

2015: Super Forever...



Key Considerations for Trustees in Deciding to Join a Class Action

National and International Trends in Class Action Litigation

Robbins Geller
Rudman & Dowd LLP

Robert M. Rothman

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EU Accuses 13 Banks of Colluding in Lucrative CDS Market

Bloomberg

Currency Spikes at 4 P.M in London Provide Rigging Clues

August 27, 2013

U.S. Dollar - Canadian Dollar

June 28, 2013

1.057

1.0553

Rates peak around 4 p.m. in London when

Euro - Czech Koruna

July 31, 2012

25.38

25.366

25.35

British Pound - U.S. Dollar

May 31, 2012

1.560

1.555

FINANCIAL TIMES

COMPANIES & MARKETS

Tuesday March 4 2014

Giant steps Carmakers unveil new concepts at Geneva Motor Show **Page 20**

Week 10

News Briefing

Gold price
\$ per troy ounce



Forex probes trigger shake-out

Shift from human to computer gathers pace
ITRS among banks to

around, old-fashioned trading over the phone has prompted a rethink among banks and their clients.

fixes are speeding up a reshaping of opaque and lucrative businesses to become more heavily regulated, less risky, but

through its Neo platform, in line with overall markets where 68 per cent of the \$1tn a day in spot trading is electronic,

"Anecdotally, I am hearing that volumes at the fix have collapsed as negative publicity has prompted a rethink and clients

The Short View

James Mackintosh



THE WALL STREET JOURNAL July 13, 2013

Funds' Suit Alleges Antitrust Violations on Swaps

By KATY BURKE

Big banks are facing new allegations they conspired to control pricing and access in the lucrative credit derivatives markets.

Three Danish pension funds and their investment-management company filed a lawsuit

lions of dollars." They asked the court for injunctive relief in addition to monetary damages, which they didn't specify.

Credit-default swaps are insurance-like contracts designed to pay out when a country or a company defaults on its debts.

The move by authorities comes on the heels of a similar

That suit was amended Friday to include additional allegations.

The Sheet Metal Workers suit said the banks' control of the credit-default-swaps market led them to overcharge customers by about \$7 billion a year. The pension plan said damages could be in the billions of dollars.

The Danish funds' suit also comes on the heels of a similar

Association, a global financial trade body.

The banks named in the U.S. suits were: Bank of America Corp., Barclays PLC, BNP Paribas SA, Citigroup Inc., Credit Suisse Group AG, Deutsche Bank AG, Goldman Sachs Group Inc., HSBC Holdings PLC, J.P. Morgan Chase & Co., Morgan Stanley, Royal Bank of Scotland Group PLC

THE WALL STREET JOURNAL

WSJ

The Banks Overhaul Swaps

Traders Conspired to Fix Access

Law Council
OF AUSTRALIA

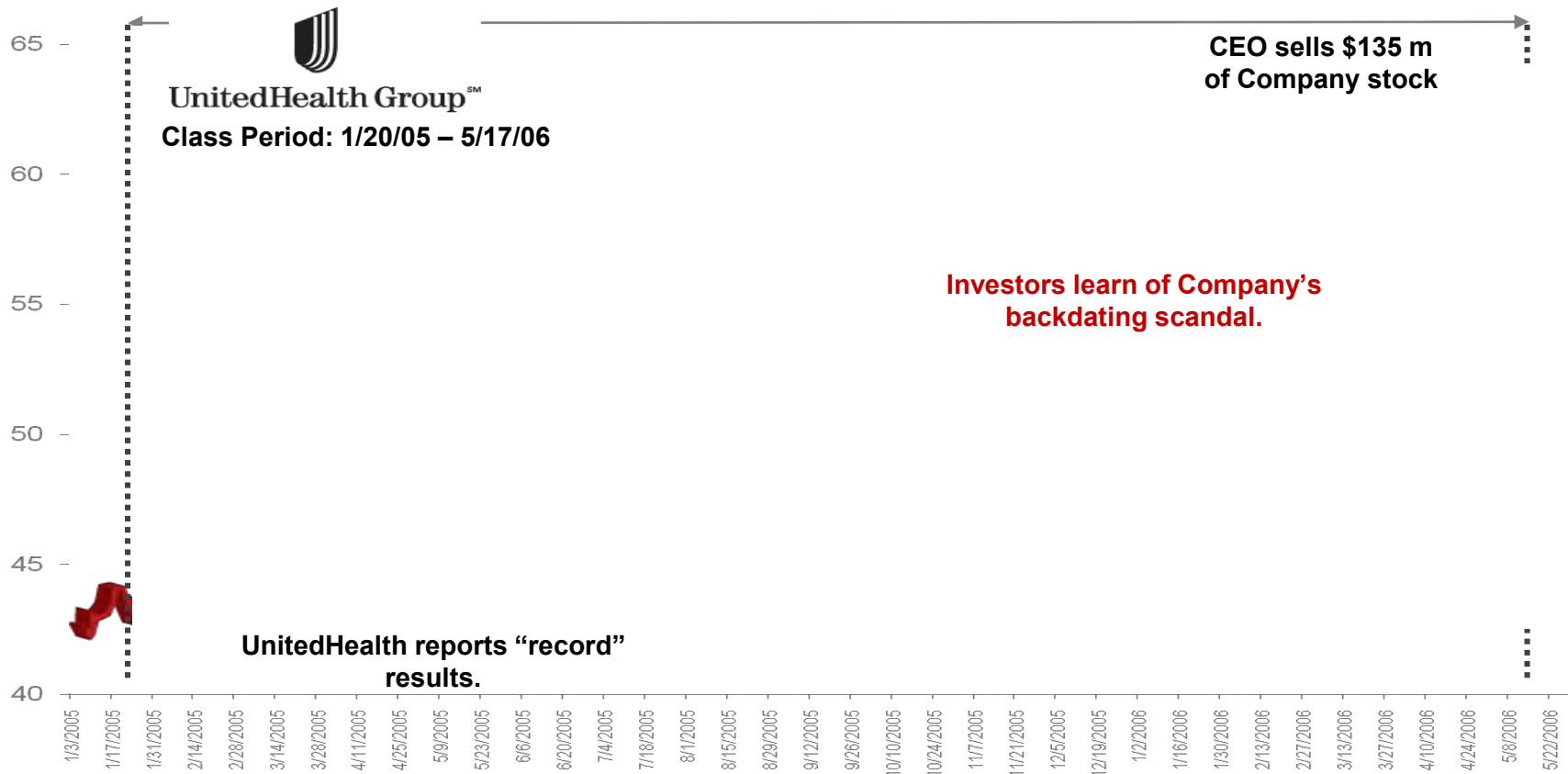
Legal Practice Section

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HOW DO A COMPANY'S STATEMENTS AFFECT ITS STOCK PRICE?

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Cover story: 2007 executive compensation report

Stocks may fall, but pay doesn't

Many boards award CEOs big packages despite performance

Nov. 30, 2006
\$51.69



Daily stock closes for KB Home

Good work?

Jeffrey Mezger
KB Home CEO

Salary: \$1 million
Bonus: \$6 million
Incentive compensation: \$97.500
Restricted stock awards: \$2 million
Perks: \$972,604

KB Home stock price: ▲59.6%¹

1—Facts & figures ended Nov. 30, 2007

Jan. 3
\$55.25



Daily stock closes for Citigroup

Goodbye

Charles Prince
Former Citigroup CEO

Bonus: \$10 million
Unvested restricted stock and options: \$28 million
Annual perks: \$1.5 million

Citigroup stock price: ▲46.8%²

2—Facts & figures ended Dec. 31, 2007

USA TODAY
New interactive graphic lets you sort CEO compensation for more than 150 companies by industry, company, CEO name and amount. Go to money.usatoday.com.

Nov. 4
\$37.73
Prince is forced out

Dec. 31
\$29.44

By Greg Farrell and Barbara Hansen
USA TODAY

Warren Buffett says it's only when the tide goes out that you learn who's been swimming naked.

If that's the case, investors should keep their children away from the beach this proxy season, because the tide went way, way out for Corporate America in 2007, exposing all sorts of embarrassing details about business strategies and CEO compensation.

How embarrassing?

KB Home had an abysmal year, losing \$929 million on revenue of \$6.4 billion. Shareholders also suffered from the home builder's anemic performance, as the company's share price dropped from \$53 last February to the high teens by November.

But CEO Jeffrey Mezger weathered the storm. In addition to his \$1 million base salary, he was awarded a \$6 million cash bonus for 2007. In explaining the bonus, the board of KB Home said Mezger exceeded the objectives set for him, which included strengthening the company's balance sheet and rebuilding the

senior management team.

So it goes in the topsy-turvy world of executive compensation, a land like Garrison Keillor's Lake Wobegon, where each CEO is above average.

"This shouldn't be like the fourth-grade soccer team, where everybody gets a trophy," says Neil Minow, editor at The Corporate Library, a governance research firm. "This is the big time. This is why they pay these guys the big bucks."

Do they ever. A USA TODAY review of CEO



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Wall Street executives defend pay packages

'As our company did well, I did well,' Countrywide chief Mozilo says

Janet Whitman, Financial Post

Published: Saturday, March 08, 2008



Tim Sloan, AFP, Getty Images

Crisis call Wall Street leaders defend pay packages



Wall Street leaders at the centre of the mortgage crisis testified before a House committee yesterday to answer accusations that were charged. Pictured from left are Chuck Prince, former Citigroup chief executive; Robert Finkelstein, Time Warner chief executive and a Citigroup director; Don O'Neal, former Merrill Lynch chief executive; John V. Threlkeld, chairman of Merrill's compensation committee; Angelo Mozilo, Countrywide chief executive and Markle Spitzer, chairman of Countrywide's compensation committee. Mr. Mozilo said his compensation was aligned with shareholder interests. "The company did well, I did well." Report, Page B: www.WallStreetJournal.com

- Mr. O'Neal (**Merrill**) received a \$160 million retirement package when he left Merrill Lynch.
- Mr. Prince (**Citigroup**) was awarded a \$10 million bonus and \$28 million in unvested stock options from Citigroup.
- Mr. Mozilo (**Countrywide**) has received more than \$138 million from compensation and stock sales.

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Mozilo of Countrywide
cashes out....

The New York Times



Los Angeles Times September 29, 2007



Countrywide CEO sold big as stock dropped

Jamie Rector / Bloomberg News
Quick changes in Mozilo's trading plan raise red flags, experts say. The mortgage firm says the sales were in line with company policy.
By Kathy M. Kristof, Los Angeles Times

Mozilo's trading plans



Countrywide®

AP

2/18/201

As the Company swept **No criminal charges against ex-Countrywide chief** **Prosecutors say Angelo Mozilo did not commit a crime during mortgage meltdown**

LOS ANGELES — Federal prosecutors have ended a criminal investigation of Countrywide Financial Corp. co-founder Angelo Mozilo without bringing any charges, a person close to the investigation said Friday.

The federal official told The Associated Press that the probe launched in 2008 into the actions of the former chief executive of the housing giant during the mortgage meltdown has been closed with no indictments. The person spoke on the condition of anonymity because the investigation was never publicly announced, and the Department of Justice as a policy does not announce the closing of investigations.

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September 15, 2013

Still no charges for Wall Street execs five years after crash

By James O'Toole @jtotoole September 15, 2013: 10:10 AM ET



It's been five years since the collapse of Lehman Brothers and the peak of the financial crisis, but the wait for criminal cases against bankers continues.

"It's a gross miscarriage of justice," said Dennis Kelleher, president of the financial reform group Better Markets. "How can you have the biggest crash since 1929, causing the worst economy since the Great Depression, and not a single person at a major, politically connected, too-big-to-fail Wall Street bank is held accountable?"



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The New York Times
Expect the World®



Jury Clears Ex-Citigroup Manager Of Charges

By PETER LATTMAN

A federal jury on Tuesday cleared a Citigroup executive of wrongdoing in connection with

Jury Clears Ex-Citigroup Manager Of Charges

From First Business Page

and/or criminal, appeared to take the jury's message to heart.

"We respect the jury's verdict and will continue to aggressively pursue misconduct arising out of the financial crisis," he said.

The S.E.C. had filed separate civil fraud charges against Citigroup in connection with the C.D.O. deal, but none of the bank's senior managers were named in the lawsuit. Mr. Stoker was the only individual Citigroup executive charged in the case.

Mr. Stoker's lawyer, John W. Keeler, had depicted his client as a scapegoat for Wall Street wrongdoing. While decrying the "high-stakes, high-level gambling" that banks had engaged in during the housing boom, Mr. Keeler urged the jury to set aside any distrust that it had for the financial industry's questionable



Robert Khazouri, the S.E.C.'s director of enforcement, said the department would continue to pursue misconduct.

ter behind us."

The trial of Mr. Stoker served as a referendum on a questionable practice that became prominent in the run-up to the housing market's collapse: selling clients complex securities tied to mortgages while simultaneously selling against those same securities.

As real estate prices peaked in the middle of the last decade, Citigroup and other banks dived headlong into C.D.O.'s, bundles of

ly studied the C.D.O. with some mortgages that the bank thought would lose value and then took the opposite view of its clients. And Mr. Stoker negligently failed to include this information in the C.D.O.'s marketing materials, the government said.

"Citigroup stacked the deck and Brian Stoker dealt the cards," said Jeffrey Lefkowitz, a lawyer for the S.E.C., during his closing statement.

Mr. Stoker pre-

A setback in the effort to hold Wall Street accountable.

The trial brought to light questionable and complex mortgage practices.

JUROR:

"This verdict should not deter the S.E.C. from continuing to investigate the financial industry, review current regulations and modify existing regulations as necessary," said the statement, which was read aloud by Judge Jed S. Rakoff in Federal District Court in Manhattan on Tuesday.

group executive, with negligence related to his role in creating exotic mortgage securities known as collateralized debt obligations, or C.D.O.'s. In a lawsuit filed last

Both the
appended Judge Rakoff's
of the settlement. In March,
a federal appeals court ruled that
Judge Rakoff might have over-
stepped his authority in sending
the deal.

Danielle Roseberry-Agostino, a
Citigroup spokeswoman, said the
bank agreed with the jury's ver-

structure, which was called
Class V Funding III — that is sold
to a group of sophisticated invest-
ors, including the bond insurer
Ambac Financial Group and
Koch Global Capital, an invest-
ment vehicle controlled by the
billionaire Koch brothers.

The S.E.C. contended that Cit-

Stoker was read. When Mr. Keeler
threw his arm around him, Mr.
Stoker appeared overcome with
emotion. As the jury left the
courtroom, Mr. Stoker tried to
connect with them, silently sig-
naling his thanks with a grin and
a nod of his head.

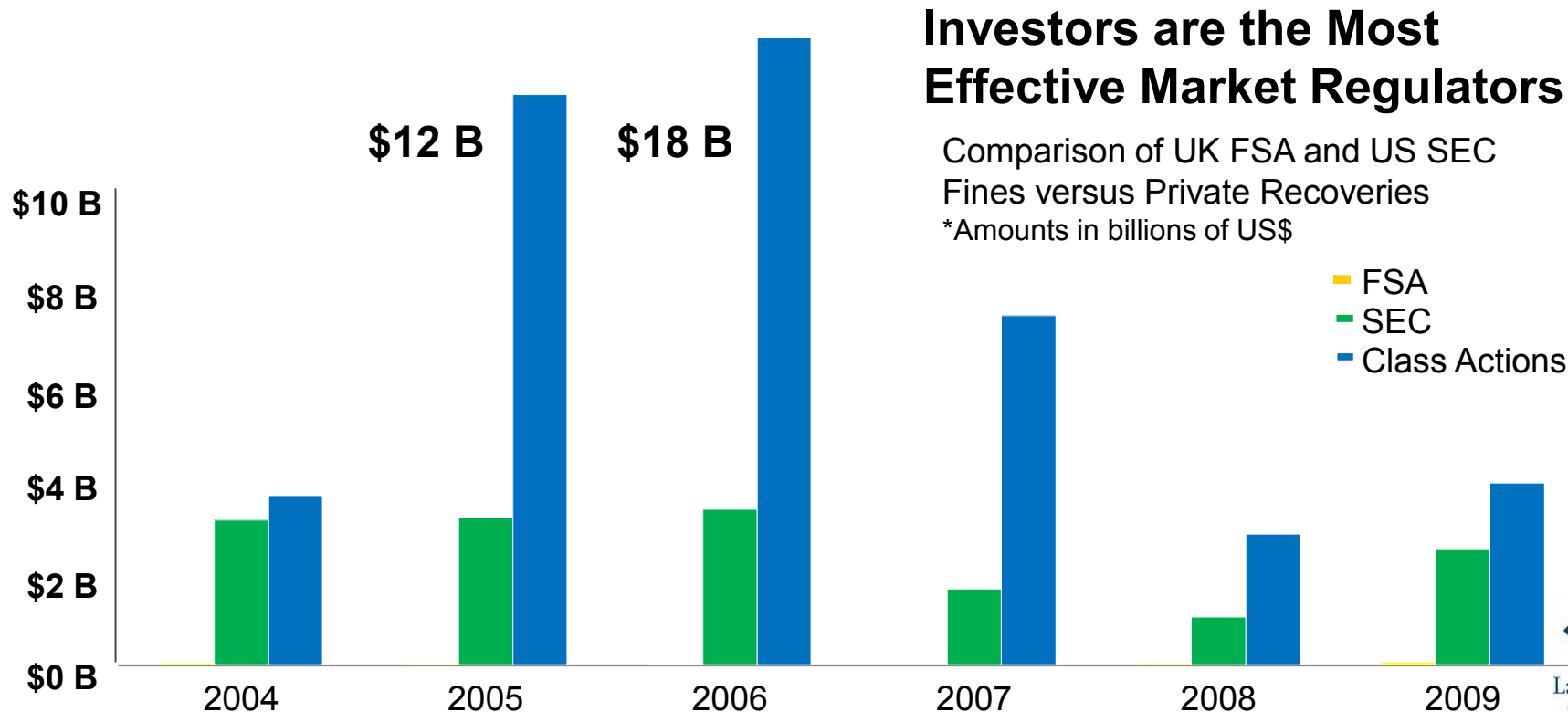
"We're grateful that justice

July 31, 2012

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Legal Practice Section

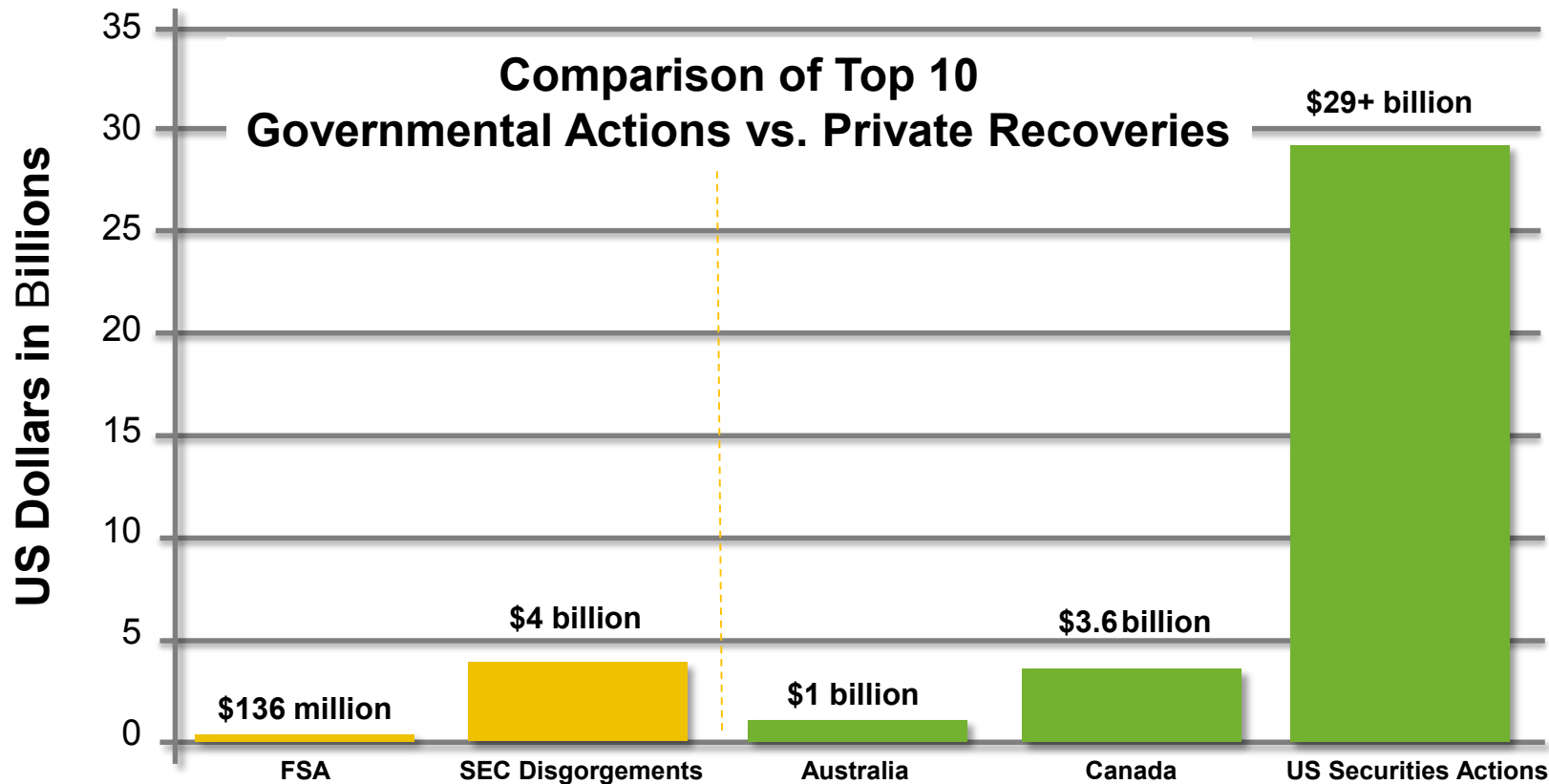
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The New York Times

December 4, 2007

Accounting Errors Cause Plunge in VeriFone Shares

By BLOOMBERG NEWS

VeriFone Holdings, the maker of electronic-payment equipment, lost nearly half its market value in New York trading yesterday after accounting errors erased four-fifths of pretax profit for the first nine months of 2007.

The record 46 percent slide in the stock wiped as much as \$1.79 billion off VeriFone's market value. Pretax profit was probably about \$29.7 million lower than reported, VeriFone, which is based in San Jose, Calif., said yesterday. The company said it had made errors in valuing inventory in transit as well as in allocating manufacturing and distribution costs to inventory.

In September, VeriFone said nine-month pretax profit fell to \$37 million from \$69.9 million a year earlier because of costs associated with its takeover of Lipman Electronic Engineering in 2006. Revenue rose to \$666 million, from \$424 million, because Lipman sales were added.

Shares of VeriFone fell as much as \$24.36, to a price of \$23.67, before closing at \$26.03 a share, a drop of \$22.. Before yesterday, shares had risen 36 percent this year.

The company's equipment is used by retailers at checkout counters to process credit card transactions. Its electronic-payment device for credit cards was the first approved for use by New York City's 13,000 medallion taxis.

VeriFone said it expected to have restated nine-month earnings and fourth-quarter results completed in January.

"I am very disappointed to have to bring you this news and am committed to ensuring that we promptly and thoroughly remedy this situation," the chief executive, Douglas G. Bergeron, said in the statement. "I am committed to regaining your confidence in VeriFone."

The board ordered delaying the release of fourth-quarter results, originally scheduled for Thursday this week, pending the restatements. VeriFone said it expected to report revenue for its fiscal year ended Oct. 31 of about \$904 million. Fourth-quarter sales probably reached \$238 million, it said.



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Case5:09-cv-04046-RS Document1 Filed09/01/09 Page1 of 11

ORIGINAL

1 MARC J. FAGEL (Cal. Bar No. 154425)
2 MICHAEL S. DICKE (Cal. Bar. No. 158187)
3 dickem@sec.gov
4 SHEILA O'CALLAGHAN (Cal. Bar. No. 131032)

Case5:09-cv-04046-RS Document21 Filed11/12/09 Page4 of 8

Case5:09-cv-04046-RS Document19 Filed11/12/09 Page4 of 7

Under the judgments, both defendants will be enjoined from committing securities law violations of the nature of the wrongdoing alleged in the complaint, and defendant Periolat will pay a \$25,000 fine.

Facsimile: 415-705-2501

The Court previously denied, without prejudice, the request of the National Elevator Industry Pension Fund for leave to file an *amicus curiae* brief herein, objecting to the settlement agreement between the parties. Because National Elevator will not have the opportunity to renew its request before the stipulations are evaluated, its previously submitted brief will be considered *sua sponte*.

Plaintiff Securities and Exchange Commission (SEC) has filed a Complaint for
Permanent Injunction and Other Relief ("Complaint") in this action and Defendant Paul Periolat
("Defendant") has entered a general appearance and has submitted the Consent of Paul Periolat

Plaintiff Securities and Exchange Commission (SEC) has filed a Complaint for
Permanent Injunction and Other Relief ("Complaint") in this action and Defendant VeriFone
Holdings, Inc. ("VeriFone") has entered a general appearance and has submitted the Consent of

Practice Section

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\$95 M Recovery

Courthouse News Service
VeriFone Securities Class Action for \$95 Million

By PHILIP A. JANQUART

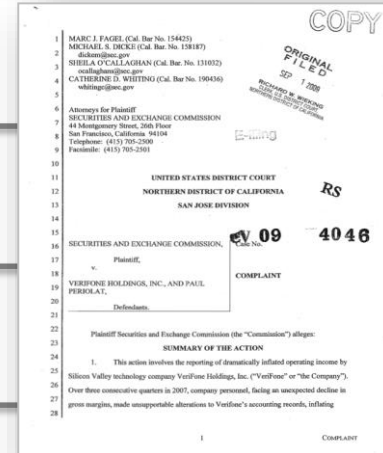
(CN) - Shareholders and securities regulators will accept \$95 million to settle claims over share prices in Verifone that dropped 45 percent, a federal judge ruled.

After shares in Verifone dropped over 45 percent in one day in December 2007, the San Jose-based maker of electronic-payment systems admitted that it had misstated earnings for three consecutive quarters.

Nine groups of investors immediately filed suit for securities fraud, and the Securities Exchange Commission followed suit in 2009. Those cases were eventually consolidated with the National Elevator Industry Fund as lead plaintiff.

\$ 0 mil

Private Action



\$25 K SEC Settlement

SEC

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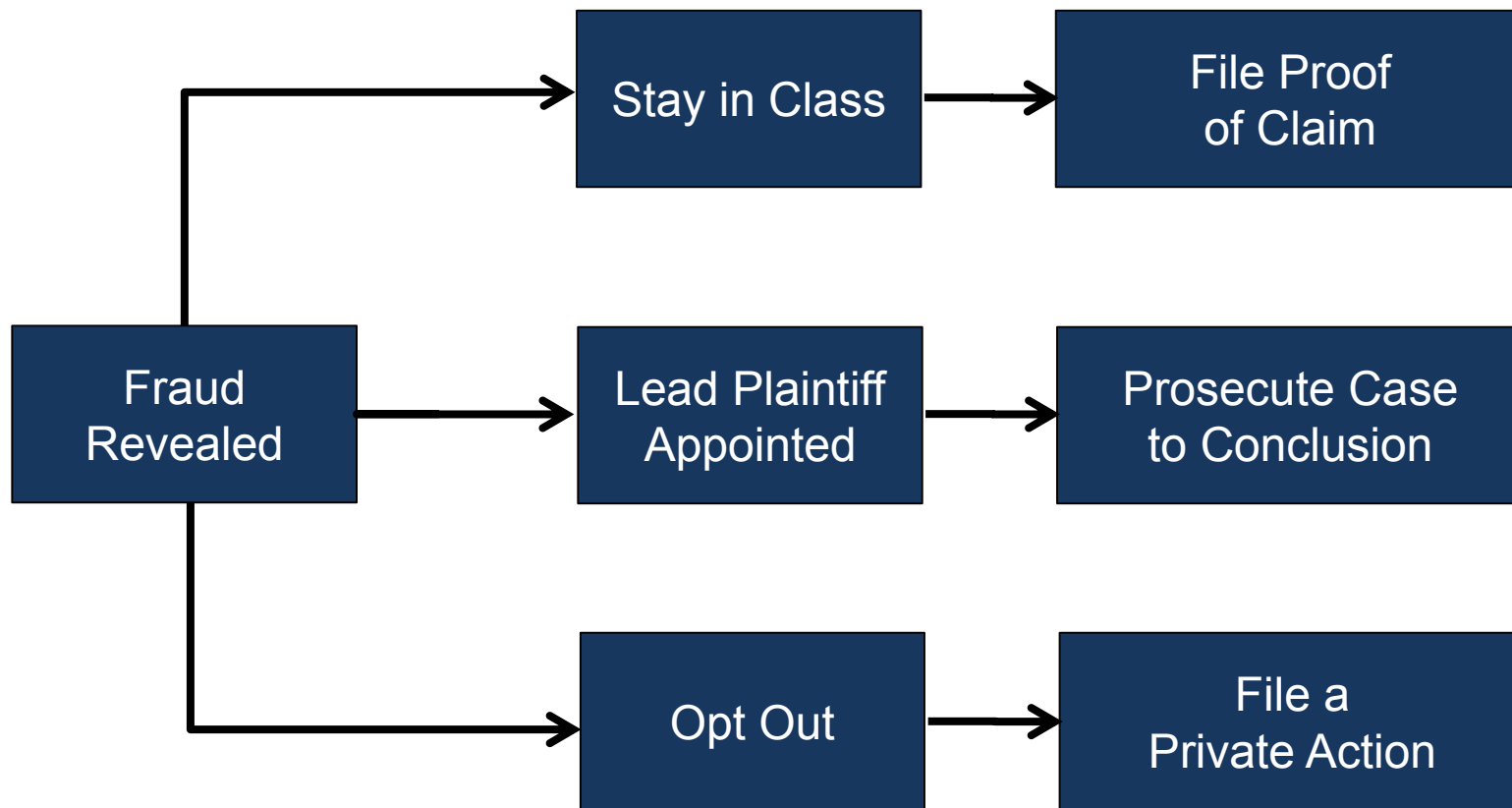


Background

Class Action Lawsuits

- Initiated by investor(s) who suffer damages due to securities fraud
- Several complaints may be filed by several law firms
- All are consolidated and heard in one court when Lead Plaintiff is appointed

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REMAIN PASSIVE CLASS MEMBER - FILE CLAIM

A photograph showing two individuals rappelling down ropes against a bright, hazy sky at sunset or sunrise. The person on the right is higher up and in a more dynamic pose, while the person on the left is lower and in a more relaxed, seated position. Both are wearing helmets and harnesses.

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SERVE AS LEAD PLAINTIFF

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Private Securities Litigation Reform Act (PSLRA)

- Requires federal courts to appoint class member(s) with largest financial interest as Lead Plaintiff
- Lead Plaintiff represents interests of all class members and selects “Lead Counsel”
- Lead Counsel prosecutes class action

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VICES REPORT

Securities Litigation Update— The Pension Fund Factor

By Steven Skalak and Daniel Dooley

Public pension funds are playing a greater role in securities litigation. According to PricewaterhouseCoopers research, courts are increasingly choosing city, state and union pension funds to serve as lead plaintiffs. It is also apparent that where pension funds are involved as lead plaintiffs, the average settlement amounts are greater. The increasing involvement of pension funds in securities class actions may be one of the most profound outcomes of the Private Securities Litigation Reform Act ("PSLRA").

The PSLRA directs courts to assume that the class member(s) with the largest financial interest serve as lead plaintiff(s). Since passage of the PSLRA, more than 50 securities class actions settled wherein

Where pension funds are involved as lead plaintiffs,
the average settlement amounts are greater.

SECURITIES LITIGATION

Public Pension Funds—Pre- and Post-Cendant Corporation Settlement

Although the PSLRA paved the way for institutional investors to serve as lead plaintiffs, public pension funds were slow to pursue lead plaintiff status. The dynamic shifted in December 1999 when the California Public Employees' Retirement System ("CalPERS") and the New York State Retirement Fund announced a record \$2.8 billion settlement with the Cendant Corporation (the settlement later grew to over \$3 billion). The multi-billion dollar Cendant settlement was more than ten times the previous settlement record, and included a variety of corporate governance changes.

Following Cendant, public pension funds have been more inclined to seek lead plaintiff appointments. More than 50 cases filed in 2002 have a public pension fund as lead plaintiff, and many more are anticipated in 2003. The increasing public awareness of corporate governance issues is inspiring greater involvement on the part of pension funds in securities class actions. Additionally, pension funds benefit from free portfolio monitoring services offered by plaintiffs' firms to pension funds and other institutional investors.

¹ Excludes the Cendant case, which settled for over \$3 billion

² This analysis is based on a review of over 190 settlements between January 1, 2002 and November 6, 2003

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Institutional Monitoring



Lawsuits with an institutional lead plaintiff are **less likely to be dismissed** and have **significantly larger settlements.** In fact “an institutional lead plaintiff can reduce the dismissal probability by 38.2%.”

Found that the presence of an institutional lead plaintiff increases the “total settlement amount by approximately 59.8%,”

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CORNERSTONE RESEARCH
ECONOMIC AND FINANCIAL CONSULTING AND EXPERT TESTIMONY

Securities Class Action Settlements 2012 Review and Analysis

Ellen M. Ryan

CORNERSTONE RESEARCH
ECONOMIC AND FINANCIAL CONSULTING AND EXPERT TESTIMONY

Securities Class Action Filings 2013 Mid-Year Assessment

Institutional Investors as Lead Plaintiff

In our analysis of institutional investors, we continued to find that the presence of public pensions as lead plaintiffs is associated with significantly higher settlement amounts.¹¹ The median “estimated damages” for settlements involving public pensions in 2012 was five times the median “estimated damages” figure for settlements without a public pension as lead plaintiff.

We observe that the filings with an institutional investor as the lead or co-lead plaintiff were **less likely to be dismissed** and more likely to reach a ruling on summary judgment than those that did not have an institutional investor as the lead or co-lead plaintiff

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Top 10 Shareholder Class Action Settlements

(2008) 1 Enron Corp.	\$7.242 bil	UC Regents
(2005) 2 WorldCom, Inc.	\$6.158 bil	New York Pension Fund
(2005) 3 Cendant Corp.	\$3.561 bil	CalPERS, New York Pension Fund
(2007) 4 Tyco International, Ltd.	\$3.200 bil	Louisiana SERS, P&P Nat'l Pension Fund
(2006) 5 AOL Time Warner Inc.	\$2.650 bil	Minnesota St. Bd. of Inv.
(2013) 6 Household International, Inc.	\$2.464 bil	Intl. Union of OE Local 132 Pen. Plan, PACE Industry Union Management Pension Fund, Glickenhau & Co.
(2013) 7 Bank of America Corporation	\$2.425 bil	OPERS, STRS of Ohio, Texas TRS
(2006) 8 Nortel Networks (I)	\$1.143 bil	Ontario Public Employees' Union
(2006) 9 Royal Ahold, NV	\$1.100 bil	COLPERA & Generic Trading
(2006) 10 Nortel Networks (II)	\$1.074 bil	Ontario Teachers' and New Jersey

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CORNERSTONE RESEARCH

Securities Class Action Settlements

2009 Review and Analysis

*Ellen M. Ryan
Laura E. Simmons*



2010 Cornerstone Report

**67% of securities class
actions are led by
Institutional Investors**

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OPT-OUT AND PRIVATE ACTIONS

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BusinessWeek

Fractured Class Actions

"Opt-outs" are a growing headache for companies

By Lorraine Woelert
FEBRUARY 27, 2006

When Time Warner Inc. (TWX) said it would spend \$2.4 billion to settle an investor class action alleging securities violations, Chairman and CEO Richard D. Parsons drove that the company had made swift work of its

Clients sue separately to recover more cash

"When the California Public Employees' Retirement System quit the WorldCom deal, it recovered \$187 million, or 67% of its claimed bond losses...."

over 10% of Time Warner and over 3% of America Online (TWX) when the companies announced their merger in September 2000, he pursued its own settlement. BusinessWeek has learned. So are several state pension accounts and more than 100 other institutional investors with alleged losses ranging from less than \$50,000 to more than \$600 million. All are exercising their rights to opt out of a class settlement in hopes of winning more money by suing it alone.

No hard statistics are available, but opt-outs appear to be a more popular tactic for plaintiffs.

Examples of big investors that opted out of class-action settlements

Enron \$7.1 billion OPT-OUTS All California and Ohio state pension funds	WorldCom \$6.1 billion OPT-OUTS Sun Life of Canada, New York City pension funds
Time Warner \$2.4 billion OPT-OUTS Janus Capital and nearly 100 other institutional investors	Qwest Communications \$400 million OPT-OUTS State Law Retirement Systems of Illinois, California State Teachers' Retirement System

by sinking out on their own, but there's enough evidence to the contrary. When the California Public Employees' Retirement System quit the WorldCom deal, it recovered \$187 million, or 67% of its claimed bond losses. Now

Excerpted from | BusinessWeek

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Robbins Geller's Clients' Recoveries vs. WorldCom Class Member Recoveries



Estimated Class Action Recovery	\$358,445,820
Robbins Geller's Clients' Private Action Recovery	\$657,966,658

\$300 Million
Premium Recovery
over Class Action**



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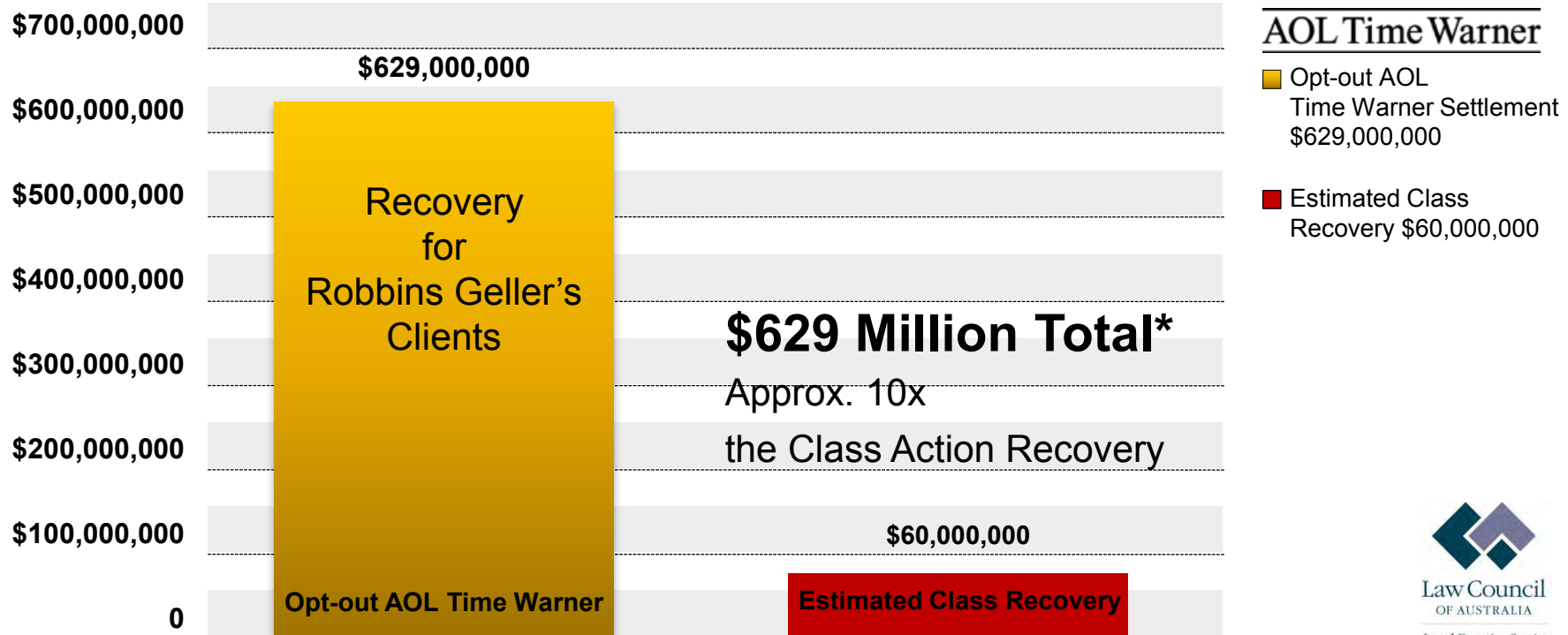
** Net of Fees/Expenses

Confidential Attorney-Client Communication

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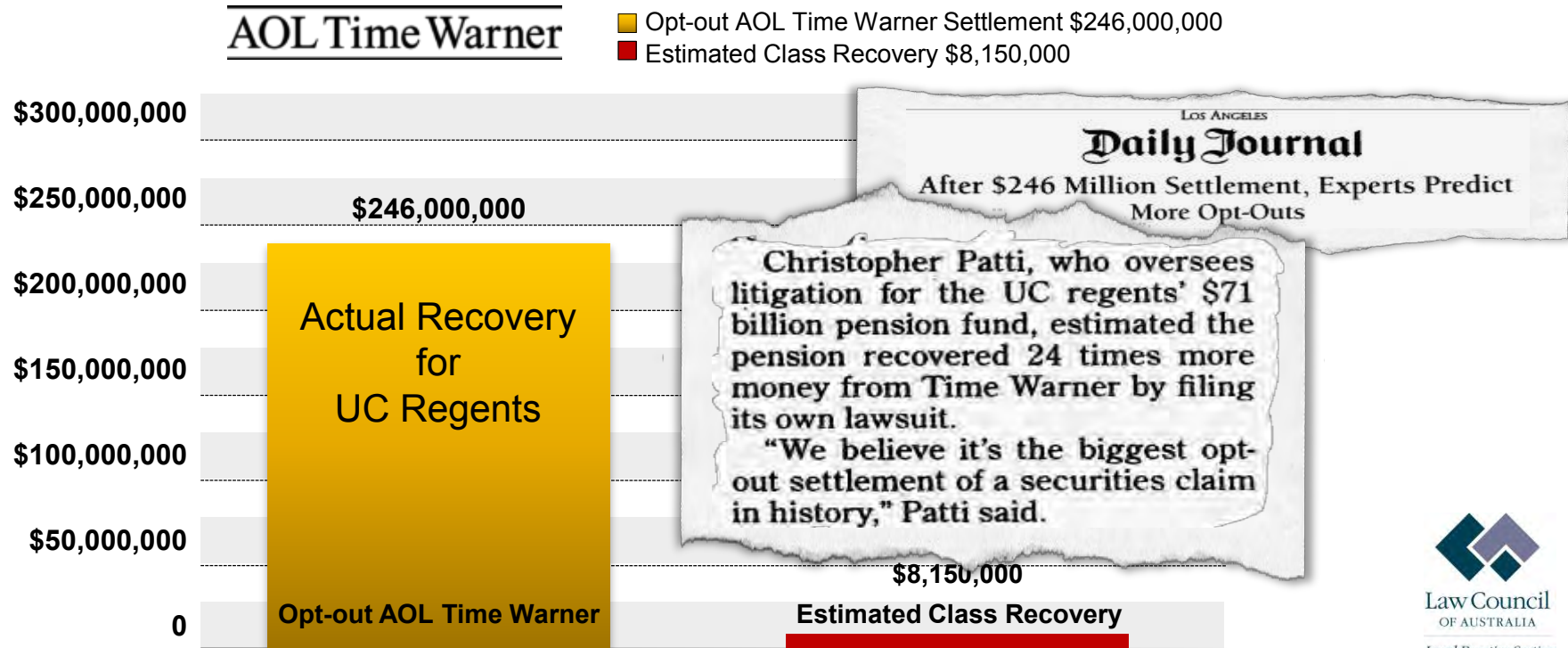
Collective Recovery of Robbins Geller's Clients in AOL TIME WARNER Private Actions



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Recovery for the Regents of California in AOL TIME WARNER Private Action



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THE LAWYER
MARCH 17, 2007

UK pension funds go it alone in AOL class action

The UK funds together won \$45m (£23.35m) of a total award of \$600m (£311.28m) after they broke away from a \$2.6bn (£1.35bn) shareholder class action

award of \$600m (£311.28m) after they broke away from a \$2.6bn (£1.35bn) shareholder class action that claimed securities violations during the 2001 merger of AOL and Time Warner.

Lerach New York managing partner Patrick Daniels said:

“Had these funds done nothing and filed passively in a class action, the most they could have collectively recouped would have been \$5m (£2.59m).”

that represent firemen, municipal workers and

more diluted the award. By filing private suits, individual

parties can land bigger awards. Daniels said UK-based institutional investors in US-listed companies were becoming more attuned to suing

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Individual Opt-Out suits by institutions are an increasingly important option



**Metzler Investment
Railway Pension
(RAILPEN)**

**Alabama Fund
California Regents
CalPERS
CalSTRS
LACERA
NYC Pension Funds
Ohio Funds
Pimco
Sun Trust Bank**

**ABP
Baillie Gifford
British Steelworkers Pension Fund
Deka Bank
London Pension Fund
Lothian Pension Fund**

**Alaska Fund
Amalgamated Bank
CalPERS
CalSTRS
LACERA
New Jersey Fund**

**New South Wales State Super
Norges Bank
North Yorkshire Pension Fund
Robeco/Rabo Bank
Scottish Widows Investment Partnerships
Standard Life
University Superannuation Scheme (USS)
Wiltshire Pension Fund**

**New Jersey Fund
Ohio Funds
Pennsylvania
West Virginia**

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VIVENDI

Opt-outs

Austria

ERSTE-SPARINVEST
DWS Austria Investmentgesellschaft mbH
DWS Investmentgesellschaft mbH

Belgium

KBC Asset Management NV

Canada

Caisse de Depot et Placement du Quebec

Denmark

Danske Invest Administration A/S

France

AGF Asset Management, S.A.

Ireland

Irish Life Investment Managers Limited
Pioneer Investment Management Ltd

Italy

ALetti Gestielle SGR S.p.A.
Capitalia Asset Management SGR, S.p.A.
Eurizon Capital SGR S.p.A.
Italfortune International Fund
Novara Aquilone Sicav

Germany

Allianz Global Investors
Baden Wurttembergische Investmentgesellschaft mbH
HSBC Trinkaus & Burkhardt AG
Kapitalanlagegesellschaft MBH Limited
Alecta Pensions for sakring
Metzler Investment GMBH
Union Asset Management Holding AG
MEAG Munich Ergo Assetmanagement GmbH
MEAG Munich Ergo -Kapitalanlagegesellschaft mbH
Nordcon Investment Management AG
Universal-Investment-Gesellschaft mbH

Spain

Varma S.A.

Sweden

Andra AP-Fonden
Tredje AP-Fonden
Fjarde Ap-Fonden
Forsta AP-Fonden
Swedbank Robur Fonder AB
Sjunde Ap-Fonden

Switzerland

Swiss Life Holding AG

UK

Scottish Widows PLC
Lloyds TSB Group Pension Schemes
Allianz Global Investors Ireland
Metzler Ireland Ltd



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Why Implement the Portfolio Monitoring ProgramSM?

- *Know what you lost and what you can do about it.*
- *Make informed decisions.*
- *Recover money owed to your institution.*

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Portfolio Monitoring ProgramSM

- Alerts investment professionals to fund losses from securities fraud
- Provides investment professionals information required to make informed decisions
 - Case information
 - Accurate loss estimates
 - Timely reporting of litigation and claims

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SERVICES REPORT

Securities Litigation Update— The Pension Fund Factor

By Steven Skalak and Daniel Dooley

Public pension funds are playing a greater role in securities litigation. According to PricewaterhouseCoopers research, courts are increasingly choosing city, state and union pension funds to serve as lead plaintiffs. It is also apparent that where pension funds are involved as lead plaintiffs, the average settlement amounts are greater. The increasing involvement of pension funds in securities class actions may be one of the most profound outcomes of the Private Securities Litigation Reform Act ("PSLRA").

The PSLRA directs courts to assume that the class members with the largest financial interest serve as lead plaintiffs. Since passage of the PSLRA, more than 50 securities class actions settled wherein

Pension funds benefit from free portfolio monitoring services offered by plaintiffs' firms to pension funds and other institutional investors.

SECURITIES LITIGATION

pension funds as lead plaintiffs, and 80 percent of these cases allege accounting issues.

Public Pension Funds—Pre- and Post-Cendant Corporation Settlement

Although the PSLRA paved the way for institutional investors to serve as lead plaintiffs, public pension funds were slow to pursue lead plaintiff status. The dynamic shifted in December 1999 when the California Public Employees' Retirement System ("CalPERS") and the New York State Retirement Fund announced a record \$2.6 billion settlement with the Cendant Corporation after the settlement later grew to over \$3 billion. The multi-billion dollar Cendant settlement was more than ten times the previous settlement record, and included a variety of corporate governance changes.

Following Cendant, public pension funds have been more inclined to seek lead plaintiff appointments. More than 50 cases filed in 2002 have a public pension fund as lead plaintiff, and many more are anticipated in 2003. The increasing public awareness of corporate governance issues is inspiring greater involvement on the part of pension funds in securities class actions. Additionally, pension funds benefit from free portfolio monitoring services offered by plaintiffs' firms to pension funds and other institutional investors.

¹ Excludes the Cendant case, which settled for over \$3 billion.
² This analysis is based on a review of over 130 settlements between January 1, 2000, and November 5, 2002.

PRICEWATERHOUSECOOPERS

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Search the Database

Investor Database - Windows Internet Explorer

Investor Database

Portfolio Monitoring ProgramSM

Database: All Funds

search

1 Security name contains

2 Class Period begins and ends

☒ Expand class period by 7 days before and 90 days after.

3

ROBBINS GELLER RUDMAN & DOWD LLP

Done Local intranet 100%

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Calculate Loss Estimates

Name	Shares Purchased	Shares Sold	Shares Sold on Last Day of Class Period	Gain/(Loss)	Opening/Fifoed Sales
Largest Pension Fund Losses			Class Period: 10/29/2009-05/24/2013		
Client 1	1,537,422	828,511	0	(\$25,131,442.52)	697,500 shs/697,500 shs
Client 2	633,360	453,016	0	(\$14,364,291.37)	2,400 shs/2,400 shs
Client 3	1,135,220	585,220	0	(\$13,933,818.18)	0 shs/0 shs
Client 4	2,500,000	1,700,000	0	(\$14,605,364.78)	0 shs/0 shs

**Shares Sold
on Last Day of
Class Period**

Name	Shares Purchased	Shares Sold	Gain/Loss
Client 1	1,537,422	828,511	0
			(\$25,131,442.52)

Client 11	699,452	963,377	0	(\$4,300,827.56)	263,925 shs/263,925 shs
Client 12	375,691	258,495	0	(\$8,441,845.30)	194,472 shs/194,472 shs
Client 13	370,900	284,437	0	(\$3,245,123.71)	138,137 shs/138,137 shs
Client 14	476,260	492,060	0	(\$2,739,078.32)	128,200 shs/128,200 shs
Client 15	171,360	330,350	0	(\$3,043,212.21)	285,290 shs/285,290 shs
Client 16	288,800	153,100	0	(\$2,671,443.87)	38,100 shs/38,100 shs
Client 17	553,192	670,592	0	(\$5,485,114.60)	117,400 shs/117,400 shs
Client 18	298,400	295,000	0	(\$2,786,198.46)	125,700 shs/125,700 shs
Client 19	181,300	198,800	0	(\$2,722,543.99)	70,190 shs/70,190 shs
Client 20	232,563	98,000	0	(\$2,642,341.84)	0 shs/0 shs
Client 21	277,000	204,300	0	(\$2,529,181.87)	0 shs/0 shs
Client 22	186,290	265,360	0	(\$2,074,619.70)	79,070 shs/79,070 shs
Client 23	211,303	211,303	0	(\$2,278,341.63)	0 shs/0 shs
Client 24	53,200	345,100	0	(\$1,492,134.57)	369,300 shs/345,100 shs
Client 25	94,551	10,929	0	(\$1,867,546.99)	0 shs/0 shs

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Portfolio Monitoring ProgramSM

- Quarterly Portfolio Monitoring Report - Details each class action filed in which the Fund has an interest
- Monthly Settlement Reports - Identifies securities class action settlements

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Report the Results

Robbins Geller
Rudman & Dowd LLP

Portfolio Monitoring Report

Privileged and Confidential Attorney-Client Communication

I.G. Investment Management, Ltd. - Investors Global Fund
December 31, 2014 Monitoring Report

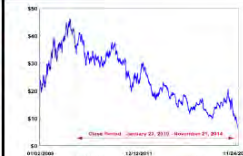
The Portfolio Monitoring ProgramSM has generated preliminary loss amounts in the following new securities class actions. Certain of these cases were filed by other law firms. We have not evaluated the merits of such cases. Case summaries can be viewed by clicking on the case name. Certain loss amounts may not have been verified and may be missing recent activity which may significantly alter the losses shown.

Case	Financial Interest	Class Period	Motion Due
Aeterna Zentaris, Inc.	No loss	June 26, 2012 - November 06, 2014	January 10, 2015
Albany Molecular Research, Inc.	No loss	August 05, 2014 - November 05, 2014	January 11, 2015
Alcobra Ltd.	No loss	March 28, 2014 - November 14, 2014	January 18, 2015
Akogen, Inc.	4,049 shares held	Sellers February 25, 2014 - April 21, 2014	February 15, 2015
American Realty Capital Healthcare Trust, Inc.	0 shares held	Current Shareholders	January 15, 2015
China Genus Advanced Materials Group Ltd.	No loss	January 11, 2012 - September 04, 2014	January 25, 2015

Petróleo Brasileiro S.A. - Petrobras

Summary of the Case:

The complaint charges Petrobras, Petrobras International Finance ("Pifco"), Petrobras Global Finance B.V. ("PGF"), their directors and the underwriters of certain debt offerings of with violations of the Securities Exchange Act of 1934 as Act of 1933. Petrobras is a semi-public Brazilian energy corporation headquartered in Rio de Janeiro, Brazil, with oil refineries, oil tankers, and is a major distributor of



Class:

Purchasers of Petrobras securities between January 22, 2010 and November 21, 2014, including debt securities issued by Pifco and PGF on the NYSE, as well as all persons or entities who purchased Pifco or PGF debt securities pursuant and/or traceable to any of three registered public offerings on or about February 3, 2012, May 15, 2013 and March 11, 2014.

Lead Plaintiff Motion Date:

February 6, 2015

Ticker/CUSIP:

PBR/1654V408

Defendants:

Petróleo Brasileiro S.A. - Petrobras, Petrobras Global Finance B.V., Maria Das Graças Silva Foster, Alno Guilherme Barbosa, Marilângela Monteiro Tizato, Josué Christiano Gomes Da Silva, Daniel Linde Oliveira, José Ramundo Brandão Pereira, Sérgio Túlio

alleges that during the Class Period, Petrobras issued and misleading statements regarding its business, management and the intrinsic value of Petrobras common stock, including that its business was conducted "with integrity, creating credibility with its shareholders," and "ded by the principles of promoting 'honest and fair without receiving inappropriate advantage through the use of insider information and other practices of such nature.'" These false and misleading statements, Petrobras ADSs inflated prices during the Class Period, reaching a high of \$50.

complaint alleges that certain defendants made false and misleading statements and failed to disclose material adverse information to investors filed with the SEC in connection with the issuance of Pifco and PGF notes in February 2012, May 2013 and

a former Petrobras Chief Downstream Officer, Paulo "Costa" was arrested on money-laundering charges and plea bargain for a reduced sentence. According to the complaint, Costa was involved in the scheme from 2005 until at

Case

Financial Interest

Class Period

Motion Due

Petroleo Brasileiro S.A. - Petrobras **-\$5,770,006 (ADR)** May 20, 2010 - November 21, 2014 February 06, 2015

Petroleo Brasileiro S.A. - Petrobras	-\$5,770,006 (ADR)
Pingtan Marine Enterprise Ltd.	No loss
Rayonier, Inc.	No loss
RCS Capital Corporation	No loss
Roca Bioscience, Inc.	No loss
Sandridge Energy, Inc.	No loss
Sandoz	-\$1,494,157 (SEDOL Daily Rate)
Sarepta Therapeutics, Inc.	No loss
Seadrill Limited	No loss
Shire plc	No loss

May 20, 2010 - November 21, 2014	February 06, 2015
May 14, 2013 - November 06, 2014	January 23, 2015
January 27, 2014 - November 10, 2014	January 11, 2015
February 12, 2014 - October 31, 2014	February 27, 2015
July 17, 2014 - November 06, 2014	February 22, 2015
February 28, 2013 - November 04, 2014	January 10, 2015
February 07, 2013 - December 03, 2014	February 02, 2015
April 21, 2014 - October 27, 2014	February 06, 2015
July 10, 2014 - November 25, 2014	February 03, 2015
June 20, 2014 - October 14, 2014	January 25, 2015

3, 2014, the Company announced that it would not file its 14 financial statements as scheduled. On this news, the ADSs declined from \$9.95 per ADS on November 14, to \$9.50 (a 4.5% decline) on November 17, 2014. On November 20, 2014, Brazilian newspapers reported that a request for the Brazilian prosecutor's office for the immediate arrest of the CEO because she had not testified truthfully at a congressional investigation committee looking into the Petrobras ADSs declined from \$19.38 per ADS to \$19.50 per ADS, then to \$19.50 per ADS on September 8, 2014 and November 10, 2014. The Petrobras kickback scheme were revealed.

Date Filed:

December 8, 2014

Court:

Southern District of New York

Judge:

Rakoff

David C. Walton
Attorney
dwalton@rgdlaw.com
212-231-1058

Robbins Geller
Rudman & Dowd LLP

Law Council
OF AUSTRALIA
Legal Practice Section

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Robbins Geller
Rudman & Dowd LLP

Settlement Report

Privileged and Confidential Attorney-Client Communication

The Pension Fund December 31, 2014 Settlement Report

RGRD has identified the following settled shareholder class actions with upcoming claims deadlines. Check marked and shaded cases are those where the Portfolio Monitoring ProgramSM indicates that an eligible claim may exist. The range of data analyzed in the context of this report is approximately Oct 2004-current. Where data is incomplete, potential claims may not be identified.

Claims Deadline	Case	Class Period	Gross Class Recovery	Claims Administrator
01/09/2015	LIAC Group, Inc.	07/30/2008-10/26/2011	\$7,650,000	The Garden City Group, Inc.
01/13/2015	Municipal Derivatives Antitrust Litigation	01/01/1992-present	\$126,325,000	Rust Consulting, Inc.
01/15/2015	Morgan Stanley MBS	See Notice	\$95,000,000	Gilardi & Co. LLC
01/22/2015	Neusun Resources Ltd.	03/28/2011-02/06/2012	\$5,995,000	The Garden City Group, Inc.
✓ 01/24/2015	Bankrate, Inc.	08/16/2011-10/15/2012	\$18,000,000	The Garden City Group, Inc.
✓ 01/26/2015	Body Central Corp.	11/10/2011-06/19/2012	\$3,425,000	Gilardi & Co. LLC

Settlement Reports

Case	Class Period	Gross Class Recovery	Claims Admin.
Psychiatric Soultions, Inc.	02/21/2008-02/25/2009	\$65,000,000	Gilardi & Co. LLC

02/25/2015	LightinTheBox Holding Co., Ltd.	06/06/2013-08/19/2013	\$1,550,000	Strategic Claims Services
✓ 03/06/2015	Miller Energy Resources, Inc.	12/16/2009-08/09/2011	\$2,950,000	Angelen Group
✓ 03/08/2015	Wynn-Dixie Stores, Inc.	Owned 03/09/2012	See Notice	Gilardi & Co. LLC
✓ 03/09/2015	ModusLink Global Solutions, Inc.	08/28/2007-06/08/2012	\$4,000,000	Epiq Systems, Inc.
03/10/2015	Tennessee Commerce Bancorp, Inc.	04/18/2008-01/27/2012	\$2,600,000	The Garden City Group, Inc.
03/18/2015	CRM Holdings, Inc.	12/21/2005-11/05/2008	\$1,950,000	The Garden City Group, Inc.
04/03/2015	China Agritech, Inc.	Held or owned 10/17/2012	\$3,250,000	Strategic Claims Services
04/08/2015	NiVS IntelliMedia Technology Group, Inc.	03/24/2010-03/25/2011	\$1,350,000	Epiq Systems, Inc.
✓ 04/21/2015	Fuji International, Inc.	05/15/2009-03/27/2011	\$7,500,000	Angelen Group

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- Foreign Plaintiffs who transacted in
- Foreign shares on a
- Foreign exchange

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MORRISON v. NATIONAL AUSTRALIA BANK 130 S. Ct. 2869 (June 24, 2010)

(Sip Opines) OCTOBER TERM, 2009 2

Syllabus

NOTE. Where it is feasible, a syllabus (statement) will be released, as is being done in connection with this case, at the time the opinion is read. The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See United States v. Atchafalaya, 549 U.S. 471, 521, 527.

SUPREME COURT OF THE UNITED STATES

Syllabus

MORRISON ET AL. v. NATIONAL AUSTRALIA BANK
LTD. ET AL.

CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR
THE SECOND CIRCUIT

No. 08-1191. Argued March 29, 2010—Decided June 24, 2010

In 1990, respondent National Australia Bank (National), a foreign bank whose “ordinary shares” are not traded on any exchange in this country, purchased respondent Homelife Lending, a company headquartered in Florida that was in the business of servicing mortgages—seeing to collection of the monthly payments, etc. In 2001, National had to write down the value of Homelife’s assets, causing National’s share prices to fall. Petitioners, Australians who purchased National’s shares before the write-downs, sued respondents—National, Homelife, and officers of both companies—in Federal District Court for violation of §10(b) and 20(a) of the Securities and Exchange Act of 1934 and SEC Rule 10b-5. They claimed that Homelife and its officers had manipulated financial models to make the company’s mortgage-servicing rights appear more valuable than they really were, and that National and its chief executive officer were aware of this deception. Respondents moved to dismiss for lack of subject-matter jurisdiction under Federal Rule of Civil Procedure 12(b)(1) and for failure to state a claim under Rule 12(b)(6). The District Court granted the former motion, finding no jurisdiction because the domestic acts were, at most, a link in a securities fraud that concluded abroad. The Second Circuit affirmed.

Held:

1. The Second Circuit erred in considering §10(b)’s extraterritorial reach to raise a question of subject-matter jurisdiction, thus allowing dismissal under Rule 12(b)(1). What conduct §10(b) reaches is a merits question, while subject-matter jurisdiction refers to a tribunal’s power to hear a case. *Chion-Pacific B. Co. v. Brotherhood of Locomotive Engineers and Trainmen Gen. Comm. of Adjustment, Central*

“The Supreme Court's June 2010 decision in Morrison v. NAB was the nail in the coffin for f-cubed private securities fraud actions.”

2015: Super Forever...



MORRISON v. NATIONAL AUSTRALIA BANK 130 S. Ct. 2869 (June 24, 2010)

OCTOBER TERM 2009
1

SYLLABUS

NOTE: Where it is feasible, a syllabus (usually one page long) will be prepared for each case in accordance with the usual practice of the Supreme Court. The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader.
See United States v. Jones & Lamson & Co., 109 U.S. 511, 1883.

SUPREME COURT OF THE UNITED STATES

SYLLABUS

MORRISON ET AL. v. NATIONAL AUSTRALIA BANK LTD. ET AL.

CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

Justice Scalia: “The focus of the [U.S. securities laws] is not upon the place where the deception originated but upon purchases and sales of securities in the United States.”

UNITED STATES SUPREME COURT
130 S. Ct. 2869 (2010)
MORRISON ET AL. v. NATIONAL AUSTRALIA BANK LTD. ET AL.
CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

2015: Super Forever...



MORRISON v. NATIONAL AUSTRALIA BANK 130 S. Ct. 2869 (June 24, 2010)

Section 10 (b) does “not extend to foreign securities trades executed on foreign exchanges even if purchased or sold by American investors, and even if some aspects of the transaction occurred in the United States.”

Cornwell v. Credit Suisse Group, 1:08-cv-03758-vm (SDNY) (Marrero, J.)

Section 10(b)’s focus does “not encompass purchases and sales of covered securities that occur outside of the United States.”

Alstom, 2010 WL 3069597 (SDNY) (Marrero, J.)

“[T]he Supreme Court’s discussion of the problems of conflicting laws of various countries leaves little doubt that it believed that United States laws should defer to the law of the country where the security is exchanged”

Stackhouse v. Toyota Motor Co. 2:10-cv-00922 (C.D. Cal.) (Fisher, J.)

2015: Super Forever...



“In Morrison, the Supreme Court roundly (and derisively) buried the venerable ‘conduct or effect’ test the Second Circuit devised and for years had employed.”

* * *

“The Morrison Court unequivocally repudiated this longstanding Jurisprudence.”

* * *

“[T]he conduct and effect analysis as applied to § 10(b) extraterritoriality disputes is now dead letter. Plaintiffs’ cosmetic touch-ups will not give the corpse a new life.”

* * *

“This Court is not convinced that the Supreme Court designed Morrison to be squeezed, as in spandex, only into the factual straitjacket of its holding...”

Cornwell v. Credit Suisse Group, 1:08-cv-03758-vm (SDNY) (Marrero, J.)

2015: Super Forever...



Case 1:09-cv-10087-SAS Document 47 Filed 08/06/10 Page 1 of 63

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

DAVID SGALAMBO, Individually And
On Behalf of All Others Similarly

MORRISON v. NATIONAL AUSTRALIA BANK 130 S. Ct. 2869 (June 24, 2010)

[T]he Supreme Court's recent decision in **Morrison v. National Australia Bank Ltd. forecloses any potential class members who purchased [] common stock on a foreign exchange – in this case, the Toronto Stock Exchange ("TSV") – from recovering in this action... and the claims of any potential class members who purchased [] common stock on a foreign exchange are therefore dismissed.**

Sgalambo v. Mc Kenzie, No. 09 Civ. 10087(SAS), Opinion and Order
(S.D.N.Y. Aug. 6, 2010) (Scheindlin, J.)

of the Securities Exchange Act of 1934 ("Exchange Act"), and Rule 10b-5
promulgated thereunder, against five former officers of Canadian Superior – Craig

¹ See Amended Complaint ("Compl.") ¶¶ 1, 22.

2015: Super Forever...



11-0221-cv
Absolute Activist v. Ficeto

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

August Term, 2011

(Argued: November 21, 2011)

Decided: March 1, 2012

Docket No. 11-0221-cv

This Court has long recognized that meritorious private actions to enforce federal antifraud securities laws are an essential

“A plaintiff must allege facts suggesting that **irrevocable liability was incurred or title was transferred** within the United States.”

HEATHERINGTON, CIC GLOBAL CAPITAL LTD., SEAN EWING, ULLRICH ANGERSBACH,
JOHN DOES, 1 TO 3, JANE DOES, 1 TO 3, DOE, ENTITIES 1 TO 3,

Defendants-Appellees.

Before:

NEWMAN, WINTER, and KATZMANN, *Circuit Judges.*

Appeal from a judgment of the United States District Court for the Southern District of
New York (Daniels, J.) dismissing complaint for lack of subject matter jurisdiction. Although

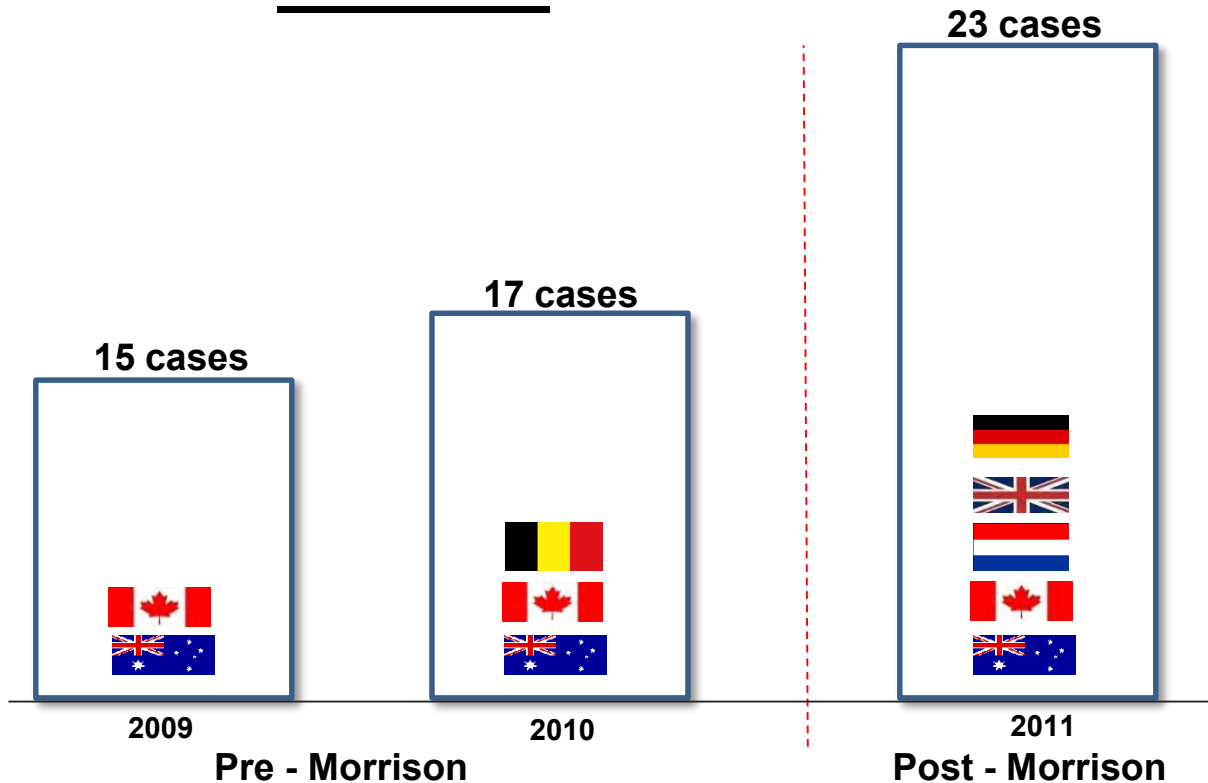
and Exchange Commission (SEC).

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The Effect of Morrison on Global Securities Actions

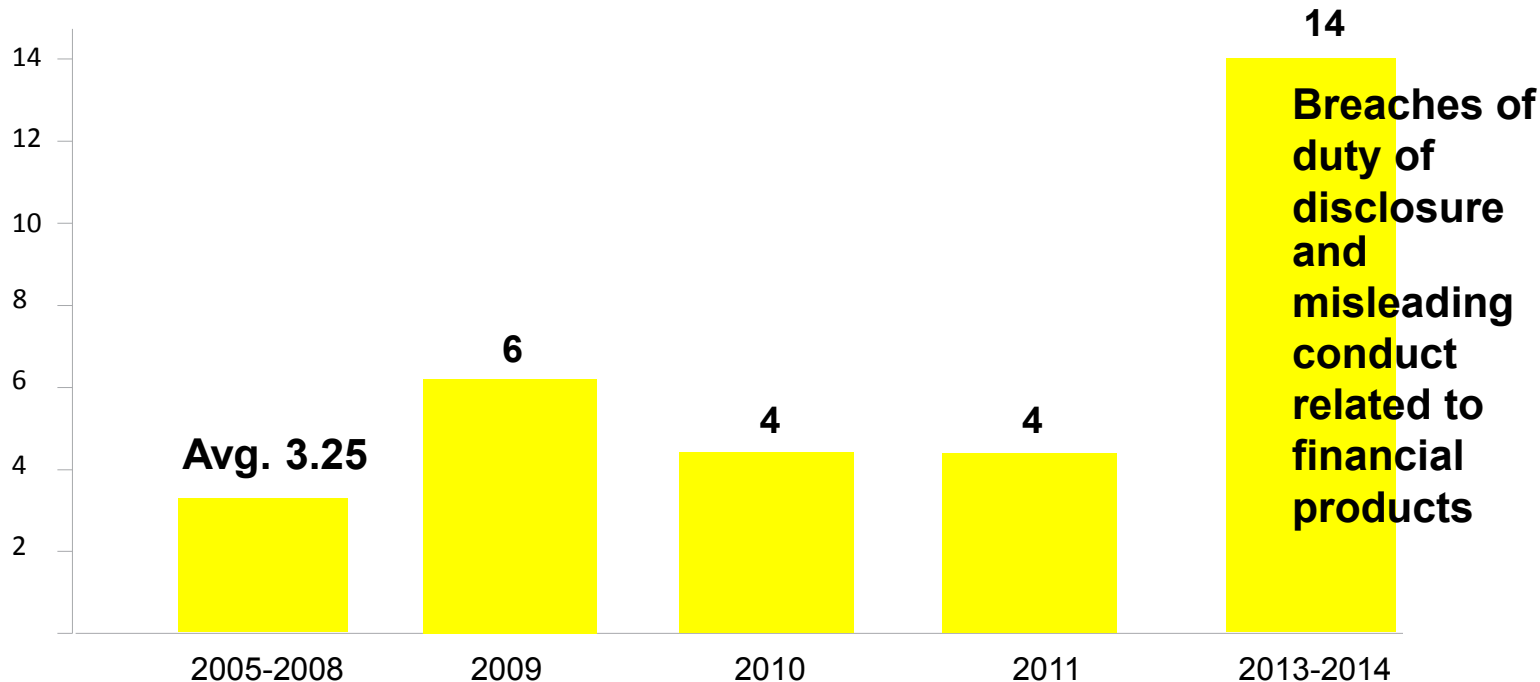
Cases Filed Outside of the U.S.



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Securities Class Actions Filed in Australia



2015: Super Forever...



Securities Class Action Settlements in Australia

YEAR	COMPANY	SETTLEMENT AMOUNT
2003	GIO	\$112,000,000
2004	Tracknet	\$4,300,000
2006	Concept Sports	\$3,000,000
2006	Harris Scarfe	\$3,000,000
2007	Telstra	\$5,000,000
2008	Aristocrat	\$144,500,000

2012	Centro	\$200,000,000
-------------	---------------	----------------------

2009	Sons of Gwalia	\$70,000,000
2010	news.com.au	\$39,500,000
2011	news.com.au	\$110,000,000

Centro verdict 'a win for shareholders'

• May 09, 2012 1:10PM

THE success of a \$200 million class action case against the property group Centro Retail Australia is a win for all Australian investors, lawyers for the shareholders say.

Law firm Maurice Blackburn, which represents thousands of investors who have been battling the debt-ridden company, confirmed today that an in-principal agreement for the company to pay out \$200 million had been reached.

"This is a very good day for Centro shareholders and a very good day for the Australian investor community generally," the firm's class action principal Martin Hyde told reporters.

\$1,113,150,000

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**Robbins Geller
Rudman & Dowd LLP**

Robert M. Rothman
(800) 449-4900