law Reports - Corporate Governance*, January 2005.

Prior to entering private practice, Mr. Sianni served as a Law Clerk to the Hon. Stephen J. McEwen, Jr., President Judge of Pennsylvania Superior Court. As a Legislative Intern for the American Civil Liberties Union of Pennsylvania, Mr. Sianni researched and wrote memoranda on First Amendment issues for the Pennsylvania legislature.

Mr. Sianni earned his law degree from the Boston University School of Law and his Masters degree in history from Yale University. He graduated *cum laude* with distinction in his major (history) from the University of Pennsylvania.

### **Brenda F. Szydlo**

Brenda Szydlo focuses on securities litigation on behalf of institutional investors. Ms. Szydlo has more than twenty years of litigation experience in a broad range of matters.

Prior to joining Grant & Eisenhofer, Ms. Szydlo served as counsel in the litigation department of Sidley Austin LLP in New York, and its predecessor, Brown & Wood LLP, where her practice focused on securities litigation and enforcement, accountants' liability defense and general commercial litigation.

Ms. Szydlo is a 1988 graduate of St. John's University School of Law, where she was a St. Thomas More Scholar and member of the Law Review. She received a bachelor's degree in economics from Binghamton University in 1985.

### **Hung G. Ta**

Hung Ta is a senior counsel in Grant & Eisenhofer's New York Office, where he focuses on securities litigation and shareholder derivative litigation on behalf of our institutional investor clients.

Prior to joining G&E, Mr. Ta spent more than six years as a litigation associate at a leading New York law firm, where he represented a considerable number of officers and other clients of the firm in securities litigation, white-collar defense work and regulatory investigations. Mr. Ta also represented other clients of the firm in general commercial litigation matters involving bankruptcy, reinsurance, professional malpractice, mutual fund litigation and ERISA litigation.

Before coming to the United States, Mr. Ta completed his education in Australia, earning a degree in Finance from the University of New South Wales School of Commerce and his Law degree from the University of New South Wales School of Law. After law school, Mr. Ta clerked with the Honorable Justice Gaudron of the High Court of Australia, Australia's ultimate appellate court.

### **Diane Zilka**

Diane Zilka is integral to Grant & Eisenhofer's successful efforts to prosecute securities fraud and corporate governance cases on behalf of U.S. and international clients in class and individual actions. She played a key role in achieving significant recoveries for funds managed by U.S. and international institutional investors in such cases as *Parmalat Securities Litigation and Styling Technology Corporation*, and on behalf of public pension funds in *Just For Feet Securities Litigation*, among others. Ms. Zilka was on the trial team in: *Safety Kleen Bondholder Litigation*, which recovered more than \$275 million in judgments and settlements on behalf of investors; *TRSL v. AIG* a derivative shareholder action which resulted in a \$115 million settlement, the largest such settlement in the history of Delaware Chancery Court; and *In Re Appraisal of Metromedia Int'l Group, Inc.*, which was only the second appraisal action of preferred shares in the history of Delaware Chancery Court which resulted in a judgment against the company of more than \$188 million. In the corporate governance arena, Ms. Zilka has successfully defended clients before the SEC in "no-action" proxy proposal challenges, and has successfully represented clients in Chancery Court "books and records" actions. She has prosecuted numerous direct and derivative breach of fiduciary duty cases, litigating such cutting-edge issues as the propriety of including derivative securities in "poison pills." Ms. Zilka is a co-author with Stuart Grant of "The Role of Foreign Investors in Federal Securities Class Actions," 1442 PLI/CORP. 91 (2004) and "The Current Role Of Foreign Investors In Federal Securities Class Actions," 1620 PLI/Corp 11 (2007).

Ms. Zilka has concentrated her career in securities, corporate and complex commercial litigation. Before joining G&E, she was a partner in a New York City law firm and a member of its investor protection practice group. Ms. Zilka also has extensive experience litigating other complex matters such as ERISA and bankruptcy, and she has represented investors in proceedings before the NYSE and the American Arbitration Association.

In her personal time, Ms. Zilka has volunteered with Literacy Volunteers Serving Adults and Big Brothers Big Sisters, and is on the Board of Panetiere Partners, a not-for-profit organization. She serves as a New Castle County Co-Chair for the annual Combined Campaign For Justice which provides critical funding for Delaware's legal services agencies.

### **Stephen K. Benjamin**

Stephen Benjamin brings to G&E an extensive career in law, business, politics, government and civic life. In January 1999, South Carolina Governor Jim Hodges appointed Mr. Benjamin to the Governor's Cabinet. The South Carolina Senate unanimously confirmed his appointment as Director of the South Carolina Department of Probation, Parole and Pardon Services, where he served as Chief Executive of the 950 employee, state law enforcement agency.

Prior to accepting his Cabinet appointment, Mr. Benjamin served as Regional Manager of Public Affairs for International Paper Company, where he managed the company's legislative and public affairs activities in South Carolina, North Carolina, Georgia and Virginia. Prior to joining International Paper, he was Manager of Corporate Affairs at Carolina Power & Light Company and served as an Associate in the Administrative and Regulatory practice of the prominent McNair Law Firm in Columbia, South Carolina. He has also served as an assistant prosecutor in South Carolina's 4th Judicial Circuit.

The South Carolina Bar Association named Mr. Benjamin a co-recipient of the 2001 Young Lawyer of the Year and he is a recipient of the 2000 Compleat Lawyer Award given by the University of South Carolina School of Law. In 1999 the National Bar Association named him the National Young Lawyer of the Year and the University of South Carolina recognized him as Young Alumni of the Year. He is the recipient of the Lincoln C. Jenkins, Jr. Award given by the Columbia (SC) Urban League for accomplishments as a young professional and was featured as one of Ebony Magazine's 30 Leaders of the Future.

Mr. Benjamin's community leadership experience is extensive. He sits on the University of South Carolina School of Law Partnership Board, the Board of Directors of the USC Development Foundation, The Columbia Urban League, The Greater Columbia Chamber of Commerce and The South Carolina Chamber of Commerce. He serves as the Chair-Elect of the Midlands Education and Business Alliance and as a Statewide Co-Chair of Choose Children First.

Mr. Benjamin received his B.S. in political science from the University of South Carolina in 1991, and his J.D. from the University of South Carolina School of Law in 1994.

### **Richard S. Schiffrin**

Richard S. Schiffrin, retired founding partner of Schiffrin Barroway Topaz & Kessler, LLP, has represented institutional investors and consumers in securities and consumer class actions worldwide. He is licensed to practice law in Pennsylvania and Illinois and has been admitted to practice before numerous United States District Courts. Mr. Schiffrin is a graduate of DePaul Law School and attended graduate school at the University of Chicago. After protecting the civil rights of clients for seven years as an Assistant Public Defender with the Office of the Public Defender of Cook County, where he tried hundreds of cases, Mr. Schiffrin founded Schiffrin & Craig, Ltd., representing consumers and individual investors in actions brought against public companies.

Mr. Schiffrin has been recognized for his expertise in many prominent cases, including *In re Tyco International Ltd. Securities Litigation*, the most complex securities class action in history, which resulted in a record \$3.2 billion settlement. The \$2.975 billion payment by Tyco represents the single largest securities class action recovery from a single corporate defendant in history, while the \$225 million settlement with PricewaterhouseCoopers (PwC) represents the largest payment PwC has ever paid to resolve a securities class action and is the second-largest auditor settlement in securities class action history; *In re AremisSoft Corp. Securities Litigation*, a complex case involving litigation in four countries, resulting in a \$250 million settlement providing shareholders with a majority of the equity in the reorganized company after embezzlement by former officers; *In re Tenet Healthcare Corp.*, resulting in a \$216.5 million settlement and which led to several important corporate governance improvements; *Henry v. Sears, et al.*, one of the largest consumer class actions in history which resulted in a \$156 million settlement distributed without the filing of a single proof of claim form by any class member; *Wanstrath v. Doctor R. Crants, et al.*, a derivative action filed against the officers and directors of Prison Realty Trust, Inc., challenging the transfer of assets to a private entity owned by company insiders, resulting in corporate governance reform in addition to the issuance of over 46 million shares to class members; *Jordan v. State Farm Insurance Company*, resulting in a \$225 million settlement and other monetary benefits for current and former State Farm policy-holders; and *In re Sotheby's Holdings, Inc. Derivative Litigation*, resulting in a multi-million dollar settlement and significant governance changes.

Mr. Schiffrin is an internationally renowned speaker and lectures frequently on corporate governance and securities litigation. His lectures include: the MultiPensions Conference in Amsterdam, Netherlands; the Public Funds Symposium in Washington, D.C.; the European Pension Symposium in Florence, Italy; and the Pennsylvania Public Employees Retirement Summit (PAPERS) in Harrisburg, Pennsylvania. Mr. Schiffrin has also taught legal writing and appellate advocacy at John Marshall Law School and served as a faculty member at legal seminars, including the Annual Institute on Securities Regulation, NERA: Finance, Law & Economics - Securities Litigation Seminar, the Tulane Corporate Law Institute, and the CityBar Center for CLE (NYC): Ethical Issues in the Practice of Securities Law.

Mr. Schiffrin is well-known in his community for his philanthropic activities, including service on the Board of Directors of the Philadelphia Museum of Art and the Philadelphia Chapter of the ALS Association. Mr. Schiffrin resides outside of Philadelphia with his wife and two sons.

### **Abe Alexander**

Mr. Alexander is an associate at Grant & Eisenhofer. He earned his law degree Order of the Coif from the University of Colorado Law School in 2008, where he was member of the school's award-winning national moot court team. Prior to joining Grant & Eisenhofer, Mr. Alexander clerked for Justice Michael L. Bender of the Colorado Supreme Court.

Mr. Alexander graduated *cum laude* from New York University in 2003 where he received his B.A. in Analytic Philosophy.

**Peter B. Andrews**

Peter Andrews is an associate with Grant & Eisenhofer. Mr. Andrews' practice involves complex commercial litigation. Mr. Andrews represents plaintiffs in a variety of matters, including securities class actions, consumer class actions, and Fair Labor Standards Act collective actions. Mr. Andrews also represents whistleblowers in Federal False Claims Act litigation.

While at Grant & Eisenhofer, Mr. Andrews has, among others, represented investors against the directors and officers of a failed telecom company for breach of fiduciary duty in *Rahl v. Flag Telecom, Inc.*, S.D.N.Y; represented public pension funds in opt-out securities litigation against the officers and directors of *Enron*; represented former employees of a failed health system in order to secure promised interests in pension benefits (*Burstein v. Allegheny Health System*, E.D. PA); and represented a class of former customers against a major cable television provider in *Baldasari v. Suburban Cable TV Co. (Comcast Corporation)*. Mr. Andrews has also been actively engaged in litigation in the Delaware Court of Chancery in shareholder derivative and corporate governance cases such as *CALPERS v. Coulter et al.*, and *Lone Star Steakhouse & Saloon Inc.*

Prior to joining Grant & Eisenhofer in 2004, Mr. Andrews was with a major Philadelphia defense firm where he represented securities brokers and broker-dealers in various disputes, including customer complaint litigation. Mr. Andrews also represented clients in regulatory proceedings pursued by NYSE, NASD, and SEC, and advised clients as to best practices under federal and state insurance and securities regulations.

Mr. Andrews is a 1992 graduate of Colby College in Waterville, Maine, where he captained the Colby rugby team and a 1998 graduate of the Dickinson School of Law of the Pennsylvania State University. Upon graduation from Dickinson, Mr. Andrews clerked for the Honorable Alan M. Black of the Court of Common Pleas of Lehigh County, Pennsylvania.

Mr. Andrews is admitted to practice in Delaware and Pennsylvania and numerous federal courts.

**Talyana T. Bromberg**

Talyana Bromberg focuses her practice on complex international and national securities fraud litigation. She previously served as a partner at a prominent law firm in Riga, Latvia, where she focused on commercial litigation and arbitration, real estate and property denationalization. She also served as in-house counsel for a U.S.-Latvian joint venture in the exporting and manufacturing sector.

Ms. Bromberg received her LL.M. degree from the University of Pennsylvania Law School and her J.D. equivalent from the University of Latvia School of Law in Riga in 1989. Following law school, Ms. Bromberg clerked for Latvia's Circuit Court Judge for Maskavas District of Riga.

**Traci L. Buschner**

A former state prosecutor, Traci Buschner has spent the last 13 years representing plaintiffs in complex litigation ranging from class actions to government contract fraud under federal and state false claims acts. She has been involved in multi-million dollar recoveries on behalf of workers under the Federal Fair Labor Standards Act and has served as counsel in False Claims actions, bringing tens of millions of dollars to the United States Government. Ms. Buschner represented one of the six main whistleblowers in False Claims Act litigation against Pfizer, Inc., which resulted in the Government's recovery of \$2.3 billion in 2009.

Ms. Buschner's practice has involved representation of some of the nation's largest labor unions and their members. Prior to joining Grant & Eisenhofer, she was an attorney with the Washington, DC office of one of the nation's largest personal injury and labor firms and also practiced with an Austin, Texas firm where she spear-headed litigation on behalf of victims of asbestos exposure.

On behalf of the Oil, Chemical & Atomic Workers International Union (OCAW), AFL-CIO, Ms. Buschner was actively involved in environmental litigation which led to Secretary of Energy, William Richardson, canceling a project to recycle radioactive nickel at the Oak Ridge, Tennessee K-25 Nuclear Weapons Complex. The documentation of her efforts to expose faulty government contracting at Department of Energy Nuclear weapons sites was published in The Environmental Forum, Volume 17, No. 6, November/December 2000.

**Michele S. Carino**

Michele Carino is an associate with Grant & Eisenhofer, focusing on securities and corporate governance litigation. Ms. Carino has experience in a variety of complex commercial cases, including matters involving securities, accountant liability, labor and employment, corporate governance, contracts and torts.

Ms. Carino graduated *magna cum laude* from Georgetown University Law Center in 1999 and received a Bachelor's degree in economics from the State University of New York at Binghamton in 1992. Ms. Carino is an adjunct professor at law at Columbia University School of Law, teaching a legal research and writing workshop for first year law students.

**Ananda N. Chaudhuri**

Ananda Chaudhuri received his law degree in 2005 from the University of Pennsylvania, where he was a member of the Journal of International Law and Policy and a member of the Film, Music & Media Society. He received his B.A. in journalism and anthropology from New York University. Mr. Chaudhuri's experience includes positions as a Summer Associate at Adkins, Kelston, Zavez, P.C. in Boston, and research and writing positions at Pennsylvania Employment Law Publishing (Philadelphia), *Self Magazine*, and *Working Woman* magazine in New York City.

### **Deborah A. Elman**

Deborah Elman focuses on securities fraud and derivative cases at Grant & Eisenhofer. Prior to joining Grant & Eisenhofer as an associate, Ms. Elman represented clients before the SEC and participated in numerous appearances before federal and state courts as an associate at Milbank, Tweed, Hadley & McCloy in New York.

Ms. Elman served as a law clerk for the Honorable William L. Standish, United States District Judge, in the United States District Court for the Western District of Pennsylvania, participating in all aspects of federal trial court practice.

Ms. Elman graduated *cum laude* in 2001 from the University of Pittsburgh School of Law, where she was Lead Executive Editor of the *Journal of Law and Commerce* and received the Horowitz Graduate Student Paper Prize, the National Association of Women Lawyers Law Student Achievement Award and the School of Law Community Service Award. She received a Master of Public Health degree in 1997 from Columbia University, where she graduated *cum laude* with a Bachelor of Arts degree in 1995.

### **Lydia Ferrarese**

Lydia Ferrarese focuses on securities litigation on behalf of institutional investors. Ms. Ferrarese has represented sophisticated institutional investors in high-profile international securities fraud class action, *In re Parmalat Securities Litigation*, and her efforts contributed to the firm's successful settlement against financial institutions and Parmalat in that case.

Prior to joining Grant & Eisenhofer, Ms. Ferrarese (who received her initial law degree in Italy) served as a visiting attorney with several prominent law firms in New York, Boston and Los Angeles. She was also an Associate at international law firms in Milano and Bologna, Italy. Ms. Ferrarese drafted numerous agreements and opinions on corporate issues for major Italian and multi-national corporations, focusing on Mergers and Acquisitions.

Ms. Ferrarese received her LL.M. in Corporate, Banking and Finance Law at Fordham University School of Law in New York City, and her J.D. equivalent from the University of Bologna, Italy in 1993. She was a contributing writer and editor of the "Guide for the Italian Importer to the United States" by Michael Doland, 2000, and editor of the articles, "Dissolution of a Corporation and Minority Shareholders' Rights" *Le Societa', Ipsosa*, May 2001 and "Rules on class actions: Comparative Analysis between the Italian Law and the U.S. Law," *La Responsabilita' Civile, Utet*, August 2008.

### **Shelly L. Friedland**

Shelly Friedland is an experienced litigator with over ten years of experience practicing both civil and criminal law. Prior to joining Grant & Eisenhofer, she practiced at a national class action firm, prosecuting antitrust cases on behalf of plaintiffs injured by price-fixing and illegal monopolistic practices. Previously, her general litigation practice included several securities-related matters, representing both corporate defendants and third-party plaintiffs.

Ms. Friedland is a *cum laude* graduate of Harvard Law School, where she was an Executive Editor of the Human Rights Law Journal. She received her bachelor's degree from Columbia College, graduating *summa cum laude*. She is a member of the New York City Bar Association and the American Bar Association, where she is a member of the Class Action and Derivatives Committee of the Litigation Section.

### **Christian Keeney**

Christian Keeney is an associate with Grant & Eisenhofer, focusing on complex litigation issues. Mr. Keeney served as a judicial extern for the Honorable Mary Pat Thyng of the U.S. District Court for the District of Delaware while attending Villanova University School of Law. He also served as a certified legal intern for Villanova's Civil Justice Clinic, representing clients in various civil matters.

Mr. Keeney received his J.D. in 2008 from Villanova University School of Law, where he served as the Summer Competition Coordinator for the Moot Court Board, President of the Sports & Entertainment Law Society and Class Representative for the Student Bar Association. Mr. Keeney also published a scholarly article in the University of Florida's Journal of Technology Law and Policy. He received a B.A. in Political Science from the University of Kentucky. He also participated in Georgetown University's Washington Semester Program, serving as a columnist for the *Georgetown Voice*.

### **Christine M. Mackintosh**

Christine Mackintosh adds depth and experience to Grant & Eisenhofer's complex litigation and trial capabilities. As a member of the Litigation Practice Group of a large Philadelphia law firm, she gained extensive experience in commercial, insurance recovery, securities and bankruptcy litigation. She acted as lead counsel in several bankruptcy and commercial litigation cases, and served as lead trial counsel in a case brought before the US Bankruptcy Court for the Eastern District of PA.

A *magna cum laude* graduate of St. Joseph's University in Philadelphia, Ms. Mackintosh earned her law degree at the University of Pennsylvania Law School. She is the co-author of two articles published by the Practising Law Institute's *Corporate Law & Practice Course Handbook Series*. "Ethical Issues and Their Impact on Securities Litigation," published in September-October, 2003, was co-authored with Marc J. Sonnenfeld, Viveca D. Parker and Marisel Acosta. "Lessons From Sarbanes-Oxley: The Importance of Independence In Internal Corporate Investigations," published in July, 2003, was co-authored with Alfred J. Lechner, Jr.

Ms. Mackintosh is a member of the Philadelphia and Pennsylvania Bar Associations.

### **Alessandra C. Phillips**

Alessandra Phillips is an associate at Grant & Eisenhofer, focusing on derivative shareholder suits and appraisal actions. Prior to joining the firm, she worked as an Assistant Attorney General for the Delaware Department of Justice in both the civil and criminal divisions and for

the Art Crime Team, a joint government venture between the FBI and U.S. Department of Justice.

Ms. Phillips is a 2007 graduate of Temple University School of Law, where she served on the board of the Moot Court Honor Society, was a Rubin Public Interest Fellow and a member of Temple's National Trial Team. She graduated in 1996 with a B.A. in Humanities with distinction from Yale University, where she was awarded the Marshall-Allison Fellowship.

### **Susan R. Schwaiger**

Susan Schwaiger is an associate with Grant & Eisenhofer. Ms. Schwaiger practices in the area of antitrust, with experience in a wide variety of industries, and other areas of complex civil litigation.

Prior to joining Grant & Eisenhofer, she was Of Counsel to several leading New York-based antitrust firms representing plaintiffs in class and individual actions. She has authored *The Submission of Written Instructions and Statutory Language to New York Criminal Juries*, 56 BROOK. L., REV. 1353, nn.18, 24 & 27 (1991).

Ms. Schwaiger graduated *cum laude* from Brooklyn Law School in 1992 with a J.D. She obtained her M.A. from the University of Kentucky and a B.S. from the University of Tennessee.

She has played significant roles in a number of major antitrust cases including *In re Microcrystalline Cellulose Antitrust Litigation*; *In re Plastics Additives Antitrust Litigation*; and *In re Lorazepam & Clorazepate Antitrust Litigation*. In addition, she has represented large corporate entities in individual actions in *In re Payment Card Interchange Fee and Merchant Discount Antitrust Litigation*; *In re Chocolate Confectionary Antitrust Litigation*; and *CVS Pharmacy v. American Express Travel Related Services, et al.* Ms. Schwaiger's experience also includes representation of Shannon Faulkner and Nancy Mellette in their successful litigation against The Citadel military academy in Charleston, South Carolina, where Shannon Faulkner became the first female cadet admitted to the all-male academy in August 1995.

### **David A. Straite**

David Straite represents institutional investors in the United States and Europe in all aspects of investor protection litigation, including corporate governance and shareholder derivative actions, hedge fund disputes, and securities actions, with particular focus on claims against financial institutions.

Representative cases include *ABP v. Bank of America Corp.*, 10-cv-2284 (SDNY), an individual securities action on behalf of the EU's largest pension fund related to Bank of America's acquisition of Merrill Lynch; *International Fund Management v. Citigroup, Inc.*, 09-cv-8755 (SDNY), an individual securities action against Citigroup and other defendants on behalf of European investors; *LV Highland Credit Feeder Fund LLC v. Highland Capital Management, L.P.*, 09-08521 (Dallas County, TX), an action on behalf of a feeder fund and offshore investors related to the wind-down of two hedge funds; *TRSL v. Greenberg*, No. 20106 (Del. Chancery), a

shareholder derivative action on behalf of AIG, which resulted in the largest derivative settlement in the history of the Delaware Court of Chancery; *In re Lehman Brothers Equity/Debt Securities Litigation*, 08-cv-5523 (SDNY), a securities class action on behalf of Lehman investors.

Prior to joining G&E, Mr. Straite was an associate in the Antitrust department in Skadden Arps' New York office, where he represented corporations and investors during the antitrust review of mergers and acquisitions under section 7 of the Clayton Act, HSR premerger notification under section 7A, criminal antitrust grand jury investigations, civil regulatory investigations by the DOJ and FTC, class action antitrust litigation, complex document production and e-discovery, and CFIUS. Mr. Straite was also a litigation associate in the Philadelphia office of Blank Rome, primarily defending claims against air carriers and avionics components manufacturers, and had a solo practice advising small businesses, negotiating contracts, drafting RFP responses, and acting as outside general counsel to a telecommunications start-up company.

Mr. Straite is a 1996 *magna cum laude* graduate of the Villanova University School of Law, where he was a member of the Order of the Coif, the Federalist Society and the St. Thomas More Society. In recognition of his efforts as managing editor of the Villanova Law Review, he received the Arthur Pulling Award. Mr. Straite is a 1993 graduate of the Murphy Institute of Political Economy at Tulane University in New Orleans, where he majored in both Political Economy and Economics.

Mr. Straite recently authored *Netherlands: Amsterdam Court of Appeal Approves Groundbreaking Global Settlements Under the Dutch Act on the Collective Settlement of Mass Claims*, in The International Lawyer's annual "International Legal Developments in Review" (2009); was a contributing author to Dabbah and Lasok's *Merger Control Worldwide* (2005); and contributed to four annual supplements (2002-2005) of the seminal premerger treatise, *Acquisitions Under the Hart-Scott-Rodino Antitrust Improvements Act* by Axinn, Fogg, Stoll & Prager. He has lectured frequently on topics related to the attorney-client privilege and work product doctrine. He is also a Member of the ABA Section of International Law (Europe Committee and International Securities and Capital Markets Committee) and ABA Section of Litigation; The Federalist Society; and The Royal Society of St. George.

### **Ned C. Weinberger**

Ned Weinberger is an associate with Grant & Eisenhofer, focusing on securities litigation and shareholder derivative litigation on behalf of institutional investor clients.

Mr. Weinberger attended the Louis D. Brandeis School of Law at the University of Louisville, where he served on the *Journal of Law and Education*. During law school, Mr. Weinberger worked for a nationally-recognized law firm in Louisville, Kentucky. He graduated *cum laude* in May 2005 from Miami University with a B.A. in English Literature.

**Marc D. Weinberg**

Prior to joining G&E in 2006, Marc Weinberg gained a fourteen-year track record with two of the nation's leading securities litigation firms. He focuses on institutional services at Grant & Eisenhofer.

Mr. Weinberg earned his law degree at Widener University in 1992 after graduating from Pennsylvania State University. He is a member of the Philadelphia and Pennsylvania Bar Associations, and the Moot Court Honor Society.

**Tracy L. Campbell**

Tracy Campbell is an attorney at Grant & Eisenhofer, focusing on complex securities fraud litigation in class action cases. She received her law degree from the University of Houston Law Center in 2003, where she completed an externship at the Methodist Health Care System. Before joining Grant & Eisenhofer, Ms. Campbell focused her practice on the area of health law. Upon graduating from law school, she worked at a mid-sized firm in Houston where she concentrated primarily on asbestos litigation. Subsequently, she worked for a small transactional health law firm in San Antonio, Texas.

Ms. Campbell received her B.S. in Business Administration with a Concentration in International Business Management from Goldey-Beacom College in 1997, where she graduated *magna cum laude*. Prior to entering law school, Ms. Campbell gained business experience as an analyst at JP Morgan. Upon relocating to Texas, she continued to pursue a career in the financial industry while obtaining her law degree. Ms. Campbell is a member of the Delaware Bar Association.

**Alice Y. Cho**

Alice Cho focuses on securities fraud class actions at Grant & Eisenhofer. She graduated from Brooklyn Law School in 2004 after receiving a Bachelor of Arts degree from the University at Albany.

During law school, Ms. Cho interned as a law clerk for the Honorable Frederic Block, United States District Court, Eastern District of New York. She also worked with the New York City Human Rights Commission and the Asian American Legal Defense and Education Fund.

Ms. Cho currently serves as Executive Vice President of the Korean American Lawyers Association of Greater New York (KALAGNY).

**R. Alexander Gartman**

Alexander Gartman concentrates on securities litigation as a staff attorney at Grant & Eisenhofer. He graduated *cum laude* from Temple University School of Law in 2005. He served on the Student Bar Association Budget Committee, and the Curriculum Committee, working with faculty to revise first year curriculum.

Mr. Gartman received a Bachelor of Business Administration degree in Finance in 1998 from The College of William and Mary, where he double majored in Economics.

### **Matthew Hartman**

Matthew Hartman is a staff attorney at Grant & Eisenhofer, where his responsibilities include coordinating the work of document review attorneys, tracking deposition schedules and preparation, proofreading and e-filing legal memoranda. He monitors court dockets, e-files in diverse jurisdictions; checks federal and local rules for filing compliance issues, organizes potential exhibits for depositions, monitors responses to subpoenas and document requests and monitors document conversion work by vendors for uploading to various document review databases.

Mr. Hartman joined Grant & Eisenhofer in 2004 as a document review attorney in a prominent securities case involving mismanagement and falsification of business and stock records. While on that case, he developed a training manual for attorneys joining the team. His previous corporate experience maintaining corporate records and working on securities issuances and acquisitions has provided a valuable knowledge base for business litigation. While working for the Silicon Valley office of an international law firm, he drafted, researched and revised corporate documents, maintained stock and option ledgers, reviewed documents in due diligence projects for mergers, acquisitions and financings, and performed legal research in the area of compliance with state securities regulations.

A graduate of American University with an M.A. in philosophy and social policy, Mr. Hartman earned his law degree from the Duquesne University School of Law in 1997. He also holds a Certificate in International Business Management from the University of California – Irvine.

### **Michael A. Morris**

Michael Morris received his law degree from the University of Bridgeport Law School in 1980. He has been a member of the Connecticut Bar since 1980.

He was employed by the City of New Haven as Special Assistant Corporation Counsel where he represented and provided legal counsel for several city departments. He subsequently established his own law practice in New Haven which he maintained until 2000.

Mr. Morris served as Counsel to the Board of Directors for the Greater New Haven Transit District which involved federal and state legal matters in transportation, government contract and grant development, and presenting testimony to the Connecticut State Legislature.

Mr. Morris earned a Master of Business Administration degree from the University of Bridgeport. He also helped organize and became the first president of the University of Bridgeport Law School Alumni Association.

**Joseph P. Neary**

Joseph Neary focuses on complex securities litigation as a staff attorney at Grant & Eisenhofer. He received his law degree in 2001 from Temple University School of Law, where he was a member of the Temple International and Comparative Law Journal. He attended the Temple University School of Law Semester in Japan and interned at a prominent Tokyo firm. He served as a summer intern for the Honorable James R. Cavanaugh of the Superior Court of Pennsylvania.

Mr. Neary graduated *cum laude* from Hamilton College in 1997 with dual Bachelor degrees in English Literature and Government.

**Lindsay A. Roseler**

Lindsay Roseler concentrates on class action and complex fraud actions brought under the Federal Securities Acts and the False Claims Act. She has actively participated on litigation teams for cases such as In re Parmalat Securities Litigation and In re Delphi Corp. Securities Litigation.

Ms. Roseler received her law degree in 2005 from Syracuse University College of Law, where she was a member of the Syracuse Journal of International Law and Commerce. She is a Certified Mediator and has trained in International Business Mediation and Alternative Dispute Resolution.

Ms. Roseler received a Bachelor of Arts in International Relations and Diplomacy with a minor in International Business Administration from Schiller International University in Europe. While in Europe, she worked for the United States Commercial Department in Madrid, Spain and for the United States Military in London, England and Heidelberg, Germany. Upon graduation, Ms. Roseler returned to the United States and worked with an international development foundation before pursuing her legal education. She is fluent in German and has advanced knowledge of Spanish.

**Raymond Schuenemann**

Raymond Schuenemann focuses on securities litigation as a staff attorney at Grant & Eisenhofer. He is a graduate of the Widener University School of Law and a member of the American Bar Association and the Pennsylvania Bar Association.

Prior to joining Grant & Eisenhofer, Mr. Schuenemann worked as an associate in labor law, nursing home law, sales and use tax law, and real estate law. He also worked as a consultant in the area of sales and use tax.

Mr. Schuenemann received a B.S. in Finance from West Chester University in 1999. He has experience as an investment accountant and internal auditor in the banking and finance sectors.

### **Selected Institutional Client Representations**

G&E has represented or is currently representing a number of institutional investors in major securities fraud actions, shareholder derivative suits, other breach-of-fiduciary-duty cases and related ancillary proceedings around the country. Some of our cases include:

**(A) In Securities Fraud Litigation:**

**(1) Cellstar**

In one of the earliest cases filed after the enactment of PSLRA, the State of Wisconsin Investment Board (“SWIB”) was designated lead plaintiff and G&E was appointed lead counsel in Gluck v. CellStar Corp., 976 F.Supp. 542 (N.D.Tex. 1997). The cited opinion is widely considered the landmark on standards applicable to the lead plaintiff/lead counsel practice under PSLRA. (See, especially, In re Cendant Corp. Litig., 2001 WL 980469, at \*40, \*43 (3d Cir. Aug. 28, 2001), citing CellStar.) After the CellStar defendants’ motion to dismiss failed and a round of discovery was completed, the parties negotiated a \$14.6 million settlement, coupled with undertakings on CellStar’s part for significant corporate governance changes as well. With SWIB’s active lead in the case, the class recovery, gross before fees and expenses, was approximated to be 56% of the class’ actual loss claims, about 4 times the historical 14% average gross recovery in securities fraud litigation. Because of the competitive process that SWIB had undertaken in the selection of counsel, resulting in a contingent fee percentage significantly less than the average 31% seen historically, the net recovery to the class after all claims were submitted came to almost 50% of actual losses, or almost 5 times the average net recovery.

**(2) DaimlerChrysler**

Florida State Board of Administration (“FSBA”) was appointed lead plaintiff and G&E co-lead counsel in the PSLRA class action on behalf of shareholders of the former Chrysler Corporation who exchanged their shares for stock in DaimlerChrysler in Chrysler’s 1998 business combination with Daimler-Benz AG which was represented at the time as a “merger of equals.” On February 5, 2004, the court granted final approval of a \$300 million cash settlement in that case, among the largest securities class action settlements since the enactment of the PSLRA. In re DaimlerChrysler Securities Litigation, D. Del., C.A. No. 00-0993.

**(3) Oxford Health Plans**

Public Employees’ Retirement Association of Colorado (“ColPERA”) engaged G&E to represent it to seek the lead plaintiff designation in the numerous securities fraud actions that were consolidated into In re Oxford Health Plans, Inc., Securities Litig., S.D.N.Y., MDL Docket No. 1222 (CLB). The court

ordered the appointment of ColPERA as a co-lead plaintiff and G&E as a co-lead counsel. G&E and its co-leads filed the Consolidated Amended Complaint. Memorandum opinions and orders were entered denying defendants' motions to dismiss (see 51 F.Supp. 2d 290 (May 28, 1999) (denying KPMG motion) and 187 F.R.D. 133 (June 8, 1999) (denying motion of Oxford and individual director defendants)). The case settled for \$300 million, another settlement negotiated by G&E that is among the largest settlements since the enactment of the PSLRA.

(4) **Dollar General**

The U.S. District Court for the Middle District of Tennessee ordered the appointment of Florida State Board of Administration ("FSBA") and the Teachers' Retirement System of Louisiana ("TRSL") as lead plaintiffs and G&E as co-lead counsel in a PSLRA and Rule 10b-5 case against the defendant company, its accountants, and individual insiders who allegedly issued false and misleading statements over an alleged 3-year Class Period and failed to disclose adverse facts about the company's financial results. Settlements were approved involving a cash payment of \$162 million from the company and the individual defendants, an additional \$10.5 million from Deloitte & Touche, LLP (Dollar General's accountants), and beneficial governance reforms for Dollar General. In re Dollar General Securities Litigation, M.D. Tenn., No. 3:01-0388, orders dated July 19, 2001 and September 29, 2003.

(5) **Just For Feet**

G&E represented the State of Wisconsin Investment Board ("SWIB") in a federal securities class action against certain officers and directors of Just For Feet, Inc., and against Just For Feet's auditors, in the Northern District of Alabama. That action arose out of the defendants' manipulation of the company's accounting practices to materially misstate the company's financial results. Having been appointed co-lead plaintiff, SWIB and (G&E) as its counsel took primary responsibility for the case. (SWIB v. Ruttenberg, et al., N.D. Ala., CV 99-BU-3097-S and 99-BU-3129-S, 102 F. Supp. 2d 1280 (N.D. Ala. 2000)). SWIB obtained a policy limits settlement with the individual defendants' D&O carrier and an additional \$7.4 million from Just For Feet's auditor, for a recovery totaling approximately \$32 million.

(6) **Waste Management**

G&E filed a non-class federal securities action against Waste Management, Inc., its former and current directors, and the company's accountants in the Northern District of Florida, on behalf of Lens Investment Management, LLC and Ram Trust Services, Inc. The complaint alleged that Waste Management had, over a five-year period, issued financial statements and other public statements that were materially false and misleading due to the defendants' fraudulent and improper accounting manipulations. G&E also filed non-class actions in Illinois state court,

asserting similar claims on behalf of the Florida State Board of Administration (“FSBA”) and the Teachers’ Retirement System of Louisiana (“TRSL”). After G&E successfully defeated the defendants’ motions to dismiss FSBA’s complaint in state court, FSBA’s cause of action was transferred to the Northern District of Florida. At the point where there were competing motions for summary judgment pending, G&E successfully negotiated a settlement pursuant to which each plaintiff received several times what it would have received in the class action. Florida State Board of Administration, Ram Trust Services, Inc. and Lens Investment Management, LLC v. Waste Management, Inc., et al., N.D.Fla., No. 4:99CV66-WS, amended complaint filed June 21, 1999; and Teachers’ Retirement System of Louisiana v. Waste Management, Inc., et al., Circuit Ct., Cook Co. [Ill.], No. 98 L 06034, complaint filed May 18, 1999.

(7) **Total Renal Care**

In June 1999, the Louisiana State Employees’ Retirement System (“LASERS”) and Teachers’ Retirement System of Louisiana (“TRSL”) were appointed as Lead Plaintiff in a federal securities class action against Total Renal Care (“TRC”) and certain of its officers and directors, pending in the U.S. District Court for the Central District of California. G&E was approved as Plaintiffs’ Lead Counsel. Plaintiffs filed their Corrected Consolidated Amended Complaint against the defendants, alleging, *inter alia*, that the defendants manipulated TRC’s financial statements so as to materially overstate TRC’s revenues, income and assets and to artificially inflate TRC’s stock price. G&E negotiated a settlement requiring TRC’s payment of \$25 million into a settlement fund for the class and the company’s adoption of certain internal corporate governance policies and procedures designed to promote the future accountability of TRC’s management to its stockholders. At the time of the settlement, this amount represented 33% of the value of the Company’s shares. In re Total Renal Care Securities Litigation, C.D. Cal., Master File No. CV-99-01745 CBM.

(8) **Safety-Kleen**

G&E was sole lead counsel for the plaintiffs in a federal securities class action and a series of related individual actions against former officers, directors, auditors and underwriters of Safety-Kleen Corporation, who are alleged to have made false and misleading statements in connection with the sale and issuance of Safety-Kleen bonds. In re Safety-Kleen Corp. Bondholders Litig., D.S.C., No. 3:00-CV-1145-17, consolidated complaint filed January 23, 2001. In March of 2005, after a jury had been selected for trial, the auditor defendant settled with the class and individual claimants for \$48 million. The trial then proceeded against the director and officer defendants. After seven weeks of trial, the director defendants settled for \$36 million, and the court entered judgment as a matter of law in favor of the class and against the company’s CEO and CFO, awarding damages of over \$190 million.

(9) **Styling Technology Corporation**

G&E represented funds managed by Franklin Advisors, Inc., Conseco Capital Management, Inc., Credit Suisse Asset Management, Pilgrim American Funds and Oppenheimer Funds, Inc. in a securities action brought in May 2001, asserting both federal (1933 Act) and state claims brought in the Superior Court of California. The suit alleged that certain former officers, as well as the independent auditors, of Styling Technology Corporation made false and misleading statements in connection with the sale and issuance of Styling Technology bonds. Styling Technology filed for bankruptcy protection under Chapter 11 in August 1999. In October 2000, discovery of accounting irregularities and improperly recognized revenue forced the Company to restate its financial statements for the years 1997 and 1998. Plaintiffs, owning \$66.5 million of the total \$100 million in bonds sold in the offering, settled the case for a recovery representing approximately 46% of the losses suffered by the client funds that they manage. Franklin High Income Trust, et al. v. Richard R. Ross, et al., Cal. Super., San Mateo Co. [Calif.], Case No: 415057, complaint filed November 28, 2000.

(10) **Tyco**

G&E is co-lead counsel representing co-lead plaintiffs Teachers' Retirement System of Louisiana and Louisiana State Employees' Retirement System in a securities class action against Tyco International Ltd. and PricewaterhouseCoopers LLP. The complaint alleged that the defendants, including Tyco International, Dennis Kozlowski and other former executives and directors of Tyco, and PricewaterhouseCoopers, made false and misleading public statements and omitted material information about Tyco's finances in violation of Sections 10(b), 14, 20A and 20(a) of the Securities Exchange Act of 1934. Tyco agreed to fund \$2.975 billion in cash to settle these claims, representing the single largest payment from any corporate defendant in the history of securities class action litigation. PricewaterhouseCoopers also agreed to pay \$225 million to settle these claims, resulting in a total settlement fund in excess of \$3.2 billion.

(11) **Global Crossing**

Ohio Public Employees' Retirement System ("Ohio PERS") and the Ohio Teachers' Retirement System ("STRS") were appointed lead plaintiff and G&E was appointed sole lead counsel in a securities class action against Global Crossing, Ltd. and Asia Global Crossing, Ltd. In re Global Crossing, Ltd. Securities & "ERISA" Litig., MDL Docket No. 1472. In November 2004, the Court approved a partial settlement with the Company's former officers and directors, and former outside counsel, valued at approximately \$245 million. In July 2005, the Court approved a \$75 million settlement with the Citigroup-related defendants (Salomon Smith Barney and Jack Grubman). In October 2005, the Court approved a settlement with Arthur Anderson LLP and all Anderson-related

defendants for \$25 million. In October 2006, the Court approved a \$99 million settlement with various financial institutions. In total, G&E has recovered \$448 million for investors in Global Crossing.

(12) **Telxon Corporation**

G&E filed a federal securities and common law action against Telxon Corporation, its former officers and directors and its accountants in the Northern District of Ohio on behalf of Wyser-Pratte Management Co., Inc., an investment management firm. Following mediation, G&E negotiated a settlement of all claims. Wyser-Pratte Management Co., Inc. v. Telxon Corp., et al., N.D. Ohio, Case No. 5:02CV1105.

(13) **Hayes Lemmerz**

G&E served as lead counsel to plaintiffs and class members who purchased or acquired over \$1 billion in bonds issued by Hayes Lemmerz International, Inc. G&E negotiated a settlement worth \$51 million. Pacholder High Yield Fund, Inc. et al. v. Ranko Cucoz et al., E.D. Mich., C.A. No. 02-71778.

(14) **Enron/Worldcom**

In 2001, G&E, on behalf of various Ohio public pension funds, filed opt-out actions which remain pending. Public Employees' Retirement System of Ohio v. Ebbers, et al., S.D.N.Y. No. 03-Civ-0338; Public Employees' Retirement System of Ohio v. Fustow, et al., S.D. Tex. No. H-02-4788.

(15) **Asia Pulp and Paper**

On behalf of bondholders of various subsidiaries of Indonesian paper-making giant Asia Pulp and Paper ("APP"), G&E filed an action alleging that the bondholders were defrauded by APP's financial statements which were inflated by nearly \$1 billion in fictitious sales. Defendants' motions to dismiss were denied. Franklin High Income Trust, et al. v. APP Global Ltd., et al., N.Y. Sup. Ct., Trial Div., Index No. 02-602567. The matter was resolved through a confidential settlement several years ago.

(16) **Babcock Borsig**

G&E filed suit against German company Babcock Borsig, AG alleging that Babcock's CEO, in concert with officers of Babcock's largest shareholder, German conglomerate TUI, devised a plan to overstate Babcock's income through improper use of an accounting device relating to a Babcock subsidiary. The suit was filed on behalf of Wyser-Pratte Management Co., Inc.. Defendants' motions to dismiss were granted and the case had been terminated. Wyser-Pratte

Management Co., Inc. v. Babcock Borsig, A.G., et al., N.Y.Sup. Ct., Trial Div., Index No. 603364/02.

(17) **Alstom**

In January 2004, Louisiana State Employees' Retirement System was appointed as co-lead plaintiff and G&E was appointed co-lead counsel in a class action against Alstom SA, a French corporation engaged in power generation, transmission and distribution in France. The suit alleges that Alstom and other defendants made false and misleading statements concerning the growth and financial performance of its transportation subsidiary. Motions to dismiss were denied in part and granted in part and an amended complaint has been filed. In re Alstom SA Sec. Litig., S.D.N.Y. 03-cv-6595.

(18) **Parmalat**

G&E is co-lead counsel in this securities class action arising out of a multi-billion dollar fraud at Parmalat, which the SEC has described as "one of the largest and most brazen corporate financial frauds in history." The court has recently denied the motions to dismiss filed by both the company and their auditors. In re Parmalat Securities Litig., S.D.N.Y. 04-MDL-1653.

(19) **Marsh & McLennan**

G&E is co-lead counsel for the class of former Marsh & McLennan shareholders in this federal securities class action alleging that the company, its officers, directors, auditors, and underwriters participated in a fraudulent scheme involving, among other things, bid-rigging and secret agreements to steer business to certain insurance companies in exchange for "kick-back" commissions. In re Marsh & McLennan Companies, Inc. Sec. Litig., S.D.N.Y. 04-cv-8144.

(20) **Hollinger International**

G&E is co-lead counsel in this securities class action arising out of a company scandal at Hollinger International, Inc. which involves payment of millions of dollars to certain executives, including the company's former CEO, Lord Conrad Black, relating to sales of company assets. G&E has entered into a tentative settlement with Hollinger that is awaiting approval from the Court. Hollinger International Securities Litigation, N.D. Ill. 04-C-0834.

(21) **Delphi**

Delphi is an automotive company that was spun off of General Motors. The company failed as a stand-alone entity, but concealed its failure from investors. G&E's client is one of the largest pension funds in the world and is a lead plaintiff, and G&E serves as a co-lead counsel in the case. In re Delphi

Corporation Securities Derivative & ERISA Litigation, E.D. Mich., MDL No. 1725.

(22) **Refco**

A mere two months after going public, Refco admitted that its financials were unreliable because the company had concealed that hundreds of millions of dollars of uncollectible receivables were owed to the company by an off-balance sheet entity owned by the company's CEO. G&E serves as a co-lead counsel and G&E's client, PIMCO, is a co-lead plaintiff. In re Refco, Inc. Securities Litigation, S.D.N.Y., No. 05 Civ. 8626.

(23) **Sprint**

G&E represented lead plaintiff institutional investor Carlson Capital, L.P. in this class action suit against Sprint Corporation and its former CEO and directors for breach of fiduciary duty in the consolidation of two separate tracking stocks. In December 2007, a \$57.5 million settlement was approved. In re Sprint Corporation Shareholder Litigation, D. Kan., No. 04 CV 01714.

(B) **In Derivative and Other Corporate Litigation:**

(1) **Digex**

This case resulted in a settlement of over \$400 million, the largest reported settlement in the history of Delaware corporate litigation. G&E represented the lead plaintiff, TCW Technology Limited Partnership, in alleging that Digex, Inc.'s directors and majority stockholder (Intermedia, Inc.) breached their fiduciary duties in connection with WorldCom's proposed \$6 billion acquisition of Intermedia. Among other issues, WorldCom was charged with attempting to usurp a corporate opportunity that belonged to Digex and improperly waiving on Digex's behalf the protections of Delaware's business combination statute. Following G&E's argument on a motion to preliminarily enjoin the merger, the Court issued an opinion declining to enjoin the transaction but acknowledging plaintiffs' likelihood of success on the merits. In re Digex, Inc. Shareholders Litigation, C.A. No. 18336, 2000 WL 1847679 (Del. Ch. Dec. 13, 2000). The case settled soon thereafter.

(2) **Willamette**

In January 2002, at the request of Wyser-Pratte Management Co., Inc. and Franklin Mutual Advisors, G&E filed a shareholder derivative action in Oregon state court claiming that the board of Willamette Industries, Inc. breached its fiduciary duties by attempting to cause Willamette to acquire the asbestos-ridden building products division of Georgia-Pacific Company as part of a scorched-earth effort to defeat a hostile takeover of Willamette by its chief competitor,

Weyerhaeuser Company. G&E obtained an expedited hearing on its motion for a preliminary injunction and obtained an agreement from Willamette at the hearing not to consummate any deal with Georgia-Pacific without providing prior notice to G&E. Almost immediately thereafter, and after years of fighting against Weyerhaeuser's take-over attempts, the Willamette board relented and agreed to sell the company to Weyerhaeuser. Wyser-Pratte Management Co., Inc. & Franklin Mutual Advisors v. Swindells, et al., No. 0201-0085 (Ore. Cir. Ct.).

(3) **Medco Research**

In January 2000, G&E filed a shareholder derivative action on behalf of State of Wisconsin Investment Board against the directors of Medco Research, Inc. in Delaware Chancery Court. The suit alleged breach of fiduciary duty in connection with the directors' approval of a proposed merger between Medco and King Pharmaceuticals, Inc. G&E was successful in obtaining a preliminary injunction requiring Medco to make supplemental and corrective disclosures. Because of G&E's efforts, the consideration to Medco's stockholders increased by \$4.08 per share, or \$48,061,755 on a class-wide basis. State of Wisconsin Investment Board v. Bartlett, et al., C.A. No. 17727, 2000 WL 193115 (Del. Ch. Feb. 9, 2000).

(4) **Occidental Petroleum**

G&E represented Teachers' Retirement System of Louisiana and served as co-counsel in a shareholders' derivative suit against the directors of Occidental Petroleum Corporation, challenging as corporate waste the company's excessive compensation arrangements with its top executives. Filed in California state court, the case settled when the company agreed to adopt CalPERS's model principles of corporate governance and undertook to reconstitute its key committees so as to meet the tests of independence under those principles. Teachers' Retirement System of Louisiana v. Irani et al., No. BC1850009 (Cal. Super.).

(5) **Staples, Inc.**

On behalf of Teachers' Retirement System of Louisiana, G&E challenged Staples, Inc.'s proposed "recapitalization" plan to unwind a tracking stock, Staples.com, which it created in 1998. G&E obtained a preliminary injunction against the deal and the deal terms were ultimately altered resulting in a \$15-\$20 million gain for shareholders. Additional disclosures were also required so that shareholders voted on the challenged transaction based on a new proxy statement with substantial additional disclosures. In re Staples, Inc. Shareholders Litigation, C.A. No. 18784, 2001 WL 640377 (Del. Ch. June 5, 2001).

(6) **SFX/Clear Channel Merger**

G&E filed a class action on behalf of Franklin Advisers, Inc. and other stockholders of SFX, challenging the merger between SFX and Clear Channel. While the SFX charter required that in any acquisition of SFX all classes of common stockholders be treated equally, the merger, as planned, provided for approximately \$68 million more in consideration to the two Class B stockholders (who happened to be the senior executives of SFX) than to the public stockholders. The merger was structured so that stockholders who voted for the merger also had to vote to amend the Charter to remove the non-discrimination provisions as a condition to the merger. G&E negotiated a settlement whereby \$34.5 million more was paid to the public stockholders upon closing of the merger. This was more than half the damages alleged in the Complaint. Franklin Advisers, Inc., et al. v. Sillerman, et al., C.A. No. 17878 (Del. Ch.).

(7) **Lone Star Steakhouse & Saloon**

G&E filed a derivative lawsuit on behalf of CalPERS against Lone Star's former CEO, Jamie Coulter, and six other Lone Star directors. The suit alleged that the defendants violated their fiduciary duties in connection with their approval of the company's acquisition of CEI, one of Lone Star's service providers, from Coulter, as well as their approvals of certain employment and compensation arrangements and option repricing programs. Before filing the suit, G&E had assisted in CalPERS in filing a demand for books and records pursuant to Section 220 of the Delaware General Corporation Law. The company's response to that demand revealed the absence of any documentation that the board ever scrutinized transactions between Lone Star and CEI, that the board negotiated the purchase price for CEI, or that the board analyzed or discussed the repricing programs. In August 2005, the Court approved a settlement negotiated by G&E whereby Lone Star agreed to a repricing of options granted to certain of its officers and directors, payments from certain of the officers and directors related to option grants, and a \$3 million payment from Lone Star's director and officer insurance policy. Lone Star further acknowledged that the lawsuit was one of the significant factors considered in its adoption of certain corporate governance reforms. California Public Employees' Retirement System v. Coulter, et al., C.A. No. 19191 (Del. Ch.).

(8) **Siebel**

The issue of excessive executive compensation has been of significant concern for investors, yet their concerns have remained largely unaddressed due to the wide discretion afforded corporate boards in establishing management's compensation. G&E effected a sea change in the compensation policies of Siebel Systems, a leading Silicon Valley-based software developer long considered to be an egregious example of executive compensation run amok, and caused Thomas Siebel, the company's founder and CEO, to cancel 26 million options with a

potential value of \$54 million. Since the company's founding in 1996, Siebel Systems had paid Mr. Siebel nearly \$1 billion in compensation, largely in the form of lavish stock options that violated the shareholder-approved stock option plan. In addition, the company had paid its directors millions of dollars for their service on the board, also in the form of stock options, at levels exponentially higher than that paid to directors on the boards of similar companies. G&E, on behalf of Teachers' Retirement System of Louisiana, commenced a derivative action challenging the company's compensation practices in September of 2002 even though a prior, similar lawsuit had been dismissed. Following a hard-fought and acrimonious litigation, G&E successfully negotiated a settlement that, in addition to the options cancellation, included numerous corporate governance reforms. The company agreed to, inter alia, restructure its compensation committee, disclose more information regarding its compensation policies and decisions, cause its outside auditor to audit its option plans as part of the company's annual audit, and limit the compensation that can be paid to directors. The Siebel Systems settlement generated considerable favorable press in the industry, as investors and compensation experts anticipated that the reforms adopted by Siebel Systems could affect how other companies deal with compensation issues. Teachers' Retirement System of Louisiana v. Thomas M. Siebel, et al., C. A. No. 425796 (Cal. Super.).

(9) **HealthSouth Corporation**

G&E filed a derivative and class action lawsuit on behalf of Teachers' Retirement System of Louisiana against HealthSouth Corporation, its auditors, certain individual defendants, and certain third parties seeking, inter alia, an order forcing the HealthSouth board of directors to hold an annual shareholder meeting for the purpose of electing directors, as no such meeting had been held for over thirteen months. Following a trial, G&E negotiated a settlement of part of its claims, pursuant to which five of the defendant directors who were alleged to have engaged in improper self-dealing with the company agreed to resign and be replaced by directors selected by a committee comprised in part by institutional investors of HealthSouth. Teachers' Retirement System of Louisiana v. Scrushy, Del. Ch., C.A. No. 20529 (March 2, 2004).

(10) **NYSE/Archipelago**

G&E served as co-lead counsel in a class action in New York state court, brought on behalf of a class of seat holders of the New York Stock Exchange ("NYSE") challenging the proposed merger between the NYSE and Archipelago Holdings, LLC. The complaint alleged that the terms of the proposed merger were unfair to the NYSE seat holders, and that by approving the proposed merger, the NYSE board of directors had violated their fiduciary duties of care, loyalty and candor, because the transaction was the result of a process that was tainted by conflicts of interest and the directors failed adequately to inform themselves of the relevant facts. The court denied the defendants' motion to dismiss, and after expedited

discovery, including over 30 depositions in a five week period, a preliminary injunction evidentiary hearing was held, in which plaintiffs sought to postpone the vote on the merger until a new, current fairness opinion was obtained from an independent financial advisor. On the second day of the hearing, the defendants agreed to the relief being sought, namely that they would obtain a new, current fairness opinion from an independent financial advisor. In re New York Stock Exchange/Archipelago Merger Litig., No. 601646/05 (Sup. Ct. N.Y. Co.)

(11) **Caremark / CVS**

G&E represented institutional shareholders in this derivative litigation challenging the conduct of the board of directors of Caremark Rx Inc. in connection with the negotiation and execution of a merger agreement with CVS, Inc., as well as that board's decision to reject a competing proposal from a different suitor. Ultimately, through the litigation, G&E was able to force Caremark's board not only to provide substantial additional disclosures to the public shareholders, but also to renegotiate the terms of the merger agreement with CVS to provide Caremark shareholders with an additional \$3.19 billion in cash consideration and to ensure Caremark's shareholders had statutory appraisal rights in the deal. Louisiana Municipal Police Employees' Retirement System, et al. v. Crawford, et al., C.A. No. 2635-N (Del. Ch.).

(12) **AIG**

In the largest settlement of derivative shareholder litigation in the history of Delaware Chancery Court, G&E reached a \$115 million settlement in a suit against former executives of AIG for breach of fiduciary duty. The case challenged hundreds of millions of dollars in commissions paid by AIG to C.V. Starr & Co., a privately held affiliate controlled by former AIG Chairman Maurice "Hank" Greenberg and other AIG directors. The suit alleged that AIG could have done the work for which it paid Starr, and that the commissions were simply a mechanism for Greenberg and other Starr directors to line their pockets. Teachers' Retirement System of Louisiana v. Greenberg, et al., C. A. No. 20106-VCS (Del. Ch.).