

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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IN RE MF GLOBAL HOLDINGS	:	
LIMITED SECURITIES LITIGATION	:	Civil Action No. 1:11-CV-07866-VM
	:	
THIS DOCUMENT RELATES TO:	:	
	:	
All Securities Actions	:	ECF CASE
( <i>DeAngelis v. Corzine</i> )	:	

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**JOINT DECLARATION OF SALVATORE J. GRAZIANO AND JAVIER BLEICHMAR  
IN SUPPORT OF: (I) SETTLING PLAINTIFFS’ MOTION FOR FINAL APPROVAL OF  
THE REMAINING SENIOR NOTES UNDERWRITER SETTLEMENT; AND  
(II) CO-LEAD COUNSEL’S MOTION FOR AN AWARD OF  
ATTORNEYS’ FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

SALVATORE J. GRAZIANO and JAVIER BLEICHMAR declare as follows:

1. Salvatore J. Graziano is a partner in the law firm of Bernstein Litowitz Berger & Grossmann LLP (“BLBG”). Javier Bleichmar is a partner in the law firm of Bleichmar Fonti & Auld LLP (“BFA”). BLBG and BFA (collectively, “Co-Lead Counsel”) are counsel for the Court-appointed lead plaintiffs Virginia Retirement System and Her Majesty the Queen in Right of Alberta (collectively, “Lead Plaintiffs”), and BLBG is counsel for named plaintiff Government of Guam Retirement Fund (“Guam” and, together with Lead Plaintiffs, the “Settling Plaintiffs”) in this consolidated securities class action (the “Action”). We have personal knowledge of the matters stated herein based on our active participation in all aspects of the prosecution and settlement of the Action, and, if called upon, could and would testify thereto.<sup>1</sup>

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<sup>1</sup> All capitalized terms used herein that are not otherwise defined herein shall have the meanings provided in the Stipulation and Agreement of Settlement with Defendants Jefferies LLC, BMO Capital Markets Corp., Natixis Securities Americas LLC, Lebenthal & Co., LLC, and U.S. Bancorp Investments, Inc. dated as of March 9, 2016 (ECF No. 1092-1) (the “Stipulation”).

2. We respectfully submit this Joint Declaration in support of Settling Plaintiffs' motion for final approval of the proposed settlement resolving all of the Class's claims in the Action against the Remaining Senior Notes Underwriter Defendants in exchange for \$29,825,000 in cash (the "Settlement"). We also submit this Joint Declaration in support of Co-Lead Counsel's motion for an award of attorneys' fees in the amount of 19% of the Settlement Fund and reimbursement of litigation expenses in the amount of \$2,028,538.99 (the "Fee and Expense Application").

## **I. INTRODUCTION AND OVERVIEW**

3. Settling Plaintiffs' efforts in this litigation have achieved an additional and final recovery for investors in the securities of MF Global Holdings Ltd. ("MF Global"): a proposed settlement in the amount of \$29,825,000 with Jefferies LLC, BMO Capital Markets Corp., Natixis Securities Americas LLC, Lebenthal & Co., LLC, and U.S. Bancorp Investments, Inc. (collectively, the "Remaining Senior Notes Underwriter Defendants"), five of the underwriters of MF Global Holdings Limited 6.25% Senior Notes due August 8, 2016 ("6.25% Senior Notes"). The proposed Settlement is in addition to four partial settlements with an aggregate recovery of approximately \$204.4 million that were previously approved by the Court in June 2015 and November 2015.<sup>2</sup> If approved, the Settlement, together with the previously approved settlements, will bring the total recovery for investors in this Action to \$234.3 million. The claims asserted against the Remaining Senior Notes Underwriter Defendants are the only

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<sup>2</sup> These settlements were: (i) for \$74 million with certain Underwriter Defendants; (ii) for \$932,828 with Commerz Markets LLC ("Commerz"); (iii) for \$65 million with PricewaterhouseCoopers LLP ("PwC"); and (iv) for \$64.5 million with the Individual Defendants (collectively, the "Earlier Settlements").

remaining claims in this Action in the Court and, thus, if the Settlement is approved, the Action will be completely resolved, subject to any appeals.<sup>3</sup>

4. The Settlement is on behalf of the Remaining Senior Notes Underwriter Class (or “Class”), which means the class certified by the Court on October 14, 2015 with respect to claims asserted against the Remaining Senior Notes Underwriter Defendants, consisting of all persons who and entities which purchased or otherwise acquired 6.25% Senior Notes between August 8, 2011 and November 21, 2011 (the “Class Period”) (including persons who and entities which placed orders before August 8, 2011), and were damaged thereby, other than certain persons who and entities which are excluded by definition or are excluded pursuant to request.<sup>4</sup>

5. As described in detail herein, the Settlement was the product of a comprehensive investigation, extensive litigation and discovery efforts, and protracted arm’s-length negotiations by experienced counsel. Co-Lead Counsel negotiated the Settlement with a thorough

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<sup>3</sup> On February 19, 2016, MF Global, on behalf of itself and its affiliates, as Plan Administrator under the Second Amended and Restated Joint Plan of Liquidation, and Nader Tavakoli, as Trustee of the MF Global Litigation Trust, noticed an appeal from the judgment approving the Individual Defendant Settlement. ECF No. 1091. On May 27, 2016, the parties to the appeal submitted a Stipulation of Dismissal providing that the appeal is withdrawn under Second Circuit Local Rule 42.1 pursuant to the terms of a settlement agreement and will be dismissed if not reinstated within 35 days.

<sup>4</sup> Excluded from the Class are: (i) Defendants and MF Global; (ii) members of the Immediate Families of the Individual Defendants; (iii) the subsidiaries and affiliates of Defendants and MF Global; (iv) any person who or entity which, during the Class Period was, and/or is a partner, executive officer, director, or controlling person of MF Global, or any of its subsidiaries or affiliates, or of any Defendant or any of their subsidiaries or affiliates; (v) any entity in which any Defendant or MF Global had during the Class Period and/or has a controlling interest; (vi) Defendants’ liability insurance carriers, and any affiliates or subsidiaries thereof; and (vii) the legal representatives, heirs, successors and assigns of any such excluded person or entity; provided, however, that any Investment Vehicle (as defined in the Stipulation) shall not be deemed an excluded person or entity by definition. Also excluded from the Class are any persons who and entities which submit a request for exclusion from the Remaining Senior Notes Underwriter Class that is accepted by the Court or who or which were, pursuant to request, excluded from any of the Other Classes (to the extent such persons or entities are also Remaining Senior Notes Underwriter Class Members).

understanding of the strengths and weaknesses of the claims asserted against the Remaining Senior Notes Underwriter Defendants. This understanding was based on Co-Lead Counsel's prosecution of the Action, which has included, *inter alia*, (i) conducting an extensive factual investigation, including interviews with numerous former employees of MF Global, consultation with experts, and a detailed review and analysis of the voluminous amounts of public information relating to the collapse of MF Global, such as SEC filings, press releases and other public statements, media and news reports, analyst reports, documents from MF Global's Chapter 11 bankruptcy proceeding and MF Global Inc.'s liquidation proceeding under the Securities Investor Protection Act of 1970 ("SIPA"), and materials and transcripts from Congressional hearings; (ii) researching the law relevant to the claims and potential defenses; (iii) preparing extensive briefing in opposition to the Senior Notes Underwriter Defendants' motion to dismiss the Consolidated Amended Securities Class Action Complaint, as well as five other motions to dismiss filed by the Individual Defendants and other Underwriter Defendants; (iv) preparing a Consolidated Second Amended Securities Class Action Complaint (the "Complaint") that added claims against MF Global's auditor, PwC, and responding to PwC's motion to dismiss; (v) conducting a targeted review and analysis of the over 47 million pages of documents produced to Lead Plaintiffs by Defendants and third parties, including James W. Giddens, as Trustee for the liquidation of MF Global Inc. pursuant to SIPA, and Nader Tavakoli, the Litigation Trustee presiding over the entity formerly known as MF Global Holdings Limited; (vi) drafting and filing a motion for class certification and an accompanying expert report on market efficiency and classwide damages, defending 11 depositions of Plaintiffs or Plaintiffs' investment managers related to class certification, and successfully obtaining class certification for the claims against the Remaining Senior Notes Underwriter Defendants; (vii) taking or

actively participating in 40 depositions of fact witnesses, which included six depositions of current or former employees of Jefferies LLC, the lead underwriter of the 6.5% Senior Notes offering; (viii) retaining and consulting with experts regarding damages, underwriter due diligence standards, liquidity, and accounting; (ix) engaging in extensive expert discovery, including preparing and filing an opening and rebuttal expert from each of Plaintiffs' three experts, defending Plaintiffs' experts' depositions, and taking the depositions of the Remaining Senior Notes Underwriter Defendants' three experts; and (x) participating in extensive arm's-length settlement negotiations, which were mediated by the Honorable Layn R. Phillips, a former federal district court judge. As a result of these extensive litigation efforts over more than four years, Settling Plaintiffs and Co-Lead Counsel were fully informed regarding the strengths and weaknesses of the case against the Remaining Senior Notes Underwriter Defendants before agreeing to the Settlement.

6. Settling Plaintiffs faced substantial risks in prosecuting the litigation against the Remaining Senior Notes Underwriter Defendants. These risks included (i) the risks associated with proving that there were material misstatements and omissions in the offering documents for the 6.25% Senior Notes offering, (ii) risks that the Remaining Senior Notes Underwriter Defendants would be able to establish due diligence or related defenses; and (iii) risks related to establishing and calculating the amount of class-wide damages. With respect to proving that the offering documents in question contained material misstatements and omissions, the Remaining Senior Notes Underwriter Defendants could point to multiple statements in the offering materials that disclosed risks related to MF Global's repurchase-to-maturity ("RTM") transactions and deferred tax assets ("DTA") that Plaintiffs alleged were not sufficient disclosed. The Remaining Senior Notes Underwriter Defendants would have further contended that the allegations related

to DTA were based on statements of opinion that were believed when made and that these statements were not materially misleading and were predicated on representations in the financial statements that had been certified by PwC, and argue that under the circumstances (including their claim that there were no “red flags” to alert them that reliance was not reasonable), they were entitled to rely on the expertised portion of the offering materials. The Remaining Senior Notes Underwriter Defendants would also have contended that the losses suffered by purchasers of 6.25% Senior Notes as a result of the collapse of MF Global in October 2011 were not caused by any of alleged misstatements in the offering materials. Finally, given the substantial amounts previously recovered in the Earlier Settlements, the PSLRA judgment-reduction rule also posed a real risk that any judgment obtained against the Remaining Senior Notes Underwriter Defendants would be substantially lowered or eliminated entirely.

7. The proposed Settlement, together with previous recoveries obtained in the Action on behalf of purchasers of 6.25% Senior Notes, represents a substantial percentage – at least 14.3% – of the maximum damages that could be proven at trial, assuming that Plaintiffs prevailed on all issues relating to liability, causation and damages. In light of the significant risks to establishing liability and damages and the substantial and immediate financial recovery the Settlement provides for the Class, Settling Plaintiffs and Co-Lead Counsel believe that the Settlement is fair, reasonable and adequate and in the best interests of the Class.

8. Co-Lead Counsel, on behalf of themselves and Cole Schotz P.C. (“Cole Schotz”)<sup>5</sup>, are applying for an award of attorneys’ fees in the amount of 19% of the Settlement Fund and for reimbursement of litigation expenses not previously applied for in the amount of \$2,028,538.99. The requested fee is well within the range of percentage awards granted by

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<sup>5</sup> Co-Lead Counsel and Cole Schotz are collectively referred to herein as “Settling Plaintiffs’ Counsel”.

courts in this Circuit and across the country in securities class actions. The requested fee results in a multiplier of 1.0 on Settling Plaintiffs' Counsel's lodestar for the period from May 9, 2015 through May 31, 2016 that was not included in counsel's previous fee application. The requested fee, plus the previously awarded fee of 19% on the Earlier Settlements, when compared to Plaintiffs' Counsel's total lodestar in the Action represents a multiplier of 0.83. Both multipliers are well within the range of multipliers routinely awarded by courts in this Circuit and across the country. Co-Lead Counsel believe that the 0.83 multiplier, based on the aggregate fee request and lodestar, is more meaningful because it reflects the total amount of work done by Plaintiffs' Counsel and because, prior to the Earlier Settlements, counsel's efforts in pursuing claims against the Remaining Senior Notes Underwriters were intertwined with and not segregated from time spent pursuing claims against the other defendants.

9. For all of the reasons discussed in this Joint Declaration and in the accompanying memoranda of law, Settling Plaintiffs and Co-Lead Counsel respectfully submit that the Settlement is fair, reasonable and adequate and should be approved. Co-Lead Counsel also respectfully submit that the request for attorneys' fees and reimbursement of expenses is fair and reasonable, and should be approved.

## **II. PROSECUTION OF THE ACTION**

### **A. Factual Background of the Action**

10. The Action arises out of the October 2011 collapse of MF Global, formerly a leading brokerage firm offering customized solutions in global cash, derivatives, and related markets. In October 2011, MF Global recorded a \$119.4 million valuation allowance against its DTA. Recording this allowance caused MF Global to report a \$191.6 million loss for the second fiscal quarter of 2012 ended September 30, 2011; prompted credit rating downgrades; and led within a week to MF Global's bankruptcy. Plaintiffs allege that Defendants violated the federal

securities laws by issuing a series of material misstatements and omissions about MF Global, including representations regarding MF Global's DTA, internal controls, and proprietary investments in European sovereign debt through RTM transactions, which posed severe liquidity risks.

**B. The Initial and Amended Complaints and Defendants' Motions to Dismiss**

11. Beginning on November 3, 2011, multiple putative securities class action complaints were filed in the United States District Court for the Southern District of New York (the "Court"). In accordance with the PSLRA, 15 U.S.C. §§ 77z-1 and 78u-4, notice to the public was issued setting forth the deadline by which putative class members could move the Court to be appointed as lead plaintiff. By Order dated January 20, 2012, the Court consolidated the related securities class actions in the Action, appointed Virginia Retirement System and Her Majesty the Queen in Right of Alberta as Lead Plaintiffs for the Action, and approved Lead Plaintiffs' selection of BLBG and Labaton Sucharow LLP as Co-Lead Counsel.<sup>6</sup> ECF No. 140.

12. On August 20, 2012, Lead Plaintiffs filed a Consolidated Amended Securities Class Action Complaint (the "Amended Complaint"). ECF No. 330. In addition to Lead Plaintiffs, the Amended Complaint included Guam, the West Virginia Laborers' Pension Trust Fund, LRI Invest S.A., Monica Rodriguez,<sup>7</sup> and Jerome Vrabel as additional named plaintiffs. The Amended Complaint asserted claims under Section 11 of the Securities Act against the Individual Defendants and the Underwriter Defendants, claims under Section 12(a)(2) of the Securities Act against the Underwriter Defendants, and claims under Section 15 of the Securities

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<sup>6</sup> On August 13, 2014, the Court approved the substitution of BFA (formerly known as Bleichmar Fonti Tountas & Auld LLP) as Co-Lead Counsel in lieu of Labaton Sucharow LLP. ECF No. 761.

<sup>7</sup> On February 3, 2015, the Court entered a stipulated order dismissing the claims asserted by Ms. Rodriguez with prejudice. ECF No. 843.

Act and Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 against the Officer Defendants. No claims were asserted against MF Global because its bankruptcy stayed all potential litigation against it.

13. Among other things, the Amended Complaint alleged that MF Global failed to properly account for its DTA, materially misstated and failed to disclose the significant liquidity risks posed by its proprietary investments in European sovereign debt through RTM transactions, and made material misstatements or omissions about the Company's risk management and internal controls. The Amended Complaint alleged that the Officer Defendants were aware of, or recklessly disregarded, the falsity of the material misstatements or omissions. The Amended Complaint also alleged that the offering documents for the several MF Global securities issued during the period from May 20, 2010 through November 21, 2011, including the 6.25% Senior Notes issued in August 2011, contained material misrepresentations and omissions concerning MF Global's DTA, liquidity, RTM transactions, risk management, and internal controls. According to the Amended Complaint, when the true facts were revealed at the end of the class period, the price of MF Global's securities declined precipitously.

14. On October 19, 2012, the Senior Notes Underwriter Defendants moved to dismiss the Amended Complaint.<sup>8</sup> ECF Nos. 366-67. (In addition, five other separate motions to dismiss were brought by the Individual Defendants and another group of Underwriter Defendants. ECF Nos. 357-61, 364-65, 368-70, 373-74.) The Senior Notes Underwriter Defendants argued that the Amended Complaint failed to allege any actionable misrepresentations in the offering documents for the 6.25% Senior Notes. Specifically, with

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<sup>8</sup> The Senior Notes Underwriter Defendants who filed this motion consisted of the five Remaining Senior Notes Underwriter Defendants, Sandler O'Neill & Partners, L.P. ("Sandler"), and Commerz.

respect to alleged misrepresentations concerning MF Global's exposure to European sovereign debt through RTM transactions, risk management, internal controls and liquidity, the Senior Notes Underwriter Defendants contended that the offering documents prominently disclosed the size, nature and mechanics of the RTM trades and provided adequate warnings concerning risks and liquidity. With respect to the alleged misrepresentations concerning MF Global's treatment of DTA, the Senior Notes Underwriter Defendants contended that the offering materials specifically disclosed the risk that the Company might not generate the future profits necessary to monetize the DTAs and that the DTAs could be adjusted or written off in the future. The Senior Notes Underwriter Defendants also argued that the representations concerning DTAs were opinions that were believed when made and that they were entitled to rely on the judgment of PwC in the absence of "red flags." The Senior Notes Underwriter Defendants also argued that Plaintiffs lacked standing to pursue their claims under Section 12(a)(2) of the Securities Act against certain of the Senior Notes Underwriter Defendants.

15. On December 18, 2012, Lead Plaintiffs filed their opposition to the motions to dismiss. ECF Nos. 400-01. Lead Plaintiffs refuted each of the proffered arguments, arguing, among other things, that they had adequately alleged false and misleading statements in the offering materials and that Plaintiffs had sufficiently pleaded statutory standing to pursue their Section 12(a)(2) claims. ECF No. 400.

16. On February 1, 2013, the Senior Notes Underwriter Defendants (as well as the Individual Defendants and the other Underwriter Defendants) filed and served their reply papers in support of their respective motions. ECF Nos. 448-55.

17. By Order dated November 12, 2013, the Court denied the motions to dismiss in their entirety. ECF No. 567.

18. On December 27, 2013, the Senior Notes Underwriter Defendants filed their answers and affirmative defenses to the Amended Complaint. ECF No. 613. Separate answers were also filed by each of the three Officer Defendants, collectively by the Director Defendants, and by the other group of Underwriter Defendants. ECF Nos. 612, 614-17. The Senior Notes Underwriter Defendants' answer asserted 33 defenses and affirmative defenses, including that the alleged misstatements were forward-looking statements and/or contained sufficient cautionary language and risk disclosures; that Plaintiffs lacked standing for some of all of their claims; that the Senior Notes Underwriter Defendants, after conducting a reasonable and diligent investigation, had reasonable ground to believe (and did believe) that the statements in the offering materials were true and that there were no material misstatements or omissions; that Senior Notes Underwriter Defendants are not liable with respect to the portions of the offering materials reviewed and approved by experts such as independent auditors, tax specialists, and legal counsel; and that Plaintiffs' alleged losses were not caused by the alleged misstatement or omission in the offering materials.

**C. Lead Plaintiffs' Extensive Investigation**

19. Before the Amended Complaint was filed, Co-Lead Counsel conducted a comprehensive factual investigation and detailed analysis of the potential claims that could be asserted on behalf of investors in MF Global securities. This investigation included, among other things, a detailed review and analysis of voluminous amounts of information relating to MF Global, its securities offerings, and its collapse. Co-Lead Counsel reviewed, among other things:

- MF Global's SEC filings;
- transcripts of MF Global's investor conference calls, press releases, and publicly available presentations;

- an enormous volume of media, news, and analyst reports relating to MF Global;
- documents and information produced in legal actions arising out of MF Global's collapse, including MF Global's Chapter 11 bankruptcy proceeding and MF Global Inc.'s SIPA liquidation proceeding, which included detailed reports filed by the trustees based on interviews of over one hundred witnesses and reviews and forensic investigations of hundreds of thousands of documents; and
- sworn testimony obtained in connection with investigations of MF Global by:
  - the U.S. House of Representatives Committee on Agriculture,
  - the U.S. Senate Committee on Agriculture, Nutrition and Forestry,
  - the U.S. House of Representatives Financial Services Subcommittee on Oversight and Investigation,
  - the Department of Justice,
  - the Federal Bureau of Investigation, and
  - other regulatory agencies.

20. Co-Lead Counsel and their investigators also located and interviewed numerous former employees of MF Global, who provided information to Co-Lead Counsel.

21. In addition to this extensive factual investigation, Co-Lead Counsel researched the law applicable to the asserted claims and Defendants' potential defenses. Co-Lead Counsel also retained and consulted with multiple experts to analyze the structure and risks of MF Global's RTM portfolio, as well as the accounting treatment of the RTMs and the GAAP requirements applicable to the Company's DTA. These experts assisted Co-Lead Counsel in their analysis of the claims and potential damages. Co-Lead Counsel also retained counsel specializing in bankruptcy litigation to monitor the dual bankruptcy proceedings and related adversary proceedings, and to assist Co-Lead Counsel in protecting the interests of class members in light of MF Global's complex bankruptcy.

22. During the course of the litigation, Co-Lead Counsel's investigation continued. In addition to conducting formal discovery (discussed below), Co-Lead Counsel obtained millions of pages of documents from the SIPA Trustee, continued to work with consulting experts to update their analyses as new facts were revealed, and actively monitored the parallel litigations related to the collapse of MF Global, including the bankruptcy proceedings, civil actions on behalf of former customers of MF Global, and regulatory proceedings.

23. Following the Court's November 12, 2013 decision denying the motions to dismiss, the parties embarked on extensive formal discovery, which was coordinated with the other MF Global-related actions also pending in this Court.

**D. Document Discovery**

24. Given the multitude of investigations into and litigation emanating from the collapse of MF Global, virtually all of MF Global's records were available from the SIPA Trustee or the Litigation Trustee. Thus, notwithstanding the PSLRA stay of formal discovery, Co-Lead Counsel were able to obtain and analyze millions of pages of documents before the commencement of formal discovery in this Action. Formal discovery commenced in December 2013, when Lead Plaintiffs served requests for the production of documents on Defendants. In addition, Lead Plaintiffs served subpoenas seeking the production of documents on more than ten third parties who possessed knowledge of MF Global relevant to this litigation.

**1. The SIPA Trustee's Initial Production**

25. In December 2012, the SIPA Trustee for MF Global Inc. made an initial production of approximately six million pages of documents to Lead Plaintiffs.

26. Co-Lead Counsel assembled a team of attorneys to review the documents and established an electronic database to facilitate the review. That team of attorneys then reviewed, analyzed, and coded the documents in the electronic database. During the document review

process, Plaintiffs' Counsel held weekly meetings with the attorneys conducting the review to discuss and circulate the most important documents. Those documents were assembled and maintained in a repository for Plaintiffs' Counsel to use in the litigation and many were also shared with consulting experts for further analysis.

## **2. Formal Document Discovery**

27. On December 23, 2013, Lead Plaintiffs served their first requests for production of documents on the Individual Defendants and the Underwriter Defendants and served subpoenas for production of documents on PwC, the SIPA Trustee, the Chapter 11 Trustee, and MF Global's Plan Administrator. On February 4, 2014, Lead Plaintiffs served subpoenas for production of documents on nine additional third parties, including: (i) Nader Tavakoli, as the Litigation Trustee of MF Global Holdings Limited; (ii) FINRA (to obtain trading information regarding the MF Global notes); (iii) several professional firms retained by MF Global (Boston Consulting Group LLC, Promontory Financial Group LLC, and Quadrant Risk Management International); (iv) two firms that made substantial investments in or considered acquiring MF Global (J.C. Flowers & Co. LLC and Interactive Brokers LLC); (v) MF Global's rating agency (Moody's Investors Service); and (vi) Credit Suisse Securities (USA) LLC, an investment bank that published research about MF Global. Co-Lead Counsel and Defendants' counsel participated in several meet and confers concerning the scope of the documents to be produced and the custodians to be included, which were vigorously negotiated by the parties.

28. In February 2014, Defendants began producing documents to Lead Plaintiffs. In response to Lead Plaintiffs' requests and subpoenas, Defendants and third parties produced a total of more than 41.5 million pages of documents to Lead Plaintiffs, with particularly large productions by the SIPA Trustee and the Litigation Trustee. From May 2014 through April 2015, the Remaining Senior Notes Underwriter Defendants produced over 35,000 pages

documents relating to their due diligence review of the 6.25% Senior Notes offering and other topics.

29. As with the documents that were obtained earlier in the litigation, teams of attorneys from Plaintiffs' Counsel reviewed, analyzed, and coded these documents. In reviewing the documents, the attorneys were tasked with making several analytical determinations as to the documents' importance and relevance. Specifically, they determined whether the documents were "hot," "highly relevant," "relevant," or "irrelevant." They also assessed which specific issues the documents concerned and determined the identities of the MF Global employees or other potential deponents to whom the documents related so that the documents could be easily retrieved when preparing for depositions. The reviewing attorneys also drafted memos analyzing documents pertaining to selected topics, prepared deposition packets by collecting and organizing the most relevant documents for each deponent, and prepared summaries of deposition transcripts.

### **3. Plaintiffs' Production of Documents to Defendants**

30. On March 24, 2014, the Individual Defendants served their first set of requests for documents on Lead Plaintiffs, and on July 16, 2014, certain Underwriter Defendants served their first set of requests for documents on Lead Plaintiffs and the proposed Class Representatives. In response, each of the Plaintiffs searched, gathered and produced documents to Defendants. Plaintiffs conducted extensive and thorough searches of electronic documents and email pursuant to specific search terms agreed upon with Defendants after extensive meet and confer discussions. Plaintiffs also responded to interrogatories propounded by Individual Defendant Henri J. Steenkamp.

**E. Lead Plaintiffs' Motion for Class Certification**

31. On September 15, 2014, Plaintiffs filed their motion for class certification, which was supported by a 25-page legal memorandum and an 89-page report from Lead Plaintiffs' expert on market efficiency and classwide damages. ECF Nos. 764-66. From January 2015 through March 2015, Plaintiffs' Counsel defended 11 depositions of representatives of Plaintiffs and Plaintiffs' investment managers. While the motion for class certification was pending, Lead Plaintiffs reached agreements in principle to settle with all of the other defendants in the Action other than the Remaining Senior Notes Underwriter Defendants.

32. On July 10, 2015, the Remaining Senior Notes Underwriter Defendants filed their opposition to the motion for class certification and on September 10, 2015, Guam filed its reply brief in support of the motion. On October 14, 2015, the Court entered its Decision and Order certifying the Class with respect to the Remaining Senior Notes Underwriter Defendants, and appointing Guam as Class Representative and Co-Lead Counsel as Class Counsel for the certified Class. *See* ECF No. 1003, as corrected by ECF No. 1004.

**F. The Complaint Asserting Claims Against PwC**

33. On October 3, 2014, Lead Plaintiffs filed the Consolidated Second Amended Securities Class Action Complaint (the "Complaint"), which added PwC as a named defendant. On December 19, 2014, PwC filed and served a motion to dismiss Count Three of the Complaint (ECF Nos. 814-15), and on February 6, 2015, Lead Plaintiffs filed and served their opposition to this motion.

**G. Depositions**

34. In January 2015, depositions began in the Action. From January 2015 through November 2015, Plaintiffs' Counsel took, defended or actively participated in 57 total depositions, including 40 depositions of fact witnesses. These included the depositions of six

current and former employees of Jefferies LLC, as well as the depositions of numerous key former employees of MF Global, including a three-day deposition of MF Global's former CEO Jon Corzine; the deposition of John R. MacDonald, MF Global's former CFO; and two-day depositions of Laura Cantor, the head of interest rate derivatives at MF Global, and Edith O'Brien, MF Global's Assistant Treasurer, and the depositions of six experts (which included taking the depositions of three of Defendants' experts and defending the depositions of three of Plaintiffs' experts). Deposition discovery was coordinated with the multiple related MF Global actions, including the actions brought by the Commodity Futures Trading Commission ("CFTC"), MF Global's Litigation Trustee, MF Global's customers, and MF Global as Plan Administrator against PwC. As a result, most of the depositions involved examination by multiple counsel representing distinct interests in the MDL, including Lead Plaintiffs, the Plan Administrator, the CFTC, the customer plaintiffs, the Litigation Trustee, PwC, and the various Individual Defendants. Of the 40 total depositions of fact witness, 22 were taken after May 8, 2015, when agreements in principle to settle had been reached with all of the defendants except the Remaining Senior Notes Underwriter Defendants.

#### **H. Retention and Consultation with Experts and Expert Discovery**

35. Throughout the course of the Action, Co-Lead Counsel consulted with experts in the fields of underwriters' due diligence, accounting, liquidity, and damages and market efficiency. These experts' analyses assisted Co-Lead Counsel in preparing the Amended Complaint, the Complaint, and the class certification motion, in analyzing documents obtained in discovery, and in conducting the settlement negotiations. Additionally, Co-Lead Counsel retained bankruptcy counsel to assist Co-Lead Counsel in protecting the interests of investor class members in the MF Global bankruptcy proceedings.

36. From August 2015 through November 2015, Settling Plaintiffs and the Remaining Senior Notes Underwriter Defendants engaged in extensive expert discovery relating to the claims asserted against the Remaining Senior Notes Underwriter Defendants. During this time period, Plaintiffs' three experts – (i) Michael L. Hartzmark, Ph.D., Plaintiffs' damages expert; (ii) Andrew M. Mintzer, CPA, Plaintiffs' accounting expert; and (iii) James F. Miller, Plaintiffs' expert on the investment banking industry and due diligence – each prepared and submitted both an opening expert report and a rebuttal expert report and were deposed by counsel for the Remaining Senior Notes Underwriter Defendants. (Professor Hartzmark had previously submitted a report on market efficiency and classwide damages in connection with Plaintiffs' motion for class certification.) The Remaining Senior Notes Underwriter Defendants' three experts – (i) Walter N. Torous, Ph.D., defendants' expert on damages and causation; (ii) Esther Mills, CPA, defendants' accounting expert; and (iii) Gary M. Lawrence, defendants' expert on due diligence standards – each also prepared opening and rebuttal reports and were deposed by Co-Lead Counsel.

**I. The Remaining Senior Notes Underwriter Defendants' Contemplated Motion for Summary Judgment**

37. During the first week of January 2016, the Remaining Senior Notes Underwriter Defendants and Settling Plaintiffs submitted pre-motion letters to the Court concerning the Remaining Senior Notes Underwriter Defendants' contemplated motion for summary judgment. ECF Nos. 1073, 1078. The Remaining Senior Notes Underwriter Defendants' letter indicated that their motion would attempt to demonstrate Plaintiffs' inability to prove that there were false or misleading statements in the offering documents for the 6.25% Senior Notes offering.

**J. The Negotiation and Preliminary Approval of the Settlement**

38. The Settlement is the product of extensive negotiations, which were conducted at arm's length between experienced counsel.

39. On February 6, 2013, while the Individual Defendants' and the Underwriter Defendants' motions to dismiss were still pending, the Court stayed all proceedings in the Action to permit the parties to pursue a global mediation of plaintiffs' claims (including claims asserted by MF Global's commodity futures customers) before Judge Daniel Weinstein (Ret.).

40. These initial mediation efforts extended over seven months and included three in-person sessions before Judge Weinstein in April and June 2013, as well as multiple other in-person meetings with counsel for Defendants and multiple telephonic conferences among the parties and Judge Weinstein. One of the mediation sessions before Judge Weinstein, on April 26, 2013, specifically addressed Lead Plaintiffs' claims against the Underwriter Defendants, and included the submission of mediation statements and presentations addressing both liability and damages.

41. These initial mediation efforts were unsuccessful in resolving the Action, and the stay of proceedings in the Action expired on August 2, 2013. However, the parties continued to periodically engage in settlement negotiations as the litigation proceeded.

42. In April 2014, following the Court's denial of Defendants' motions to dismiss and arm's-length settlement negotiations, Lead Plaintiffs reached an agreement to settle with certain of the Underwriter Defendants for \$74 million (the "Underwriter Settlement"). This group of Underwriter Defendants was comprised of Underwriter Defendants who had underwritten offerings of MF Global Securities other than the 6.5% Senior Notes, but included the resolution of all claims against Merrill Lynch, Pierce, Fenner & Smith Incorporated and Sandler, which had also underwritten portions of the 6.5% Senior Notes offering. After reaching the Underwriter

Settlement, Plaintiffs discussed the possibility of settlement with the remaining non-settling Underwriter Defendants (the Remaining Senior Notes Underwriter Defendants and Commerz), but could reach an agreement to settle at that time only with Commerz, another underwriter of the 6.5% Senior Notes offering, which agreed to settle the claims against it in exchange for payment of \$932,828 in cash. Settling Plaintiffs and the Remaining Senior Notes Underwriter Defendants continued to periodically engage in settlement negotiations as the litigation and discovery proceeded.

43. Following extensive document and deposition discovery, the achievement of settlement with all other defendants in the Action, the certification of the Class by the Court in October 2015, and the conclusion of expert discovery, Settling Plaintiffs and the Remaining Senior Notes Underwriter Defendants again resumed settlement negotiations in late 2015, which were mediated by the Honorable Layn R. Phillips, a former federal district court judge in the United States District Court for the Western District of Oklahoma. On January 25, 2016, following extensive arm's-length-negotiations and with the assistance of Judge Phillips, the Settling Parties reached an agreement in principle to settle the Action against the Remaining Senior Notes Underwriter Defendants for \$29,825,000 in cash.

44. The full terms of the Settlement were subsequently negotiated and are set forth in the Stipulation (ECF No. 1092-1), which was executed on March 9, 2016 and was submitted to the Court for preliminary approval on March 11, 2016. ECF Nos. 1092-93. On March 18, 2015, the Court preliminarily approved the Settlement and scheduled the Settlement Hearing for July 15, 2016. ECF No. 1094.

### **III. RISKS OF CONTINUED LITIGATION**

45. Although Settling Plaintiffs and Co-Lead Counsel believe that the claims asserted against the Remaining Senior Notes Underwriter Defendants are meritorious, Settling Plaintiffs

and Co-Lead Counsel faced substantial risks in prosecuting the litigation against the Remaining Senior Notes Underwriter Defendants, which included (i) risks associated with proving that there were material misstatements and omissions in the offering documents at issue; (ii) risks that the Remaining Senior Notes Underwriter Defendants would be able to establish due diligence or related defenses; and (iii) risks related to establishing and calculating the amount of class-wide damages.

46. As noted above, the Remaining Senior Notes Underwriter Defendants mounted a vigorous defense to the claims against them. Their answers to the Amended Complaint denied all liability and asserted 33 separate defenses. In their motion to dismiss, they focused on multiple statements in the offering materials that a jury could find to have been “disclosure” of the facts that Lead Plaintiffs alleged were misrepresented or omitted. For example, they argued that MF Global had disclosed the risks associated with the RTM transactions, the risks associated with its potentially insufficient liquidity and the risk of a valuation allowance against its DTA. Additionally, the Remaining Senior Notes Underwriter Defendants stressed that at least one set of allegations, those relating to DTA, was predicated on representations in the financial statements that had been certified by MF Global’s auditor, PwC. The Remaining Senior Notes Underwriter Defendants asserted that under the facts here present (their claim that there were no “red flags” to alert them that reliance was not reasonable) and the law, they were entitled to rely on that expertised portion of the offering materials.

47. Settling Plaintiffs also faced the risk that the Remaining Senior Notes Underwriter Defendants could successfully convince a jury that they performed adequate due diligence in connection with the 6.25% Senior Notes offerings and thus could not be liable even if there were any misstatements.

48. In addition, the Remaining Senior Notes Underwriter Defendants contended that the declines in prices of 6.25% Senior Notes in October and November 2011 were not caused the disclosure of any alleged misstatements in the offering materials or the materialization of any allegedly concealed risk, but rather from the materialization of previously disclosed business risks, which led rapidly to credit rating downgrades, erosion of customer confidence and a “run on the bank” that led to the collapse of the company. If the Remaining Senior Notes Underwriter Defendants were able to convince a jury or the Court that investors’ losses were caused by factors other than the alleged misstatements in the offering materials, the Class could receive nothing or a far less than the amount of the Settlement.

49. Additionally, the facts underlying the claims involve complex financial transactions and accounting principles. Presentation of much of Settling Plaintiffs’ case, as well as the defenses to the claims, including arguments concerning the proper accounting for the DTA, due diligence standards, and causation, would have to be through expert testimony. It is well recognized that in a “battle of the experts” there can be no assurance as to whom a jury will find more persuasive.

50. Finally, the Remaining Senior Notes Underwriter Defendants would have been able to argue that their damages exposure was substantially reduced or even eliminated by the amounts that Plaintiffs had already recovered in settlements with other defendants, because the final judgments for those settlements provided, consistent with the Private Securities Litigation Reform Act (“PSLRA”), that any judgment against a non-settling defendant must be reduced by the greater of (i) the total amount recovered from any previously settling defendant; or (ii) the settling defendants’ percentage of responsibility for any common damages. *See* 15 U.S.C. § 78u-4(f)(7)(B). As a result of the required judgment-reduction provisions, there was a real risk that

any judgment obtained against the Remaining Senior Notes Underwriter Defendants would be substantially lowered or possibly eliminated entirely. Accordingly, Plaintiffs faced the risk that even after a lengthy and costly trial at which they successfully established the Remaining Senior Notes Underwriter Defendants' liability, they would not be able to obtain any additional payment for the Class or that any recovery might be greatly reduced.

51. The uncertainties noted and the additional risks attendant to the need to prevail at summary judgment and trial, and then at the appeals that would follow if Settling Plaintiffs prevailed at those stages, support the reasonableness of the decision to settle on the terms of the proposed Settlement.

52. The proposed Settlement, together with previous recoveries obtained in the Action on behalf of purchasers of 6.25% Senior Notes, represents a substantial percentage of the maximum damages that could be proven at trial. Plaintiffs' damages expert has estimated, based on the statutory measures of damages under Section 11 and 12 of the Securities Act, that the total maximum Securities Act damages that could be established for the 6.25% Senior Notes offering at trial would be approximately \$227.5 million. This maximum assumes that Plaintiffs prevailed on all issues relating to liability, causation and damages at trial and on appeal. The proposed \$29,825,000 Settlement with the Remaining Senior Notes Underwriter Defendants, together with the \$932,828 Commerz Settlement and \$1,728,918 portion of the Underwriter Settlement allocated to the claims of investors in 6.25% Senior Notes, represents a total recovery for purchasers of 6.25% Senior Notes of \$32,486,746, or 14.3% of these maximum damages. Moreover, purchasers of 6.25% Senior Notes are also included in the Settlement Classes for the \$64.5 million Individual Defendant Settlement and \$65 million PwC Settlement and will receive additional recoveries from those settlements (the precise amount allocated to investors in 6.25%

Senior Notes in those Settlements will be determined based on the size of Recognized Claims of purchasers of the 6.25% Senior Notes compared to the Recognized Claims of all members of those Settlement Classes).

53. For all these reasons, Co-Lead Counsel believe that it is in the best interests of the Class to accept the immediate and substantial benefit conferred by the Settlement, instead of incurring the significant risk that the Class might recover a lesser amount, or nothing at all, after extensive continued litigation.

**IV. SETTLING PLAINTIFFS' COMPLIANCE WITH THE COURT'S PRELIMINARY APPROVAL ORDERS REQUIRING ISSUANCE OF NOTICE OF THE SETTLEMENT**

54. The Court's March 18, 2016 Order Preliminarily Approving Proposed Settlement with Defendants Jefferies LLC, BMO Capital Markets Corp., Natixis Securities Americas LLC, Lebenthal & Co., LLC, and U.S. Bancorp Investments, Inc. (ECF No. 1094) ("Preliminary Approval Order") directed that notice of certification of the Class and the proposed Settlement be disseminated to potential members of the Classes. The Preliminary Approval Order also set a June 17, 2016 deadline for members of the Class to submit objections to the Settlement and/or the Fee and Expense Application or to request exclusion from the Class, and set a final approval hearing date of July 15, 2016.

55. Pursuant to the Preliminary Approval Order, Co-Lead Counsel instructed Garden City Group, LLC ("GCG"), the Court-approved Claims Administrator, to disseminate copies of the Notice of (I) Certification of Class; (II) Proposed Settlement with the Remaining Senior Notes Underwriter Defendants; (III) Motion for an Award of Attorneys' Fees and Reimbursement of Expenses; and (IV) Settlement Fairness Hearing (the "Notice") to all potential Class Members. The Notice contains, among other things, a description of the Action and the Settlement and information about the rights of the members of the Class to object to the

Settlement and/or Co-Lead Counsel's motion for fees and expenses, or to exclude themselves from the Class. The Notice also advised class members that if they previously submitted a Claim Form in connection with any of the earlier settlements, they do not need to do so again, and set forth a deadline of June 7, 2016 for submission of Claim Forms for any class members who had not yet submitted a Claim Form.

56. On April 8, 2016, GCG began disseminating copies of the Notice by first-class mail. *See* Declaration of Jose C. Fraga Regarding (A) Mailing of the Remaining Senior Notes Underwriter Notice; (B) Publication of the Summary Remaining Senior Notes Underwriter Notice; and (C) Report on Requests for Exclusion Received to Date ("Fraga Decl."), attached hereto as Exhibit 1, at ¶¶ 3-4. Through June 2, 2016, GCG disseminated a total of 4,844 Notices to potential members of the Class and nominees. *See id.* ¶ 6.

57. In addition, in accordance with the Preliminary Approval Order, GCG caused the Summary Notice to be published once each in the national edition of the *Wall Street Journal* and *Investor's Business Daily* and to be transmitted over the *PR Newswire* on April 21, 2016. *See id.* ¶ 7.

58. GCG also updated the previously established website for the Action, [www.MFGlobalSecuritiesClassAction.com](http://www.MFGlobalSecuritiesClassAction.com), with information concerning the Settlement and the applicable deadlines and access to downloadable copies of the Notice, Stipulation and Preliminary Approval Order. *See* Fraga Decl. ¶ 9. The Notice was also made available on BLBG's website, [www.blbglaw.com](http://www.blbglaw.com). The Plan of Allocation and the Claim Form, which were previously mailed to potential Class Members in connection with the earlier settlements remained available on [www.MFGlobalSecuritiesClassAction.com](http://www.MFGlobalSecuritiesClassAction.com) and [www.blbglaw.com](http://www.blbglaw.com), and the Claim Form was updated with the revised claim filing deadline. *See id.*

59. As noted above, the deadline for Class Members to file objections to the Settlement and/or Co-Lead Counsel's motion for an award of attorneys' fees and reimbursement of expenses, or to request exclusion from the Class, is June 17, 2016. To date, no objections and no requests for exclusion from the Class have been received.<sup>9</sup> Co-Lead Counsel will file reply papers on July 8, 2016 that will address any requests for exclusion and objections that may be received.

## **V. THE FEE AND EXPENSE APPLICATION**

60. Co-Lead Counsel are applying to the Court for an award of attorneys' fees in the amount of 19% of the Settlement Fund, *i.e.*, \$5,666,750, plus interest on that amount at the same rate and for the same time as earned by the Settlement Fund (the "Fee Application"). Co-Lead Counsel also request reimbursement of expenses that Settling Plaintiffs' Counsel incurred in connection with the prosecution and settlement of the Action that were not previously applied for in the amount of \$2,028,538.99. The legal authorities supporting the requested fee and expenses are set forth in Co-Lead Counsel's Fee Memorandum. The primary factual bases for the requested fees and expenses are summarized below.

### **A. The Fee Application**

61. Co-Lead Counsel are applying for a fee award to be paid from the Settlement Fund on a percentage basis. Based on the result achieved, the extent and quality of the work performed by Settling Plaintiffs' Counsel, the significant risks of the litigation and the fully contingent nature of the representation, Co-Lead Counsel respectfully submit that the requested fee award is reasonable and should be approved. As discussed in the Fee Memorandum, a 19%

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<sup>9</sup> On individual who previously requested exclusion from the Individual Defendant Settlement Class and PwC Settlement Class will also be excluded from the Remaining Senior Notes Underwriter Class.

fee award is well within the range of percentages awarded in securities class actions with comparable settlements in this Circuit and elsewhere.

**1. Settling Plaintiffs Support the Fee Application**

62. Settling Plaintiffs are sophisticated institutional investors, and they closely supervised and monitored the prosecution and the settlement of the Action. The Settling Plaintiffs have evaluated the Fee Application and believe it to be fair and reasonable.

**2. The Work Performed by Counsel**

63. Attached hereto as Exhibit 2 are declarations from Co-Lead Counsel and Cole Schotz in support of an award of attorneys' fees and reimbursement of litigation expenses. The first page of Exhibit 2 contains a summary chart of the hours expended and lodestar amounts for Settling Plaintiffs' Counsel, as well as a summary of each firm's litigation expenses. Included within each supporting declaration is a schedule summarizing the hours and lodestar of each firm from May 9, 2015 through May 31, 2016 that were not included in counsel's previous fee application,<sup>10</sup> a summary of expenses by category that were not included in the previous application, and a firm resume. No time expended in preparing the application for fees and reimbursement of expenses has been included.

64. As set forth in Exhibit 2, Co-Lead Counsel and Cole Schotz have collectively expended a total of 10,855.25 hours in the prosecution of the Action from May 9, 2015 through May 31, 2016 that were not included in counsel's previous fee application. The resulting total lodestar is \$5,711,874.00.

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<sup>10</sup> In their previous application for attorneys' fees (ECF No. 1000-1002), Co-Lead Counsel included in their lodestar certain time from May 9, 2015 through September 30, 2015 if that time was spent specifically in connection with obtaining preliminary and final approval of the PwC Settlement and Individual Defendant Settlement. That time has been excluded from the lodestar submitted in connection with this application.

65. The requested 19% fee equals \$5,666,750, and therefore represents a multiplier of approximately 1.0 to counsel's lodestar as set forth in Exhibit 2. If the attorneys' fees previously awarded in the connection with the Earlier Settlements and the fees requested here are considered in the aggregate and compared to the total lodestar of all Plaintiffs' Counsels in both applications, the aggregate fee represents a multiplier of 0.83 to the total lodestar. We believe that either multiplier is fair and reasonable based on the risks of the litigation, the quality of the representation, and the excellent results obtained. However, as mentioned earlier, we believe that the overall lodestar multiplier is the more meaningful measure here because, prior to the Earlier Settlements, all work in pursuing the claims against the Remaining Senior Notes Underwriter Defendants overlapped with work in pursuing claims against the other defendants. As discussed in the Fee Memorandum, either multiplier is well within the range of multipliers typically awarded by Courts in this Circuit and nationwide in cases involving significant contingency-fee risk and settlements of similar magnitude. Indeed, while positive multipliers of counsel's lodestar are typically awarded in recognition of the contingency risks in litigation such as this, here, the fee sought is only 83% of counsel's total lodestar.

### **3. The Quality of Counsel's Representation**

66. A critical factor for evaluating the quality of counsel's representation is the quality of the results achieved. Co-Lead Counsel respectfully submit that the quality of the Settlement achieved is high, and the total amount of the settlements achieved, totaling \$234.3 million, is extraordinary in light of MF Global's bankruptcy and the significant risks of the litigation. The outstanding result is evidence of the quality of Co-Lead Counsel's representation.

67. As demonstrated by the firm resumes included in Exhibits 2A and 2B hereto, Co-Lead Counsel are both highly experienced and skilled in the field of securities litigation. BLBG is among the most experienced law firms in the securities-litigation field, with a long and

successful track record representing investors in such cases, and it is consistently ranked among the top plaintiffs' firms in the country. Further, BLBG has taken complex cases like this to trial, and it is among the few firms with experience doing so on behalf of plaintiffs in securities class actions, which we believe increased its leverage to obtain the Settlement.

68. BFA was founded in 2014, and the principal attorneys at BFA working on this case have many years of experience in litigating complex securities class actions. As demonstrated in its firm resume, BFA's partners have served as lead and co-lead counsel on behalf of dozens of institutional investors, and have secured significant recoveries on behalf of investors in some of the most prominent fraud cases in recent decades. In addition to the settlements achieved in this Action, those matters include: *In re Genworth Financial, Inc. Securities Litigation*, No. 3:14-cv-00682-JRS (E.D. Va.) (obtained \$219 million settlement, representing the largest securities class action recovery ever achieved in the Eastern District of Virginia); *In re Weatherford International Ltd. Securities Litigation*, No. 12-cv-2121 (LAK) (secured \$120 million recovery); and *In re Computer Sciences Corp. Securities Litigation*, No. 11-CV-0610 (E.D. Va.) (obtained \$97.5 million cash settlement).

69. The quality of the work performed by Co-Lead Counsel in attaining the Settlement should also be evaluated in light of the quality of the opposition. The Remaining Senior Notes Underwriter Defendants were represented by Shearman & Sterling LLP, one the country's most prestigious and experienced defense firms. In the face of this experienced, formidable, and well-financed opposition, Co-Lead Counsel were nevertheless able to obtain an excellent result for the Class.

**4. The Risks of Litigation and the Need to Ensure the Availability of Competent Counsel in High-Risk Contingent Securities Cases**

70. This prosecution was undertaken by Co-Lead Counsel entirely on a contingent-fee basis. From the outset, Co-Lead Counsel understood that they were embarking on a complex, expensive and lengthy litigation with no guarantee of ever being compensated for the substantial investment of time and money the case would require. In undertaking that responsibility, Co-Lead Counsel were obligated to ensure that sufficient resources were dedicated to the prosecution of the Action, and that funds were available to compensate attorneys and staff and to cover the considerable litigation costs that a case like this requires. With an average lag time of many years for complex cases like this to conclude, the financial burden on contingent-fee counsel is far greater than on a firm that is paid on an ongoing basis.

71. Co-Lead Counsel also bore the risk that no recovery would be achieved. As discussed above, from the outset, this case presented multiple risks and uncertainties that could have prevented any recovery whatsoever. Despite the most vigorous and competent of efforts, success in contingent-fee litigation like this is never assured. Co-Lead Counsel know from experience that the commencement of a class action does not guarantee a settlement. To the contrary, it takes hard work and diligence by skilled counsel to develop the facts and theories that are needed to sustain a complaint or win at trial, or to induce sophisticated defendants to engage in serious settlement negotiations at meaningful levels.

72. Co-Lead Counsel's extensive and persistent efforts in the face of substantial risks and uncertainties have resulted in significant recoveries for the benefit of the Class. In these circumstances, and in consideration of the hard work and the excellent results achieved, we believe that the requested fee is fair and reasonable, and respectfully request that it be approved.

## **5. The Class's Reaction to the Fee Application**

73. As noted above, as of June 2, 2016, 4,844 Notices had been mailed to potential Class Members advising them that Co-Lead Counsel would apply for an award of attorneys' fees in the amount of 19% of the Settlement Fund. *See* Fraga Decl. ¶ 6. In addition, the Summary Notice was published in the *Wall Street Journal* and *Investor's Business Daily* and transmitted over the *PR Newswire*. *Id.* ¶ 7. To date, no objections to Co-Lead Counsel motion for attorneys' fees have been received. Should any objections be received, they will be addressed in Co-Lead Counsel's reply papers.

74. In sum, Co-Lead Counsel accepted this case on a contingency basis, committed significant resources to it, and prosecuted it without any compensation or guarantee of success. Based on the favorable results obtained, the quality of the work performed, the risks of the Action, and the contingent nature of the representation, Co-Lead Counsel respectfully submit that an award of 19% of the Settlement, resulting in a multiplier of 0.83 for the aggregate fee requested, is fair and reasonable, and is supported by the fee awards courts have granted in other comparable cases.

### **B. The Litigation Expense Application**

75. Co-Lead Counsel also seek reimbursement from the Settlement Fund of \$2,028,538.99 in litigation expenses that were reasonably incurred by Settling Plaintiffs' Counsel in connection with litigating and settling the claims asserted in the Action and that were not previously applied for.<sup>11</sup>

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<sup>11</sup> Co-Lead Counsel's previous application sought reimbursement of litigation expenses in the Action through April 30, 2015. In this application, Co-Lead Counsel seek reimbursement of all litigation expenses incurred by Settling Plaintiffs' Counsel in the Action after May 1, 2015, even though some minimal portion of these expenses may have been incurred in connection with finalization of the Earlier Settlements and in responding to motions of the MF Global Trustees in the Bankruptcy Court and this Court objecting to approval of the Individual Defendant

76. From the beginning of the case, Settling Plaintiffs' Counsel were aware that they might not recover any of their expenses. Absent a recovery, they would not be reimbursed and, even with a recovery, there was no guarantee they would recover all of their out-of-pocket costs. Settling Plaintiffs' Counsel also understood that, even assuming that the case was ultimately successful, they would lose the use of these funds for many years. Accordingly, Settling Plaintiffs' Counsel were motivated to and did take appropriate steps to avoid incurring unnecessary expenses and to minimize costs without compromising the vigorous and efficient prosecution of the case.

77. As set forth in Exhibit 2 hereto, Settling Plaintiffs' Counsel have incurred a total of \$2,028,538.99 in unreimbursed litigation expenses that were not include in the previous fee application. The expenses are summarized in Exhibit 3, which was prepared based on the declarations submitted by each firm and identifies each category of expense, *e.g.*, expert fees, on-line research, court reporting and transcripts, photocopying, and postage expenses, and the amount incurred for each category. These expense items are billed separately by Settling Plaintiffs' Counsel, and such charges are not duplicated in Settling Plaintiffs' Counsel's billing rates.

78. Of the total amount of these expenses, \$895,584.20, or 44%, was expended for the continued retention of Settling Plaintiffs' experts and consultants. As noted above, Settling Plaintiffs retained and consulted experts and consultants in the fields of underwriters' due

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Settlement, rather than continued prosecution of claims against Remaining Senior Notes Underwriter Defendants. Co-Lead Counsel believe this is reasonable and appropriate because the expenses previously awarded in connection with the Earlier Settlements included expenses related to prosecution of the claims against the Remaining Senior Notes Underwriter Defendants if they were incurred before May 1, 2015.

diligence, accounting, liquidity, damages and market efficiency to assist in the prosecution of the Action.

79. Another significant part of the litigation expenses, \$769,175.64, or approximately 38%, was necessary for ongoing management of document discovery. Defendants and third parties produced approximately 47.6 million pages of documents in this Action in electronic format. Thus, it was necessary for Co-Lead Counsel to retain the services of a firm to host a secure, Internet-based electronic document database that could be used to search, analyze, code and organize the relevant documents.

80. Additionally, Co-Lead Counsel paid \$25,622.12 for Settling Plaintiffs' share of the mediation fees charged by Judge Phillips.

81. The other expenses for which Settling Plaintiffs' Counsel seek reimbursement are the types of expenses that are necessarily incurred in litigation and routinely charged to clients billed by the hour. These expenses include, among others, court fees, costs of out-of-town travel, copying costs, long-distance telephone and facsimile charges, and postage and delivery expenses.

82. All of the litigation expenses incurred by Settling Plaintiffs' Counsel were reasonable and necessary to the successful litigation of the Action.

83. The Notice informed potential Class Members that Co-Lead Counsel would seek reimbursement of expenses in an amount not to exceed \$2,500,000. The amount requested, \$2,028,538.99, is significantly below the \$2,500,000 that Class Members were advised could be sought and, to date, no objection has been raised as to the maximum amount of expenses stated in the Notice.

84. The litigation expenses incurred by Settling Plaintiffs' Counsel were reasonable and necessary to the successful litigation of the Action. Accordingly, Co-Lead Counsel respectfully submit that these expenses should be reimbursed in full from the Settlement Fund.

85. Attached hereto are true and correct copies of the following documents cited in the Settlement Memorandum or Fee Memorandum:

- Exhibit 4: Cornerstone Research, Securities Class Action Settlements: 2015 Review and Analysis (excerpt);
- Exhibit 5: *In re Tower Grp. Int'l Ltd. Sec. Litig.*, 13 Civ. 5852 (AT), slip op. (S.D.N.Y. Nov. 23, 2015), ECF No. 178;
- Exhibit 6: *In re Facebook, Inc. IPO Sec. & Derivative Litig.*, No. 12-2389, slip op. (S.D.N.Y. Nov. 9, 2015), ECF No. 372;
- Exhibit 7: *Citiline Holdings, Inc. v. iStar Fin., Inc.*, No. 1:08-cv-03612-RJS, slip op. (S.D.N.Y. Apr. 5, 2013), ECF No. 127;
- Exhibit 8: *In re L.G. Philips LCD Co. Sec. Litig.*, No. 1:07-cv-00909-RJS, slip op. (S.D.N.Y. Mar. 17, 2011), ECF No. 82;
- Exhibit 9: *Police & Fire Ret. Sys. v. SafeNet, Inc.*, No. 06-cv-5797 (PAC), slip op. (S.D.N.Y. Dec. 20, 2010), ECF No. 140;
- Exhibit 10: *In re Am. Home Mortg. Sec. Litig.*, No. 07-MD-1898 (TCP), slip op. (E.D.N.Y. Jan. 14, 2010), ECF No. 99;
- Exhibit 11: *In re DaimlerChrysler AG Sec. Litig.*, No. 00-0993 (KAJ), slip op. (D. Del. Feb. 5, 2004); and
- Exhibit 12: *Cornwell v. Credit Suisse Grp.*, No. 08-cv-03758 (VM), slip op. (S.D.N.Y. July 18, 2011), ECF No. 117.

## VI. CONCLUSION

86. For all the reasons discussed above, Settling Plaintiffs and Co-Lead Counsel respectfully submit that the Settlement should be approved as fair, reasonable and adequate. Co-Lead Counsel further submit that the requested fee in the amount of 19% of the Settlement Fund

should be approved as fair and reasonable and the request for reimbursement of litigation Expenses in the amount of \$2,028,538.99 should also be approved.

We each declare, under penalty of perjury, that the foregoing facts are true and correct.

Executed on June 3, 2016.

*/s Salvatore J. Graziano*

Salvatore J. Graziano

*/s Javier Bleichmar*

Javier Bleichmar

#988418

# **Exhibit 1**

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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IN RE MF GLOBAL HOLDINGS	:	
LIMITED SECURITIES LITIGATION	:	Civil Action No. 1:11-CV-07866-VM
	:	
THIS DOCUMENT RELATES TO:	:	
	:	
All Securities Actions	:	ECF CASE
( <i>DeAngelis v. Corzine</i> )	:	
	:	

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**DECLARATION OF JOSE C. FRAGA REGARDING (A) MAILING  
OF THE REMAINING SENIOR NOTES UNDERWRITER NOTICE;  
(B) PUBLICATION OF THE SUMMARY NOTICE; AND  
(C) REPORT ON REQUESTS FOR EXCLUSION RECEIVED TO DATE**

I, JOSE C. FRAGA, declare as follows:

1. I am a Senior Director of Operations for Garden City Group, LLC (“GCG”).<sup>1</sup> I have personal knowledge of the facts stated herein, and if called on to do so, I could and would testify competently thereto. Pursuant to the Court’s Order Preliminarily Approving Proposed Settlement with Defendants Jefferies LLC, BMO Capital Markets Corp., Natixis Securities Americas LLC, Lebenthal & Co., LLC, and U.S. Bancorp Investments, Inc. dated March 18, 2016 (ECF No. 1094) (the “Preliminary Approval Order”), GCG was authorized to administer the notice procedure in connection with the proposed settlement with the Remaining Senior Notes Underwriter Defendants (the “Settlement”) and the processing of claims related to the Settlement.<sup>2</sup>

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<sup>1</sup> GCG was formerly known as The Garden City Group, Inc.

<sup>2</sup> All terms with initial capitalization not otherwise defined herein have the meanings ascribed to them in the Stipulation and Agreement of Settlement with Defendants Jefferies LLC, BMO Capital Markets Corp., Natixis Securities Americas LLC, Lebenthal & Co., LLC, and U.S. Bancorp Investments, Inc. dated as of March 9, 2016 (ECF No. 1092-1) (the “Stipulation”), or the Joint Declaration of Salvatore J. Graziano and Javier Bleichmar in Support of: (I) Settling

2. As more fully described in my Declaration Regarding (A) Mailing of the Notice Packet; (B) Publication of the Summary Notices; and (C) Report on Requests for Exclusion Received to Date filed with the Court on May 15, 2015 (ECF No. 933-1), my Supplemental Declaration Regarding (A) Mailing of the Notice Packet; and (B) Report on Requests for Exclusion Received filed with the Court on June 19, 2015 (ECF No. 954), my Declaration Regarding (A) Mailing of the Notice, Plan of Allocation and Proof of Claim and Release Form; (B) Publication of the Summary Notice; and (C) Report on Requests for Exclusion Received to Date filed with the Court on October 9, 2015 (ECF No. 1002-4), and my Supplemental Declaration Regarding (A) Mailing of the Claim Packet; and (B) Report on Requests for Exclusion Received filed with the Court on November 13, 2015 (ECF No. 1011-1), GCG was previously authorized to act as Notice Administrator and Claim Administrator in connection with the Earlier Settlements and previously conducted mailings in which it mailed the Notice of (I) Certification of Settlement Class; (II) Proposed Settlement with Certain Underwriter Defendants; and (III) Settlement Fairness Hearing (the “Underwriter Notice”), the Notice of (I) Certification of Settlement Class; (II) Proposed Settlement with Commerz Markets LLC; and (III) Settlement Fairness Hearing (the “Commerz Notice”), the Notice of (I) Certification of Settlement Classes; (II) Proposed Settlements with PricewaterhouseCoopers LLP and the Individual Defendants; (III) Motion for an Award of Attorneys’ Fees and Reimbursement Expenses; and (IV) Settlement Fairness Hearing, (the “PwC/Individual Defendant Notice”), Plan of Allocation, and the Proof of Claim and Release Form (the “Proof of Claim”) to potential members of the Underwriter, Commerz, PwC and Individual Defendant Settlement Classes beginning in March 2015. The

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Plaintiffs’ Motion for Final Approval of the Remaining Senior Notes Underwriter Settlement; and (II) Co-Lead Counsel’s Motion for an Award of Attorneys’ Fees and Reimbursement of Litigation Expenses (the “Joint Declaration” or “Joint Decl.”), submitted herewith.

previously mailed notices informed potential members of the Underwriter, Commerz, PwC and Individual Defendant Settlement Classes that the Action was pending, provided information about each of the Earlier Settlements, and provided them with the opportunity to request exclusion from the respective Settlement Classes.

### **MAILING OF THE NOTICE**

3. Pursuant to the Preliminary Approval Order, GCG mailed the Notice of (I) Certification of Class; (II) Proposed Settlement with the Remaining Senior Notes Underwriter Defendants; (III) Motion for an Award of Attorneys' Fees and Reimbursement of Expenses; and (IV) Settlement Fairness Hearing (the "Remaining Senior Notes Underwriter Notice" or the "Notice") attached hereto as Exhibit A to potential members of the Remaining Senior Notes Underwriter Class (or the "Class").

4. In order to mail the Notice to potential Class Members, GCG created a mailing file consisting of 1,031 unique names and addresses contained in the database created for this matter. Names and addresses were included in the mailing file if GCG either received the name and address from a broker or other nominee who indicated their client purchased or acquired 6.25% Senior Notes during the Class Period or if the person or entity had filed a Claim Form containing purchases or acquisitions of 6.25% Senior Notes during the Class Period. On April 8, 2016, GCG mailed a copy of the Notice to these 1,031 potential Class Members. In addition, on April 8, 2016, GCG mailed 1,955 copies of the Notice to brokers and other nominees along with a cover letter directing the nominees to provide GCG with any additional names and addresses that they had not previously provided to GCG of clients who purchased or acquired 6.25% Senior Notes during the Class Period. GCG also mailed 787 Notices to twelve brokers and other nominees who had made requests for that number of earlier settlement notices to be sent to them

in bulk for forwarding to their clients, with letters instructing those nominees to mail the Notice to their clients. Finally, GCG had received 492 claims submitted electronically that contained purchases or acquisitions of 6.25% Senior Notes during the Class Period. Because the mailing addresses provided with these claims were the electronic filers' address, GCG mailed the electronic filers one copy of the Notice for each claim submitted along with a cover letter and list of the entities on whose behalf they filed, instructing each electronic filer to forward the Notice to its affected clients and explaining that the Notice contained information about important rights of Class Members.

5. Since April 8, 2016, GCG has received an additional 560 names and addresses of potential Class Members from nominees or individuals. GCG promptly sent a Notice to each such potential Class Member. In addition, during this same time period, GCG received requests from nominees for 19 Notices to be forwarded directly by the nominee to potential Class Members. GCG promptly provided the requested Notices to the nominees.

6. In the aggregate, to date, GCG has mailed 4,844 Notices to potential members of the Class and nominees. GCG has also remailed 9 Notices to persons or entities whose original mailing was returned by the U.S. Postal Service and for whom updated addresses were provided to GCG by the Postal Service.

#### **PUBLICATION OF THE SUMMARY NOTICE**

7. Pursuant to the Preliminary Approval Order, GCG Communications, the media division of GCG, caused the Summary Notice of (I) Certification of Class; (II) Proposed Settlement with the Remaining Senior Notes Underwriter Defendants; (III) Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses; and (IV) Settlement Fairness Hearing (the "Summary Notice") to be published in the national edition of the *Wall Street*

*Journal* and in *Investor's Business Daily* and to be transmitted over the *PR Newswire* on April 21, 2016. Attached hereto as Exhibits B and C, respectively, are affidavits from the publishers of the *Wall Street Journal* and *Investor's Business Daily*, attesting to the publication of the Summary Notice in those papers on April 21, 2016. Attached hereto as Exhibit D is a confirmation report for the *PR Newswire*, attesting to the issuance of the Summary Notice over that wire service on April 21, 2016.

#### **TELEPHONE HELPLINE**

8. Beginning on April 2, 2015, GCG established a toll-free telephone number (1-877-940-5045) and interactive voice response system to provide information to potential class members concerning the Action and the settlements reached. GCG has continued to maintain the telephone line and update the interactive voice response system as needed to accommodate potential members of the Class and the other settlement classes who have questions about the Settlement or the Earlier Settlements and about submitting Claim Forms. The telephone helpline is accessible 24 hours a day, 7 days a week, with live operators available to answer questions from 8 a.m. to 6 p.m. Eastern time Monday to Friday.

#### **WEBSITE**

9. GCG established and is maintaining a dedicated settlement website for the Action ([www.MFGlobalSecuritiesClassAction.com](http://www.MFGlobalSecuritiesClassAction.com)). The website address was set forth in the mailed Notice and the published Summary Notice, as well in the notices previously disseminated concerning the Earlier Settlements. The website was operational beginning on March 30, 2015, and is accessible 24 hours a day, 7 days a week. On April 11, 2016, the website was updated to include downloadable copies of the Notice, Stipulation and Preliminary Approval Order and to list the deadline for requesting exclusion from the Class and objecting to the Settlement and/or

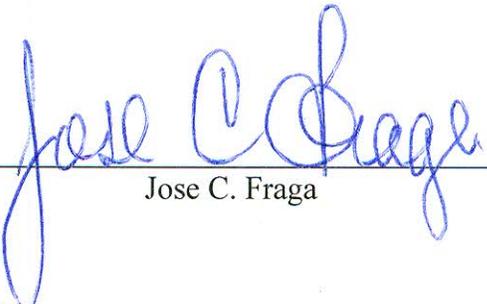
the motion for attorneys' fees and expenses, the revised deadline for filing Claim Forms, and the date and time of the Court's Settlement Fairness Hearing. Users of the website can also still access and download copies of each of the earlier mailed settlement notices, the Plan of Allocation, and the Claim Form (updated with the revised claim filing deadline), as well as the stipulations and preliminary approval orders for each of the Earlier Settlements. GCG will continue operating, maintaining and, as appropriate, updating the website until the conclusion of the administration.

**REPORT ON EXCLUSION REQUESTS RECEIVED TO DATE**

10. The Notice informed potential members of the Class that requests for exclusion from the Class are to be mailed or otherwise delivered, addressed to *In re MF Global Holdings Limited Securities Litigation*, EXCLUSIONS, c/o Garden City Group, LLC, P.O. Box 10164, Dublin, OH 43017-3164, such that they are received by GCG no later than June 17, 2016. The Notice also set forth the information that must be included in each request for exclusion. GCG has been monitoring all mail delivered to that Post Office Box. GCG has not received any requests for exclusion from the Class. GCG will submit a supplemental declaration after the June 17, 2016 deadline for requesting exclusion that addresses any requests received.

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

Executed in Lake Success, New York on June 2, 2016.

  
\_\_\_\_\_  
Jose C. Fraga

# **EXHIBIT A**

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

IN RE MF GLOBAL HOLDINGS  
LIMITED SECURITIES LITIGATION

Civil Action No. 1:11-CV-07866-VM

THIS DOCUMENT RELATES TO:

All Securities Actions  
(*DeAngelis v. Corzine*)

ECF CASE

**NOTICE OF (I) CERTIFICATION OF CLASS; (II) PROPOSED SETTLEMENT  
WITH THE REMAINING SENIOR NOTES UNDERWRITER DEFENDANTS;  
(III) MOTION FOR AN AWARD OF ATTORNEYS' FEES AND  
REIMBURSEMENT OF EXPENSES; AND (IV) SETTLEMENT FAIRNESS HEARING**

***A Federal Court authorized this Notice. This is not a solicitation from a lawyer.***

**NOTICE OF SETTLEMENT:** Please be advised that the Court-appointed Lead Plaintiffs, the Virginia Retirement System and Her Majesty The Queen In Right Of Alberta (collectively "Lead Plaintiffs") and named plaintiff the Government of Guam Retirement Fund (together with Lead Plaintiffs, the "Settling Plaintiffs"), on behalf of themselves, the other named plaintiffs, and the Remaining Senior Notes Underwriter Class (as defined in ¶ 25 below and also referred to as the "Class"), have reached a proposed settlement with defendants Jefferies LLC (f/k/a Jefferies & Company, Inc.), BMO Capital Markets Corp., Natixis Securities Americas LLC (f/k/a Natixis Securities North America Inc.), Lebenthal & Co., LLC, and U.S. Bancorp Investments, Inc. (collectively, the "Remaining Senior Notes Underwriter Defendants") for \$29,825,000 in cash (the "Settlement"). The Remaining Senior Notes Underwriter Defendants were underwriters of MF Global Holdings Limited ("MF Global") 6.25% Senior Notes due August 8, 2016 (CUSIP 55277JAC2) ("MF Global 6.25% Senior Notes" or "6.25% Senior Notes").

The Settlement, if approved, will resolve all claims in the above-captioned securities class action (the "Action") pending in the United States District Court for the Southern District of New York (the "Court") against the Remaining Senior Notes Underwriter Defendants. The claims asserted against the Remaining Senior Notes Underwriter Defendants are the only remaining claims in this Action in the District Court and, thus, if the Settlement is approved, the Action will be completely resolved subject to any appeals.

**NOTICE OF CERTIFICATION OF CLASS:** Please also be advised that the Action has been certified to proceed as a class action with respect to the claims asserted against the Remaining Senior Notes Underwriter Defendants. Your rights may be affected if you purchased or otherwise acquired MF Global 6.25% Senior Notes between August 8, 2011 and November 21, 2011 (the "Class Period"), and were damaged thereby.<sup>1</sup>

**PLEASE READ THIS NOTICE CAREFULLY.** If you purchased or otherwise acquired MF Global 6.25% Senior Notes during the Class Period, this Notice explains important rights you may have, including the possible receipt of cash from the proposed Settlement. If you are a member of the Class (as defined in ¶ 25 below), your legal rights will be affected whether or not you act.

**If you have any questions about this Notice, the proposed Settlement, or your eligibility to participate in the proposed Settlement, please DO NOT contact the Court, MF Global, the Remaining Senior Notes Underwriter Defendants, any other Defendant in the Action, or their counsel. All questions should be directed to Co-Lead Counsel or the Claims Administrator (see ¶ 56 below).**

1. **Description of the Action and the Class:** This Notice relates to an additional proposed settlement in a pending securities class action brought by investors alleging that Defendants violated the federal securities laws by, among other things, making false and misleading statements regarding MF Global or were statutorily liable for false and misleading statements in MF Global's offering materials for certain MF Global securities. A more detailed description of the Action and the claims asserted against the Remaining Senior Notes Underwriter Defendants is set forth in ¶¶ 11-24 below. The Settlement is on behalf of purchasers (as further defined in ¶ 25 below) of the MF Global 6.25% Senior Notes during the Class Period. The Settlement, if approved by the Court, will settle all of the remaining claims of the Class in the Action which are the claims asserted against the Remaining Senior Notes Underwriter Defendants.<sup>2</sup>

<sup>1</sup> Any capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation and Agreement of Settlement with Defendants Jefferies LLC, BMO Capital Markets Corp., Natixis Securities Americas LLC, Lebenthal & Co., LLC, and U.S. Bancorp Investments, Inc. dated March 9, 2016 (the "Stipulation"), which is available at [www.MFGlobalSecuritiesClassAction.com](http://www.MFGlobalSecuritiesClassAction.com).

<sup>2</sup> The currently proposed settlement – the "Remaining Senior Notes Underwriter Settlement" or the "Settlement" – is in addition to four other partial settlements previously approved by the Court resulting in an aggregate recovery of approximately \$204.4 million. These settlements on behalf of the respective classes were: (i) with certain Underwriter Defendants for \$74,000,000 in cash; (ii) with Commerz Markets LLC for \$932,828 in cash; (iii) with PricewaterhouseCoopers LLP for \$65,000,000 in cash; and (iv) with certain former officers and directors of MF Global for \$64,500,000 in cash. Notices of those settlements were previously disseminated to potential members of the respective settlement classes. Copies of those notices can be viewed and downloaded from [www.MFGlobalSecuritiesClassAction.com](http://www.MFGlobalSecuritiesClassAction.com).

2. **Statement of the Class's Recovery:** Subject to Court approval, Settling Plaintiffs, on behalf of themselves, the other named plaintiffs in the Action, and the other members of the Class, have agreed to settle with the Remaining Senior Notes Underwriter Defendants in exchange for a payment of \$29,825,000 in cash (the "Settlement Amount") to be deposited into an escrow account for the benefit of the Class. The Net Settlement Fund (*i.e.*, the Settlement Amount plus any and all interest earned thereon (the "Settlement Fund") less (a) any Taxes, (b) any Notice and Administration Costs, (c) any Litigation Expenses awarded by the Court, and (d) any attorneys' fees awarded by the Court) will be distributed to Class Members.

3. **Estimate of Average Amount of Recovery Per Note:** Lead Plaintiffs' damages expert estimates that approximately 325,000 MF Global 6.25% Senior Notes were affected by the conduct at issue in the Action. If all affected notes participate in the Remaining Senior Notes Underwriter Settlement, the estimated average recovery (before the deduction of any Court-approved fees, expenses and costs) from the Remaining Senior Notes Underwriter Settlement would be approximately \$91.77 per 6.25% Senior Note.<sup>3</sup> Class Members should note, however, that the foregoing average recovery per note is only an estimate. Some Class Members may recover more or less than this estimated amount depending on, among other factors, when and at what prices they purchased/acquired or sold their 6.25% Senior Notes, and the total number of valid Claim Forms submitted. Distributions to Class Members will be made based on the Plan of Allocation approved by the Court as discussed in ¶ 39 below.<sup>4</sup>

4. **Statement of Potential Outcome of Case and Potential Damages:** The Settling Parties do not agree on the average amount of damages per note that would be recoverable if Lead Plaintiffs were to prevail on the claims asserted against the Remaining Senior Notes Underwriter Defendants in the Action. Among other things, the Remaining Senior Notes Underwriter Defendants do not agree with Lead Plaintiffs' assertions that: (i) they violated the federal securities laws; (ii) false or misleading statements were made in the offering materials for the 6.25% Senior Notes; and (iii) damages were suffered by members of the Class as a result of their alleged conduct; or Lead Plaintiffs' assertions concerning allegedly corrective disclosures and loss causation.

5. **Attorneys' Fees and Expenses:** In connection with the Settlement, Co-Lead Counsel, Bernstein Litowitz Berger & Grossmann LLP and Bleichmar Fonti & Auld LLP, will apply to the Court for an award of attorneys' fees on behalf of all Plaintiffs' Counsel in the amount of 19% of the Settlement Fund. In addition, Co-Lead Counsel will apply for reimbursement of Litigation Expenses which were incurred in connection with the prosecution and resolution of the Action and which were not applied for in connection with the earlier achieved settlements, in an amount not to exceed \$2,500,000 (which may include an application for reimbursement of the reasonable costs and expenses incurred by Settling Plaintiffs directly related to their representation of the Class). The Court will determine the amount of any award of attorneys' fees and reimbursement of expenses. Class Members are not personally liable for any such fees or expenses. If the Court approves Co-Lead Counsel's fee and expense application, the average cost per 6.25% Senior Note for attorneys' fees and Litigation Expenses relating to this Settlement will be approximately \$25.13 per 6.25% Senior Note.

6. **Identification of Attorney Representatives:** Settling Plaintiffs and the Class are represented by Salvatore J. Graziano, Esq. of Bernstein Litowitz Berger & Grossmann LLP, 1251 Avenue of the Americas, New York, NY 10020, (800) 380-8496, blbg@blbglaw.com and Javier Bleichmar, Esq. of Bleichmar Fonti & Auld LLP, 7 Times Square, 27th Floor, New York, NY 10036, (212) 789-1341, settlements@bfalaw.com.

7. **Reasons for the Settlement:** Settling Plaintiffs' principal reason for entering into the Settlement is the substantial immediate cash benefit for the Class without the risk or the delays inherent in further litigation. Moreover, the cash benefit provided under the proposed Settlement must be considered against the significant risk that a smaller recovery – or indeed no recovery at all – might be achieved after contested motions, a trial of the Action and likely appeals that would follow a trial, a process that could be expected to last several years. The Remaining Senior Notes Underwriter Defendants deny all allegations of wrongdoing or liability whatsoever and are entering into the Settlement solely to eliminate the uncertainty, burden and expense of further protracted litigation.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:</b>	
<b>SUBMIT A CLAIM FORM POSTMARKED NO LATER THAN JUNE 7, 2016, IF YOU HAVE NOT ALREADY SUBMITTED ONE.</b>	<p>If you previously submitted a Claim Form and wish to participate in the Settlement, you do not need to take further action. If you have NOT previously submitted a Claim Form, in order to be eligible to share in the proceeds of the Settlement, you must submit one, postmarked no later than June 7, 2016. This is the only way to be eligible to receive a payment from the proceeds of this Settlement (or any of the previously obtained settlements if you are a member of any of those settlement classes). You can obtain a copy of the Claim Form at <a href="http://www.MFGlobalSecuritiesClassAction.com">www.MFGlobalSecuritiesClassAction.com</a> or by calling (877) 940-5045.</p> <p>If you are a Class Member and you remain in the Class, you will be bound by the Settlement as approved by the Court and you will give up any Released Plaintiffs' Claims (defined in ¶ 32 below) that you have against the Remaining Senior Notes Underwriter Defendants and the other Remaining Senior Notes Underwriter Defendants' Releasees (defined in ¶ 33 below), so it is in your interest to submit a Claim Form.</p>

<sup>3</sup> An allegedly affected note might have been traded more than once during the Class Period, and this average recovery would be the total for all purchasers of that note.

<sup>4</sup> A copy of the Plan of Allocation previously disseminated can be downloaded from [www.MFGlobalSecuritiesClassAction.com](http://www.MFGlobalSecuritiesClassAction.com). As set forth in the plan, specifically ¶ 18, as claims were asserted against defendants other than the Remaining Senior Notes Underwriter Defendants with respect to the 6.25% Senior Notes, proceeds from the earlier settlements have been allocated to purchasers of the 6.25% Senior Notes. The \$91.77 average recovery per 6.25% Senior Note referred to in this paragraph is only with respect to the proceeds of the Remaining Senior Notes Underwriter Settlement.

<b>EXCLUDE YOURSELF FROM THE CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN JUNE 17, 2016.</b>	If you exclude yourself from the Class, you will not be eligible to receive any payment from the Settlement Fund. This is the only option that allows you ever to be part of any other lawsuit against the Remaining Senior Notes Underwriter Defendants or the other Remaining Senior Notes Underwriter Defendants' Releasees concerning the Released Plaintiffs' Claims.
<b>OBJECT TO THE SETTLEMENT OR THE REQUEST FOR FEES AND EXPENSES BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN JUNE 17, 2016.</b>	If you do not like the proposed Settlement or Co-Lead Counsel's request for attorneys' fees and reimbursement of expenses, you may write to the Court and explain why you do not like them. You cannot object to the proposed Settlement or the request for attorneys' fees and expenses unless you are a Class Member and do not exclude yourself from the Class.
<b>GO TO A HEARING ON JULY 15, 2016 AT 11:00 A.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN JUNE 17, 2016.</b>	Filing a written objection and notice of intention to appear by June 17, 2016 allows you to speak in Court, at the discretion of the Court, about the fairness of the Settlement and/or the request for attorneys' fees and reimbursement of litigation expenses. If you submit a written objection, you may (but you do not have to) attend the hearing and, at the discretion of the Court, speak to the Court about your objection.
<b>DO NOTHING.</b>	If you are a member of the Class and you do not submit a valid Claim Form, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the Class, which means that you will be bound by the terms of the Settlement.

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**WHY DID I GET THIS NOTICE?**

8. The Court directed that this Notice be mailed to you because you or someone in your family or an investment account for which you serve as a custodian may have purchased or otherwise acquired MF Global 6.25% Senior Notes during the Class Period. The Court has directed us to send you this Notice because, as a potential Class Member, you have a right to know about your options before the Court rules on the Settlement. Additionally, you have the right to understand how this class action lawsuit may generally affect your legal rights.

9. The purpose of this Notice is to inform you of the existence of this case, that it is a class action, how you might be affected, and how to exclude yourself from the Class if you wish to so do. It is also being sent to inform you of the terms of the Settlement and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement (the "Settlement Hearing"). See ¶ 47 below for details about the Settlement Hearing, including the date and location of the hearing.

10. The issuance of this Notice is not an expression of any opinion by the Court concerning the merits of any claim in the Action, and the Court still has to decide whether to approve the Settlement.

<b>WHAT IS THIS CASE ABOUT?</b>
---------------------------------

11. This action arises out of the collapse of MF Global in October 2011.<sup>5</sup>

12. Beginning on November 3, 2011, multiple putative securities class action complaints were filed in the Court. By Order dated January 20, 2012, the Court consolidated the related actions in the Action and approved the appointment of Lead Plaintiffs and Co-Lead Counsel.<sup>6</sup>

13. On August 20, 2012, Lead Plaintiffs filed and served their Consolidated Amended Securities Class Action Complaint (the "Amended Complaint"), which included the Government of Guam Retirement Fund, the West Virginia Laborers' Pension Trust Fund, LRI Invest S.A., Monica Rodriguez,<sup>7</sup> and Jerome Vrabel as additional named plaintiffs. The Amended Complaint asserts claims under §§ 11 and 12 of the Securities Act of 1933 (the "Securities Act") against the Underwriter Defendants and/or the Individual Defendants alleging that these Defendants were statutorily liable for false and misleading statements in the offering materials for certain MF Global securities; as well as claims under § 15 of the Securities Act and §§ 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder against some or all of the Individual Defendants. The claims asserted against the Remaining Senior Notes Underwriter Defendants are claims for violations of the Securities Act with respect to the offering of the 6.25% Senior Notes.

14. On October 19, 2012, the Remaining Senior Notes Underwriter Defendants (and other Defendants) filed and served motions to dismiss the Amended Complaint. On December 18, 2012, Lead Plaintiffs filed and served their papers in opposition to the motions and, on February 1, 2013, the Remaining Senior Notes Underwriter Defendants (and other Defendants) filed and served their reply papers.

15. On February 6, 2013, the Court stayed all proceedings in the Action to permit the parties to pursue a global mediation of plaintiffs' claims (as well as claims in other actions against defendants other than the Underwriter Defendants). The initial mediation with respect to the Action included three in-person sessions before Judge Daniel Weinstein (Ret.) and multiple telephonic conferences. The mediation was unsuccessful in resolving the Action, and the stay of the Action expired on August 2, 2013.

16. On November 12, 2013, the Court entered its Memorandum and Order denying the Individual Defendants' and the Underwriter Defendants' motions to dismiss.

17. On December 27, 2013, the Individual Defendants and the Underwriter Defendants filed their answers and affirmative defenses to the Amended Complaint.

18. Discovery in the Action commenced in December 2013. Defendants and third parties – including James W. Giddens, as Trustee for the liquidation of MF Global Inc. pursuant to the Securities Investor Protection Act of 1970 and Nader Tavakoli, the Litigation Trustee presiding over the entity formerly known as MF Global Holdings Limited – have produced millions of documents, including over 35,000 pages of documents produced by the Remaining Senior Notes Underwriter Defendants. Co-Lead Counsel have also taken, defended or participated in over thirty-five (35) depositions, including depositions of five current or former employees of Jefferies LLC.

19. On October 3, 2014, Lead Plaintiffs filed the Consolidated Second Amended Securities Class Action Complaint (the "Complaint"), which added MF Global's auditor, PricewaterhouseCoopers LLP ("PwC"), as a named defendant, asserting claims against it for violation of § 10(b) of the Exchange Act and § 11 of the Securities Act.

20. On October 14, 2015, the Court entered its Decision and Order certifying the Class (as defined in ¶ 25 below) with respect to the Remaining Senior Notes Underwriter Defendants, and appointing the Government of Guam Retirement Fund as Class Representative and Co-Lead Counsel as Class Counsel for the certified Class.

21. On January 25, 2016, following extensive arm's-length settlement negotiations which were mediated by the Honorable Layn R. Phillips, a former federal district court judge, Settling Plaintiffs and the Remaining Senior Notes Underwriter Defendants reached an agreement in principle to settle the Action as against the Remaining Senior Notes Underwriter Defendants for \$29,825,000 in cash to be paid by or on behalf of the Remaining Senior Notes Underwriter Defendants.

22. Based upon their investigation, prosecution and mediation of the case, Settling Plaintiffs and Co-Lead Counsel have concluded that the terms and conditions of the Settlement are fair, reasonable and adequate to the members of the Class, and in their best interests.

23. The Remaining Senior Notes Underwriter Defendants are entering into the Settlement solely to eliminate the uncertainty, burden and expense of further protracted litigation. The Remaining Senior Notes Underwriter Defendants deny any wrongdoing.

24. On March 18, 2016, the Court preliminarily approved the Settlement, authorized this Notice to be disseminated to potential Class Members, and scheduled the Settlement Hearing to consider whether to grant final approval to the Settlement.

<sup>5</sup> On October 31, 2011, MF Global filed for Chapter 11 bankruptcy. Because of this filing, pursuant to the provisions of Bankruptcy Code, 11 U.S.C. § 362(a), prosecution of the Action against MF Global could not go forward.

<sup>6</sup> By Order dated August 13, 2014, the Court approved the substitution of Bleichmar Fonti & Auld LLP (formerly known as Bleichmar Fonti Tountas & Auld LLP) for previously appointed co-lead counsel Labaton Sucharow LLP.

<sup>7</sup> On February 3, 2015, the Court entered a stipulated order dismissing with prejudice Plaintiff Monica Rodriguez's claims asserted in the Complaint.

**HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?  
WHO IS INCLUDED IN THE REMAINING SENIOR NOTES UNDERWRITER CLASS?**

25. If you are a member of the Class, you are subject to the terms of the Settlement, unless you timely request to be excluded. The Class consists of:

all persons who and entities which purchased or otherwise acquired 6.25% Senior Notes between August 8, 2011 and November 21, 2011 (the "Class Period") (including persons who and entities which placed orders before August 8, 2011), and were damaged thereby.

Excluded from the Class are (i) Defendants<sup>8</sup> and MF Global; (ii) members of the Immediate Families<sup>9</sup> of the Individual Defendants; (iii) the subsidiaries and affiliates of Defendants and MF Global; (iv) any person who or entity which, during the Class Period was, and/or is a partner, executive officer, director, or controlling person of MF Global, or any of its subsidiaries or affiliates, or of any Defendant or any of their subsidiaries or affiliates; (v) any entity in which any Defendant or MF Global had during the Class Period and/or has a controlling interest; (vi) Defendants' liability insurance carriers, and any affiliates or subsidiaries thereof; and (vii) the legal representatives, heirs, successors and assigns of any such excluded person or entity; provided, however, that any Investment Vehicle<sup>10</sup> shall not be deemed an excluded person or entity by definition.

Also excluded from the Class are any persons who or entities which exclude themselves by submitting a request for exclusion from the Remaining Senior Notes Underwriter Class that is accepted by the Court or who or which were, pursuant to request, excluded from any of the Other Classes (to the extent such persons or entities are also Remaining Senior Notes Underwriter Class Members). See "What if I Do Not Want To Be A Member Of The Class? How Do I Exclude Myself," on page 8 below.

**RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT.**

**IF YOU ARE A CLASS MEMBER AND YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENT, YOU MUST SUBMIT A CLAIM FORM. PLEASE NOTE: IF YOU SUBMITTED A CLAIM FORM IN CONNECTION WITH THE EARLIER ACHIEVED SETTLEMENTS, DO NOT SUBMIT ANOTHER CLAIM FORM.**

**WHAT ARE SETTLING PLAINTIFFS' REASONS FOR THE SETTLEMENT?**

26. Settling Plaintiffs and Co-Lead Counsel believe that the claims asserted against the Remaining Senior Notes Underwriter Defendants have merit. They recognize, however, the expense and length of continued proceedings necessary to pursue their claims against the Remaining Senior Notes Underwriter Defendants through trial and appeals, as well as the very substantial risks they would face in establishing liability and damages. Such risks include the potential challenges associated with proving that there were material misstatements and omissions in the public securities offering documents at issue, that the Remaining Senior Notes Underwriter Defendants failed to conduct adequate due diligence, and class-wide damages. Lead Plaintiffs would have to prevail at several stages – including motions for summary judgment and trial, and if they prevailed on those, on the appeal that would likely follow. Thus, there were very significant risks attendant to the continued prosecution of the claims against the Remaining Senior Notes Underwriter Defendants.

27. In light of these risks, the amount of the Settlement and the certainty of recovery to the Class, Settling Plaintiffs and Co-Lead Counsel believe that the proposed Settlement is fair, reasonable and adequate, and in the best interests of the Class. Settling Plaintiffs and Co-Lead Counsel believe that the Settlement provides a substantial benefit to the Settlement Class, namely \$29,825,000 in cash (less the various deductions described in this Notice), as compared to the risk that the claims in the Action against the Remaining Senior Notes Underwriter Defendants might produce a smaller, or no recovery after summary judgment, trial and appeals.

28. The Remaining Senior Notes Underwriter Defendants deny the claims asserted against them in the Action and deny having engaged in any wrongdoing or violation of law of any kind whatsoever. The Remaining Senior Notes Underwriter Defendants have agreed to the Settlement solely to eliminate the burden and expense of continued litigation. Accordingly, the Settlement may not be construed as an admission of any wrongdoing by the Remaining Senior Notes Underwriter Defendants.

<sup>8</sup> In addition to Remaining Senior Notes Underwriter Defendants, the following persons and entities are Defendants in the Action: Jon S. Corzine, J. Randy MacDonald, Henri J. Steenkamp, David P. Bolger, Eileen S. Fusco, David Gelber, Martin J. Glynn, Edward L. Goldberg, David I. Schamis, and Robert S. Sloan (collectively, the "Individual Defendants"); Citigroup Global Markets Inc.; Deutsche Bank Securities Inc.; Goldman, Sachs & Co.; J.P. Morgan Securities LLC; Merrill Lynch, Pierce, Fenner & Smith Incorporated; RBS Securities Inc.; Sandler O'Neill + Partners, L.P.; and Commerz Markets LLC (collectively, the "Other Underwriter Defendants"); and PwC.

<sup>9</sup> "Immediate Family" means children, stepchildren, parents, stepparents, spouses, siblings, mothers-in-law, fathers-in-law, sons-in-law, daughters-in-law, brothers-in-law, and sisters-in-law. As used in this paragraph, "spouse" shall mean a husband, a wife, or a partner in a state-recognized domestic relationship or civil union.

<sup>10</sup> "Investment Vehicle" means any investment company or pooled investment fund, including but not limited to mutual fund families, exchange-traded funds, fund of funds and hedge funds, in which any Underwriter Defendant has or may have a direct or indirect interest or as to which its affiliates may act as an investment advisor but in which the Underwriter Defendant or any of its respective affiliates is not a majority owner or does not hold a majority beneficial interest. This definition does not bring into the Remaining Senior Notes Underwriter Class any of the Underwriter Defendants or any other person who or entity which is excluded from the Remaining Senior Notes Underwriter Class by definition.

**WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?**

29. If there were no settlement and Lead Plaintiffs failed to establish any essential legal or factual element of their claims against the Remaining Senior Notes Underwriter Defendants, no member of the Class would recover anything from these defendants. Also, if the Remaining Senior Notes Underwriter Defendants were successful in proving any of their defenses, either at summary judgment, at trial or on appeal, the Class could recover substantially less from the Remaining Senior Notes Underwriter Defendants than the amount provided in the Settlement, or nothing at all.

**HOW ARE CLASS MEMBERS AFFECTED BY THE ACTION AND THE SETTLEMENT?**

30. If you are a Class Member, you are represented by Settling Plaintiffs and Co-Lead Counsel, unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her appearance on the attorneys listed in the section entitled, "When And Where Will The Court Decide Whether To Approve The Settlement?," below.

31. If you are a Class Member and you do not exclude yourself from the Class,<sup>11</sup> you will be bound by any orders issued by the Court relating to the Settlement. If the Settlement is approved, the Court will enter a judgment (the "Judgment"). The Judgment will dismiss with prejudice the claims against the Remaining Senior Notes Underwriter Defendants and will provide that, upon the Effective Date of the Settlement, Settling Plaintiffs and each of the other Class Members, on behalf of themselves, and their respective past, present or future parents, subsidiaries, divisions, affiliates, shareholders, general or limited partners, attorneys, spouses, insurers, beneficiaries, employees, officers, directors, legal and equitable owners, members, legal representatives, trustees, associates, heirs, executors, administrators, predecessors, successors, affiliates and assigns, in their capacities as such, shall be deemed to have, and by operation of law and of the Judgment shall have fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Plaintiffs' Claim (as defined in ¶ 32 below) against the Remaining Senior Notes Underwriter Defendants and the other Remaining Senior Notes Underwriter Defendants' Releasees (as defined in ¶ 33 below), and shall forever be enjoined from prosecuting any or all of the Released Plaintiffs' Claims against any of the Remaining Senior Notes Underwriter Defendants' Releasees.

32. "Released Plaintiffs' Claims" means all claims, debts, demands, rights or causes of action or liabilities whatsoever (including, but not limited to, any claims for damages, interest, attorneys' fees, expert or consulting fees, and any other costs, expenses or liabilities), whether known claims or Unknown Claims, whether arising under federal, state, local, statutory, common or foreign law, or any other law, rule or regulation, whether fixed or contingent, accrued or un-accrued, liquidated or un-liquidated, at law or in equity, matured or un-matured, whether class or individual in nature, that Settling Plaintiffs or any member of the Class (i) asserted in the Complaint, or (ii) could have asserted against any of the Remaining Senior Notes Underwriter Defendants' Releasees in any forum that arise out of or are based upon the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Complaint and that relate to the purchase, sale, or holding of MF Global Securities<sup>12</sup> during the Class Period (including orders for 6.25% Senior Notes placed before August 8, 2011). Released Plaintiffs' Claims do not cover or include (i) any claims asserted, or which may be asserted, in the Action against any of the Other Defendants or any person with whom or entity with which Lead Plaintiffs have a tolling agreement; (ii) any claims of any person who or entity which submits a request for exclusion from the Class that is accepted by the Court or who or which submitted a request for exclusion from any of the Other Classes that was accepted by the Court (to the extent such persons and entities are also Remaining Senior Notes Underwriter Class Members); and (iii) any claims relating to the enforcement of the Settlement.

33. "Remaining Senior Notes Underwriter Defendants' Releasees" means (i) each of the Remaining Senior Notes Underwriter Defendants; (ii) each of the past or present parents, subsidiaries, affiliates, successors and predecessors of each of the Remaining Senior Notes Underwriter Defendants; and (iii) the respective past or present officers, directors, agents, representatives, employees, attorneys, advisors, investment advisors, auditors, accountants, insurers, reinsurers and assigns, of the foregoing in (i) and (ii), in their capacities as such. Notwithstanding the foregoing, Remaining Senior Notes Underwriter Defendants' Releasees does not include any Other Defendants.

34. "Unknown Claims" means any Released Plaintiffs' Claims (as defined in ¶ 32 above) which any Settling Plaintiff or any other Class Member does not know or suspect to exist in his, her or its favor at the time of the release of such claims, and any Released Remaining Senior Notes Underwriter Defendants' Claims (as defined in ¶ 36 below) which any Remaining Senior Notes Underwriter Defendant does not know or suspect to exist in its favor at the time of the release of such claims, which, if known by him, her or it, might have affected his, her or its decision(s) with respect to this Settlement, or might have affected his, her, or its decision(s) not to object to this Settlement or not to exclude himself, herself, or itself from the Class. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date of the Settlement, Settling Plaintiffs and the Remaining Senior Notes Underwriter Defendants shall be deemed to have expressly waived, and each of the other Class Members shall be deemed to have waived, and by operation of the Judgment shall have expressly waived, to the fullest extent permitted by law, any and all provisions, rights, and benefits conferred by California Civil Code § 1542 and any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

<sup>11</sup> If you are a Class Member and do not wish to remain a class member, you may exclude yourself from the Class by following the instructions in the section entitled, "What If I Do Not Want To Be A Member Of The Class? How Do I Exclude Myself?," below.

<sup>12</sup> "MF Global Securities" means MF Global common stock; MF Global's 9% Convertible Senior Notes due June 20, 2038 issued on or about June 25, 2008; MF Global's 1.875% Convertible Senior Notes due February 1, 2016 issued on or about February 7, 2011; MF Global's 3.375% Convertible Senior Notes due August 1, 2018 issued on or about July 28, 2011; and MF Global 6.25% Senior Notes.

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Settling Plaintiffs, Class Members and the Remaining Senior Notes Underwriter Defendants may hereafter discover facts in addition to or different from those which he, she or it now knows or believes to be true with respect to the subject matter of the Released Plaintiffs' Claims or the Released Remaining Senior Notes Underwriter Defendants' Claims, as applicable, but each Settling Plaintiff and each Remaining Senior Notes Underwriter Defendant shall expressly have – and each Class Member by operation of the Judgment shall be deemed to have – upon the Effective Date, fully, finally and forever settled and released any and all Released Plaintiffs' Claims or any and all Released Remaining Senior Notes Underwriter Defendants' Claims, as applicable, whether known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, reckless, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Settling Plaintiffs and the Remaining Senior Notes Underwriter Defendants acknowledge, and each of the other Class Members shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a material element of the Settlement.

35. The Judgment will also provide that, upon the Effective Date of the Settlement, the Remaining Senior Notes Underwriter Defendants, on behalf of themselves and their respective past, present or future attorneys, insurers, beneficiaries, employees, predecessors in interest, successors in interest, legal representatives, trustees, associates, administrators, affiliates and assigns, in their capacities as such, shall be deemed to have, and by operation of law and of the Judgment shall have fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Remaining Senior Notes Underwriter Defendants' Claim (as defined in ¶ 36 below) against Settling Plaintiffs and the other Plaintiffs' Releasees (as defined in ¶ 37 below), and shall forever be enjoined from prosecuting any or all of the Released Remaining Senior Notes Underwriter Defendants' Claims against any of the Plaintiffs' Releasees.

36. "Released Remaining Senior Notes Underwriter Defendants' Claims" means all claims, debts, demands, rights or causes of action or liabilities whatsoever (including, but not limited to, any claims for damages, interest, attorneys' fees, expert or consulting fees, and any other costs, expenses or liabilities), whether known claims or Unknown Claims, whether arising under federal, state, local, statutory, common or foreign law, or any other law, rule or regulation, whether fixed or contingent, accrued or un-acrued, liquidated or un-liquidated, at law or in equity, matured or un-matured, whether class or individual in nature, that any of the Remaining Senior Notes Underwriter Defendants could have asserted against any of the Plaintiffs' Releasees in any forum that arise out of or relate in any way to the institution, prosecution, or settlement of the claims against the Remaining Senior Notes Underwriter Defendants. Released Remaining Senior Notes Underwriter Defendants' Claims do not include any claims asserted, or which may be asserted by the Remaining Senior Notes Underwriter Defendants' Releasees against (i) MF Global or any of its past or present parents, subsidiaries, affiliates, successors, predecessors, and/or estate(s) thereof; (ii) any person who or entity which submits a request for exclusion from the Class that is accepted by the Court or who or which submitted a request for exclusion from any of the Other Classes that was accepted by the Court (to the extent such persons and entities are also Remaining Senior Notes Underwriter Class Members); and (iii) any person or entity relating to the enforcement of the Settlement.

37. "Plaintiffs' Releasees" means (i) Settling Plaintiffs, all other plaintiffs in the Action, and all Class Members; (ii) each of the respective past or present parents, subsidiaries, affiliates, successors and predecessors of the foregoing in (i); and (iii) the respective past or present officers, directors, agents, representatives, employees, attorneys, advisors, investment advisors, auditors, accountants, insurers, reinsurers, and assigns of the foregoing in (i) and (ii), in their capacities as such.

**HOW MUCH WILL MY PAYMENT FROM THE SETTLEMENT BE?  
HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?**

38. At this time, it is not possible to make any determination as to how much any individual class member may receive from the proceeds of the settlements achieved in which he, she or it is eligible to participate.

39. The proceeds of the Settlement will be distributed in accordance with the Plan of Allocation that was previously mailed to Class Members in connection with notice of the settlements achieved with PwC and the Individual Defendants and which was approved by the Court on November 25, 2015. The amounts to be distributed to individual Class Members from the Settlement under the Plan of Allocation will depend on a variety of factors, including: the number of other Class Members who submit valid Claim Forms; the number of 6.25% Senior Notes that you purchased; the prices and dates of those purchases; and the prices and dates of any sales of such notes. The Plan of Allocation approved by the Court will be used for determining the allocation of the Net Settlement Fund for this Settlement subject to the modification that the Net Settlement Fund from this Settlement shall be added to "Fund 3: The 6.25% Note Fund" referred to in ¶ 18.c of the Plan of Allocation and will be distributed solely to Authorized Claimants who are members of the Remaining Senior Notes Underwriter Class. A copy of the Plan of Allocation may be downloaded from [www.MFGlobalSecuritiesClassAction.com](http://www.MFGlobalSecuritiesClassAction.com) or by calling the Claims Administrator at 1-877-940-5045.

40. To be eligible for a payment from the proceeds of the Settlement, you must be a member of the Class and either (i) have submitted a Claim Form (which was disseminated beginning in August 2015) in connection with the previously announced settlements in this Action, or (ii) complete and return a Claim Form **postmarked no later than June 7, 2016**. You may obtain a Claim Form at [www.MFGlobalSecuritiesClassAction.com](http://www.MFGlobalSecuritiesClassAction.com) or by calling the Claims Administrator at 1-877-940-5045. If you request exclusion from the Class, you will not be eligible to receive a payment from the Settlement.

**PLEASE NOTE: If you submitted a Claim Form in connection with the earlier achieved settlements, DO NOT submit another form.**<sup>13</sup>

**WHAT PAYMENT ARE THE ATTORNEYS FOR THE CLASS SEEKING?  
HOW WILL THE LAWYERS BE PAID?**

41. Co-Lead Counsel, Bernstein Litowitz Berger & Grossmann LLP and Bleichmar Fonti & Auld LLP, will apply to the Court for an award of attorneys' fees on behalf of all Plaintiffs' Counsel in the amount of 19% of the Settlement Fund. In addition, Co-Lead Counsel will apply for reimbursement of Litigation Expenses not previously requested in an amount not to exceed \$2,500,000 (which may include an application for reimbursement of the reasonable costs and expenses incurred by Settling Plaintiffs directly related to their representation of the Class). The Court will determine the amount of any award of attorneys' fees and reimbursement of expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

**WHAT IF I DO NOT WANT TO BE A MEMBER OF THE CLASS?  
HOW DO I EXCLUDE MYSELF?**

42. Each Class Member will be bound by the determinations, orders and judgments in this Action relating to the Settlement, whether favorable or unfavorable, unless such person or entity mails or delivers a written request for exclusion from the Class, addressed to *In re MF Global Holdings Limited Securities Litigation*, EXCLUSIONS, c/o Garden City Group, LLC, P.O. Box 10164, Dublin, OH 43017-3164. The exclusion request must be **received no later than June 17, 2016**. You will not be able to exclude yourself from the Class after that date. Each request for exclusion must: (a) state the name, address and telephone number of the person or entity requesting exclusion, and in the case of entities, the name and telephone number of the appropriate contact person; (b) state that such person or entity "requests exclusion from the Remaining Senior Notes Underwriter Class in *In re MF Global Holdings Limited Securities Litigation*, Civil Action No. 1:11-CV-07866"; (c) state the face value of 6.25% Senior Notes that the person or entity requesting exclusion purchased/acquired and/or sold during the Class Period (*i.e.*, beginning on August 8, 2011 through and including November 21, 2011 (including persons who and entities which placed orders before August 8, 2011)), as well as the dates and prices of each such purchase/acquisition and sale; and (d) be signed by the person or entity requesting exclusion or an authorized representative. A request for exclusion shall not be valid and effective unless it provides all the information called for in this paragraph and is received within the time stated above, or is otherwise accepted by the Court.

43. If you do not want to be part of the Class, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Released Plaintiffs' Claim against any of the Remaining Senior Notes Underwriter Defendants' Releasees. Excluding yourself from the Class is the only option that allows you to be part of any other lawsuit against Remaining Senior Notes Underwriter Defendants or the other Remaining Senior Notes Underwriter Defendants' Releasees concerning the Released Plaintiffs' Claims. Please note, however, if you decide to exclude yourself from the Class, you may be time-barred from asserting the claims covered by the Action by a statute of repose.

44. If you are excluded from the Class, you will not be eligible to receive any payment from the proceeds of the Settlement.

45. Jefferies LLC has the right to terminate the Settlement if valid requests for exclusion are received from persons and entities entitled to be members of the Class in an amount that exceeds an amount agreed to by Settling Plaintiffs and the Remaining Senior Notes Underwriter Defendants.

**WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE  
SETTLEMENT? DO I HAVE TO COME TO THE HEARING? HOW DO I OBJECT?  
MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENT?**

46. **Class Members do not need to attend the Settlement Hearing. The Court will consider any submission made in accordance with the provisions below even if a Class Member does not attend the hearing. Class Members can participate in the Settlement without attending the Settlement Hearing.**

47. The Settlement Hearing will be held on **July 15, 2016 at 11:00 a.m.**, before the Honorable Victor Marrero at the United States District Court for the Southern District of New York, Courtroom 11B of the United States Courthouse, 500 Pearl Street, New York, NY 10007. The Court reserves the right to approve the Settlement and/or any other matter related to the Settlement at or after the Settlement Hearing without further notice to the members of the Class.

48. Any Class Member who or which does not request exclusion may object to the Settlement and/or Co-Lead Counsel's motion for an award of attorneys' fees or reimbursement of expenses. Objections must be in writing. You must file any written objection,

<sup>13</sup> As noted above, if you are and remain a Class Member, you will be bound by the terms of the Settlement including the Releases provided for under the Settlement whether or not you submit a Claim Form. The release of the Remaining Senior Notes Underwriter Defendants and the Remaining Senior Notes Underwriter Defendants' Releasees is further memorialized by the Release and Certification set forth in the Claim Form. If you submit a Claim Form now or you previously submitted a Claim Form in connection with the earlier settlements and do not request exclusion from the Class, the release signed by you or on your behalf in that Claim Form will be deemed to be, and by operation of law and of the Judgment will be a release of all Released Plaintiffs' Claims against the Remaining Senior Notes Underwriter Defendants' Releasees as well as a release of the Other Defendants and their releasees.

together with copies of all other papers and briefs supporting the objection, with the Clerk's Office at the United States District Court for the Southern District of New York at the address set forth below on or before **June 17, 2016**. You must also mail the papers to Co-Lead Counsel and Remaining Senior Notes Underwriter Defendants' Counsel at the addresses set forth below so that the papers are **received on or before June 17, 2016**.

**Clerk's Office**

United States District Court  
Southern District of New York  
Clerk of the Court  
Daniel Patrick Moynihan  
United States Courthouse  
500 Pearl Street  
New York, NY 10007

**Co-Lead Counsel**

**Bernstein Litowitz Berger  
& Grossmann LLP**  
Salvatore J. Graziano, Esq.  
1251 Avenue of the Americas  
New York, NY 10020

**Bleichmar Fonti & Auld LLP**  
Javier Bleichmar, Esq.  
7 Times Square, 27th Floor  
New York, NY 10036

**Remaining  
Senior Notes Underwriter  
Defendants' Counsel**

**Shearman & Sterling LLP**  
Adam S. Hakki, Esq.  
599 Lexington Avenue  
New York, NY 10022-6069

49. Any objection: (a) must state the name, address and telephone number of the person or entity objecting and must be signed by the objector; (b) must contain a statement of the Class Member's objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Class Member wishes to bring to the Court's attention; and (c) must include documents sufficient to prove membership in the Class, including the face value of the 6.25% Senior Notes that the objecting Class Member purchased/acquired and/or sold during the Class Period (*i.e.*, from August 8, 2011 through November 21, 2011 (including persons who and entities which placed orders before August 8, 2011)), as well as the dates and prices of each such purchase/acquisition and/or sale. You may not object to the Settlement and/or the motion for an award of attorneys' fees or reimbursement of expenses if you exclude yourself from the Class or if you are not a member of the Class.

50. You may file a written objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless you first filed and served a written objection in accordance with the procedures described above, unless the Court orders otherwise.

51. If you wish to be heard orally at the hearing, you must also file a notice of appearance with the Clerk's Office and serve it on Co-Lead Counsel and Remaining Senior Notes Underwriter Defendants' Counsel at the addresses set forth above so that it is **received on or before June 17, 2016**. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

52. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Co-Lead Counsel and Remaining Senior Notes Underwriter Defendants' Counsel at the addresses set forth in ¶ 48 above so that the notice is **received on or before June 17, 2016**.

53. The Settlement Hearing may be adjourned by the Court without further written notice to the Class. If you intend to attend the Settlement Hearing, you should confirm the date and time with Co-Lead Counsel.

**54. Unless the Court orders otherwise, any Class Member who does not object in the manner described above will be deemed to have waived any objection to the Settlement and/or the requested attorneys' fees and expenses and shall be forever foreclosed from making any objection to the proposed Settlement and/or the requested fees and expenses. Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.**

**WHAT IF I BOUGHT MF GLOBAL 6.25% SENIOR NOTES ON SOMEONE ELSE'S BEHALF?**

55. If you purchased or otherwise acquired 6.25% Senior Notes between August 8, 2011 and November 21, 2011 for the beneficial interest of persons or organizations other than yourself (including persons who and entities which placed orders before August 8, 2011), and in connection with the previously disseminated notices concerning the Underwriter Settlement, the Commerz Settlement and the joint notice concerning the PwC Settlement and Individual Defendant Settlement:

(a) **You elected to forward notices of those settlements to potential members of those settlement classes**, Garden City Group, LLC ("GCG") will forward copies of this Notice to you, and you must, within seven (7) calendar days of receipt of these Notices, mail them to the beneficial owners who purchased or otherwise acquired 6.25% Senior Notes between August 8, 2011 and November 21, 2011.

(b) **You provided GCG with the names and addresses of beneficial owners**, you need do nothing more in connection with this Notice. GCG has the names and addresses you forwarded and will send a copy of the Notice to each such identified person and entity.

(c) **You neither mailed the notices directly to beneficial owners, nor did you supply names and addresses of the relevant beneficial owners to GCG**, you must now, either (i) within seven (7) calendar days of

receipt of this Notice request from GCG sufficient copies of the Notice to forward to all persons and entities on whose behalf you purchased or acquired 6.25% Senior Notes between August 8, 2011 and November 21, 2011 (including persons who and entities which placed orders before August 8, 2011), and within seven (7) calendar days of receipt of those Notices forward them to all such beneficial owners; or (ii) within seven (7) calendar days of receipt of this Notice, send a list of the names and addresses of such beneficial owners to *In re MF Global Holdings Limited Securities Litigation*, c/o Garden City Group, LLC, P.O. Box 10164, Dublin, OH 43017-3164.

If you previously elected to forward notices to potential class members or now elect to do so, you must send a statement to GCG confirming that the mailing was made. If you choose the second option, GCG will send a copy of the Notice Packet to the beneficial owners. Upon full compliance with these directions, nominees may seek reimbursement of their reasonable expenses actually incurred, by providing GCG with proper documentation supporting the expenses for which reimbursement is sought. Copies of this Notice, the Plan of Allocation and the Claim Form may also be obtained from the website maintained by GCG, [www.MFGlobalSecuritiesClassAction.com](http://www.MFGlobalSecuritiesClassAction.com), or by calling GCG toll-free at 1-877-940-5045.

**CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?**

56. This Notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in this Action, you are referred to the papers on file in the Action, including the Stipulation, which may be inspected during regular office hours at the Office of the Clerk, United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007. Additionally, copies of the Stipulation and any related orders entered by the Court will be posted on the website maintained by the Claims Administrator, [www.MFGlobalSecuritiesClassAction.com](http://www.MFGlobalSecuritiesClassAction.com).

Requests for the Notice, Plan of Allocation or Claim Form should be made to:	Inquiries, other than requests for the Notice, Plan of Allocation or Claim Form, should be made to Co-Lead Counsel:	
<p><i>In re MF Global Holdings Limited Securities Litigation</i>                      c/o Garden City Group, LLC                      P.O. Box 10164                      Dublin, OH 43017-3164                      (877) 940-5045  <a href="http://www.MFGlobalSecuritiesClassAction.com">www.MFGlobalSecuritiesClassAction.com</a></p>	<p>BERNSTEIN LITOWITZ BERGER &amp; GROSSMANN LLP                      Salvatore J. Graziano, Esq.                      1251 Avenue of the Americas                      New York, NY 10020                      (800) 380-8496  <a href="mailto:blbg@blbglaw.com">blbg@blbglaw.com</a></p>	<p>or</p> <p>BLEICHMAR FONTI &amp; AULD LLP                      Javier Bleichmar, Esq.                      7 Times Square, 27th Floor                      New York, NY 10036                      (212) 789-1341  <a href="mailto:settlements@bfalaw.com">settlements@bfalaw.com</a></p>

**DO NOT CALL OR WRITE THE COURT, THE OFFICE OF THE CLERK OF THE COURT, DEFENDANTS OR THEIR COUNSEL REGARDING THIS NOTICE.**

Dated: April 8, 2016

By Order of the Court  
 United States District Court  
 Southern District of New York

# **EXHIBIT B**



UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORKIN RE MF GLOBAL HOLDINGS  
LIMITED SECURITIES LITIGATION  
THIS DOCUMENT RELATES TO:  
All Securities Actions (*DeAngelis v. Corzine*)

Civil Action No. 1:11-CV-07866-VM

ECF CASE

**SUMMARY NOTICE OF (I) CERTIFICATION OF CLASS; (II) PROPOSED SETTLEMENT WITH THE REMAINING SENIOR NOTES UNDERWRITER DEFENDANTS; (III) MOTION FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF EXPENSES; AND (IV) SETTLEMENT FAIRNESS HEARING**

**TO:** All persons who and entities which purchased or otherwise acquired MF Global 6.25% Senior Notes (CUSIP 55277JAC2) between August 8, 2011 and November 21, 2011 (including persons who and entities which placed orders before August 8, 2011) and were damaged thereby (the "Class")

**PLEASE READ THIS NOTICE CAREFULLY, YOUR RIGHTS WILL BE AFFECTED BY A CLASS ACTION LAWSUIT PENDING IN THIS COURT.**

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Southern District of New York, that the above-captioned litigation (the "Action") has been certified as a class action with respect to claims asserted against Jefferies LLC, BMO Capital Markets Corp., Natixis Securities Americas LLC, Leberthal & Co., LLC, and U.S. Bancorp Investments, Inc. (the "Remaining Senior Notes Underwriter Defendants") on behalf of the Class, except for certain persons and entities who are excluded from the Class by definition as set forth in the full printed Notice of (I) Certification of Class; (II) Proposed Settlement with the Remaining Senior Notes Underwriter Defendants; (III) Motion for an Award of Attorneys' Fees and Reimbursement of Expenses; and (IV) Settlement Fairness Hearing (the "Notice").

YOU ARE ALSO NOTIFIED that Settling Plaintiffs in the Action have reached a proposed partial settlement of the Action for \$29,825,000 in cash (the "Settlement"), that, if approved, will resolve all claims asserted against the Remaining Senior Notes Underwriter Defendants in the Action.<sup>1</sup> The claims asserted against the Remaining Senior Notes Underwriter Defendants are the only remaining claims in this Action in the District Court and, thus, if the Settlement is approved the Action will be completely resolved subject to any appeals.

A hearing will be held on July 15, 2016 at 11:00 a.m., before the Honorable Victor Marrero at the United States District Court for the Southern District of New York, Courtroom 11B of the United States Courthouse, 500 Pearl Street, New York, NY 10007 to determine: (i) whether the proposed Settlement should be approved as fair, reasonable, and adequate; (ii) whether the Action should be dismissed with prejudice as against the Remaining Senior Notes Underwriter Defendants, and the Releases specified and described in the Stipulation and Agreement of Settlement with Defendants Jefferies LLC, BMO Capital Markets Corp., Natixis Securities Americas LLC, Leberthal & Co., LLC, and U.S. Bancorp Investments dated March 9, 2016 (the "Stipulation") (and in the Notice) should be granted; and (iii) whether Co-Lead Counsel's application for an award of attorneys' fees and reimbursement of litigation expenses should be approved.

**If you are a member of the Class, your rights will be affected by the proposed Settlement and any orders or judgments related to the Settlement, and you may be entitled to share in the Settlement Fund.** If you have not yet received the Notice, you may obtain a copy by contacting the Claims Administrator at *In re MF Global Holdings Limited Securities Litigation*, c/o Garden City Group, LLC, P.O. Box 10164, Dublin, OH 43017-3164, 1-877-940-5045. The Plan of Allocation that was approved by the Court in connection with the earlier settlements will be applied to this proposed Settlement. Copies of the plan and of the Proof of Claim Form were mailed in conjunction with the earlier settlements. Copies of the Notice, the Plan of Allocation and the Proof of Claim Form ("Claim Form") are available at [www.MFGlobalSecuritiesClassAction.com](http://www.MFGlobalSecuritiesClassAction.com).

**If you are a member of the Class, and previously submitted a Claim Form in connection with the previously announced settlements in the Action, do not do so again.** Unless you properly exclude yourself from the Class, your earlier Claim Form will be considered for participation in the Settlement. If you are a Class Member and did NOT submit a Claim Form in connection with the earlier announced settlements, in order to be eligible to share in the distribution of the Net Settlement Fund (as defined in the Stipulation and the Notice) from the Settlement you must submit a Claim Form **postmarked no later than June 7, 2016**. If you are a member of the Class and have not previously submitted a Claim Form and do not now submit a Claim Form postmarked on or before June 7, 2016, you will not be eligible to share in the proceeds of the Settlement but you will nevertheless be bound by the judgments of the Court. If you require a Claim Form, it may be obtained from the Claims Administrator or you can download a copy from the website noted above.

If you are a member of the Class and wish to exclude yourself from the Class, you must submit a written request for exclusion such that it is **received no later than June 17, 2016**, in accordance with the instructions set forth in the Notice. If you properly exclude yourself from the Class, you will not be bound by any judgments or orders entered by the Court in the Action, and you will not be eligible to share in the proceeds of the Settlement or any other recoveries that might be obtained in the Action.

Any objections to the proposed Settlement or Co-Lead Counsel's motion for attorneys' fees and reimbursement of litigation expenses must be filed with the Court and delivered to Co-Lead Counsel and the Remaining Senior Notes Underwriter Defendants' Counsel such that they are **received no later than June 17, 2016**, in accordance with the instructions set forth in the Notice.

**Please do not contact the Court, the Clerk's office, the Remaining Senior Notes Underwriter Defendants or their counsel regarding this notice. All questions about this notice or the proposed Settlement should be directed to Co-Lead Counsel or the Claims Administrator.**

Inquiries, other than requests for the Notice, Plan of Allocation or Claim Form should be made to Co-Lead Counsel:		Requests for the Notice, Plan of Allocation or Claim Form:	
BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP Salvatore J. Graziano, Esq. 1251 Avenue of the Americas New York, NY 10020 (800) 380-8496 blbg@blbglaw.com	or	BLEICHMAR FONTI & AULD LLP Javier Bleichmar, Esq. 7 Times Square, 27 <sup>th</sup> Floor New York, NY 10036 (212) 789-1341 settlements@bfalaw.com	<i>In re MF Global Holdings Limited Securities Litigation</i> c/o Garden City Group, LLC P.O. Box 10164 Dublin, OH 43017-3164 (877) 940-5045 <a href="http://www.MFGlobalSecuritiesClassAction.com">www.MFGlobalSecuritiesClassAction.com</a>

By Order of the Court

<sup>1</sup> The proposed settlement is in addition to four other partial settlements previously approved by the Court resulting an aggregate recovery of approximately \$204.4 million total for investors in MF Global Securities (as defined in the Notice). These settlements were: (i) a settlement with certain Underwriter Defendants for \$74,000,000 in cash; (ii) a settlement with defendant Commerz Markets LLC for \$932,828 in cash; (iii) a settlement with PricewaterhouseCoopers LLP for \$65,000,000 in cash; and (iv) a settlement with certain former officers and defendants of MF Global for \$64,500,000 in cash. Notices of those settlements were previously disseminated to potential members of the settlement classes for those settlements. Copies of those notices can be viewed and downloaded from [www.MFGlobalSecuritiesClassAction.com](http://www.MFGlobalSecuritiesClassAction.com).

# **EXHIBIT C**

# INVESTOR'S BUSINESS DAILY®

## Affidavit of Publication

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

Name of Publication: Investor's Business Daily  
 Address: 12655 Beatrice Street  
 City, State, Zip: Los Angeles, CA 90066  
 Phone #: 310.448.6700  
 State of: California  
 County of: Los Angeles

I, Kathleen Murray for the publisher of Investor's Business Daily, published in the city of Los Angeles, state of California, county of Los Angeles hereby certify that the attached notice(s) for Garden City Group, LLC – MFH Securities was printed in said publication on the following date(s):

**APRIL 21, 2016**

State of California

County of Los Angeles

Subscribed and sworn to (or affirmed) before me on this 21st day of April, 2016, by \_

Kathleen Murray, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature Richard C. Brand II (Seal)



UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

IN RE MF GLOBAL HOLDINGS  
LIMITED SECURITIES LITIGATION  
THIS DOCUMENT RELATES TO:  
All Securities Actions (*DeAngelis v. Corzine*)

Civil Action No. 1:11-CV-07866-VM

ECF CASE

**SUMMARY NOTICE OF (I) CERTIFICATION OF CLASS; (II) PROPOSED SETTLEMENT WITH THE REMAINING SENIOR NOTES UNDERWRITER DEFENDANTS; (III) MOTION FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF EXPENSES; AND (IV) SETTLEMENT FAIRNESS HEARING**

**TO:** All persons who and entities which purchased or otherwise acquired MF Global 6.25% Senior Notes (CUSIP 55277JAC2) between August 8, 2011 and November 21, 2011 (including persons who and entities which placed orders before August 8, 2011) and were damaged thereby (the "Class")

**PLEASE READ THIS NOTICE CAREFULLY, YOUR RIGHTS WILL BE AFFECTED BY A CLASS ACTION LAWSUIT PENDING IN THIS COURT.**

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Southern District of New York, that the above-captioned litigation (the "Action") has been certified as a class action with respect to claims asserted against Jefferies LLC, BMO Capital Markets Corp., Natixis Securities Americas LLC, Leberthal & Co., LLC, and U.S. Bancorp Investments, Inc. (the "Remaining Senior Notes Underwriter Defendants") on behalf of the Class, except for certain persons and entities who are excluded from the Class by definition as set forth in the full printed Notice of (I) Certification of Class; (II) Proposed Settlement with the Remaining Senior Notes Underwriter Defendants; (III) Motion for an Award of Attorneys' Fees and Reimbursement of Expenses; and (IV) Settlement Fairness Hearing (the "Notice").

YOU ARE ALSO NOTIFIED that Settling Plaintiffs in the Action have reached a proposed partial settlement of the Action for \$29,825,000 in cash (the "Settlement"), that, if approved, will resolve all claims asserted against the Remaining Senior Notes Underwriter Defendants in the Action.<sup>1</sup> The claims asserted against the Remaining Senior Notes Underwriter Defendants are the only remaining claims in this Action in the District Court and, thus, if the Settlement is approved the Action will be completely resolved subject to any appeals.

A hearing will be held on July 15, 2016 at 11:00 a.m., before the Honorable Victor Marrero at the United States District Court for the Southern District of New York, Courtroom 11B of the United States Courthouse, 500 Pearl Street, New York, NY 10007 to determine: (i) whether the proposed Settlement should be approved as fair, reasonable, and adequate; (ii) whether the Action should be dismissed with prejudice as against the Remaining Senior Notes Underwriter Defendants, and the Releases specified and described in the Stipulation and Agreement of Settlement with Defendants Jefferies LLC, BMO Capital Markets Corp., Natixis Securities Americas LLC, Leberthal & Co., LLC, and U.S. Bancorp Investments dated March 9, 2016 (the "Stipulation") (and in the Notice) should be granted; and (iii) whether Co-Lead Counsel's application for an award of attorneys' fees and reimbursement of litigation expenses should be approved.

**If you are a member of the Class, your rights will be affected by the proposed Settlement and any orders or judgments related to the Settlement, and you may be entitled to share in the Settlement Fund.** If you have not yet received the Notice, you may obtain a copy by contacting the Claims Administrator at *In re MF Global Holdings Limited Securities Litigation*, c/o Garden City Group, LLC, P.O. Box 10164, Dublin, OH 43017-3164, 1-877-940-5045. The Plan of Allocation that was approved by the Court in connection with the earlier settlements will be applied to this proposed Settlement. Copies of the plan and of the Proof of Claim Form were mailed in conjunction with the earlier settlements. Copies of the Notice, the Plan of Allocation and the Proof of Claim Form ("Claim Form") are available at [www.MFGlobalSecuritiesClassAction.com](http://www.MFGlobalSecuritiesClassAction.com).

**If you are a member of the Class, and previously submitted a Claim Form in connection with the previously announced settlements in the Action, do not do so again.** Unless you properly exclude yourself from the Class, your earlier Claim Form will be considered for participation in the Settlement. If you are a Class Member and did NOT submit a Claim Form in connection with the earlier announced settlements, in order to be eligible to share in the distribution of the Net Settlement Fund (as defined in the Stipulation and the Notice) from the Settlement you must submit a Claim Form **postmarked no later than June 7, 2016**. If you are a member of the Class and have not previously submitted a Claim Form and do not now submit a Claim Form postmarked on or before June 7, 2016, you will not be eligible to share in the proceeds of the Settlement but you will nevertheless be bound by the judgments of the Court. If you require a Claim Form, it may be obtained from the Claims Administrator or you can download a copy from the website noted above.

If you are a member of the Class and wish to exclude yourself from the Class, you must submit a written request for exclusion such that it is **received no later than June 17, 2016**, in accordance with the instructions set forth in the Notice. If you properly exclude yourself from the Class, you will not be bound by any judgments or orders entered by the Court in the Action, and you will not be eligible to share in the proceeds of the Settlement or any other recoveries that might be obtained in the Action.

Any objections to the proposed Settlement or Co-Lead Counsel's motion for attorneys' fees and reimbursement of litigation expenses must be filed with the Court and delivered to Co-Lead Counsel and the Remaining Senior Notes Underwriter Defendants' Counsel such that they are **received no later than June 17, 2016**, in accordance with the instructions set forth in the Notice.

**Please do not contact the Court, the Clerk's office, the Remaining Senior Notes Underwriter Defendants or their counsel regarding this notice.** All questions about this notice or the proposed Settlement should be directed to Co-Lead Counsel or the Claims Administrator.

Inquiries, other than requests for the Notice, Plan of Allocation or Claim Form should be made to Co-Lead Counsel:		Requests for the Notice, Plan of Allocation or Claim Form:	
BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP Salvatore J. Graziano, Esq. 1251 Avenue of the Americas New York, NY 10020 (800) 380-8496 blbg@blbglaw.com	or	BLEICHMAR FONTI & AULD LLP Javier Bleichmar, Esq. 7 Times Square, 27 <sup>th</sup> Floor New York, NY 10036 (212) 789-1341 settlements@bfalaw.com	<i>In re MF Global Holdings Limited Securities Litigation</i> c/o Garden City Group, LLC P.O. Box 10164 Dublin, OH 43017-3164 (877) 940-5045 <a href="http://www.MFGlobalSecuritiesClassAction.com">www.MFGlobalSecuritiesClassAction.com</a>

By Order of the Court

<sup>1</sup> The proposed settlement is in addition to four other partial settlements previously approved by the Court resulting an aggregate recovery of approximately \$204.4 million total for investors in MF Global Securities (as defined in the Notice). These settlements were: (i) a settlement with certain Underwriter Defendants for \$74,000,000 in cash; (ii) a settlement with defendant Commerz Markets LLC for \$932,828 in cash; (iii) a settlement with PricewaterhouseCoopers LLP for \$65,000,000 in cash; and (iv) a settlement with certain former officers and defendants of MF Global for \$64,500,000 in cash. Notices of those settlements were previously disseminated to potential members of the settlement classes for those settlements. Copies of those notices can be viewed and downloaded from [www.MFGlobalSecuritiesClassAction.com](http://www.MFGlobalSecuritiesClassAction.com).

# **EXHIBIT D**

# **Notice of Class Certification and Proposed Settlement with Remaining Senior Notes Underwriter Defendants in the MF Global Holdings Limited Securities Litigation**

Apr 21, 2016, 09:00 ET from Bernstein Litowitz Berger & Grossmann LLP; Bleichmar Fonti & Auld LLP (<http://www.prnewswire.com/news/bernstein+litowitz+berger+%27and%27+grossmann+llp%3B+bleichmar+fonti+%27and%27+auld+llp>)

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NEW YORK, April 21, 2016 /PR Newswire/ -- The following statement is being issued by Bernstein Litowitz Berger & Grossmann LLP and Bleichmar Fonti & Auld LLP regarding the In re MF Global Holdings Limited Securities Litigation

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

IN RE MF GLOBAL HOLDINGS LIMITED SECURITIES LITIGATION  
THIS DOCUMENT RELATES TO: All Securities Actions (*DeAngelis v. Corzine*)

Civil Action No. 1:11-CV-07866-VM, ECF CASE

**SUMMARY NOTICE OF (I) CERTIFICATION OF CLASS; (II) PROPOSED SETTLEMENT WITH THE REMAINING SENIOR NOTES UNDERWRITER DEFENDANTS; (III) MOTION FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF EXPENSES; AND (IV) SETTLEMENT FAIRNESS HEARING**

**TO: All persons who and entities which purchased or otherwise acquired MF Global 6.25% Senior Notes (CUSIP 55277JAC2) between August 8, 2011 and November 21, 2011 (including persons who and entities which placed orders before August 8, 2011) and were damaged thereby (the "Class")**

**PLEASE READ THIS NOTICE CAREFULLY, YOUR RIGHTS WILL BE AFFECTED BY  
A CLASS ACTION LAWSUIT PENDING IN THIS COURT.**

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Southern District of New York, that the above-captioned litigation (the "Action") has been certified as a class action with respect to claims asserted against Jefferies LLC, BMO Capital Markets Corp., Natixis Securities Americas LLC, Lebenthal & Co., LLC, and U.S. Bancorp Investments, Inc. (the "Remaining Senior Notes Underwriter Defendants") on behalf of the Class, except for certain persons and entities who are excluded from the Class by definition as set forth in the full printed Notice of (I) Certification of Class; (II) Proposed Settlement with the Remaining Senior Notes Underwriter Defendants; (III) Motion for an Award of Attorneys' Fees and Reimbursement of Expenses; and (IV) Settlement Fairness Hearing (the "Notice").

YOU ARE ALSO NOTIFIED that Settling Plaintiffs in the Action have reached a proposed partial settlement of the Action for \$29,825,000 in cash (the "Settlement"), that, if approved, will resolve all claims asserted against the Remaining Senior Notes Underwriter Defendants in the Action.<sup>1</sup> The claims asserted against the Remaining Senior Notes Underwriter Defendants are the only remaining claims in this Action in the District Court and, thus, if the Settlement is approved the Action will be completely resolved subject to any appeals.

A hearing will be held on July 15, 2016 at 11:00 a.m., before the Honorable Victor Marrero at the United States District Court for the Southern District of New York, Courtroom 11B of the United States Courthouse, 500 Pearl Street, New York, NY 10007 to determine: (i) whether the proposed Settlement should be approved as fair, reasonable, and adequate; (ii) whether the Action should be dismissed with prejudice as against the Remaining Senior Notes Underwriter Defendants, and the Releases specified and described in the Stipulation and Agreement of Settlement with Defendants Jefferies LLC, BMO Capital Markets Corp., Natixis Securities Americas

LLC, Lebenthal & Co., LLC, and U.S. Bancorp Investments dated March 9, 2016 (the "Stipulation") (and in the Notice) should be granted; and (iii) whether Co-Lead Counsel's application for an award of attorneys' fees and reimbursement of litigation expenses should be approved.

**If you are a member of the Class, your rights will be affected by the proposed Settlement and any orders or judgments related to the Settlement, and you may be entitled to share in the Settlement Fund.** If you have not yet received the Notice, you may obtain a copy by contacting the Claims Administrator at *In re MF Global Holdings Limited Securities Litigation*, c/o Garden City Group, LLC, P.O. Box 10164, Dublin, OH 43017-3164, 1-877-940-5045. The Plan of Allocation that was approved by the Court in connection with the earlier settlements will be applied to this proposed Settlement. Copies of the plan and of the Proof of Claim Form were mailed in conjunction with the earlier settlements. Copies of the Notice, the Plan of Allocation and the Proof of Claim Form ("Claim Form") are available at [www.MFGlobalSecuritiesClassAction.com](http://www.MFGlobalSecuritiesClassAction.com).

**If you are a member of the Class, and previously submitted a Claim Form in connection with the previously announced settlements in the Action, do not do so again.** Unless you properly exclude yourself from the Class, your earlier Claim Form will be considered for participation in the Settlement. If you are a Class Member and did NOT submit a Claim Form in connection with the earlier announced settlements, in order to be eligible to share in the distribution of the Net Settlement Fund (as defined in the Stipulation and the Notice) from the Settlement you must submit a Claim Form **postmarked no later than June 7, 2016**. If you are a member of the Class and have not previously submitted a Claim Form and do not now submit a Claim Form postmarked on or before June 7, 2016, you will not be eligible to share in the proceeds of the Settlement but you will nevertheless be bound by the judgments of the Court. If you require a Claim Form, it may be obtained from the Claims Administrator or you can download a copy from the website noted above.

If you are a member of the Class and wish to exclude yourself from the Class, you must submit a written request for exclusion such that it is ***received no later than June 17, 2016***, in accordance with the instructions set forth in the Notice. If you properly exclude yourself from the Class, you will not be bound by any judgments or orders entered by the Court in the Action, and you will not be eligible to share in the proceeds of the Settlement or any other recoveries that might be obtained in the Action.

Any objections to the proposed Settlement or Co-Lead Counsel's motion for attorneys' fees and reimbursement of litigation expenses must be filed with the Court and delivered to Co-Lead Counsel and the Remaining Senior Notes Underwriter Defendants' Counsel such that they are ***received no later than June 17, 2016***, in accordance with the instructions set forth in the Notice.

**Please do not contact the Court, the Clerk's office, the Remaining Senior Notes Underwriter Defendants or their counsel regarding this notice. All questions about this notice or the proposed Settlement should be directed to Co-Lead Counsel or the Claims Administrator.**

**Inquiries, other than requests for the Notice, Plan of Allocation or Claim Form should be made to Co-Lead Counsel:**

BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP  
Salvatore J. Graziano, Esq.  
1251 Avenue of the Americas  
New York, NY 10020  
(800) 380-8496  
[blbg@blbglaw.com](mailto:blbg@blbglaw.com)

or

BLEICHMAR FONTI & AULD LLP

Javier Bleichmar, Esq.

7 Times Square, 27<sup>th</sup> Floor

New York, NY 10036

(212) 789-1341

[settlements@bfalaw.com](mailto:settlements@bfalaw.com)

**Requests for the Notice, Plan of Allocation or Claim Form:**

*In re MF Global Holdings Limited Securities Litigation*

c/o Garden City Group, LLC

P.O. Box 10164

Dublin, OH 43017-3164

(877) 940-5045

[www.MFGlobalSecuritiesClassAction.com](http://www.MFGlobalSecuritiesClassAction.com)

By Order of the Court

<sup>1</sup>The proposed settlement is in addition to four other partial settlements previously approved by the Court resulting an aggregate recovery of approximately \$204.4 million total for investors in MF Global Securities (as defined in the Notice). These settlements were: (i) a settlement with certain Underwriter Defendants for \$74,000,000 in cash; (ii) a settlement with defendant Commerz Markets LLC for \$932,828 in cash; (iii) a settlement with PricewaterhouseCoopers LLP for \$65,000,000 in cash; and (iv) a settlement with certain former officers and defendants of MF Global for \$64,500,000 in cash. Notices of those settlements were previously disseminated to potential members of the settlement classes for those settlements. Copies of those notices can be viewed and downloaded from [www.MFGlobalSecuritiesClassAction.com](http://www.MFGlobalSecuritiesClassAction.com).

To view the original version on PR Newswire, visit:<http://www.prnewswire.com/news-releases/notice-of-class-certification-and-proposed-settlement-with-remaining-senior-notes-underwriter-defendants-in-the-mf-global-holdings-limited-securities-litigation-300252487.html>

SOURCE Bernstein Litowitz Berger & Grossmann LLP; Bleichmar Fonti & Auld LLP

### **Related Links**

<http://www.MFGlobalSecuritiesClassAction.com>

#PURL { display:none !important;}

### **Find this article at:**

<http://www.prnewswire.com/news-releases/notice-of-class-certification-and-proposed-settlement-with-remaining-senior-notes-underwriter-defendants-in-the-mf-global-holdings-limited-securities-litigation-300252487.html>

Check the box to include the list of links referenced in the article.

# **Exhibit 2**

**EXHIBIT 2***In re MF Global Holdings Limited Securities Litigation***Civil Action No. 1:11-CV-07866-VM****This Document Relates To: All Securities Actions (*DeAngelis v. Corzine*)****SUMMARY OF SETTLING PLAINTIFFS' COUNSEL'S  
LODESTAR AND EXPENSES**

<b>Exhibit</b>	<b>FIRM</b>	<b>HOURS</b>	<b>LODESTAR</b>	<b>EXPENSES</b>
2A	Bernstein Litowitz Berger & Grossmann LLP	5,651.50	\$2,687,783.75	\$1,516,780.37
2B	Bleichmar Fonti & Auld LLP	4,953.75	\$2,857,341.25	\$509,595.72
2C	Cole Schotz P.C.	250.00	\$166,749.00	\$2,162.90
	<b>TOTAL:</b>	<b>10,855.25</b>	<b>\$5,711,874.00</b>	<b>\$2,028,538.99</b>

# **Exhibit 2A**

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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IN RE MF GLOBAL HOLDINGS  
LIMITED SECURITIES LITIGATION

:  
:  
: Civil Action No. 1:11-CV-07866-VM  
:  
:

THIS DOCUMENT RELATES TO:

All Securities Actions  
(*DeAngelis v. Corzine*)

:  
:  
: ECF CASE  
:  
:  
:

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**DECLARATION OF SALVATORE J. GRAZIANO  
IN SUPPORT OF CO-LEAD COUNSEL’S MOTION  
FOR AN AWARD OF ATTORNEYS’ FEES AND REIMBURSEMENT  
OF LITIGATION EXPENSES FILED ON BEHALF OF  
BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP**

Salvatore J. Graziano, declares as follows:

1. I am a partner in the law firm of Bernstein Litowitz Berger & Grossmann LLP (“BLBG”), which is Co-Lead Counsel in the above-captioned action (the “Action”). I submit this declaration in support of Co-Lead Counsel’s application for an award of attorneys’ fees in connection with services rendered in the Action, as well as for reimbursement of expenses incurred in connection with the Action that were not included in the application submitted with respect to the earlier achieved settlements in the Action (the “Earlier Application”).

2. My firm, as Co-Lead Counsel, was involved in all aspects of the litigation and the settlements achieved as set forth in the Joint Declaration of Salvatore J. Graziano and Javier Bleichmar in Support of: (I) Settling Plaintiffs’ Motion for Final Approval of the Remaining Senior Notes Underwriter Settlement; and (II) Co-Lead Counsel’s Motion for an Award of Attorneys’ Fees and Reimbursement of Litigation Expenses.

3. The schedule attached hereto as Exhibit 1 is a detailed summary reflecting the amount of time spent by attorneys and professional support staff of BLBG that was not included

in the Earlier Application who were involved in this Action, and the lodestar calculation for those individuals based on my firm's current billing rates. For personnel who are no longer employed by my firm, the lodestar calculation is based upon the billing rates for such personnel in his or her final year of employment by BLBG. The schedule was prepared from contemporaneous daily time records regularly prepared and maintained by my firm. This application covers time expended on the Action from May 9, 2015 through May 31, 2016, other than (a) time expended from May 9, 2015 through September 30, 2015 on obtaining preliminary and final approval of the Settlements achieved with PwC and the Individual Defendants which was included in the Earlier Application; or (b) time expended on the application for fees and reimbursement of expenses. Attorneys and support staff who billed fewer than ten hours during this period have been removed from the schedule.

4. The hourly rates for the attorneys and professional support staff of BLBG included in Exhibit 1 are the same as the regular rates charged for their services in non-contingent matters and/or which have been accepted in other securities or shareholder litigation.

5. The total number of hours reflected in Exhibit 1 from May 9, 2015 through and including May 31, 2016, is 5,651.50. The total lodestar reflected in Exhibit 1 for that period is \$2,687,783.75, consisting of \$2,364,816.25 for attorneys' time and \$322,967.50 for professional support staff time.

6. My firm's lodestar figures are based upon the 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 my firm's billing rates.

7. As detailed in Exhibit 2, my firm is seeking reimbursement for a total of \$1,516,780.37 in expenses incurred in connection with the prosecution of this Action that were

not applied for in the Earlier Application. The expenses reflected in Exhibit 2 are actual incurred expenses subject to limiting criteria with respect to certain expenses.

8. The expenses incurred in this Action are reflected on the books and records of my firm. These books and records are prepared from expense vouchers, check records and other source materials and are an accurate record of the expenses incurred.

9. My firm was responsible for maintaining the litigation fund in this Action. Attached as Exhibit 3 is a chart reflecting the disbursements from the litigation fund for which reimbursement is being sought as set forth in this declaration and the declaration of Co-Lead Counsel.

10. With respect to the standing of my firm, attached hereto as Exhibit 4 is a brief biography of BLBG and attorneys in my firm who were involved in this Action.

I declare, under penalty of perjury, that the foregoing facts are true and correct. Executed on June 3, 2016.

/s/ Salvatore J. Graziano  
Salvatore J. Graziano

#983712

**EXHIBIT 1***In re MF Global Holdings Limited Securities Litigation*

Civil Action No. 1:11-CV-07866-VM

**This Document Relates To: All Securities Actions (*DeAngelis v. Corzine*)****BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP****TIME REPORT****May 9, 2015 through May 31, 2016\***

<b>NAME</b>	<b>HOURS</b>	<b>HOURLY RATE</b>	<b>LODESTAR</b>
<b>Partner</b>			
Max Berger	51.50	995.00	51,242.50
Salvatore Graziano	143.25	945.00	135,371.25
Blair Nicholas	36.25	945.00	34,256.25
Hannah Ross	176.75	845.00	149,353.75
<b>Senior Counsel</b>			
Jai Chandrasekhar	157.75	700.00	110,425.00
Joseph Cohen	44.50	700.00	31,150.00
Richard Gluck	1,019.00	700.00	713,300.00
Rochelle Hansen	110.50	700.00	77,350.00
<b>Associate</b>			
David L. Duncan	160.75	600.00	96,450.00
<b>Staff Attorneys</b>			
Deepan Bajwa	322.00	375.00	120,750.00
Andrew Boruch	34.75	340.00	11,815.00
Brian Chau	764.50	375.00	286,687.50
Erika Connolly	81.50	340.00	27,710.00
Kris Druhm	29.00	395.00	11,455.00
Erika Flierl	89.50	395.00	35,352.50
Cristal Gerrick	567.50	375.00	212,812.50
Danielle Leon	150.50	340.00	51,170.00
Adrienne Lester-Fitje	42.00	340.00	14,280.00
Charles Ronan	489.25	340.00	166,345.00
Lauren Cormier Taylor	81.00	340.00	27,540.00

\* Time spent from May 9, 2015 through September 30, 2015 that was included in the Earlier Application has not been included.

<b>Paralegals</b>			
Ricia Augusty	612.75	310.00	189,952.50
Erik Andrieux	76.00	245.00	18,620.00
Jose Echegaray	57.75	245.00	14,148.75
Ruben Montilla	19.75	245.00	4,838.75
Nyema Taylor	245.25	285.00	69,896.25
<b>Litigation Support</b>			
Babatunde Pedro	31.00	275.00	8,525.00
Jessica M. Wilson	21.75	275.00	5,981.25
<b>Managing Clerk</b>			
Errol Hall	35.50	310.00	11,005.00
<b>TOTALS</b>	<b>5,651.50</b>		<b>\$2,687,783.75</b>

**EXHIBIT 2***In re MF Global Holdings Limited Securities Litigation***Civil Action No. 1:11-CV-07866-VM****This Document Relates To: All Securities Actions (*DeAngelis v. Corzine*)****BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP****EXPENSE REPORT****Expenses Incurred Not Previously Applied For**

<b>CATEGORY</b>	<b>AMOUNT</b>
Court Fees	\$ 74.00
On-Line Legal Research	5,805.83
On-Line Factual Research	2,832.79
Telephones/Faxes	374.75
Postage & Express Mail	4,469.56
Hand Delivery Charges	141.50
Local Transportation	2,360.84
Internal Copying	20,823.50
Out of Town Travel	31,916.69
Working Meals	2,286.02
Meeting and Deposition Hosting	1,502.91
Court Reporters and Transcripts	56.16
Experts	100,000.00
Third-Party Counsel	26,146.31
Mediation Fees	1,497.12
Contributions to Litigation Fund	404,846.92
<b>SUBTOTAL:</b>	<b>\$605,134.90</b>
<b>Outstanding Invoices:</b>	
Experts	142,583.98
Document Management	769,175.64
<b>SUBTOTAL:</b>	<b>\$911,759.62</b>
Less balance from Litigation Fund:	(114.15)
<b>TOTAL EXPENSES:</b>	<b>\$1,516,780.37</b>

**EXHIBIT 3**

*In re MF Global Holdings Limited Securities Litigation*

**Civil Action No. 1:11-CV-07866-VM**

**This Document Relates To: All Securities Actions (*DeAngelis v. Corzine*)**

**LITIGATION FUND DISBURSEMENTS  
NOT INCLUDED IN EARLIER APPLICATION**

<b>CATEGORY</b>	<b>AMOUNT</b>
Service of Process	\$ 346.00
Outside Copying	18,904.63
Court Reporters and Transcripts	184,289.69
Experts	653,000.22
Third-Party Counsel	3,800.00
Mediation Fees	24,125.00
<b>TOTAL DISBURSEMENTS:</b>	<b>\$884,465.54</b>

**EXHIBIT 4**

FIRM RESUME AND BIOGRAPHIES



Bernstein Litowitz Berger & Grossmann LLP

Attorneys at Law

# Firm Resume

## **New York**

1251 Avenue of the Americas, 44th Floor  
New York, NY 10020  
Tel: 212-554-1400  
Fax: 212-554-1444

## **California**

12481 High Bluff Drive, Suite 300  
San Diego, CA 92130  
Tel: 858-793-0070  
Fax: 858-793-0323

## **Louisiana**

2727 Prytania Street, Suite 14  
New Orleans, LA 70130  
Tel: 504-899-2339  
Fax: 504-899-2342

## **Illinois**

875 North Michigan Avenue, Suite 3100  
Chicago, IL 60611  
Tel: 312-373-3880  
Fax: 312-794-7801



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Since our founding in 1983, Bernstein Litowitz Berger & Grossmann LLP has obtained many of the largest monetary recoveries in history – over \$27 billion on behalf of investors. Unique among our peers, the firm has obtained the largest settlements ever agreed to by public companies related to securities fraud, including four of the ten largest in history. Working with our clients, we have also used the litigation process to achieve precedent-setting reforms which have increased market transparency, held wrongdoers accountable and improved corporate business practices in groundbreaking ways.

## FIRM OVERVIEW

Bernstein Litowitz Berger & Grossmann LLP (“BLB&G”), a national law firm with offices located in New York, California, Louisiana and Illinois, prosecutes class and private actions 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; 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); the Ontario Teachers’ Pension Plan Board (the largest public pension funds in North America); the Los Angeles County Employees Retirement Association (LACERA); the Chicago Municipal, Police and Labor Retirement Systems; the Teacher Retirement System of Texas; the Arkansas Teacher Retirement System; Forsta AP-fonden (“AP1”); Fjarde AP-fonden (“AP4”); the Florida State Board of Administration; the Public Employees’ Retirement System of Mississippi; the New York State Teachers’ Retirement System; the Ohio Public Employees Retirement System; the State Teachers Retirement System of Ohio; the Oregon Public Employees Retirement System; the Virginia Retirement System; 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.

## MORE TOP SECURITIES RECOVERIES

Since its founding in 1983, Bernstein Litowitz Berger & Grossmann LLP has litigated some of the most complex cases in history and has obtained over \$30 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 many of the largest securities recoveries in history (including 5 of the top 10):

- *In re WorldCom, Inc. Securities Litigation* – \$6.19 billion recovery
- *In re Cendant Corporation Securities Litigation* – \$3.3 billion recovery
- *In re Bank of America Corp. Securities, Derivative, and Employee Retirement Income Security Act (ERISA) Litigation* – \$2.43 billion recovery
- *In re Nortel Networks Corporation Securities Litigation* (“Nortel II”) – \$1.07 billion recovery
- *In re Merck & Co., Inc. Securities Litigation* – \$1.06 billion recovery
- *In re McKesson HBOC, Inc. Securities Litigation* – \$1.05 billion recovery

For over a decade, Securities Class Action Services (SCAS – a division of ISS Governance) has compiled and published data on securities litigation recoveries and the law firms prosecuting the cases. BLB&G has been at or near the top of their rankings every year – often with the highest total recoveries, the highest settlement average, or both.

BLB&G also eclipses all competitors on SCAS’s “Top 100 Settlements” report, having recovered 37% of all the settlement dollars represented in the report (nearly \$23 billion), and having prosecuted nearly a third of all the cases on the list (29 of 100).

## GIVING SHAREHOLDERS A VOICE AND CHANGING BUSINESS PRACTICES FOR THE BETTER

BLB&G was among the first law firms ever to obtain meaningful corporate governance reforms through litigation. In courts throughout the country, we prosecute shareholder class and derivative actions, asserting claims for breach of fiduciary duty and proxy violations wherever the conduct of corporate officers and/or directors, as well as M&A transactions, seek to deprive shareholders of fair value, undermine shareholder voting rights, or allow management to profit at the expense of shareholders.

We have prosecuted seminal cases establishing precedents which have increased market transparency, held wrongdoers accountable, addressed issues in the boardroom and executive suite, challenged unfair deals, and improved corporate business practices in groundbreaking ways.

From setting new standards of director independence, to restructuring board practices in the wake of persistent illegal conduct; from challenging the improper use of defensive measures and deal protections for management’s benefit, to confronting stock options backdating abuses and other self-dealing by executives; we have confronted a variety of questionable, unethical and proliferating corporate practices. Seeking to reform faulty management structures and address breaches of fiduciary duty by corporate officers and directors, we have obtained unprecedented victories on behalf of shareholders seeking to improve governance and protect the shareholder franchise.

## ADVOCACY FOR VICTIMS OF CORPORATE WRONGDOING

While BLB&G is widely recognized as one of the leading law firms worldwide advising institutional investors on issues related to corporate governance, shareholder rights, and securities litigation, we have also prosecuted some of the most significant employment discrimination, civil rights and consumer protection cases on record. Equally important, the firm has 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 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.

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's losses – an extraordinary result in consumer class cases.

## PRACTICE AREAS

### SECURITIES FRAUD LITIGATION

Securities fraud litigation is the cornerstone of the firm's litigation practice. Since its founding, the firm has had the distinction of having tried and prosecuted many of the most high-profile securities fraud class actions in history, recovering billions of dollars and obtaining unprecedented corporate governance reforms on behalf of our clients. BLB&G continues to play a leading role in major securities litigation pending in federal and state courts, and the firm remains one of the nation's leaders in representing institutional investors in securities fraud class and derivative litigation.

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 enable 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 obtained unprecedented victories on behalf of shareholders seeking to improve corporate governance and protect the shareholder franchise, prosecuting actions challenging numerous highly publicized corporate transactions which violated fair process and fair price, and the applicability of the business judgment rule. We have 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.

## 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

The 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 creditors' committees against auditors, appraisers, lawyers, officers and directors, and other defendants who may have contributed to client 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 excellence and diligence of the firm and its members. A few examples are set forth below.

### ***IN RE WORLD COM, INC. SECURITIES LITIGATION***

**THE HONORABLE DENISE COTE OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK**

*“I have the utmost confidence in plaintiffs’ counsel...they have been doing a superb job.... The Class is extraordinarily well represented in this litigation.”*

*“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 RE CLARENT CORPORATION SECURITIES LITIGATION***

**THE HONORABLE CHARLES R. BREYER OF THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA**

*“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....”*

*“These trial lawyers are some of the best I’ve ever seen.”*

### ***LANDRY’S RESTAURANTS, INC. SHAREHOLDER LITIGATION***

**VICE CHANCELLOR J. TRAVIS LASTER OF THE DELAWARE COURT OF CHANCERY**

*“I do want to make a comment again about the excellent efforts . . . put into this case. . . . This case, I think, shows precisely the type of benefits that you can achieve for stockholders and how representative litigation can be a very important part of our corporate governance system . . . you hold up this case as an example of what to do.”*

### ***MCCALL V. SCOTT (COLUMBIA/HCA DERIVATIVE LITIGATION)***

**THE HONORABLE THOMAS A. HIGGINS OF THE UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF TENNESSEE**

*“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.”*

## RECENT ACTIONS & SIGNIFICANT RECOVERIES

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

**CASE:** *IN RE WORLDCom, INC. SECURITIES LITIGATION*

**COURT:** United States District Court for the Southern District of New York

**HIGHLIGHTS:** \$6.19 billion securities fraud class action recovery – the second largest in history; unprecedented recoveries from Director Defendants.

**CASE SUMMARY:** Investors suffered massive losses in the wake of the financial fraud and subsequent bankruptcy of former telecom giant WorldCom, Inc. 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. It 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, and by WorldCom’s former CEO and CFO. As Court-appointed Co-Lead Counsel representing Lead Plaintiff the **New York State Common Retirement Fund**, we obtained unprecedented settlements totaling more than \$6 billion from the Investment Bank Defendants who underwrote WorldCom bonds, including a \$2.575 billion cash settlement to settle all claims against the Citigroup Defendants. 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. Additionally, 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 Wall Street Journal*, in its coverage, profiled the settlement as literally having “shaken Wall Street, the audit profession and corporate boardrooms.” After four weeks of trial, Arthur Andersen, WorldCom’s former auditor, settled for \$65 million. Subsequent settlements were reached with the former executives of WorldCom, and then with Andersen, bringing the total obtained for the Class to over \$6.19 billion.

**CASE:** *IN RE CENDANT CORPORATION SECURITIES LITIGATION*

**COURT:** United States District Court for the District of New Jersey

**HIGHLIGHTS:** \$3.3 billion securities fraud class action recovery – the third largest in history; significant corporate governance reforms obtained.

**CASE SUMMARY:** The firm was Co-Lead Counsel in this class action against Cendant Corporation, its officers and directors and Ernst & Young (E&Y), its auditors, for their role in disseminating materially false and misleading financial statements concerning the company’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. Cendant agreed to settle the action for \$2.8 billion to adopt some of the most extensive corporate governance changes in history. E&Y settled for \$335 million. These settlements remain the largest sums ever recovered from a public company and a public accounting firm through securities class action litigation. BLB&G 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.



**CASE:** *IN RE BANK OF AMERICA CORP. SECURITIES, DERIVATIVE, AND EMPLOYEE RETIREMENT INCOME SECURITY ACT (ERISA) LITIGATION*

**COURT:** **United States District Court for the Southern District of New York**

**HIGHLIGHTS:** \$2.425 billion in cash; significant corporate governance reforms to resolve all claims. This recovery is by far the largest shareholder recovery related to the subprime meltdown and credit crisis; the single largest securities class action settlement ever resolving a Section 14(a) claim – the federal securities provision designed to protect investors against misstatements in connection with a proxy solicitation; the largest ever funded by a single corporate defendant for violations of the federal securities laws; the single largest settlement of a securities class action in which there was neither a financial restatement involved nor a criminal conviction related to the alleged misconduct; and one of the 10 largest securities class action recoveries in history.

**DESCRIPTION:** The firm represented Co-Lead Plaintiffs the **State Teachers Retirement System of Ohio**, the **Ohio Public Employees Retirement System**, and the **Teacher Retirement System of Texas** in this securities class action filed on behalf of shareholders of Bank of America Corporation (“BAC”) arising from BAC’s 2009 acquisition of Merrill Lynch & Co., Inc. The action alleges that BAC, Merrill Lynch, and certain of the companies’ current and former officers and directors violated the federal securities laws by making a series of materially false statements and omissions in connection with the acquisition. These violations included the alleged failure to disclose information regarding billions of dollars of losses which Merrill had suffered before the BAC shareholder vote on the proposed acquisition, as well as an undisclosed agreement allowing Merrill to pay billions in bonuses before the acquisition closed despite these losses. Not privy to these material facts, BAC shareholders voted to approve the acquisition.

**CASE:** *IN RE NORTEL NETWORKS CORPORATION SECURITIES LITIGATION (“NORTEL II”)*

**COURT:** **United States District Court for the Southern District of New York**

**HIGHLIGHTS:** Over \$1.07 billion in cash and common stock recovered for the class.

**DESCRIPTION:** This securities fraud class action charged Nortel Networks Corporation and certain of its officers and directors with violations of the Securities Exchange Act of 1934, alleging that the Defendants knowingly or 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 in one of two related actions (Nortel II), and BLB&G was appointed Lead Counsel for the Class. In a historic settlement, Nortel agreed to pay \$2.4 billion in cash and Nortel common stock (all figures in US dollars) to resolve both matters. 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 \$1.07 billion.

**CASE:** *IN RE MERCK & CO., INC. SECURITIES LITIGATION*

**COURT:** **United States District Court, District of New Jersey**

**HIGHLIGHTS:** \$1.06 billion recovery for the class.

**DESCRIPTION:** This case arises out of misrepresentations and omissions concerning life-threatening risks posed by the “blockbuster” Cox-2 painkiller Vioxx, which Merck withdrew from the market in 2004. In January 2016, BLB&G achieved a \$1.062 billion settlement on the eve of trial after more than 12 years of hard-fought litigation that included a successful decision at the United States Supreme Court. This settlement is the second largest recovery ever obtained in the Third Circuit, one of the top 10 securities recoveries of all time, and the largest securities recovery ever achieved against a pharmaceutical company. BLB&G represented Lead Plaintiff the **Public Employees’ Retirement System of Mississippi**.



**CASE:** *IN RE MCKESSON HBOC, INC. SECURITIES LITIGATION*

**COURT:** United States District Court for the Northern District of California

**HIGHLIGHTS:** \$1.05 billion recovery for the class.

**DESCRIPTION:** This securities fraud litigation was filed on behalf of purchasers of HBOC, McKesson and McKesson HBOC securities, alleging that Defendants misled the investing public concerning HBOC's and McKesson HBOC's financial results. On behalf of Lead Plaintiff the **New York State Common Retirement Fund**, BLB&G obtained a \$960 million settlement from the company; \$72.5 million in cash from Arthur Andersen; and, on the eve of trial, a \$10 million settlement from Bear Stearns & Co. Inc., with total recoveries reaching more than \$1 billion.

**CASE:** *IN RE LEHMAN BROTHERS EQUITY/DEBT SECURITIES LITIGATION*

**COURT:** United States District Court for the Southern District of New York

**HIGHLIGHTS:** \$735 million in total recoveries.

**DESCRIPTION:** Representing the **Government of Guam Retirement Fund**, BLB&G successfully prosecuted this securities class action arising from Lehman Brothers Holdings Inc.'s issuance of billions of dollars in offerings of debt and equity securities that were sold using offering materials that contained untrue statements and missing material information.

After four years of intense litigation, Lead Plaintiffs achieved a total of \$735 million in recoveries consisting of: a \$426 million settlement with underwriters of Lehman securities offerings; a \$90 million settlement with former Lehman directors and officers; a \$99 million settlement that resolves claims against Ernst & Young, Lehman's former auditor (considered one of the top 10 auditor settlements ever achieved); and a \$120 million settlement that resolves claims against UBS Financial Services, Inc. This recovery is truly remarkable not only because of the difficulty in recovering assets when the issuer defendant is bankrupt, but also because no financial results were restated, and that the auditors never disavowed the statements.

**CASE:** *HEALTHSOUTH CORPORATION BONDHOLDER LITIGATION*

**COURT:** United States District Court for the Northern District of Alabama

**HIGHLIGHTS:** \$804.5 million in total recoveries.

**DESCRIPTION:** In this litigation, BLB&G was the appointed Co-Lead Counsel for the bond holder class, representing Lead Plaintiff the **Retirement Systems of Alabama**. This action arose from allegations that Birmingham, Alabama based HealthSouth Corporation overstated its earnings at the direction of its founder and former CEO Richard Scrusby. Subsequent revelations disclosed that the overstatement actually exceeded over \$2.4 billion, virtually wiping out all of HealthSouth's reported profits for the prior five years. A total recovery of \$804.5 million was obtained in this litigation through a series of settlements, including an approximately \$445 million settlement for shareholders and bondholders, a \$100 million in cash settlement from UBS AG, UBS Warburg LLC, and individual UBS Defendants (collectively, "UBS"), and \$33.5 million in cash from the company's auditor. The total settlement for injured HealthSouth bond purchasers exceeded \$230 million, recouping over a third of bond purchaser damages.

**CASE:** *IN RE CITIGROUP, INC. BOND ACTION LITIGATION*

**COURT:** United States District Court for the Southern District of New York

**HIGHLIGHTS:** \$730 million cash recovery; second largest recovery in a litigation arising from the financial crisis.

**DESCRIPTION:** In the years prior to the collapse of the subprime mortgage market, Citigroup issued 48 offerings of preferred stock and bonds. This securities fraud class action was filed on behalf of purchasers of



Citigroup bonds and preferred stock alleging that these offerings contained material misrepresentations and omissions regarding Citigroup's exposure to billions of dollars in mortgage-related assets, the loss reserves for its portfolio of high-risk residential mortgage loans, and the credit quality of the risky assets it held in off-balance sheet entities known as "structured investment vehicles." After protracted litigation lasting four years, we obtained a \$730 million cash recovery – the second largest securities class action recovery in a litigation arising from the financial crisis, and the second largest recovery ever in a securities class action brought on behalf of purchasers of debt securities. As Lead Bond Counsel for the Class, BLB&G represented Lead Bond Plaintiffs Minneapolis Firefighters' Relief Association, Louisiana Municipal Police Employees' Retirement System, and Louisiana Sheriffs' Pension and Relief Fund.

**CASE:** *IN RE WASHINGTON PUBLIC POWER SUPPLY SYSTEM LITIGATION*

**COURT:** **United States District Court for the District of Arizona**

**HIGHLIGHTS:** Over \$750 million – the largest securities fraud settlement ever achieved at the time.

**DESCRIPTION:** BLB&G was appointed Chair of the Executive Committee responsible for litigating the action on behalf of the class in this action. The case was litigated for over seven years, and 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.

**CASE:** *IN RE SCHERING-PLOUGH CORPORATION/ENHANCE SECURITIES LITIGATION; IN RE MERCK & CO., INC. VYTORIN/ZETIA SECURITIES LITIGATION*

**COURT:** **United States District Court for the District of New Jersey**

**HIGHLIGHTS:** \$688 million in combined settlements (Schering-Plough settled for \$473 million; Merck settled for \$215 million) in this coordinated securities fraud litigations filed on behalf of investors in Merck and Schering-Plough.

**DESCRIPTION:** After nearly five years of intense litigation, just days before trial, BLB&G resolved the two actions against Merck and Schering-Plough, which stemmed from claims that Merck and Schering artificially inflated their market value by concealing material information and making false and misleading statements regarding their blockbuster anti-cholesterol drugs Zetia and Vytorin. Specifically, we alleged that the companies knew that their "ENHANCE" clinical trial of Vytorin (a combination of Zetia and a generic) demonstrated that Vytorin was no more effective than the cheaper generic at reducing artery thickness. The companies nonetheless championed the "benefits" of their drugs, attracting billions of dollars of capital. When public pressure to release the results of the ENHANCE trial became too great, the companies reluctantly announced these negative results, which we alleged led to sharp declines in the value of the companies' securities, resulting in significant losses to investors. The combined \$688 million in settlements (Schering-Plough settled for \$473 million; Merck settled for \$215 million) is the second largest securities recovery ever in the Third Circuit, among the top 25 settlements of all time, and among the ten largest recoveries ever in a case where there was no financial restatement. BLB&G represented Lead Plaintiffs **Arkansas Teacher Retirement System**, the **Public Employees' Retirement System of Mississippi**, and the **Louisiana Municipal Police Employees' Retirement System**.

**CASE:** *IN RE LUCENT TECHNOLOGIES, INC. SECURITIES LITIGATION*

**COURT:** **United States District Court for the District of New Jersey**



**HIGHLIGHTS:** \$667 million in total recoveries; 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 reopened the lead plaintiff or lead counsel selection process to account for changed circumstances, new issues and possible conflicts between new and old allegations.

**DESCRIPTION:** BLB&G served as Co-Lead Counsel in this securities class action, representing Lead Plaintiffs the **Parnassus Fund, Teamsters Locals 175 & 505 D&P Pension Trust, Anchorage Police and Fire Retirement System** and the **Louisiana School Employees' Retirement System**. The complaint accused Lucent of 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. The settlement obtained in this case is valued at approximately \$667 million, and is composed of cash, stock and warrants.

**CASE:** ***IN RE WACHOVIA PREFERRED SECURITIES AND BOND/NOTES LITIGATION***

**COURT:** **United States District Court for the Southern District of New York**

**HIGHLIGHTS:** \$627 million recovery – among the 20 largest securities class action recoveries in history; third largest recovery obtained in an action arising from the subprime mortgage crisis.

**DESCRIPTION:** This securities class action was filed on behalf of investors in certain Wachovia bonds and preferred securities against Wachovia Corp., certain former officers and directors, various underwriters, and its auditor, KPMG LLP. The case alleges that Wachovia provided offering materials that misrepresented and omitted material facts concerning the nature and quality of Wachovia's multi-billion dollar option-ARM (adjustable rate mortgage) "Pick-A-Pay" mortgage loan portfolio, and that Wachovia's loan loss reserves were materially inadequate. According to the Complaint, these undisclosed problems threatened the viability of the financial institution, requiring it to be "bailed out" during the financial crisis before it was acquired by Wells Fargo. The combined \$627 million recovery obtained in the action is among the 20 largest securities class action recoveries in history, the largest settlement ever in a class action case asserting only claims under the Securities Act of 1933, and one of a handful of securities class action recoveries obtained where there were no parallel civil or criminal actions brought by government authorities. The firm represented Co-Lead Plaintiffs **Orange County Employees Retirement System** and **Louisiana Sheriffs' Pension and Relief Fund** in this action.

**CASE:** ***OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM V. FREDDIE MAC***

**COURT:** **United States District Court for the Southern District of Ohio**

**HIGHLIGHTS:** \$410 million settlement.

**DESCRIPTION:** This securities fraud class action was filed on behalf of the **Ohio Public Employees Retirement System** and the **State Teachers Retirement System of Ohio** alleging that Federal Home Loan Mortgage Corporation ("Freddie Mac") and certain of its current and former officers issued false and misleading statements in connection with the company's previously reported financial results. Specifically, the Complaint alleged 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. In connection with these improprieties, Freddie Mac restated more than \$5 billion in earnings. A settlement of \$410 million was reached in the case just as deposition discovery had begun and document review was complete.

**CASE:** ***IN RE REFCO, INC. SECURITIES LITIGATION***

**COURT:** **United States District Court for the Southern District of New York**



**HIGHLIGHTS:** Over \$407 million in total recoveries.

**DESCRIPTION:** The lawsuit arises from the revelation that Refco, a once prominent brokerage, had for years secreted hundreds of millions of dollars of uncollectible receivables with a related entity controlled by Phillip Bennett, the company's Chairman and Chief Executive Officer. This revelation caused the stunning collapse of the company a mere two months after its initial public offering of common stock. As a result, Refco filed one of the largest bankruptcies in U.S. history. Settlements have been obtained from multiple company and individual defendants, resulting in a total recovery for the class of over \$407 million. BLB&G represented Co-Lead Plaintiff **RH Capital Associates LLC**.

## CORPORATE GOVERNANCE AND SHAREHOLDERS' RIGHTS

**CASE:** ***UNITEDHEALTH GROUP, INC. SHAREHOLDER DERIVATIVE LITIGATION***

**COURT:** **United States District Court for the District of Minnesota**

**HIGHLIGHTS:** Litigation recovered over \$920 million in ill-gotten compensation directly from former officers for their roles in illegally backdating stock options, while the company agreed to far-reaching reforms aimed at curbing future executive compensation abuses.

**DESCRIPTION:** This shareholder derivative action filed against certain current and former executive officers and members of the Board of Directors of UnitedHealth Group, Inc. alleged that the 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 over \$920 million in ill-gotten compensation directly from the former officer Defendants – the largest derivative recovery in history. 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.” The Plaintiffs in this action were 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**.

**CASE:** ***CAREMARK MERGER LITIGATION***

**COURT:** **Delaware Court of Chancery – New Castle County**

**HIGHLIGHTS:** Landmark Court ruling orders Caremark's board to disclose previously withheld information, enjoins shareholder vote on CVS merger offer, and grants statutory appraisal rights to Caremark shareholders. The litigation ultimately forced CVS to raise offer by \$7.50 per share, equal to more than \$3.3 billion in additional consideration to Caremark shareholders.

**DESCRIPTION:** Commenced on behalf of the **Louisiana Municipal Police Employees' Retirement System** and other shareholders of Caremark RX, Inc. (“Caremark”), this shareholder class action accused the company's directors of violating their fiduciary duties by approving and endorsing a proposed merger with CVS Corporation (“CVS”), all the while refusing to fairly consider an alternative transaction proposed by another bidder. In a landmark decision, the Court ordered the Defendants to disclose 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—forcing CVS to increase the consideration offered to shareholders by \$7.50 per share in cash (over \$3 billion in total).



**CASE:** *IN RE PFIZER INC. SHAREHOLDER DERIVATIVE LITIGATION*

**COURT:** United States District Court for the Southern District of New York

**HIGHLIGHTS:** Landmark settlement in which Defendants agreed to create a new Regulatory and Compliance Committee of the Pfizer Board that will be supported by a dedicated \$75 million fund.

**DESCRIPTION:** In the wake of Pfizer’s agreement to pay \$2.3 billion as part of a settlement with the U.S. Department of Justice to resolve civil and criminal charges relating to the illegal marketing of at least 13 of the company’s most important drugs (the largest such fine ever imposed), this shareholder derivative action was filed against Pfizer’s senior management and Board alleging they breached their fiduciary duties to Pfizer by, among other things, allowing unlawful promotion of drugs to continue after receiving numerous “red flags” that Pfizer’s improper drug marketing was systemic and widespread. The suit was brought by Court-appointed Lead Plaintiffs **Louisiana Sheriffs’ Pension and Relief Fund and Skandia Life Insurance Company, Ltd.** In an unprecedented settlement reached by the parties, the Defendants agreed to create a new Regulatory and Compliance Committee of the Pfizer Board of Directors (the “Regulatory Committee”) to oversee and monitor Pfizer’s compliance and drug marketing practices and to review the compensation policies for Pfizer’s drug sales related employees.

**CASE:** *IN RE EL PASO CORP. SHAREHOLDER LITIGATION*

**COURT:** Delaware Court of Chancery – New Castle County

**HIGHLIGHTS:** Landmark Delaware ruling chastises Goldman Sachs for M&A conflicts of interest.

**DESCRIPTION:** This case aimed a spotlight on ways that financial insiders – in this instance, Wall Street titan Goldman Sachs – game the system. The Delaware Chancery Court harshly rebuked Goldman for ignoring blatant conflicts of interest while advising their corporate clients on Kinder Morgan’s high-profile acquisition of El Paso Corporation. As a result of the lawsuit, Goldman was forced to relinquish a \$20 million advisory fee, and BLB&G obtained a \$110 million cash settlement for El Paso shareholders – one of the highest merger litigation damage recoveries in Delaware history.

**CASE:** *IN RE DELPHI FINANCIAL GROUP SHAREHOLDER LITIGATION*

**COURT:** Delaware Court of Chancery – New Castle County

**HIGHLIGHTS:** Dominant shareholder is blocked from collecting a payoff at the expense of minority investors.

**DESCRIPTION:** As the Delphi Financial Group prepared to be acquired by Tokio Marine Holdings Inc., the conduct of Delphi’s founder and controlling shareholder drew the scrutiny of BLB&G and its institutional investor clients for improperly using the transaction to expropriate at least \$55 million at the expense of the public shareholders. BLB&G aggressively litigated this action and obtained a settlement of \$49 million for Delphi’s public shareholders. The settlement fund is equal to about 90% of recoverable Class damages – a virtually unprecedented recovery.

**CASE:** *QUALCOMM BOOKS & RECORDS LITIGATION*

**COURT:** Delaware Court of Chancery – New Castle County

**HIGHLIGHTS:** Novel use of “books and records” litigation enhances disclosure of political spending and transparency.

**DESCRIPTION:** The U.S. Supreme Court’s controversial 2010 opinion in *Citizens United v. FEC* made it easier for corporate directors and executives to secretly use company funds – shareholder assets – to support personally favored political candidates or causes. BLB&G prosecuted the first-ever “books and records” litigation to obtain disclosure of corporate political spending at our client’s portfolio company – technology giant Qualcomm Inc. – in response to Qualcomm’s refusal to share the information. As a result of the lawsuit, Qualcomm adopted a policy that provides its shareholders

with comprehensive disclosures regarding the company's political activities and places Qualcomm as a standard-bearer for other companies.

**CASE:** *IN RE NEWS CORP. SHAREHOLDER DERIVATIVE LITIGATION*

**COURT:** Delaware Court of Chancery – Kent County

**HIGHLIGHTS:** An unprecedented settlement in which News Corp. recoups \$139 million and enacts significant corporate governance reforms that combat self-dealing in the boardroom.

**DESCRIPTION:** Following News Corp.'s 2011 acquisition of a company owned by News Corp. Chairman and CEO Rupert Murdoch's daughter, and the phone-hacking scandal within its British newspaper division, we filed a derivative litigation on behalf of the company because of institutional shareholder concern with the conduct of News Corp.'s management. We ultimately obtained an unprecedented settlement in which News Corp. recouped \$139 million for the company coffers, and agreed to enact corporate governance enhancements to strengthen its compliance structure, the independence and functioning of its board, and the compensation and clawback policies for management.

**CASE:** *IN RE ACS SHAREHOLDER LITIGATION (XEROX)*

**COURT:** Delaware Court of Chancery – New Castle County

**HIGHLIGHTS:** BLB&G challenged an attempt by ACS CEO to extract a premium on his stock not shared with the company's public shareholders in a sale of ACS to Xerox. On the eve of trial, BLB&G obtained a \$69 million recovery, with a substantial portion of the settlement personally funded by the CEO.

**DESCRIPTION:** Filed on behalf of the **New Orleans Employees' Retirement System** and similarly situated shareholders of Affiliated Computer Service, Inc., this action alleged that members of the Board of Directors of ACS breached their fiduciary duties by approving a merger with Xerox Corporation which would allow Darwin Deason, ACS's founder and Chairman and largest stockholder, to extract hundreds of millions of dollars of value that rightfully belongs to ACS's public shareholders for himself. Per the agreement, Deason's consideration amounted to over a 50% premium when compared to the consideration paid to ACS's public stockholders. The ACS Board further breached its fiduciary duties by agreeing to certain deal protections in the merger agreement that essentially locked up the transaction between ACS and Xerox. After seeking a preliminary injunction to enjoin the deal and engaging in intense discovery and litigation in preparation for a looming trial date, Plaintiffs reached a global settlement with Defendants for \$69 million. In the settlement, Deason agreed to pay \$12.8 million, while ACS agreed to pay the remaining \$56.1 million.

**CASE:** *IN RE DOLLAR GENERAL CORPORATION SHAREHOLDER LITIGATION*

**COURT:** Sixth Circuit Court for Davidson County, Tennessee; Twentieth Judicial District, Nashville

**HIGHLIGHTS:** Holding Board accountable for accepting below-value "going private" offer.

**DESCRIPTION:** 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 the private equity firm Kohlberg Kravis Roberts & Co. ("KKR"). BLB&G, as Co-Lead Counsel for the **City of Miami General Employees' & Sanitation Employees' Retirement Trust**, 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. 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.

**CASE:** *LANDRY'S RESTAURANTS, INC. SHAREHOLDER LITIGATION*



- COURT:** Delaware Court of Chancery – New Castle County
- HIGHLIGHTS:** Protecting shareholders from predatory CEO’s multiple attempts to take control of Landry’s Restaurants through improper means. Our litigation forced the CEO to increase his buyout offer by four times the price offered and obtained an additional \$14.5 million cash payment for the class.
- DESCRIPTION:** In this derivative and shareholder class action, shareholders alleged that Tilman J. Fertitta – chairman, CEO and largest shareholder of Landry’s Restaurants, Inc. – and its Board of Directors stripped public shareholders of their controlling interest in the company for no premium and severely devalued remaining public shares in breach of their fiduciary duties. BLB&G’s prosecution of the action on behalf of Plaintiff **Louisiana Municipal Police Employees’ Retirement System** resulted in recoveries that included the creation of a settlement fund composed of \$14.5 million in cash, as well as significant corporate governance reforms and an increase in consideration to shareholders of the purchase price valued at \$65 million.

## EMPLOYMENT DISCRIMINATION AND CIVIL RIGHTS

- CASE:** *ROBERTS V. TEXACO, INC.*
- COURT:** United States District Court for the Southern District of New York
- HIGHLIGHTS:** BLB&G recovered \$170 million on behalf of Texaco’s African-American employees and engineered the creation of an independent “Equality and Tolerance Task Force” at the company.
- DESCRIPTION:** 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. BLB&G’s prosecution of the action revealed that African-Americans were significantly under-represented in high level management jobs and that Caucasian employees were promoted more frequently and at far higher rates for comparable positions within the company. The case settled for over \$170 million, and Texaco agreed to a Task Force to monitor its diversity programs for five years – a settlement described as the most significant race discrimination settlement in history.
- CASE:** *ECOFA - GMAC/NMAC/FORD/TOYOTA/CHRYSLER - CONSUMER FINANCE DISCRIMINATION LITIGATION*
- COURT:** Multiple jurisdictions
- HIGHLIGHTS:** Landmark litigation in which financing arms of major auto manufacturers are compelled to cease discriminatory “kick-back” arrangements with dealers, leading to historic changes to auto financing practices nationwide.
- DESCRIPTION:** 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:** The United States District Court for the Middle District of Tennessee granted final approval of the settlement of the class action against Nissan Motor Acceptance Corporation (“NMAC”) in which 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.

**GMAC:** 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 60 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.

**DAIMLERCHRYSLER:** The United States District Court for the District of New Jersey granted final approval of the settlement in which 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 send out pre-approved credit offers of no-markup loans to African-American and Hispanic consumers, and contribute \$1.8 million to provide consumer education and assistance programs on credit financing.

**FORD MOTOR CREDIT:** The United States District Court for the Southern District of New York granted final approval of a settlement in which Ford Credit agreed to make contract disclosures informing consumers that the customer's Annual Percentage Rate ("APR") may be negotiated and that sellers may assign their contracts and retain rights to receive a portion of the finance charge.

## CLIENTS AND FEES

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 retention where our fee is 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.

Our clients include many large and well known financial and lending institutions and pension funds, as well as privately-held companies that are attracted to our firm because of our reputation, expertise and fee structure. 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.

## 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.

**BERNSTEIN LITOWITZ BERGER & GROSSMANN PUBLIC INTEREST LAW FELLOWS 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 BLB&G Fellows are able to begin their careers free of any school debt if they make a long-term commitment to public interest law.

### FIRM SPONSORSHIP OF HER JUSTICE

**NEW YORK, NY** – BLB&G is a sponsor of Her Justice, 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 who provide *pro bono* counsel to these women. Several members and associates of the firm volunteer their time to help women who need divorces from abusive spouses, or representation on issues such as child support, custody and visitation. To read more about Her Justice, visit the organization's website at [www.herjustice.org](http://www.herjustice.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 and the family and friends of Paul M. Bernstein, and 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 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

**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

**NEW YORK, NY** – 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.

## OUR ATTORNEYS

### MEMBERS

**MAX W. BERGER**, the firm’s senior founding partner, supervises BLB&G’s litigation practice and prosecutes class and individual actions on behalf of the firm’s clients.

He has litigated many of the firm’s most high-profile and significant cases, and has negotiated six of the largest securities fraud settlements in history, each in excess of a billion dollars: *Cendant* (\$3.3 billion); *Citigroup–WorldCom* (\$2.575 billion); *Bank of America/Merrill Lynch* (\$2.4 billion); *JPMorgan Chase–WorldCom* (\$2 billion); *Nortel* (\$1.07 billion); and *McKesson* (\$1.04 billion).

Mr. Berger’s work has garnered him extensive media attention, and he has been the subject of feature articles in a variety of major media publications. Unique among his peers, *The New York Times* highlighted his remarkable track record in an October 2012 profile entitled “Investors’ Billion-Dollar Fraud Fighter,” which also discussed his role in the *Bank of America/Merrill Lynch Merger* litigation. In 2011, Mr. Berger was twice profiled by *The American Lawyer* for his role in negotiating a \$627 million recovery on behalf of investors in the *In re Wachovia Corp. Securities Litigation*, and a \$516 million recovery in *In re Lehman Brothers Equity/Debt Securities Litigation*. Previously, Mr. Berger’s role in the *WorldCom* case generated extensive media coverage including feature articles in *BusinessWeek* and *The American Lawyer*. For his outstanding efforts on behalf of WorldCom investors, *The National Law Journal* profiled Mr. Berger (one of only eleven attorneys selected nationwide) in its annual 2005 “Winning Attorneys” section. He was subsequently featured in a 2006 *New York Times* article, “A Class-Action Shuffle,” which assessed the evolving landscape of the securities litigation arena.

#### One of the “100 Most Influential Lawyers in America”

Widely recognized for his professional excellence and achievements, Mr. Berger was named one of the “100 Most Influential Lawyers in America” by *The National Law Journal* for being “front and center” in holding Wall Street banks accountable and obtaining over \$5 billion in cases arising from the subprime meltdown, and for his work as a “master negotiator” in obtaining numerous multi-billion dollar recoveries for investors.

Described as a “standard-bearer” for the profession in a career spanning over 40 years, he is the 2014 recipient of *Chambers USA*’s award for Outstanding Contribution to the Legal Profession. In presenting this prestigious honor, *Chambers* recognized Mr. Berger’s “numerous headline-grabbing successes,” as well as his unique stature among colleagues – “warmly lauded by his peers, who are nevertheless loath to find him on the other side of the table.”

*Law360* published a special feature discussing his life and career as a “Titan of the Plaintiffs Bar,” and also named him one of only six litigators selected nationally as a “Legal MVP” for his work in securities litigation.

For the past ten years in a row, Mr. Berger has received the top attorney ranking in plaintiff securities litigation by *Chambers* and is consistently recognized as one of New York’s “local litigation stars” by *Benchmark Litigation* (published by *Institutional Investor* and *Euromoney*). *Law360* also named him one of only six litigators selected nationally as a “Legal MVP” for his work in securities litigation.

Since their various inception, he has also been named a “leading lawyer” by the *Legal 500 US* guide, one of “10 Legal Superstars” by *Securities Law360*, and 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. He has taught Profession of Law, an ethics course at Columbia Law School, and currently serves on the Advisory Board of Columbia Law School’s Center on Corporate Governance. In May 2006, he was presented with the Distinguished Alumnus Award for his contributions to Baruch College, and in February 2011, Mr. Berger received Columbia Law School’s most prestigious and highest honor, “The Medal for Excellence.” This award is presented annually to Columbia Law School alumni who exemplify the qualities of character, intellect, and social and professional responsibility that the Law School seeks to instill in its students. As a recipient of this award, Mr. Berger was profiled in the Fall 2011 issue of *Columbia Law School Magazine*.

Mr. Berger is currently a member of the New York State, New York City and American Bar Associations, and is a member of the Federal Bar Council. He is also a member of the American Law Institute and an Advisor to its Restatement Third: Economic Torts project. In addition, Mr. Berger is a member of the Board of Trustees of The Supreme Court Historical Society.

Mr. Berger lectures extensively for many 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 Berger Pre-Law Program at Baruch College.

EDUCATION: Baruch College-City University of New York, B.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 for the Second Circuit; U.S. Supreme Court.

**BLAIR A. NICHOLAS** is a senior and managing partner of the firm and widely recognized as one of the leading securities and consumer litigators in the country. He has extensive experience representing prominent private and public institutional investors in high-stakes actions involving federal and state securities and consumer laws, accountants’ liability, market manipulation, shareholder appraisal actions, and corporate governance matters. Mr. Nicholas has recovered billions of dollars in courts throughout the nation on behalf of some of the largest mutual funds, investment managers, insurance companies, public pension plans, sovereign wealth funds, and hedge funds in North America and Europe.

Mr. Nicholas has been widely and prominently recognized in national legal publications for his exemplary achievements on behalf of prominent institutional investors. His professional honors and recognitions include being named an “Attorney of the Year” by *The Recorder*; a “Litigation Star” by *Benchmark Litigation*; one of the “100 Securities Litigators You Need To Know” by *Lawdragon*; a “Leading Lawyer in Commercial Litigation” by *Best Lawyers in America*; one of the “500 Leading Lawyers in America” by *Lawdragon*; a “Recommended Lawyer in M&A

Related Shareholder Litigation” by *Legal 500*; a “Top Attorney in San Diego” by *The New York Times*; a “Southern California Super Lawyer” and a “San Diego Super Lawyer” by *Super Lawyers*; one of the “Top 20 Lawyers Under 40” by the *Daily Journal*; and one of the “Fab Fifty Young Litigators” by *The American Lawyer*. Mr. Nicholas is also a frequent commentator in nationally circulated news articles, lectures at institutional investor and continuing legal educational conferences throughout the United States, and has written numerous articles relating to the application of the securities laws.

### Representative Cases

On behalf of institutional investor clients, Mr. Nicholas currently serves, and has served in prior litigation, as counsel in a wide variety of high-profile actions. Select representations are listed below.

- *Vale S.A. Securities Litigation* – Representing public pension funds as lead plaintiffs in a securities fraud action against Brazilian mining company Vale S.A. and certain of its top executives. The case relates to the recent catastrophic collapse of the massive Fundão mining dam, which killed at least 17 people, destroyed an entire city, and polluted numerous rivers and other waterways.
- *Safeway Appraisal* – Retained by prominent institutional stockholder and resolved appraisal claim for a 26% premium over the buyout price. By proactively exercising its appraisal rights and not passively accepting the buyout price approved by other shareholders, BLB&G’s institutional client received over \$105 million in additional proceeds over the buyout price.
- *RMBS Trustee Actions* – Currently representing BlackRock, PIMCO, and nine other prominent institutional investors in six representative actions pending in the U.S. District Court of the Southern District of New York against the principal financial crisis-era RMBS trustee banks: U.S. Bank National Association; Deutsche Bank National Trust Company and Deutsche Bank Trust Company Americas; The Bank of New York Mellon; Wells Fargo; HSBC Bank USA, National Association; and Citibank N.A. The actions are brought by the plaintiffs in their representative capacity on behalf of over 2,200 RMBS trusts issued between 2004 and 2008. The suits allege that the trustees breached contractual, statutory and common law duties owed to the trusts and certificate-holders.
- *Petrobras Direct Actions* – Currently representing prominent life insurance companies, mutual fund complexes, public pension funds, and other institutional money managers concerning direct claims against Petroleo Brasileiro to recover damages incurred as a result of the corruption scandal at the Brazilian oil giant, the largest corruption scandal in Brazil’s history.
- *AIG Direct Action* – Representing PIMCO in a direct action against American International Group (AIG) arising out of the insurer’s massive undisclosed exposure to the housing and subprime mortgage markets in the years leading up to the financial crisis.
- *Towers Watson Appraisal* – Representing a prominent mutual fund complex and other institutional investors who are asserting their shareholder appraisal rights in connection with the merger of Towers Watson & Co. with Willis Group Holdings plc.
- *ARCP Direct Actions* – Currently representing BlackRock, PIMCO, and other prominent institutional investors pursuing direct actions against American Realty Capital Properties (k/n/a VEREIT, Inc.) to recover damages incurred as a result of a multi-year accounting fraud at one of the largest real estate investment trusts in the world.
- *Genworth Securities Litigation* – Represented public pension fund as co-lead counsel in a securities fraud action resolved for \$219 million, pending court approval, which is the largest recovery ever obtained in a securities class action in Virginia.
- *Jarden Appraisal* – Representing prominent institutional investor asserting its shareholder appraisal rights in connection with the \$15 billion acquisition of Jarden Corporation by Newell Rubbermaid Inc.

- *Wilmington Trust Securities Litigation* – Representing pension and Taft-Hartley funds as the court-appointed lead plaintiffs in a securities fraud action against Wilmington Trust Corporation and certain of its former top executives.
- *Tyco Direct Action* – Lead Counsel on behalf of prominent mutual funds, hedge funds and a public pension fund in a direct action against Tyco International and certain of its former officers, which was successfully resolved for over \$105 million.
- *International Rectifier Securities Litigation* – Co-Lead Counsel in securities fraud action resolved for \$90 million.
- *AXA Rosenberg Breach of Fiduciary Duty Action* – Recovered over \$65 million for investors in AXA Rosenberg’s funds and strategies who incurred losses as a result of an error in the company’s quantitative investment model.
- *Maxim Integrated Securities Litigation* – Lead Counsel in a stock options backdating action which resulted in \$173 million cash for investors – the largest backdating recovery in the Ninth Circuit.
- *Dendreon Securities Litigation* – Lead Counsel in securities fraud action resulting in \$40 million cash settlement for investors.
- *Qwest Direct Action* – Represented prominent mutual funds in a direct action which resulted in significant and confidential recovery.
- *Legato Securities Litigation* – Lead Counsel in securities fraud action resolved for \$85 million.
- *Gemstar Securities Litigation* – Lead Counsel in a securities fraud action which was successfully resolved for \$92.5 million.
- *Countrywide Equity Direct Action* – Represented seventeen prominent institutional investors, including many of the largest in the world, in a direct action that was successfully and confidentially resolved against Countrywide Financial, certain of its former executive officers, and KPMG LLP.
- *BP Direct Action* – Currently representing prominent institutional investors against British Petroleum and certain of its former officers arising out of the Company’s material false statements and omissions about its safety practices and the severity of the Deepwater Horizon oil spill.
- *Williams Securities Litigation* – Lead Counsel in a securities fraud action resolved for \$311 million.
- *Marsh & McLennan Direct Action* – Successfully resolved direct securities action against Marsh & McLennan on behalf of several prominent mutual funds.
- *Informix Securities Litigation* – Co-Lead Counsel in securities fraud action resolved for \$142 million.
- *Toyota Securities Litigation* – Lead Counsel in securities fraud action resulting in \$25.5 million settlement arising out of Toyota’s concealment of unintended acceleration.
- *Clarent Securities Litigation* – Co-Lead Trial Counsel in a securities fraud action prosecuted in the Northern District of California. After a four-week jury trial, in which Mr. Nicholas delivered the closing argument, the jury returned a rare securities fraud verdict in favor of the shareholders against the Company’s former CEO.
- *Countrywide RMBS Direct Action* – Represented prominent institutional investors, including money managers and insurance companies, in a direct action that was successfully and confidentially resolved against Countrywide Financial.
- *LIBOR Manipulation Actions* – Currently representing the Los Angeles County Employees’ Retirement Association and the County of Riverside in actions on behalf of investors and

municipalities who were damaged by the LIBOR rate-setting banks conspiracy to manipulate this critical financial benchmark.

- *Morgan Stanley RMBS Direct Action* – Currently representing two prominent insurance companies against Morgan Stanley arising out of its fraudulent sale of residential mortgage-backed securities.
- *Network Associates Securities Litigation* – Lead Counsel in securities fraud action resolved for \$70 million.
- *J.P. Morgan RMBS Direct Action* – Representing a prominent insurance company in an action alleging fraud claims arising from J.P. Morgan’s sale of residential mortgage pass-through certificates.
- *Finova Securities Litigation* – Lead Counsel in securities fraud action resolved for \$42 million.
- *Deutsche Bank RMBS Direct Action* – Successfully represented a prominent institutional investor in a securities fraud action against Deutsche Bank arising out of its fraudulent sale of residential mortgage-backed securities.
- *Assisted Living Concepts* – As Lead Counsel for the Class, obtained settlement for \$12 million in cash, subject to Court approval.

### Writing/Speaking

Mr. Nicholas frequently lectures at institutional investor and continuing legal educational conferences throughout the United States. He has written numerous articles relating to the application of the federal and state securities laws, including:

- Webinar: Co-hosted BLB&G Real-Time Speakers Series – “Control Fraud And The Imperial CEO – A Conversation with Professor Bill Black” (February 2016).
- “Concerns Rise with Foreign Litigation: Action May Be Only Way to Recoup Losses,” *Pensions & Investments* (January 2013) (co-author).
- “Regulations Needed for Healthy Market,” *The Recorder* (March 2011).
- “Why Institutional Investors Opt-Out of Securities Fraud Class Actions and Pursue Direct Individual Actions,” *Securities Litigation and Enforcement Institute* (PLI, July 2009) (co-author).
- “Credit Rating Agencies: Out of Control and in Need of Reform,” *Securities Litigation & Regulation Reporter* (June 30, 2009) (co-author).
- “Ruling Warns Funds to Follow Class Actions,” *Pensions & Investments* (December 2008) (co-author).
- “South Ferry: Applying Tellabs, 9<sup>th</sup> Circuit Lowers The Bar for Pleading Scienter Under the PSLRA,” *Securities Litigation & Regulation Reporter* (October 2008).
- “The 7<sup>th</sup> Circuit Sends a Strong Message: Institutions Must Monitor Securities Class Actions Claims,” *The NAPPA Report* (August 2008).
- “Industry-Wide Collapse Defense Falls Flat in Recent Subprime-Related Securities Fraud Decisions,” *Securities Litigation & Regulation Reporter* (July 2008) (co-author).
- “Auditor Liability: Institutional Investors Pursue Opt-Out Actions To Maximize Recovery of Securities Fraud Losses,” *Securities Litigation and Enforcement Institute* (PLI, 2007) (co-author).
- “Reforming the Reform Act and Restoring Investor Confidence in the Securities Markets,” *Securities Reform Act Litigation Reporter* (July 2002).

### Boards and Other Professional Affiliations

Mr. Nicholas is a Fellow at the American College of Investment Counsel (ACIC), and is an active member of both the Litigation Group and Securities Litigation Committee for the American Bar Association (ABA) and serves on the Affiliate Membership Committee for the California State Association of County Retirement Systems (SACRS). He served as Vice President on the Executive Committee of the San Diego Chapter of the Federal Bar Association and is an active member of the Association of Business Trial Lawyers of San Diego, Consumer Attorneys of California, Litigation Section of the State Bar of California, and the San Diego County Bar Association. He is also an active member of a variety of state, regional and national organizations dedicated to investor education and advocacy, including: National Association of Public Pension Attorneys (NAPPA), California Association of Public Retirement Systems (CALAPRS), and Council of Institutional Investors (CII).

EDUCATION: University of California, Santa Barbara, B.A., Economics. University of San Diego School of Law, J.D.; Lead Articles Editor of the *San Diego Law Review*.

BAR ADMISSIONS: California; U.S. Courts of Appeals for the Fifth and Ninth Circuits; U.S. District Courts for the Southern, Central and Northern Districts of California; U.S. District Court for the District of Arizona; U.S. District Court for the Eastern District of Wisconsin.

**SALVATORE J. GRAZIANO**, an experienced trial attorney, has taken a leading role in a number of major securities fraud class actions over the past twenty years on behalf of institutional investors and hedge funds nationwide. These high-profile cases include *In re Schering-Plough Corp./ENHANCE Sec. Litig.* (D.N.J.); *In re Raytheon Sec. Litig.* (D. Mass.); *In re Refco Sec. Litig.* (S.D.N.Y.); *In re MicroStrategy, Inc. Sec. Litig.* (E.D. Va.); *In re Bristol Myers Squibb Co. Sec. Litig.* (S.D.N.Y.); and *In re New Century* (C.D. Cal.).

Widely recognized by observers, peers and adversaries as one of the top securities and class action litigators in the country, Mr. Graziano has been cited as “wonderfully talented...excellent judgment...a smart, aggressive lawyer who works hard for his clients” (*Chambers USA*); an attorney who performs “top quality work” (*Benchmark Litigation*); and a “highly effective litigator” (*US Legal500*). One of three Legal MVPs in the nation heralded by *Law360* for his work in class actions, he is regularly named as one of *Lawdragon’s* 500 Leading Lawyers in America, a leading mass tort and plaintiff class action litigator by *Best Lawyers*<sup>®</sup>, and a *New York Super Lawyer*. Mr. Graziano has also been named one of the “Top 100 Trial Lawyers” in the nation by *Benchmark*.

Mr. Graziano is a managing partner of the firm. He has previously served as the President of the National Association of Shareholder & Consumer Attorneys, and has served as a member of the Financial Reporting Committee and the Securities Regulation Committee of the Association of the Bar of the City of New York.

Upon graduation from law school, Mr. Graziano served as an Assistant District Attorney in the Manhattan District Attorney’s Office.

Mr. Graziano regularly lectures on securities fraud litigation and shareholder rights.

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, Third, Ninth and Eleventh Circuits.

**HANNAH ROSS** is involved in a variety of the firm's litigation practice areas, focusing in particular on securities fraud, shareholder rights and other complex commercial matters. She has over a decade of experience as a civil and criminal litigator, and represents the firm's institutional investor clients as counsel in a number of major pending actions.

A key member and leader of trial teams that have recovered billions of dollars for investors, Ms. Ross is widely recognized by industry observers for her professional achievements. Named a "Future Star" and one of the "Top 250 Women in Litigation" in the nation by *Benchmark*, she has earned praise from *Legal 500 US* for her achievements, and is one of the "500 Leading Lawyers in America," part of an exclusive list of the top practitioners in the nation as compiled by leading legal journal *Lawdragon*.

Ms. Ross was a senior member of the team that prosecuted *In re Bank of America Securities Litigation*, which resulted in a landmark settlement shortly before trial of \$2.425 billion, one of the largest securities recoveries ever obtained. In addition, she led the prosecution against Washington Mutual and certain of its former officers and directors for alleged fraudulent conduct in the thrift's home lending operations, an action which settled for \$208.5 million and represents one of the largest settlements achieved in a case related to the fallout of the subprime crisis and the largest recovery ever achieved in a securities class action in the Western District of Washington. Ms. Ross was also a key member of the team prosecuting *In re The Mills Corporation Securities Litigation*, which settled for \$202.75 million, the largest recovery ever achieved in a securities class action in Virginia and the second largest recovery ever in the Fourth Circuit.

Most recently, Ms. Ross is a key member of the team that has obtained \$204.4 million in partial settlements in the securities litigation arising from the collapse of former leading brokerage MF Global, currently pending court approval. She is also prosecuting a number of high-profile securities class actions, including the litigation arising from the failure of major mid-Atlantic bank Wilmington Trust, as well as securities fraud class actions against payday lending company, DFC Global Corp.; home healthcare and pharmaceuticals company, BioScrip, Inc.; and Altisource Portfolio Solutions, a provider of support and technology services for mortgage loan servicing.

She has been a member of the trial teams in numerous other major securities litigations which have resulted in recoveries for investors in excess of \$2 billion. Among other matters, Ms. Ross prosecuted the securities class action against New Century Financial Corporation, the Federal Home Loan Mortgage Corporation ("Freddie Mac") as well as *In re Tronox Securities Litigation*, *In re Delphi Corporation Securities Litigation*, *In re Affiliated Computer Services, Inc. Derivative Litigation*, *In re Nortel Networks Corporation Securities Litigation* and *In re OM Group, Inc. Securities Litigation*.

Ms. Ross handles *pro bono* matters on behalf of the firm and has also served as an adjunct faculty member in the trial advocacy program at the Dickinson School of Law of the Pennsylvania State University.

Before joining BLB&G, Ms. Ross was a prosecutor in the Massachusetts Attorney General's Office as well as an Assistant District Attorney in the Middlesex County (Massachusetts) District Attorney's Office.

EDUCATION: Cornell University, B.A., *cum laude*, 1995. The Dickinson School of Law of the Pennsylvania State University, J.D., *with distinction*, 1998; Woolsack Honor Society; Comments Editor of the *Dickinson Law Review*; D. Arthur Magaziner Human Services Award.

BAR ADMISSIONS: Massachusetts; 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 Securities 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 Eastern and Southern Districts of New York; U.S. Court of Appeals for the Second Circuit.

**JAI K. CHANDRASEKHAR** prosecutes securities fraud litigation for the firm's institutional investor clients. He has been a member of the litigation teams on several of the firm's high-profile securities cases including *In re Refco, Inc. Securities Litigation*, in which multiple settlements were achieved by Lead Plaintiffs resulting in a total recovery of \$367.3 million for the benefit of the settlement class, and *In re Bristol Meyers Squibb Co. Securities Litigation*, in which a settlement of \$125 million was achieved for the class.

Mr. Chandrasekhar is currently counsel for the plaintiffs in *In re JPMorgan Chase & Co. Securities Litigation*, a securities fraud class action arising from misrepresentations and omissions concerning the trading activities of JPMorgan's Chief Investment Officer and the losses suffered by investors following JPMorgan's surprise announcement in May 2012 that it had suffered over \$2 billion in losses on trades tied to complex credit derivative products. He is also counsel for the plaintiffs in *In re MF Global Holdings Ltd. Securities Litigation*, a securities class action arising out of the collapse of MF Global – formerly a leading derivatives brokerage firm – and concerning a series of materially false and misleading statements and omissions about MF Global's business and financial results.

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 currently serves as a member of the Board of Directors of the New York County Lawyers' Association, and is a member of the New York City Bar 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 Eastern and Southern Districts of New York; U.S. Courts of Appeals for Second, Third and Federal Circuits.

**RICHARD D. GLUCK** has almost 25 years of litigation and trial experience in bet-the-company cases. His practice focuses on securities fraud, corporate governance, and shareholder rights litigation. He has been recognized for achieving “the highest levels of ethical standards and professional excellence” by Martindale Hubbell®, and has been named one of San Diego’s ”Top Lawyers” practicing complex business litigation.

Since joining BLB&G, Mr. Gluck has been a key member of the teams prosecuting a number of high-profile cases, including several RMBS class and direct actions against a number of large Wall Street Banks. He was a senior attorney on the team prosecuting the *In re Lehman Brothers Equity/Debt Securities Litigation*, which resulted in over \$615 million for investors and is considered one of the largest total recoveries for shareholders in any case arising from the financial crisis. Specifically, he was instrumental in developing important evidence that led to the \$99 million settlement with Lehman’s former auditor, Ernst & Young – one of the top 10 auditor settlements ever achieved. He also was a senior member of the teams that prosecuted the RMBS class actions against Bear Stearns, which settled for \$500 million; JPMorgan, which settled for \$280 million; and Morgan Stanley, which settled for \$95 million. He also is a key member of the team prosecuting *In re MF Global Holdings Limited Securities Litigation*, which to date has resulted in settlements totaling more than \$200 million, pending court approval.

Before joining BLB&G, Mr. Gluck represented corporate and individual clients in securities fraud and consumer class actions, SEC investigations and enforcement actions, and in actions involving claims of fraud, breach of contract and misappropriation of trade secrets in state and federal courts and in arbitration. He has substantial trial experience, having obtained verdicts or awards for his clients in multi-million dollar lawsuits and arbitrations. Prior to entering private practice, Mr. Gluck clerked for Judge William H. Orrick of the United States District Court for the Northern District of California.

Mr. Gluck currently is a member of the teams prosecuting *In re Wilmington Trust Securities*, *In re MF Global Holdings Limited Securities Litigation*, *Mark Roberti v. OSI Systems Inc., et al.*, *In re Genworth Financial Inc. Securities Litigation*, and *In re Allergan, Inc. Proxy Violation Securities Litigation*. He practices out of the firm’s San Diego office.

Mr. Gluck is a former President of the San Diego Chapter of the Association of Business Trial Lawyers and currently is a member of its Board of Governors.

EDUCATION: California State University Sacramento, B.S., Business Administration, *with honors*, 1987. Santa Clara University, J.D., *summa cum laude*, 1990; Articles Editor of the *Santa Clara Computer and High Technology Law Journal*.

BAR ADMISSIONS: California; U.S. District Courts for the Central, Northern and Southern Districts of California.

**JOSEPH COHEN** has extensive complex civil litigation experience and currently practices in the firm’s settlement department where he has primary responsibility for negotiating, documenting and obtaining court approval of the firm’s securities, merger and derivative settlements.

Prior to joining the firm, Mr. Cohen successfully prosecuted numerous securities fraud, consumer fraud, antitrust and constitutional law cases in federal and state courts throughout the country. Cases in which Mr. Cohen took a lead role include: *Jordan v. California Department of Motor Vehicles*, 100 Cal. App. 4<sup>th</sup> 431 (2002) (complex action in which the California Court of Appeal held that California’s Non-Resident Vehicle \$300 Smog Impact Fee violated the Commerce Clause of the United States Constitution, paving the way for the creation of a \$665 million fund and full refunds, with interest, to 1.7 million motorists); *In re Geodyne Resources, Inc. Sec. Litig.* (Harris Cty. Tex.) (settlement of securities fraud class action, including related litigation, totaling over \$200 million); *In re Community Psychiatric Centers Sec. Litig.* (C.D. Cal.) (settlement of \$55.5 million was obtained from the company and its auditors, Ernst & Young, LLP); *In re*

*McLeodUSA Inc., Sec. Litig.* (N.D. Iowa) (\$30 million settlement); *In re Arakis Energy Corp. Sec. Litig.* (E.D.N.Y.) (\$24 million settlement); *In re Metris Companies, Inc., Sec. Litig.* (D. Minn.) (\$7.5 million settlement); *In re Landry's Seafood Restaurants, Inc. Sec. Litig.* (S.D. Tex.) (\$6 million settlement); and *Freedman v. Maspeth Federal Loan and Savings Association*, (E.D.N.Y.) (favorable resolution of issue of first impression under RESPA and full recovery of improperly assessed late fees).

Mr. Cohen was also a member of the teams that obtained substantial recoveries in the following cases: *In re: Foreign Exchange Benchmark Rates Antitrust Litig.* (S.D.N.Y.) (partial settlements of approximately \$2 billion); *In re Washington Mutual Mortgage-Backed Securities Litigation* (W.D. Wash.) (settlement of \$26 million); *Mylan Pharmaceuticals, Inc. v. Warner Chilcott Public Limited Company* (E.D. Pa.) (\$8 million recovery on behalf of class of indirect purchasers of the prescription drug Doryx); *City of Omaha Police and Fire Retirement Sys. v. LHC Group, Inc.* (W.D. La.) (securities class action settlement of \$7.85 million); and *In re Pacific Biosciences of Cal., Inc. Sec. Litig.* (Cal. Super. Ct.) (\$7.6 million recovery).

EDUCATION: University of Rhode Island, B.S., Marketing, *cum laude*, 1986; Case Western Reserve University School of Law, J.D., 1989; New York University School of Law, LL.M., 1990.

BAR ADMISSIONS: California; District of Columbia; U.S. Court of Appeals for the Ninth Circuit; U.S. District Courts for the Central, Northern and Southern Districts of California.

## ASSOCIATES

**DAVID L. DUNCAN**'s practice concentrates on the settlement of class actions and other complex litigation and the administration of class action settlements.

Prior to joining BLB&G, Mr. Duncan worked as a litigation associate at Debevoise & Plimpton, where he represented clients in a wide variety of commercial litigation, including contract disputes, antitrust and products liability litigation, and in international arbitration. In addition, he has represented criminal defendants on appeal in New York State courts and has successfully litigated on behalf of victims of torture and political persecution from Sudan, Côte d'Ivoire and Serbia in seeking asylum in the United States.

While in law school, Mr. Duncan served as an editor of the *Harvard Law Review*. After law school, he clerked for Judge Amalya L. Kearsse of the U.S. Court of Appeals for the Second Circuit.

EDUCATION: Harvard College, A.B., Social Studies, *magna cum laude*, 1993. Harvard Law School, J.D., *magna cum laude*, 1997.

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

## STAFF ATTORNEYS

**DEEPAN BAJWA** focuses on discovery matters, from the initial stages of electronic discovery through depositions. Among other cases, Mr. Bajwa has worked on *In re MF Global Holdings Limited Securities Litigation* and *In re Citigroup Inc. Bond Litigation*.

Prior to joining the firm in 2010, Mr. Bajwa was a corporate and securities associate at Dechert, LLP.

EDUCATION: St. John's University, B.A., summa cum laude, 2001. Cornell University Law School, J.D., 2005.

BAR ADMISSIONS: New Jersey, New York.

**ANDREW BORUCH** focuses on discovery matters, from the initial stages of electronic discovery through depositions. Among other cases, Mr. Boruch has worked on *In re Kinder Morgan Energy Partnership, L.P. Derivative Litigation*, *In re MF Global Holdings Limited Securities Litigation*, *In re Bank of New York Mellon Corp. Forex Transactions Litigation*, *In re State Street Corporation Securities Litigation*, *SMART Technologies, Inc. Shareholder Litigation* and *In re Citigroup Inc. Bond Litigation*.

Prior to joining the firm in 2011, Mr. Boruch was a litigation associate at DLA Piper.

EDUCATION: The Ohio State University, B.A., *magna cum laude*, 2004; Phi Beta Kappa. New York University Law School, J.D., 2007.

BAR ADMISSION: New York.

**BRIAN CHAU** focuses on discovery matters, from the initial stages of electronic discovery through depositions. Among other cases, Mr. Chau has worked on *In re Facebook, Inc., IPO Securities and Derivative Litigation*, *In re MF Global Holdings Limited Securities Litigation*, *SMART Technologies, Inc. Shareholder Litigation* and *In re Bank of America Securities Litigation*.

Prior to joining the firm in 2010, Mr. Chau was an associate at Conway & Conway.

EDUCATION: New York University, Stern School of Business, B.S., 2003. Fordham University School of Law, J.D., 2006.

BAR ADMISSIONS: New York.

**ERIKA CONNOLLY** focuses on discovery matters, from the initial stages of electronic discovery through depositions. Among other cases, Ms. Connolly has worked on *In re MF Global Holdings Limited Securities Litigation* and *In re Merck & Co., Inc. Securities Litigation (VIOXX-related)*.

Prior to joining the firm in 2014, Ms. Connolly was an attorney at Stull, Stull & Brody.

EDUCATION: Boston University, B.A., *magna cum laude*, 2007. Fordham University School of Law, J.D., 2011.

BAR ADMISSION: New York.



**KRIS DRUHM** focuses on discovery matters, from the initial stages of electronic discovery through depositions. Among other cases, Mr. Druhm has worked on *In re MF Global Holdings Limited Securities Litigation*, *In re Citigroup Inc. Bond Litigation* and *In re Washington Mutual, Inc. Securities Litigation*.

Prior to joining the firm in 2010, Mr. Druhm was a litigation associate at Morgenstern Fisher & Blue, LLC.

EDUCATION: State University of New York at Potsdam, B.A., 1992; Masters In Teaching, 1994. Albany Law School of Union University, J.D., *summa cum laude*, 1998.

BAR ADMISSION: New York.

**ERIKA FLIERL** focuses on discovery matters, from the initial stages of electronic discovery through depositions. Among other cases, Ms. Flierl has worked on *In re MF Global Holdings Limited Securities Litigation*, *In re Bank of America Securities Litigation*, *In re Schering-Plough Corp./ENHANCE Securities Litigation* and *In re Merck & Co., Inc. Vytorin/Zetia Securities Litigation*, and *In re The Mills Corporation Securities Litigation*.

Prior to joining the firm in 2008, Ms. Flierl was an assistant attorney general with the North Carolina Department of Justice.

EDUCATION: Marquette University, B.A., 1987. Marquette University Law School, J.D., 1990. Columbia University, School of International and Public Affairs, M.P.A., 2006.

BAR ADMISSIONS: New York, North Carolina.

**CRISTAL GERRICK** focuses on discovery matters, from the initial stages of electronic discovery through depositions. Among other cases, Ms. Gerrick has worked on *In re MF Global Holdings Limited Securities Litigation*, *In re Wilmington Trust Securities Litigation*, *Bear Stearns Mortgage Pass-Through Litigation*, and *In re Genworth Financial Inc. Securities Litigation*.

Prior to joining the firm in 2014, Ms. Gerrick was an attorney at The Mogin Law Firm.

EDUCATION: Illinois State University, B.S. in Psychology, 1999. California Western School of Law, J.D., 2003.

BAR ADMISSIONS: California, Illinois.

**DANIELLE LEON** focuses on discovery matters, from the initial stages of electronic discovery through depositions. Among other cases, Ms. Leon has worked on *In re MF Global Holdings Limited Securities Litigation* and *In re Merck & Co., Inc. Securities Litigation (VIOXX-related)*.

Prior to joining the firm in 2013, Ms. Leon was a staff attorney at Brower Piven.

EDUCATION: University of Florida, B.A., *magna cum laude*, 2007. The George Washington University Law School, J.D., 2010.

BAR ADMISSIONS: New York.



**ADRIENNE LESTER-FITJE** focuses on discovery matters, from the initial stages of electronic discovery through depositions. Among other cases, Ms. Lester-Fitje has worked on *In re MF Global Holdings Limited Securities Litigation*.

Prior to joining the firm in 2014, Ms. Lester-Fitje was an attorney at Stull, Stull & Brody.

EDUCATION: Pomona College, B.A., 2005. University of Pittsburgh School of Law, J.D., 2011.

BAR ADMISSIONS: New York.

**CHARLES RONAN** focuses on discovery matters, from the initial stages of electronic discovery through depositions. Among other cases, Mr. Ronan has worked on *In re MF Global Holdings Limited Securities Litigation*, *In re Wilmington Trust Securities Litigation*, *Bear Stearns Mortgage Pass-Through Litigation*, and *In re Genworth Financial Inc. Securities Litigation*.

Prior to joining the firm in 2014, Mr. Ronan was an attorney at Charles R. Ronan Law Offices.

EDUCATION: Park University, B.S. in Management, cum laude, 2009. University of San Diego School of Law, J.D., 2013.

BAR ADMISSIONS: California.

**LAUREN CORMIER TAYLOR** focuses on discovery matters, from the initial stages of electronic discovery through depositions. Among other cases, Ms. Cormier Taylor has worked on *In re MF Global Holdings Limited Securities Litigation* and *In re Merck & Co., Inc. Securities Litigation (VIOXX-related)*.

Prior to joining the firm in 2013, Ms. Cormier Taylor was a staff attorney at Brower Piven.

EDUCATION: University of Richmond, B.A., cum laude, 2002. St. John's University School of Law, J.D., 2010.

BAR ADMISSIONS: New York.

# **Exhibit 2B**

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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IN RE MF GLOBAL HOLDINGS  
LIMITED SECURITIES LITIGATION

:  
:  
: Civil Action No. 1:11-CV-07866-VM  
:  
:

THIS DOCUMENT RELATES TO:

All Securities Actions  
(*DeAngelis v. Corzine*)

:  
:  
: ECF CASE  
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**DECLARATION OF JAVIER BLEICHMAR  
IN SUPPORT OF CO-LEAD COUNSEL'S MOTION  
FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT  
OF LITIGATION EXPENSES FILED ON BEHALF OF  
BLEICHMAR FONTI & AULD LLP**

Javier Bleichmar, declares as follows:

1. I am a partner in the law firm of Bleichmar Fonti & Auld LLP ("BFA"), which is Co-Lead Counsel in the above-captioned action (the "Action"). I submit this declaration in support of Co-Lead Counsel's application for an award of attorneys' fees in connection with services rendered in the Action, as well as for reimbursement of expenses incurred in connection with the Action that were not included in the application submitted with respect to the earlier achieved settlements in the Action (the "Earlier Application").

2. By Order dated August 13, 2014, the Court substituted previously-appointed Co-Lead Counsel Labaton Sucharow LLP with my firm, as Co-Lead Counsel for the Action. Since that date, my firm, as Co-Lead Counsel, has been involved in all aspects of the litigation and the settlements achieved as set forth in the Joint Declaration of Salvatore J. Graziano and Javier Bleichmar in Support of: (I) Settling Plaintiffs' Motion for Final Approval of the Remaining Senior Notes Underwriter Settlement; and (II) Co-Lead Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses.

3. The schedule attached hereto as Exhibit 1 is a detailed summary reflecting the amount of time spent by attorneys and professional support staff of BFA that was not included in the Earlier Application who were involved in this Action, and the lodestar calculation for those individuals based on my firm's current billing rates. For personnel who are no longer employed by my firm, the lodestar calculation is based upon the billing rates for such personnel in his or her final year of employment by BFA. The schedule was prepared from contemporaneous daily time records regularly prepared and maintained by my firm. This application covers time expended on the Action from May 9, 2015 through May 31, 2016, other than (a) time expended from May 9, 2015 through September 30, 2015 on obtaining preliminary and final approval of the Settlements achieved with PwC and the Individual Defendants which was included in the Earlier Application; or (b) time expended on the application for fees and reimbursement of expenses.

4. The hourly rates for the attorneys and professional support staff of BFA included in Exhibit 1 are the same as the regular rates charged for their services in non-contingent matters and/or which have been accepted in other securities or shareholder litigation.

5. The total number of hours reflected in Exhibit 1 from May 9, 2015 through and including May 31, 2016, is 4,953.75. The total lodestar reflected in Exhibit 1 for that period is \$2,857,341.25, consisting of \$2,763,921.25 for attorneys' time and \$93,420.00 for professional support staff time.

6. My firm's lodestar figures are based upon the 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 my firm's billing rates.

7. As detailed in Exhibit 2, my firm is seeking reimbursement for a total of

\$509,595.72 in expenses incurred in connection with the prosecution of this Action that were not applied for in the Earlier Application. The expenses reflected in Exhibit 2 are actual incurred expenses subject to limiting criteria with respect to certain expenses.

8. The expenses incurred in this Action are reflected on the books and records of my firm. These books and records are prepared from expense vouchers, check records and other source materials and are an accurate record of the expenses incurred.

9. Attached hereto as Exhibit 3 is a brief biography of BFA and the attorneys who were involved in this Action.

I declare, under penalty of perjury, that the foregoing facts are true and correct. Executed on June 1, 2016.



Javier Bleichmar

## EXHIBIT 1

*In re MF Global Holdings Limited Securities Litigation*

Civil Action No. 1:11-CV-07866-VM

This Document Relates To: All Securities Actions (*DeAngelis v. Corzine*)

## BLEICHMAR FONTI &amp; AULD LLP

## TIME REPORT

May 9, 2015 through May 31, 2016

NAME	HOURS	HOURLY RATE	LODESTAR
<b>Partners</b>			
Auld, Dominic	20	880	\$17,600.00
Bleichmar, Javier	167	880	\$146,960.00
Fonti, Joseph	29.5	880	\$25,960.00
Hanawalt, Cynthia	1,570.25	740	\$1,161,985.00
Tountas, Stephen	306.25	810	\$248,062.50
<b>Special Litigation Counsel</b>			
Kalmanson, Kimberly	90.25	535	\$48,283.75
<b>Associates</b>			
Alexander, Jeffrey	528	560	\$295,680.00
Schramm, Kendra	14	535	\$7,490.00
<b>Senior Staff Attorneys</b>			
Dennany, Nicholas	987.75	470	\$464,242.50
<b>Staff Attorneys</b>			
Batsiyan, Geoffrey	403.25	390	\$157,267.50
Sokolovsky, Alex	482	395	\$190,390.00
<b>Paralegals and Staff</b>			
Boghdady, Monica	316.75	250	\$79,187.50
Farber, Esther	8	280	\$2,240.00
Losoya, Janel	10.75	390	\$4,192.50
Russo, Michael	20	390	\$7,800.00
<b>TOTALS</b>	<b>4,953.75</b>		<b>\$2,857,341.25</b>

**EXHIBIT 2***In re MF Global Holdings Limited Securities Litigation***Civil Action No. 1:11-CV-07866-VM****This Document Relates To: All Securities Actions (*DeAngelis v. Corzine*)****BLEICHMAR FONTI & AULD LLP****EXPENSE REPORT****Expenses Incurred Not Previously Applied For**

<b>CATEGORY</b>	<b>AMOUNT</b>
On-Line Legal Research	\$3,307.66
Telephones/Faxes	\$257.07
Postage & Express Mail	\$718.82
Hand Delivery Charges	\$84.75
Local Transportation	\$782.16
Internal Copying	\$11,659.50
Outside Copying	\$4,518.55
Out of Town Travel	\$1,028.62
Working Meals	\$2,953.64
Court Reporters and Transcripts	\$4,552.18
Contributions to Litigation Fund	\$479,732.77
<b>TOTAL EXPENSES:</b>	<b>\$509,595.72</b>



 BLEICHMAR  
FONTI & AULD LLP



## EXHIBIT 3: BFA FIRM RESUME

## OVERVIEW

Bleichmar Fonti & Auld LLP (“BFA”) prosecutes class and direct actions nationwide on behalf of institutional investors. The Firm is dedicated to helping investors recover losses they have suffered due to fraud or other wrongdoing, particularly in the continuing aftermath of the Financial Crisis.

BFA was founded in 2014. Founding partners Javier Bleichmar, Joseph A. Fonti, and Dominic J. Auld have worked as a team for over a decade defending the interests of institutional investors, both at Labaton Sucharow LLP and Bernstein Litowitz Berger & Grossmann LLP. Individually, they have each been nationally recognized as leading litigators in the field of securities litigation, and have recovered billions of dollars during the course of their careers on behalf of investors. The Firm has recovered over \$600 million dollars for investors since its inception.

## LITIGATION HIGHLIGHTS

BFA has represented lead plaintiffs in the following five major securities class actions.

### *In re Genworth Financial Inc. Securities Litigation*

- No. 14-cv-00682, Eastern District of Virginia
- Client: Her Majesty the Queen in Right of Alberta
- Lead Attorneys: Joseph A. Fonti, Wilson Meeks

Total Settlement:  
\$219 Million

Background: Plaintiffs alleged that defendants misrepresented the profitability of the company’s core business and reported false financial results by grossly understating its long-term care insurance reserves. When Genworth announced a \$531 million charge to its reserves, the company’s stock price fell more than 55% - wiping out billions in market capitalization - and credit rating agencies downgraded the company and its corresponding debt to “junk” status.

Lead Plaintiffs: Her Majesty the Queen in Right of Alberta (as the sole shareholder of Alberta Investment Management Corp.) (“Alberta”); Fresno County Employees’ Retirement System.

BFA Role: BFA represents Court-appointed Co-Lead Plaintiff Alberta in this case. In November 2014, the United States District Court approved Alberta’s selection of BFA to serve as Co-Lead Counsel for the putative class.

Status: On March 10, 2016, Genworth announced a proposed settlement of \$219 million, the largest securities class action recovery ever achieved in Virginia. This result represents as much as 44% of the recoverable damages available at trial, many multiples of the average recoveries in securities class actions,

This settlement came after 15 months of intense and rapid litigation. In December 2014, Lead Plaintiffs filed a consolidated complaint against the company and two of its former officers. In February 2015, defendants filed a motion to dismiss. BFA founding partner Joseph A. Fonti successfully argued against the motion in federal court on April 28, 2015 - the securities fraud claims were sustained on May 1, 2015.

BFA secured one of the most thoroughly-reasoned, investor-oriented decisions on the Supreme Court’s then-recent *Omnicare* decision. The Court ruled that Lead Plaintiffs had sufficiently pled that defendants’ statements were intended to mislead investors and provide false assurances regarding the company’s reserves. The Court also largely sustained allegations that defendants falsely certified that the company’s internal controls were adequate.

The Eastern District of Virginia is known as the “rocket docket” for its rapid disposition of

cases and strict adherence to scheduled deadlines. Plaintiffs filed their motion for class certification on December 3, 2015, fact discovery closed on January 15, 2016, and expert discovery ended on February 11, 2016. In effect, BFA conducted 30-48 months of litigation in a little over one year. This effort included extensive trial preparation, over twenty depositions, full briefing on class certification and summary judgment. At the time of settlement, BFA attorneys were preparing for trial, which was scheduled to begin on May 9, 2016.

*In re MF Global Holdings Ltd. Securities Litigation*

- No. 11-cv-07866, Southern District of New York
- Client: Her Majesty the Queen in Right of Alberta
- Lead Attorneys: Javier Bleichmar, Cynthia Hanawalt

Total Settlements:  
\$234 Million

Background: This case arose from MF Global's dramatic bankruptcy in October 2011. Plaintiffs alleged that defendants misrepresented the company's risk controls, liquidity position, and exposure to European sovereign debt, and failed to properly account for its deferred tax assets.

Lead Plaintiffs: Her Majesty the Queen in Right of Alberta (as the sole shareholder of Alberta Investment Management Corp.) ("Alberta"); Virginia Retirement System.

BFA Role: BFA represents Court-appointed Co-Lead Plaintiff Alberta in this case. BFA founding partners Javier Bleichmar and Dominic J. Auld, and partner Cynthia Hanawalt, have represented Alberta in this case since its inception in November 2011, and have served as Court-appointed Co-Lead Counsel for the putative class since January 2012. When BFA launched, in August 2014, the United States District Court approved Alberta's selection of BFA to serve as Co-Lead Counsel for the putative class continuing the core litigation team's representation.

Status: Lead Counsel has achieved five partial settlements worth just over \$234 million on behalf of investors: (1) a \$74 million settlement with Goldman Sachs & Co. and certain other underwriters of the company's securities; (2) a \$64.5 million settlement with former officers and directors, including former CEO Jon S. Corzine; (3) a \$65 million settlement with the company's external auditor, PricewaterhouseCoopers LLP; (4) a \$29.825 million settlement with Jefferies and other underwriters of the final bond offering issued during the Class Period, and (5) a separate \$932,828 settlement with another underwriter defendant associated with the last offering. These settlements represent a recovery of approximately 35% of damages, an excellent result, particularly in light of the bankruptcy of the issuing entity.

These settlements were achieved after years of hard fought litigation. Following the Court's ruling sustaining the Complaint and denying defendants' six motions to dismiss in their entirety, Plaintiffs reviewed millions of documents from defendants and third parties, and conducted over 50 depositions of former employees of MF Global and other key witnesses, including four days of testimony from MF Global's former CEO Jon Corzine. The Court granted Plaintiffs' motion for class certification on October 14, 2015.

*Freedman et al. v. Weatherford International, Ltd.*

- No. 12-cv-02121, Southern District of New York
- Client: Anchorage Police and Fire Retirement System
- Lead Attorney: Javier Bleichmar

Total Settlement:  
\$120 Million

Background: Plaintiffs alleged that Weatherford, one of the world's largest oil and gas servicing companies, issued false financial statements that misled investors about its tax structure and internal controls. The company is alleged to have overstated its earnings by more than \$900 million and was forced to issue three restatements pertaining to its failure to comply with Generally Accepted Accounting Principles ("GAAP").

Lead Plaintiffs: Anchorage Police and Fire Retirement System ("Anchorage"); Sacramento City Employees' Retirement System.

BFA Role: BFA represented Court-appointed Co-Lead Plaintiff Anchorage in this case. BFA founding partner Javier Bleichmar has represented Anchorage continuously since the case was filed in March 2012. BFA attorneys Joseph Fonti, Cynthia Hanawalt, and Wilson Meeks, played key roles in the prosecution of this action.

Status: In September 2013, the team defeated defendants' motion to dismiss in its entirety. Class certification was granted in September 2014. Fact discovery concluded in May 2015, after more than 20 depositions and the review of more than eight million pages of documents. Expert reports also were exchanged in May 2015.

The company agreed to settle all claims for \$120 million of out of pocket cash, with no available insurance, or approximately 30% of recoverable damages. The settlement approval hearing was held on November 3, 2015, and the judge filed his order approving the settlement the following day. Achieving this settlement required more than three years of intense litigation, including defeating defendants' motion to dismiss in its entirety, obtaining class certification, completing fact discovery, filing four expert reports, and preparing for expert discovery and summary judgment.

*In re Computer Sciences Corp. Securities Litigation*

- No. 11-cv-00610, Eastern District of Virginia
- Client: Ontario Teachers' Pension Plan Board
- Lead Attorney: Joseph A. Fonti

Total Settlement:  
\$97.5 Million

Background: Plaintiffs alleged that the company and two of its officers misrepresented (i) a multi-billion dollar contract with the United Kingdom's National Health Service, and (ii) that the company's internal controls were adequate.

Lead Plaintiff: Ontario Teachers' Pension Plan Board ("OTPP").

BFA Role: BFA founding partners Javier Bleichmar, Joseph A. Fonti, and Dominic J. Auld represented Lead Plaintiff OTPP at all stages of this case. Partner Cynthia Hanawalt and associate Jeffrey R. Alexander also were instrumental in prosecuting the action, prevailing at class certification, and achieving the outstanding settlement. In August 2014, the United States District Court approved OTPP's selection of BFA as its counsel, continuing the team's representation.

At the time of the settlement, the settlement was the second-largest all cash recovery in the Eastern District of Virginia, and represented as much as 38% of recoverable damages at trial.

*In re Celestica Inc. Securities Litigation*

- No. 07-cv-00312, Southern District of New York
- Client: New Orleans Employees' Retirement System
- Lead Attorney: Joseph A. Fonti

Total Settlement:  
\$30 Million

Background: Plaintiffs alleged false and misleading statements relating to a significant corporate restructuring plan, earnings, profitability, and financial outlook. When the company ultimately disclosed the truth, its stock price dropped 50%, reducing market capitalization by \$1.3 billion.

Lead Plaintiffs: New Orleans Employees' Retirement System; Drywall Acoustic Lathing & Insulation Local 675 of the United Brotherhood of Carpenters and Joiners of America (Ontario, Canada).

BFA Role: BFA founding partner Joseph A. Fonti represented Lead Plaintiffs at all stages of this case. Notably, Joseph successfully argued before the United States Court of Appeals for the Second Circuit, securing an investor-oriented interpretation of the pleading standard for scienter. Joseph also successfully argued class certification and summary judgment motions before the United States District Court, securing the first decision post-*Halliburton Co. v. Erica P. John Fund, Inc.*, 134 S. Ct. 2398 (2014), in favor of investors on the issue of class-wide reliance.

Status: In April 2015, plaintiffs filed a motion for preliminary approval of a proposed \$30 million settlement resolving all claims against the company and officer defendants. The final settlement approval hearing was held on July 28, 2015, and Judge George B. Daniels approved the \$30 settlement.

\* \* \*

BFA attorneys have also played key roles in some of the most significant investor protection litigation in recent history, helping shareholders recover significant losses caused by financial misconduct in various industries across the marketplace. Select cases include:

*In re Broadcom Corp. Class Action Litigation*, Civ. No. 06-cv-5036 (C.D. Cal.).

The class action against Broadcom was based on allegations that the company inflated its stock price by intentionally backdating its stock option grants for over five years. Ultimately, the company was forced to issue a \$2.2 billion restatement of its financial statements for the period spanning from 1998 through 2005, which became the largest restatement ever due to options backdating.

The company acknowledged the "substantial evidence" of backdating, and ultimately the litigation led to the securing of a \$173.5 million settlement, which, at the time, was the second largest cash settlement ever involving a company accused of options backdating. This was also the only such case in which claims against the auditors were sustained.

*In re HealthSouth Corp. Securities Litigation*, Civ. No. 03-cv-1501-S (N.D. Ala.).

This case involved the largest securities fraud ever arising out of the healthcare industry, and ultimately resulted in a total settlement amount of \$804.5 million for the Class. The class

action involved claims against HealthSouth for falsifying its revenues, and conducting a series of acquisition transactions, in order to effectuate a massive fraud against the Medicare system.

False statements by the company and its officers led to the inflation of HealthSouth's stock price, while at the same time company executives were amassing significant personal wealth by selling their own shares of HealthSouth stock.

Significantly, the litigation also resulted in the recovery of \$109 million from HealthSouth's outside auditor Ernst & Young LLP, one of the largest recoveries to date against an auditing firm.

*In re Schering-Plough Corp. / ENHANCE Securities Litigation*, Civ. No. 08-397 (D.N.J.).

Lead Plaintiffs brought litigation in the District of New Jersey against Schering-Plough Corporation and Merck/Schering-Plough Pharmaceuticals, and certain company officers, in *In re Schering-Plough Corp. / ENHANCE Securities Litigation*, alleging that they failed to disclose material information about the prospects of cholesterol-lowering drugs.

After nearly six years of litigation, Defendants agreed to pay \$473 million to settle the matter on the eve of trial. This marked the largest securities class action recovery in history obtained from a pharmaceutical company. Together with a related securities class action against Merck, the *ENHANCE* litigation settled for \$688 million.

## TEAM PROFILES

Javier  
Bleichmar

Founding  
Partner

- New York Bar
- Supreme Court of the State of New York
- United States Supreme Court
- U.S. Courts of Appeals for the Second, Eighth, Ninth, Tenth, and Eleventh Circuits
- U.S. District Courts for the Southern and Eastern Districts of New York

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Javier Bleichmar is a founding partner of BFA, bringing a long career of litigation success to his prosecution of large-scale securities fraud class actions on behalf of institutional investors. Javier has been "recommended" in the field of securities litigation by the Legal 500.

Javier is the lead partner on the team litigating *In re MF Global Holdings Limited Securities Litigation* on behalf of Her Majesty the Queen in Right of Alberta and MF Global investors, in connection with the company's dramatic collapse on October 31, 2011. Plaintiffs have resolved the claims for over \$234 million, securing several settlements against MF Global's former officers and directors, underwriter defendants, and MF Global's outside auditor.

Javier also led the team that prosecuted *Freedman v. Weatherford International Ltd., et al.*, 1:12-CV-2121 (LAK), on behalf of the Anchorage Police & Fire Retirement System. The case alleged that Weatherford, which made three restatements of audited financials totaling approximately \$1 billion, misled investors about the Company's tax accounting. After more than three years of intense litigation, including 22 depositions and complex expert testimony, the parties announced a \$120 million settlement on June 30, 2015.

Javier is also a successful appellate advocate, prevailing before the Eighth Circuit in *Public Pension Fund Group v. KV Pharmaceutical, Co.* The Eighth Circuit reversed an earlier dismissal and clarified the standard governing pharmaceutical companies' disclosures relating to FDA notifications.

In recent years, Javier has also played a significant role in several high-profile cases at the center of the global financial crisis. In particular, he is responsible for prosecuting the shareholder suit against Morgan Stanley, relating to the bank's multi-billion trading loss on its sub-prime mortgage bets.

Javier is active in educating international institutional investors on developing trends in the law, particularly the ability of international investors to participate in securities class actions in the United States. Through these efforts, many of Javier's international clients were able to join the organization representing investors (i.e., the Foundation) in the first securities class action settlement under the then-recently enacted Dutch statute against Royal Dutch Shell. He also provides thought leadership as a regular contributor on securities issues in the New York Law Journal. Most recently he co-authored "IndyMac Leaves Uncertain Landscape for Opt-Out Litigation" and "The Evolving Legacy of *Fait v. Regions Financial.*" Javier is an active member of the National Association of Public Pension Plan Attorneys (NAPPA).

Prior to founding the Firm, Javier was a Partner of Labaton Sucharow LLP. He also practiced at Bernstein Litowitz Berger & Grossmann LLP, where he was actively involved in the *Williams Securities Litigation*, which resulted in a \$311 million settlement, as well as significant securities matters involving Lucent Technologies, Inc., Consecro, Inc. and Biovail Corp. He began his legal career at Kirkland & Ellis LLP.

During his time at Columbia Law School, Javier served as a law clerk to the Honorable Denny Chin, United States District Court Judge for the Southern District of New York. Javier is a native Spanish speaker and fluent in French.

Joseph Fonti

Founding  
Partner

- New York Bar
- Supreme Court of the State of New York
- United States Supreme Court
- U.S. Courts of Appeals for the First, Second, Ninth, and Tenth Circuits
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Joseph A. Fonti concentrates his practice on prosecuting complex securities and investment-related matters on behalf of institutional investors. Joseph's client commitment, advocacy skills and litigation results have earned him recognition as a Law360 "Rising Star." He was one of only five securities lawyers in the country—and the only investor-side securities litigator—to receive the distinction. In 2014, Joe was also "recommended" in the field of securities litigation by the Legal 500.

Joseph serves as co-lead counsel in *In re Genworth Financial Inc. Securities Litigation*, pending in the Eastern District of Virginia - widely known as the "rocket docket." In defeating defendants' motion to dismiss, Joseph secured one of the first pro-investor opinions after the Supreme Court's recent decision in the *Omnicare* matter. Recently, Plaintiffs announced a proposed settlement with Genworth of \$219 million, the largest securities class action recovery ever achieved in that jurisdiction.

Joseph has already had notable success in the high-pressure environment of the E.D. Va. In 2013, as lead trial lawyer on behalf of shareholders of Computer Science Corp., after prevailing at class certification and only four weeks before trial in the CSC matter, Joseph and his team secured a \$97.5 million settlement - the second-largest cash securities settlement in the court's history.

This past year, Joseph contributed to the prosecution and ultimate resolution of the Weatherford securities litigation (*Freedman v. Weatherford International Ltd., et al.*). Joseph's contribution to this very intense litigation centered on complex accounting and expert matters, and he took trial testimony of several third-party accountants and consultants who were not expected to appear for trial. Joseph, as part of the team led by his co-founding partner Javier Bleichmar, contributed to an outstanding recovery of \$120 million for Weatherford shareholders.

With over a dozen years of experience in investor litigation, Joseph's career is also marked by significant successes in the area of auditor liability and stock options backdating. He represented shareholders in the \$671 million recovery for shareholders in *In re HealthSouth Securities Litigation*. Particularly, Joseph played a significant role in recovering \$109 million from HealthSouth's outside auditor Ernst & Young LLP, one of the largest recoveries to date against an auditing firm. He also contributed to securing a \$173.5 million settlement in *In re Broadcom Corp. Securities Litigation*, which, at the time, was the second-largest cash settlement involving a company accused of options backdating. This was the only such case in which claims against the auditors were sustained.

In addition to representing several of the most significant U.S. institutional investors, Joseph has represented a number of Canada's most significant pension systems and asset managers. He also led the prosecution of *In re NovaGold Resources Inc. Securities Litigation*, which resulted in the largest settlement under Canada's securities class action laws.

Additionally, Joseph has achieved notable success as an appellate advocate. He successfully argued before the Second Circuit Court of Appeals in *In re Celestica Inc. Securities Litigation*. The Second Circuit reversed an earlier dismissal, and turned the tide of recent decisions by realigning pleading standards in favor of investors. Joseph was also instrumental in the advocacy before the Ninth Circuit Court of Appeals in the *In re Broadcom Corp. Securities Litigation*. This appellate victory marked the first occasion a court sustained allegations against an outside auditor related to options backdating.

Prior to founding the Firm, Joseph was a Partner of Labaton Sucharow LLP. He also practiced securities litigation at Bernstein Litowitz Berger & Grossmann LLP, and began his legal career at Sullivan & Cromwell LLP, where he represented Fortune 100 corporations and financial institutions in complex securities litigation and in multifaceted SEC investigations and at trial.

Joseph is a member of the ABA, the NY State Bar Association and the Bar of the City of New York.

Dominic J.  
Auld

Founding  
Partner

- New York Bar
- Supreme Court of the State of New York
- U.S. District Courts for the Southern and Eastern Districts of New York

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Dominic J. Auld has over a decade's worth of experience advising clients in large-scale securities and investment-related lawsuits. In 2015, Dominic was honored as a "Super Lawyer" in the field of securities litigation by Super Lawyer awards, marking his second consecutive year receiving that distinction. He has also been "recommended" in the field of securities litigation by the Legal 500.

Dominic leads BFA's Client Monitoring and Case Evaluation Group, overseeing the Firm's assessment of investment-related legal disputes. In filed cases directly involving his buy-side investor clients, he takes an active role in the litigation. Dominic also leads the Firm's International Litigation Practice, in which he manages BFA's representation of institutional investors in securities and investment-related cases filed outside the United States. Consequently, Dominic also takes a leadership role in managing the Firm's outreach to pension systems and sovereign wealth funds outside the United States -- regularly advising clients in Europe, Australia, Asia and across his home country of Canada.

Dominic is a frequent speaker and panelist on topics such as Corporate Governance, Shareholder Activism, Fiduciary Duty, Corporate Misconduct, and International Class and Collective Litigation. As a result of his expertise in these areas, he has become a sought-after commentator for issues concerning public pension funds, listed corporations, and securities and market regulation.

Dominic is also a regular speaker at law and investment conferences, including most recently the Canadian Foundation for Advancement of Investor Rights and Osgoode Hall Investor Recovery Conference in 2015, as well as the IMF (Australia) Shareholder Class Action Conference in Sydney and the Annual International Bar Association meeting in Dubai. Additionally, Dominic is frequently quoted in newspapers such as The Economist, The Financial Times, The New York Times, USA Today, The Times of London, The Evening Standard, The Daily Mail, The Guardian, and trade publications like Global Pensions, OP Risk and Regulation, The Lawyer, Corporate Counsel, Investments and Pensions Europe, Professional Pensions, and Benefits Canada.

Recently, Dominic published an article on custodian bank fees and their impacts on pension funds globally in Nordic Regions Pensions and Investment News magazine and was interviewed by Corporate Counsel for a feature article on rogue trading. Dominic is on the front-line of reforming the corporate environment, driving improved accountability and

responsibility for the benefit of clients, the financial markets and the public as a whole.

Prior to founding the Firm, Dominic was a Partner of Labaton Sucharow LLP. Dominic also practiced securities litigation at Bernstein Litowitz Berger & Grossmann LLP, where he began his career as a member of the team responsible for prosecuting the landmark *WorldCom* action which resulted in a settlement of more than \$6 billion. He also has a great deal of experience working directly with institutional clients affected by securities fraud; he worked extensively with the Ontario Teachers' Pension Plan as it led securities actions *In re Nortel Networks Corporation Securities Litigation*, *In re Williams Securities Litigation* and *In re Biovail Corporation Securities Litigation* – cases that settled for a total of more than \$1.7 billion.

Cynthia  
Hanawalt  
  
Partner

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- Supreme Court of the State of New York
- U.S. District Courts for the Southern and Eastern Districts of New York

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Cynthia Hanawalt litigates complex securities fraud cases on behalf of institutional investors in class and direct actions nationwide. She was honored as a “Rising Star” in the field of securities litigation by Super Lawyer awards in 2015, marking her third consecutive year receiving this distinction.

Cynthia has been leading the day-to-day prosecution of *In re MF Global Holdings Limited Securities Litigation* on behalf of Her Majesty the Queen in Right of Alberta and MF Global investors in connection with the company's dramatic collapse on October 31, 2011. Judge Marrero in the Southern District of New York sustained plaintiffs' complaint in its entirety, and parties engaged in a complex discovery process, including several dozen depositions coordinated across multiple *MF Global* litigations. Plaintiffs have achieved settlements totaling \$234 million, resolving claims against MF Global's former officers and directors, underwriter defendants, and MF Global's outside auditor.

Cynthia has also played a role in *In re Genworth Financial Inc. Securities Litigation*, a “rocket docket” matter, which alleges the fraudulent concealment of Genworth's deteriorating long-term care business. Recently, Plaintiffs announced a proposed settlement with Genworth of \$219 million, the largest securities class action recovery ever achieved in that jurisdiction. And she recently contributed to the intense litigation of *Freedman v. Weatherford International Ltd., et al.*, seeking to recover losses for investors stemming from three restatements of audited financials by the company. On June 30, 2015, parties announced a \$120 million settlement on behalf of the class.

Cynthia was previously involved in the prosecution of *In re Computer Sciences Corporation Securities Litigation*, another highly compressed E.D. Va. case, on behalf of Ontario Teachers' Pension Plan Board and the class, which settled for \$97.5 million just a few weeks before trial. She also has significant experience prosecuting fraudulent activity in the securitization and

sale of mortgage-backed securities.

Cynthia writes regularly on issues pertaining to the securities industry, and is the co-author of several articles, including: "IndyMac Leaves Uncertain Landscape for Opt-Out Litigation," New York Law Journal, October 28, 2014; "The Evolving Legacy of *Fait v. Regions Financial*," New York Law Journal, May 3, 2013; "Dodd-Frank: Rating Agencies and the ABS Market," Law360, January 25, 2011; and "Theory of Implied Misrepresentation in Securities Fraud Cases," New York Law Journal, April 5, 2010.

Prior to joining the Firm, Cynthia was an associate at Labaton Sucharow LLP. She began her legal career at McKee Nelson LLP, where she was part of the team that launched the firm's structured finance litigation practice. Prior to attending Columbia Law School, Cynthia was a consultant with The Boston Consulting Group, providing strategic and operational advice to Fortune 500 companies and local not-for-profit organizations.

Cynthia serves on the Board of Directors of Wave Hill.

Wilson Meeks,  
III  
Partner

- New York Bar
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Wilson ("Bill") Meeks III concentrates his practice on prosecuting complex securities fraud cases on behalf of institutional investors.

Bill has played a key role litigating *In re Genworth Financial Securities Litigation*, 3:14-cv-00682 (JAG), on behalf of Her Majesty the Queen in Right of Alberta in the notoriously fast-paced jurisdiction of the Eastern District of Virginia. The case alleges that Genworth, the largest seller of long-term care insurance in the U.S., misled investors about the true state of its deteriorating long-term care business. On May 1, 2015, U.S. District Judge James R. Spencer denied defendants' motion to dismiss, ruling that plaintiffs had sufficiently pled securities fraud claims against Genworth and its CEO and CFO. Bill spearheaded the Firm's discovery efforts, which were conducted at an accelerated pace. Recently, Plaintiffs announced a proposed settlement with Genworth of \$219 million, the largest securities class action recovery ever achieved in that jurisdiction.

Previously, Bill was the senior associate on the team that prosecuted securities litigation against Weatherford International Ltd. on behalf of the Anchorage Police & Fire Retirement System (*Freedman v. Weatherford International Ltd., et al.*), helping to lead the team that developed the substantive allegations. The case alleged that Weatherford, which made three restatements of audited financials totaling approximately \$1 billion, misled investors about the Company's tax accounting. After more than three years of intense litigation, including 22 depositions and complex expert testimony, plaintiffs reached an outstanding recovery of \$120 million on behalf of shareholders.

Prior to joining the Firm, Bill was an associate at Labaton Sucharow LLP, where he also prosecuted financial litigation matters on behalf of institutional investors. He previously worked at Akin Gump Strauss Hauer & Feld LLP, where he focused on complex securities, commercial and bankruptcy litigation.

Bill completed judicial clerkships with the Honorable James Robertson of the United States District Court for the District of Columbia, as well as with the Honorable Dolores K. Sloviter of the United States Court of Appeals for the Third Circuit.

Bill received his J.D. from Columbia Law School where he was a James Kent Scholar, and was awarded both the Milton B. Conford Book Prize in Jurisprudence and the Samuel I. Rosenman Prize.

Jeffrey  
Alexander  
  
Associate

- New York and New Jersey Bars
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- New Jersey Supreme Court
- U.S. Court of Appeals for the Tenth Circuit
- U.S. District Courts for the Southern and Eastern Districts of New York

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Jeffrey R. Alexander focuses his practice on prosecuting complex securities fraud cases on behalf of institutional investors. Jeff is the senior associate on BFA's team litigation team for *In re MF Global Holdings Limited Securities Litigation* on behalf of Her Majesty the Queen in Right of Alberta and MF Global investors in connection with the company's dramatic collapse on October 31, 2011. The Court sustained plaintiffs' complaint in its entirety, and parties engaged in a complex discovery process including several dozen depositions coordinated across multiple *MF Global* litigations. Plaintiffs have secured settlements totaling \$234 million.

Jeff has also played a significant role in prosecuting *In re Genworth Financial Inc. Securities Litigation*, a "rocket docket" matter, which alleges the fraudulent concealment of Genworth's deteriorating long-term care business. On May 1, 2015, Judge Spencer ruled that Plaintiffs sufficiently pled securities fraud claims against Genworth, its CEO and CFO. Jeff was instrumental in drafting the successful opposition to defendants' motion to dismiss, and was actively involved in the deposition discovery phase of the case. Recently, Plaintiffs announced a proposed settlement with Genworth of \$219 million, the largest securities class action recovery ever achieved in that jurisdiction.

Previously, Jeff was a member of the team that prosecuted securities litigation against Weatherford International Ltd. on behalf of the Anchorage Police & Fire Retirement System. The case alleged that Weatherford, which made three restatements of audited financials totaling approximately \$1 billion, misled investors about the Company's tax accounting. After more than three years of intense litigation, the parties announced a \$120 million settlement on June 30, 2015.

Jeff was also instrumental in prosecuting the securities litigation against Computer Sciences

Corporation on behalf of Ontario Teachers' Pension Plan Board, one of Canada's largest pension investors. After litigating the matter in a "rocket docket" jurisdiction, and taking several key depositions, Jeff participated in securing a settlement of \$97.5 million, the third largest all-cash settlement in the Fourth Circuit.

Jeff was also involved in securing a \$275 million settlement with Bear Stearns Companies, and a \$19.9 million settlement with Deloitte & Touche LLP, Bear Stearns' outside auditor, in *In re Bear Stearns Companies, Inc. Securities Litigation*.

Prior to joining the Firm, Jeff was an associate at Labaton Sucharow LLP. He began his career at Latham & Watkins LLP, focusing on securities, antitrust, and employment litigation in state and federal courts. Jeff also represented U.S. Soccer in its bid to host the 2018 and 2022 FIFA World Cups.

Jeff graduated Phi Beta Kappa from Emory University, where he earned a degree in Math and Economics and was a four-year member of Emory's NCAA soccer team.

Kendra  
Schramm  
  
Associate

- New York and New Jersey Bars
- Supreme Court of the State of New York
- New Jersey Supreme Court
- United States Supreme Court
- U.S. District Courts for the Southern District of New York and District of New Jersey

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Kendra Schramm practices with the Firm's International Litigation Group, evaluating and prosecuting complex securities and investment-related matters on behalf of global institutional investors.

A highly valued litigator with meaningful experience in large and complex securities matters, Kendra Schramm is also a key member of the Firm's International Litigation Practice, responsible for evaluating and prosecuting complex securities and investment-related matters taking place outside the U.S. on behalf of global institutional investors.

BFA's International Litigation Practice advises and represents BFA clients in securities and investment-related cases filed across the globe - including matters in Japan, France, Belgium, the UK, the Netherlands, Germany, Italy and elsewhere. The International Practice provides highly pragmatic advice to leading institutional investors on the comparative risks and merits of potential litigation - the majority of which requires a formal decision to participate. Kendra is instrumental to the Firm's outreach to pension systems and sovereign wealth funds outside the United States to ensure their interests are represented in meritorious international litigation matters. Kendra also works with the Firm's Client Monitoring and Case Evaluation Group to assist in the assessment and prosecution of domestic securities class actions.

Prior to joining the Firm, Kendra was an associate at Labaton Sucharow LLP, where she was a member of the team that recovered more than \$1 billion in total settlements in the landmark

securities litigation against American International Group, Inc. and numerous related defendants. Kendra was also instrumental in prosecuting the complex securities litigation against the Federal National Mortgage Association (Fannie Mae), which successfully alleged that investors' losses were caused by Fannie Mae's statements and actions rather than the financial crisis. The case resulted in a \$170 million settlement.

Robyn English

Associate

- New York Bar

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Robyn R. English brings a background in investment litigation as well as clerkship experience to her role as an associate on BFA's litigation team. She is dedicated to litigating complex securities fraud and investment-related matters on behalf of institutional investors.

Prior to joining the Firm, Robyn was an associate at Paul, Weiss, Rifkind, Wharton & Garrison, where she litigated complex investment-related disputes. She previously worked at Kirkland and Ellis, LLP, where she focused on antitrust, commercial, and bankruptcy litigation.

Robyn completed a judicial clerkship with the Honorable Beryl A. Howell, Chief Judge of the United States District Court for the District of Columbia. She received her J.D. from Georgetown University Law Center.

Robyn graduated Phi Beta Kappa from Georgetown University, where she was a member of Georgetown's NCAA Women's Golf Team.

William Geraci

Associate

- New York Bar

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Bill has nearly a decade of litigation experience, and is deeply familiar with many key aspects of complex litigation, including large-scale discovery efforts; evidentiary briefing, including discovery disputes and summary judgment motions; the use of expert witnesses; and mediation proceedings.

Bill has been litigating *In re Genworth Financial Inc.*, 3:14-cv-00682 (JAG) on behalf of Her

Majesty the Queen in Right of Alberta. The case alleges that Genworth, the largest seller of long-term care insurance in the U.S., misled investors about the true state of its deteriorating long-term care business. On May 1, 2015, U.S. District Judge James R. Spencer denied defendants' motion to dismiss, ruling that plaintiffs had sufficiently pled securities fraud claims against Genworth and its CEO and CFO. Recently, Plaintiffs announced a proposed settlement with Genworth of \$219 million, the largest securities class action recovery ever achieved in that jurisdiction.

Previously, Bill was a key member of the team that prosecuted securities litigation against Weatherford International Ltd. on behalf of the Anchorage Police & Fire Retirement System. The case alleged that Weatherford, which made three restatements of audited financials totaling approximately \$1 billion, misled investors about the Company's tax accounting. After more than three years of intense litigation, including 22 depositions and the production of eight million pages of documents, the parties announced a \$120 million settlement on June 30, 2015.

Prior to joining the Firm, Bill was a Team Leader and Staff Attorney at Labaton Sucharow LLP, where he was a member of the team that successfully litigated *In re Bear Stearns Companies, Inc. Securities Litigation*, securing a \$275 million settlement with Bear Stearns Companies, and a \$19.9 million settlement with Deloitte & Touche LLP, Bear Stearns' outside auditor.

Bill received his J.D. from George Washington University Law School, where he graduated with honors.

<p>Nicholas Dennany</p> <p>Senior Staff Attorney</p>	<ul style="list-style-type: none"><li>• New York Bar</li></ul>
--	--

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Nick has nearly a decade of discovery expertise, having managed multiple large-scale electronic document reviews from start to finish. In addition, Nick has been responsible for both the legal and technical aspects of the discovery process, and has routinely overseen the production and receipt of electronic discovery in major securities litigations.

Nick has been litigating *In re MF Global Holdings Limited Securities Litigation* in connection with the company's dramatic collapse on October 31, 2011. Judge Marrero in the Southern District of New York sustained plaintiffs' complaint in its entirety, and the parties engaged in a complex discovery process involving the production of over 46 million pages of documents and dozens of depositions coordinated across multiple *MF Global* litigations. Plaintiffs have secured settlements totaling \$234 million, resolving claims against MF Global's former officers

and directors, underwriter defendants, and MF Global's outside auditor.

Nick is also litigating *In re Genworth Financial Inc.*, 3:14-cv-00682 (JAG). The case alleges that Genworth, the largest seller of long-term care insurance in the U.S., misled investors about the true state of its deteriorating long-term care business. On May 1, 2015, U.S. District Judge James R. Spencer denied defendants' motion to dismiss, and the parties engaged in discovery efforts at an accelerated pace. Recently, Plaintiffs announced a proposed settlement with Genworth of \$219 million, the largest securities class action recovery ever achieved in that jurisdiction.

Prior to joining the Firm, Nick was a Team Leader and Staff Attorney at Labaton Sucharow LLP, where he was a member of the team that successfully litigated and ultimately secured significant settlements in *In re Broadcom Corp. Securities Litigation* (\$173.5 million settlement) and *In re NovaGold Resources Inc. Securities Litigation* (\$28 million CDN).

Sara Pildis  
Simnowitz

Special  
Litigation  
Counsel

- New York and Massachusetts Bars
- United States Supreme Court
- U.S. Court of Appeals for the First Circuit Court
- U.S. District Courts for the Southern, Eastern, and Western Districts of New York, and District of Massachusetts

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Sara is an experienced litigator who brings significant trial experience to the Firm. She has played a key role litigating *In re Genworth Financial Inc.*, 3:14-cv-00682 (JRS) on behalf of Her Majesty the Queen in Right of Alberta. The case alleges that Genworth, the largest seller of long-term care insurance in the U.S., misled investors about the true state of its deteriorating long-term care business. On May 1, 2015, U.S. District Judge James R. Spencer denied defendants' motion to dismiss, ruling that plaintiffs had sufficiently pled securities fraud claims against Genworth and its CEO and CFO. Sara actively participated in the team's discovery and summary judgment efforts. Recently, Plaintiffs announced a proposed settlement with Genworth of \$219 million, the largest securities class action recovery ever achieved in that jurisdiction.

Before joining BFA, Sara was a senior associate at Arnold & Porter LLP, where she focused on complex commercial litigation. Previously, Sara was an associate at Heller Ehrman LLP in New York and Foley Hoag LLP in Massachusetts, where she focused on complex commercial litigation and securities litigation.

Michael A. Russo

Director of  
Operations

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As BFA's Director of Operations, Michael Russo oversees the management activities of the Firm, including all technology, HR, and facilities related functions. Michael works closely with BFA's founding partners to ensure that the Firm is operating at the highest possible level, with the capabilities and responsiveness necessary to serve BFA's clients. In this capacity, he facilitates the day-to-day needs of the Firm as well as its long-term strategic goals.

Michael brings over a decade of law firm experience to his role, and his insight into the practical requirements of successful litigation is central to his management of Firm operations. Prior to joining the firm, Michael was a Senior Paralegal at Labaton Sucharow LLP. He has accumulated significant experience managing the litigation needs of dozens of complex cases throughout his career, and has a thorough understanding of staff oversight, caseload management, and all aspects of litigation ranging from case initiation through trial.

Michael received his B.A. from Marist College where he earned his degree in economics. He is a member of the Association of Legal Administrators (ALA).

Janel Losoya

Director of  
Client Reporting  
& Data Analysis

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Janel Losoya is the Firm's Director of Client Reporting and Data Analysis. She oversees BFA's Global Investment Monitoring Program, which helps BFA clients analyze their exposure to financial fraud across the global marketplace. Janel works to strengthen relationships with Firm clients and the financial institutions that support them, and provides infrastructure and technical support as needed to manage clients' investment data. Her analysis is vital to the Firm's analysis of the merits, parties, and risks of participation in potential new matters, including class cases, direct actions and international securities litigation.

Prior to joining the Firm, Janel was a data analyst at Labaton Sucharow LLP, where she spearheaded the firm's efforts to develop a platform to assess clients' vulnerability in investments on international exchanges.

Janel began her career as a pricing analyst at AllianceBernstein LP, where she worked on complex financial instruments including mortgage-backed securities and derivative products. Janel received her bachelor's degree in business administration from the University of Texas at San Antonio.

For more information, please visit:  
[www.bfalaw.com](http://www.bfalaw.com)

# **Exhibit 2C**

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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IN RE MF GLOBAL HOLDINGS  
LIMITED SECURITIES LITIGATION

:  
:  
: Civil Action No. 1:11-CV-07866-VM  
:  
:

THIS DOCUMENT RELATES TO:

All Securities Actions  
(*DeAngelis v. Corzine*)

:  
:  
: ECF CASE  
:  
:  
:

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**DECLARATION OF JOHN H. DRUCKER  
IN SUPPORT OF CO-LEAD COUNSEL'S MOTION  
FOR AN AWARD OF ATTORNEYS' FEES AND  
REIMBURSEMENT OF LITIGATION EXPENSES  
FILED ON BEHALF OF COLE SCHOTZ P.C.**

John H. Drucker, declares as follows:

1. I am a shareholder in the law firm of Cole Schotz P.C. ("Cole Schotz"), one of Plaintiffs' Counsel in the above-captioned action (the "Action"). I submit this declaration in support of Co-Lead Counsel's application for an award of attorneys' fees in connection with services rendered in the Action, as well as for reimbursement of expenses incurred in connection with the Action that were not included in the application submitted with respect to the earlier achieved settlements in the Action (the "Earlier Application").

2. My firm, as one of Plaintiffs' Counsel provided services as special bankruptcy law counsel. At the request and under the supervision of Co-Lead Counsel, Cole Schotz commenced providing services in February 2012. In its capacity as special bankruptcy law counsel, from and after its retention, Cole Schotz had primary responsibility with regard to identifying and addressing issues that might affect the rights, interests and claims of the Plaintiffs in the jointly administered chapter 11 cases (the "Bankruptcy Case") of *MF Global Holdings Ltd*,

*et al.*, Case No.: 11-15059 (mg) ("MFGH" and together with the MFGH jointly administered co-debtors, the "Debtors"), and the matter of *MF Global Inc.*, a case under SIPA 15 U.S.C.78aaa et seq., Case No. 11-02790 (mg) ("MFGI"), (collectively with the Bankruptcy Case, the "Bankruptcy Court Cases") then pending in the United States Bankruptcy Court for the Southern District Of New York (the "Bankruptcy Court").

3. As reported in the Earlier Application, the Bankruptcy Court Cases were active and required the diligence of Cole Schotz to determine whether actions proposed to be taken in the Bankruptcy Court Cases would affect the rights and interests of the Plaintiffs. While that activity abated somewhat for a period following confirmation by the MF Global debtors of their Chapter 11 Plan of Reorganization (the "Plan"), it did not end. Particularly in view of the contentious nature of the Bankruptcy Court cases and level of sophistication and experience of the professionals representing the interests of the parties in the Bankruptcy Court Cases who were, or who were potentially, adverse to the interest of the Plaintiffs in the Action, Cole Schotz was required to maintain a high degree of diligence and focus throughout the period covered by this application. The professionals representing such other parties included Jones Day, Davis Polk & Wardell LLP, Kramer Levine Naftalis & Frankel, Akin Gump Strauss Hauer & Feld LLP, and others.

4. During the period addressed by this application numerous issues were in fact raised in the Bankruptcy Court Cases as well as in the Action that required the active involvement of Cole Schotz. These issues included, among other things, various motions for relief sought in Bankruptcy Court, including motions and opposition pleadings relating to directors and officers liability insurance coverage issues and, significantly, efforts to derail the approval of a proposed settlement in the Action with certain defendants.

5. Without any prior notification, on October 19, 2015, the "Plan Administrator" and

“Liquidation Trustee”, being entities formed under and pursuant to the Plan commenced an adversary proceeding (the “Adversary Proceeding”) in the Bankruptcy Court and sought a preliminary injunction (“Preliminary Injunction Motion”) from that Court to enjoin the consummation of the Stipulation and Agreement of Settlement with Individual Defendants [Docket No. 969-1] that was then pending before this Court. That dispute remained active through the period covered by this application. Cole Schotz was called upon on a regular basis to provide counsel and assistance in connection with the dispute, which necessarily impacted both the Bankruptcy Court Cases as well as the Action. Several in person and telephonic hearings and conferences were conducted with the Bankruptcy Court, and this Court, including the unusual circumstance of a joint hearing presided over by Judge Marrero, Magistrate Judge Francis and the Bankruptcy Court Judge assigned to the Bankruptcy Court Cases. Working together with the Co-Lead Counsel, Cole Schotz attended and participated in such hearings and provided other services, including drafting and/or reviewing and revising pleadings, stipulations and consent orders filed in connection with the Adversary Proceeding and Preliminary Injunction Motion, and participating in settlement discussions and conferences and preparing and filing stipulations and consent orders.

6. The schedule attached hereto as Exhibit 1 is a detailed summary reflecting the amount of time spent by attorneys and professional support staff of Cole Schotz that was not included in the Earlier Application who were involved in this Action, and the lodestar calculation for those individuals based on my firm’s current billing rates. For personnel who are no longer employed by my firm, the lodestar calculation is based upon the billing rates for such personnel in his or her final year of employment by Cole Schotz. The schedule was prepared from contemporaneous daily time records regularly prepared and maintained by my firm. This application covers time expended on the Action from May 9, 2015 through May 31, 2016. Time

expended on the application for fees and reimbursement of expenses has not been included.

7. The hourly rates for the attorneys and professional support staff of Cole Schotz included in Exhibit 1 are the same as the regular rates charged for their services in non-contingent matters and/or which have been accepted in other securities or shareholder litigation.

8. The total number of hours reflected in Exhibit 1 from May 9, 2015 through and including May 31, 2016, is 250. The total lodestar reflected in Exhibit 1 for that period is \$166,749, consisting of \$161,341 for attorneys' time and \$5,408 for professional support staff time.

9. My firm's lodestar figures are based upon the 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 my firm's billing rates.

10. As detailed in Exhibit 2, my firm is seeking reimbursement for a total of \$2,162.90 in expenses incurred in connection with the prosecution of this Action that were not applied for in the Earlier Application. The expenses reflected in Exhibit 2 are actual incurred expenses subject to limiting criteria with respect to certain expenses.

11. The expenses incurred in this Action are reflected on the books and records of my firm. These books and records are prepared from expense vouchers, check records and other source materials and are an accurate record of the expenses incurred.

12. With respect to the standing of my firm, attached hereto as Exhibit 3 is a brief biography of Cole Schotz and of the primary attorneys in my firm who were involved in this Action.

I declare, under penalty of perjury, that the foregoing facts are true and correct. Executed  
on June 1, 2016.

A handwritten signature in blue ink, appearing to read "John H. Drucker", written over a horizontal line.

John H. Drucker

**EXHIBIT 1***In re MF Global Holdings Limited Securities Litigation*

Civil Action No. 1:11-CV-07866-VM

**This Document Relates To: All Securities Actions (*DeAngelis v. Corzine*)****COLE SCHOTZ P.C.****TIME REPORT****May 9, 2015 through May 31, 2016**

<b>NAME</b>	<b>HOURS</b>	<b>HOURLY RATE</b>	<b>LODESTAR</b>
<b>Shareholders</b>			
John Drucker	187.10	775.00	\$145,002.50
Laurence May	6.30	775.00	\$4,882.50
<b>Associates</b>			
Mark Tsukerman	35.80	320.00	\$11,456.00
<b>Paralegals</b>			
Francis Pisano	20.80	260.00	\$5,408.00
<b>TOTALS</b>	<b>250.00</b>		<b>\$166,749.00</b>

**EXHIBIT 2**

*In re MF Global Holdings Limited Securities Litigation*

Civil Action No. 1:11-CV-07866-VM

**This Document Relates To: All Securities Actions (*DeAngelis v. Corzine*)**

**COLE SCHOTZ P.C.**

**EXPENSE REPORT**

**Expenses Incurred Not Previously Applied For**

<b>CATEGORY</b>	<b>AMOUNT</b>
Court Fees	\$353.90
On-Line Legal Research	\$67.51
Telephones/Faxes	\$37.00
Hand Delivery Charges	\$9.50
Transportation	\$246.67
Internal Copying	\$957.10
Court Reporters and Transcripts	\$491.22
<b>TOTAL EXPENSES:</b>	<b>\$2,162.90</b>

## EXHIBIT 3

## FIRM RESUME AND ATTORNEY BIOGRAPHY

Cole Schotz P.C. (“Cole Schotz”) serves clients throughout the United States with offices in New Jersey, New York, Delaware, Maryland and Texas. Founded in 1928, Cole Schotz brings together over 120 attorneys across a wide range of practice areas including 10 primary areas of practice: Bankruptcy & Corporate Restructuring; Litigation, Real Estate; Tax, Trusts & Estates; Corporate, Finance & Business Transactions; Employment; Environmental; and Construction Services. The firm’s clientele consists of a wide array of private and public business enterprises, ranging from closely held to Fortune 500 companies. Over the years, the firm has grown in size and practice diversity to assure clients the level of specialization required to meet today’s challenges. With over 25 attorneys in the bankruptcy and corporate restructuring practice group, Cole Schotz is recognized as having a sophisticated corporate restructuring practice, possessing the expertise to represent clients in any insolvency-related matter throughout the country. The firm represents debtors, creditors’ committees, institutional and individual creditors, class action plaintiffs, secured parties, venture capitalists, equity holders, trustees, receivers, acquiring entities and parties with substantial interests in insolvency proceedings throughout the United States.

John H. Drucker- John Drucker is a member in the firm’s Bankruptcy & Corporate Restructuring Practice. From 1986 until its merger with the firm in the beginning of 2006, John was a member of Angel & Frankel, P.C., a nationally recognized corporate reorganization and bankruptcy boutique firm. Mr. Drucker has a national reputation in bankruptcy matters through his representation of debtors, debtors in possession, class action plaintiffs and other parties in interest in sophisticated Chapter 11 proceedings and in non-judicial corporate reorganization and restructurings. He frequently represents domestic and international businesses and individuals in a wide range of matters involving formal bankruptcy, out-of-court restructuring and workouts of financially troubled companies. Mr. Drucker has served, or is currently serving, as lead special bankruptcy law counsel on behalf of class action plaintiffs in a number of sophisticated Bankruptcy Court Cases including, *Drexel Burnham Lambert Capital Group*, *Adelphia Communications Corporation*, *Calpine Corp.*, *Lone Star Industries*, *Tower Automotive*, *Old Carco LLC (f/k/a Chrysler LLC)*, *Advanta Corp*, *K.V Pharmaceutical*, *Central European Distribution Corporation*, *et al.*, *The Great Atlantic & Pacific Tea Company, I, et al. (In re Dudley v Haub)*, *Everyware Global Inc. Securities Litigation*, *RCS Capital, Inc ( In re American Realty Capital Properties, Inc. Litigation )*, *In Re MF Global Holdings Limited Securities Litigation (DeAngelis v. Corzine)*, and *SunEdison, Inc ( Horowitz v SunEdison et al)*. He also has substantial experience and expertise in the representation of creditors, creditors’ committees, asset purchasers, landlords, secured creditors, shareholders, class-action claimants, Chapter 11 trustees, liquidating trustees, plan administrators, and governmental units and agencies. Mr. Drucker has served as lead debtors counsel, or has represented significant parties in interest in numerous chapter 11 Bankruptcy Court Cases, including, *The Lionel Corporation*, *The Athlete’s Foot Stores, LLC*, *Wedtech Corp*, *ANC Rental Corp. (parent company of Alamo and National Car Rental)*, *Delta Airlines*, *Tricorn S.A.*, *Residential Capital, LLC, et al.* and many others. John is also a trained and experienced mediator, providing mediation services with respect to bankruptcy and non-bankruptcy related disputes. He serves on the authorized panels of mediators maintained by the U.S. District Court for the Southern District of New York, the

U.S. Bankruptcy Courts for the Southern District of New York and the District of Delaware and the American Arbitration Association. He has also served as a party-appointed neutral arbitrator of bankruptcy law-related matters under the American Arbitration Association's rules for large complex commercial disputes. Martindale-Hubbell, the publisher of the premier directory of legal professionals, awarded John an AV rating, the highest possible, for his professionalism and the quality of his legal work. He has also been selected by his peers for inclusion in the prestigious Best Lawyers in America in Bankruptcy and Creditor-Debtor Rights Law in 2007-2016 and New York Super Lawyers in Bankruptcy and Creditor/ Debtor Rights in 2007-2016.

# **Exhibit 3**

**EXHIBIT 3***In re MF Global Holdings Limited Securities Litigation***Civil Action No. 1:11-CV-07866-VM****This Document Relates To: All Securities Actions (*DeAngelis v. Corzine*)****BREAKDOWN OF EXPENSES BY CATEGORY****Expenses Incurred Not Previously Applied For**

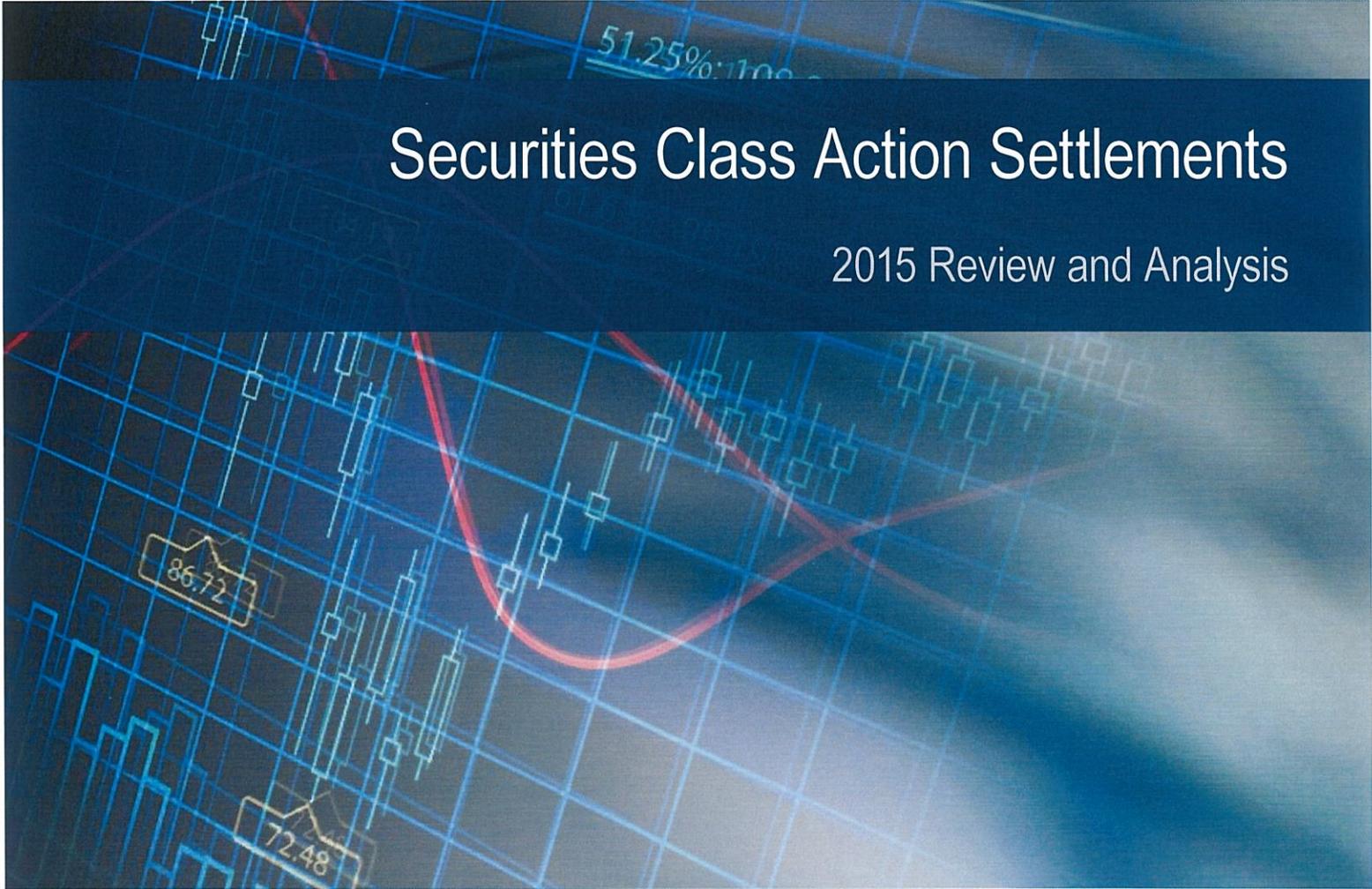
<b>CATEGORY</b>	<b>AMOUNT</b>
Court Fees	\$ 427.90
Service of Process	346.00
On-Line Legal Research	9,181.00
On-Line Factual Research	2,832.79
Telephone/Faxes	668.82
Document Management	769,175.64
Postage & Express Mail	5,188.38
Hand Delivery Charges	235.75
Local Transportation	3,389.67
Internal Copying	33,440.10
Outside Copying	23,423.18
Out of Town Travel	32,945.31
Working Meals	5,239.66
Court Reporters and Transcripts	189,389.25
Depositions/Meetings Hosting	1,502.91
Experts	895,584.20
Third-Party Counsel	29,946.31
Mediation Fees	25,622.12
<b>TOTAL EXPENSES:</b>	<b>\$2,028,538.99</b>

#989982

# **Exhibit 4**

# CORNERSTONE RESEARCH

Economic and Financial Consulting and Expert Testimony



## Securities Class Action Settlements

2015 Review and Analysis

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## DAMAGES ESTIMATES AND MARKET CAPITALIZATION LOSSES

### “ESTIMATED DAMAGES”

For purposes of this research, the use of a consistent method for estimating potential shareholder losses allows for the identification and analysis of potential trends. A simplified measure, referred to here as “estimated damages,” is used as a proxy for potential shareholder losses. “Estimated damages” are the most important factor in predicting settlement amounts. These “estimated damages” are not necessarily linked to the allegations included in the associated court pleadings.<sup>3</sup> The damages estimates presented in this report are not intended to be indicative of actual economic damages borne by shareholders.

- Average “estimated damages” for 2015 increased 151 percent from 2014.
- While average “estimated damages” increased, median “estimated damages” (representing the midpoint) were 30 percent lower in 2015 than in 2014.
- In 2015, 23 percent of settlements involved “estimated damages” of \$1 billion or more, the lowest percentage in the last seven years. This suggests that a small number of cases with very large “estimated damages” contributed to the relatively high average “estimated damages” in 2015.

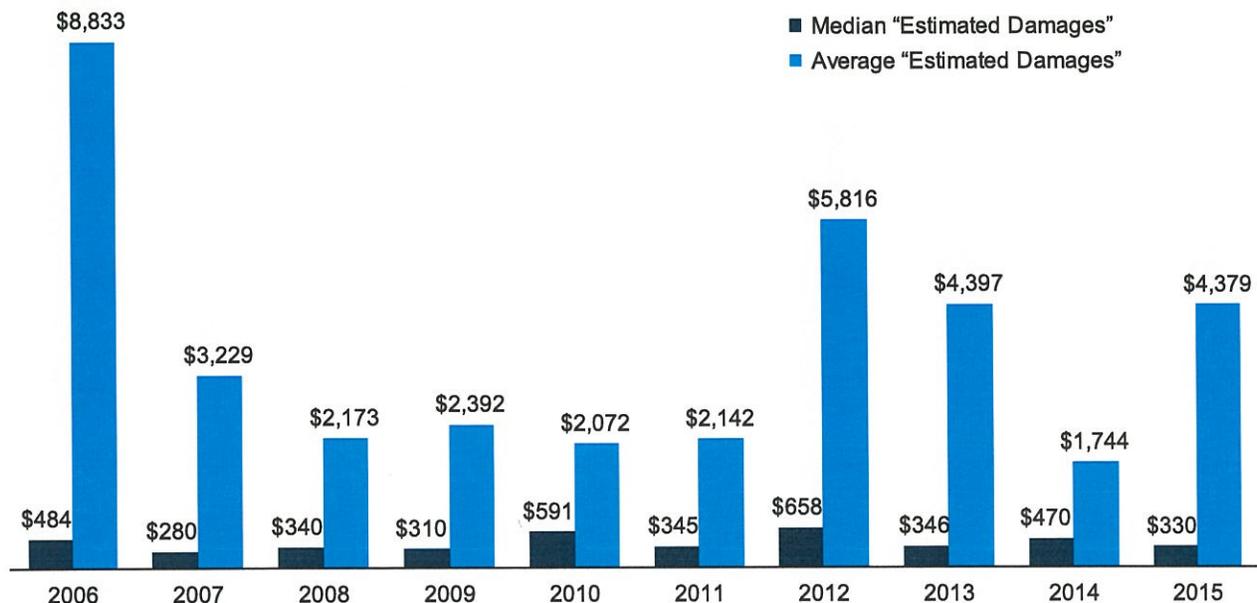
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A small number of cases contributed to the relatively high average “estimated damages” in 2015.

---

**FIGURE 6: MEDIAN AND AVERAGE “ESTIMATED DAMAGES”  
2006–2015**

(Dollars in Millions)



Note: “Estimated damages” are adjusted for inflation based on class period end dates.

**“ESTIMATED DAMAGES” continued**

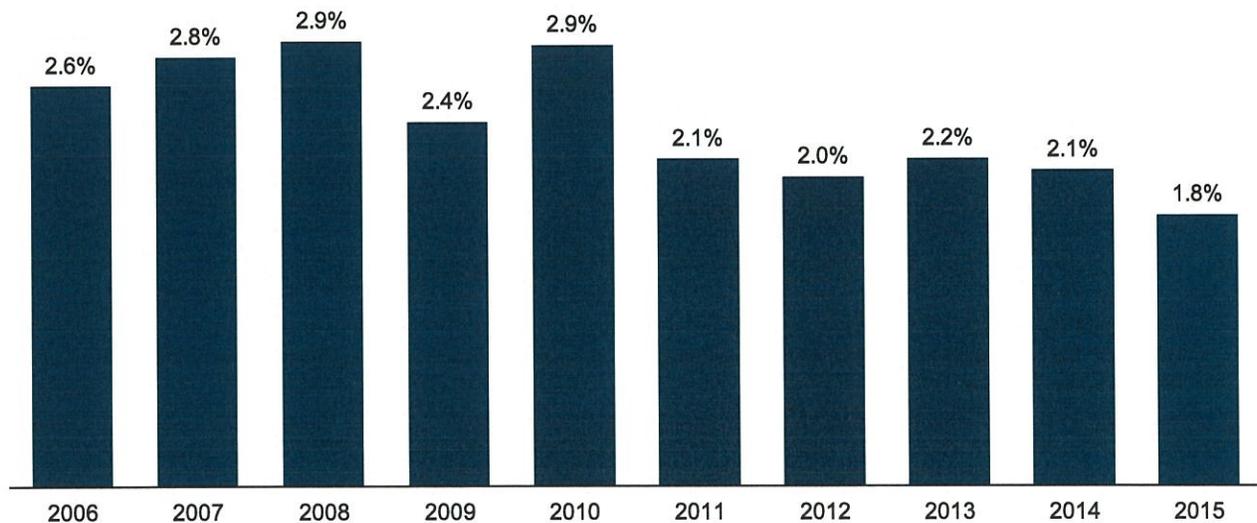
- In 2015, median “estimated damages” and median settlements as a percentage of “estimated damages” both decreased compared to 2014.
- In contrast to the typical pattern observed for prior years, in 2015, the median settlement as a percentage of “estimated damages” was similar for non-mega settlements and mega settlements. Typically, mega settlements occur at lower percentages of “estimated damages” but, in 2015, non-mega settlements also settled for a relatively low percentage of “estimated damages.”
- Overall, the combination of lower median “estimated damages” and lower settlements as a percentage of “estimated damages” suggests that other factors, including those discussed in the following pages, may have contributed to lower median settlements as a percentage of “estimated damages” in 2015.

---

**In 2015, median settlements as a percentage of “estimated damages” decreased to historic low levels.**

---

**FIGURE 7: MEDIAN SETTLEMENTS AS A PERCENTAGE OF “ESTIMATED DAMAGES” 2006–2015**



**“ESTIMATED DAMAGES” continued**

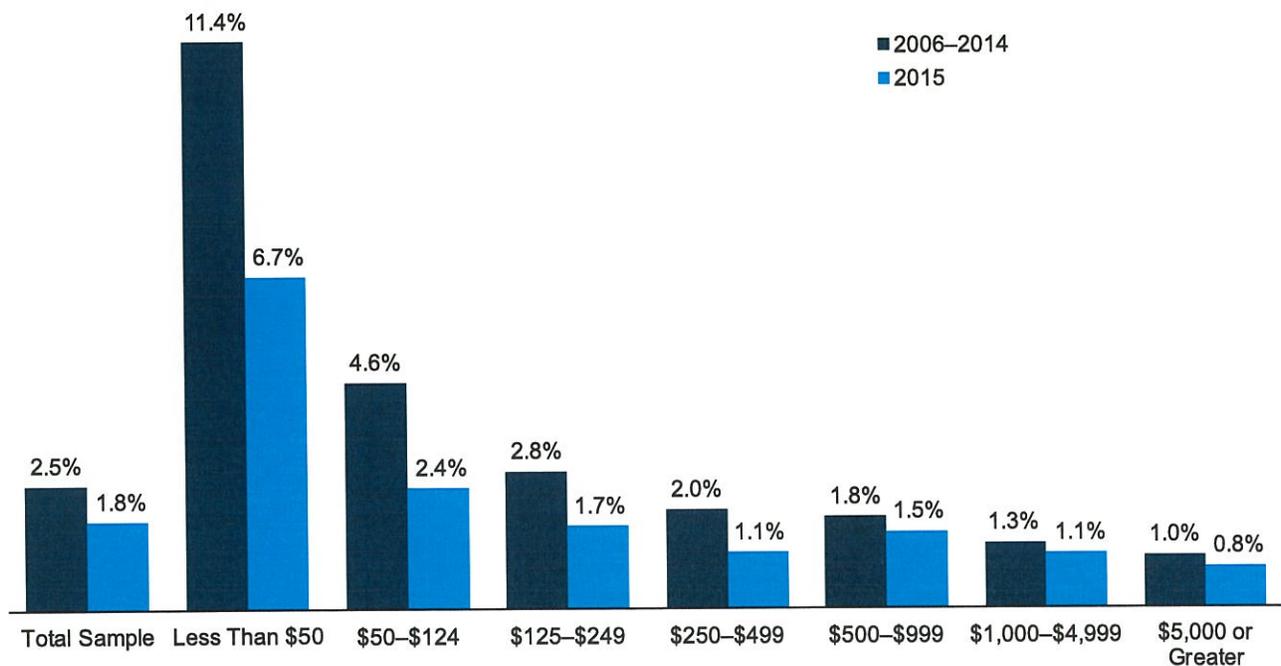
- Median settlements as a percentage of “estimated damages” decreased 29 percent from the 2006–2014 median.
- In 2015, smaller cases continued to settle for substantially higher percentages of “estimated damages,” although the median settlement of very small cases—those with “estimated damages” less than \$50 million—declined sharply in 2015 compared with the 2006–2014 median.

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**Median settlements declined across all damages ranges in 2015.**

---

**FIGURE 8: MEDIAN SETTLEMENTS AS A PERCENTAGE OF “ESTIMATED DAMAGES” BY DAMAGES RANGES 2006–2015**  
(Dollars in Millions)



**“ESTIMATED DAMAGES” continued**

- The size of “estimated damages” is correlated with market volatility around the time of a case filing, which tends to occur two to four years before the settlement.
- In the past decade, NYSE and NASDAQ volatility peaked in 2008. Consistent with this, “estimated damages” for settled cases filed in 2008 and 2009 were the highest since 2002.
- For cases filed in more recent years (2010 through 2014), market volatility has generally been trending downward, which may have contributed to the reduction in median “estimated damages” and Disclosure Dollar Loss (DDL) for cases settled in 2015 (see page 11).

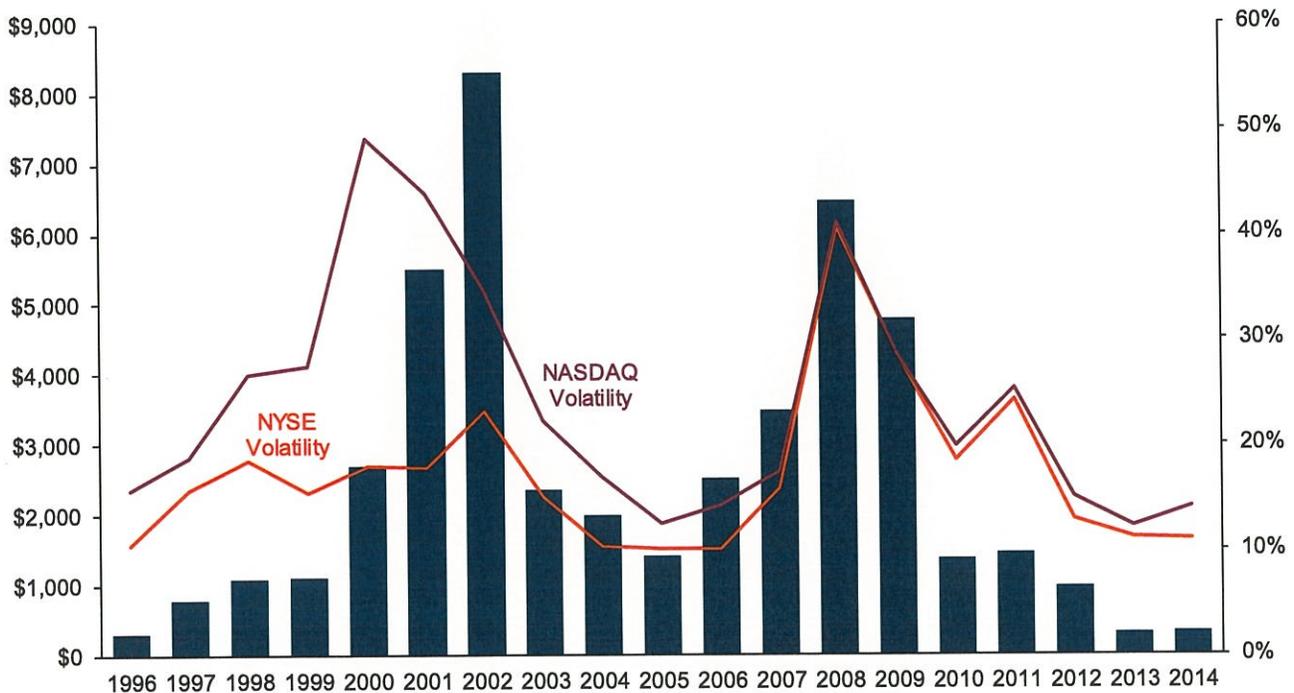
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**Continued low market volatility was tied to smaller median “estimated damages” among 2015 settlements.**

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**FIGURE 9: AVERAGE “ESTIMATED DAMAGES” FOR SETTLED CASES BY FILING YEAR 1996–2014**

(Dollars in Millions)



Note: “Estimated damages” are adjusted for inflation; 2014 dollar equivalent figures are used. Volatility is calculated as the annualized standard deviation of daily market returns. Chart shows filing years for settled cases through December 2014.

## DISCLOSURE DOLLAR LOSS

Disclosure Dollar Loss (DDL) captures the stock price reaction to the disclosure that resulted in the first filed complaint. DDL is calculated as the decline in the market capitalization of the defendant firm from the trading day immediately preceding the end of the class period to the trading day immediately following the end of the class period.<sup>4</sup>

- Unlike the pattern observed with “estimated damages” in 2015 (where the average increased and the median decreased from 2014), both the average and median DDL decreased in 2015, with the median DDL declining 29 percent and average DDL declining 10 percent.
- Total DDL associated with settlements approved in 2015 was \$61.2 billion, 30 percent below the average from 2006 through 2014.

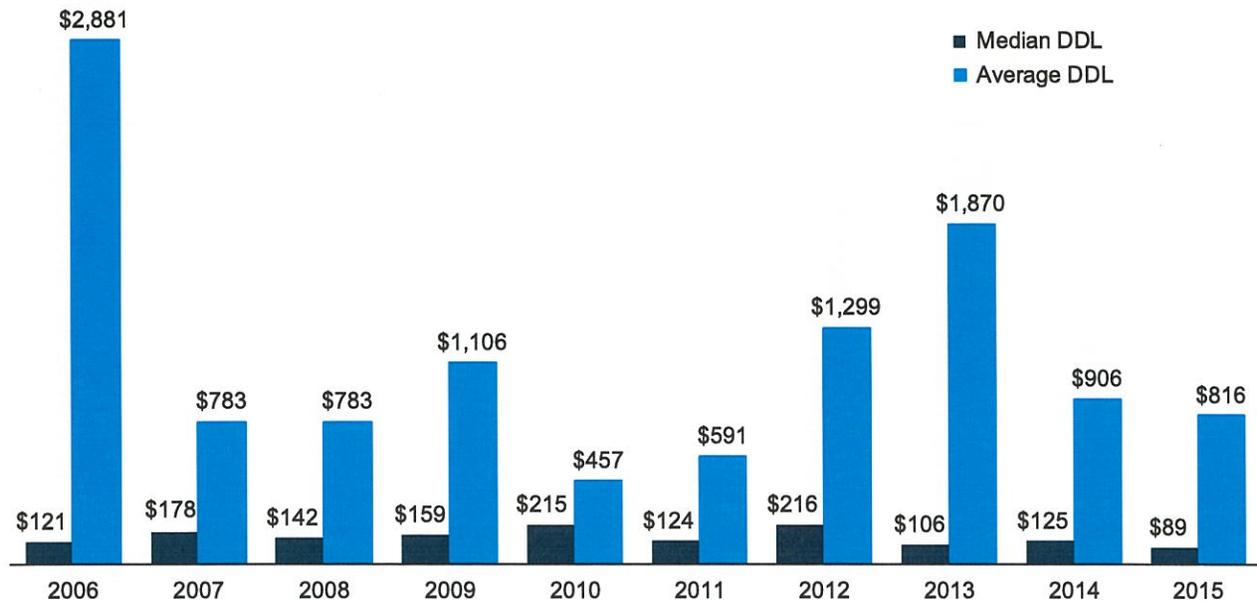
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**Median DDL  
in 2015 was  
the lowest  
since 1999.**

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**FIGURE 10: MEDIAN AND AVERAGE DISCLOSURE DOLLAR LOSS  
2006–2015**

(Dollars in Millions)



Note: DDL is adjusted for inflation based on class period end dates.

### TIERED ESTIMATED DAMAGES

This research also considers an alternative measure of damages to account for the U.S. Supreme Court’s 2005 landmark decision in *Dura*, which states that damages cannot be associated with shares sold before information regarding the alleged fraud reaches the market.<sup>5</sup> This alternative damages measure is referred to as tiered estimated damages and is based on the stock-price drops on alleged corrective disclosure dates as described in the settlement plan of allocation.<sup>6</sup>

As noted in past reports, this measure has not yet surpassed “estimated damages” in terms of its power as a predictor of settlement outcomes. However, it is highly correlated with settlement amounts and provides an alternative measure of investor losses for more recent securities class action settlements.

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**Tiered estimated damages are highly correlated with settlement amounts.**

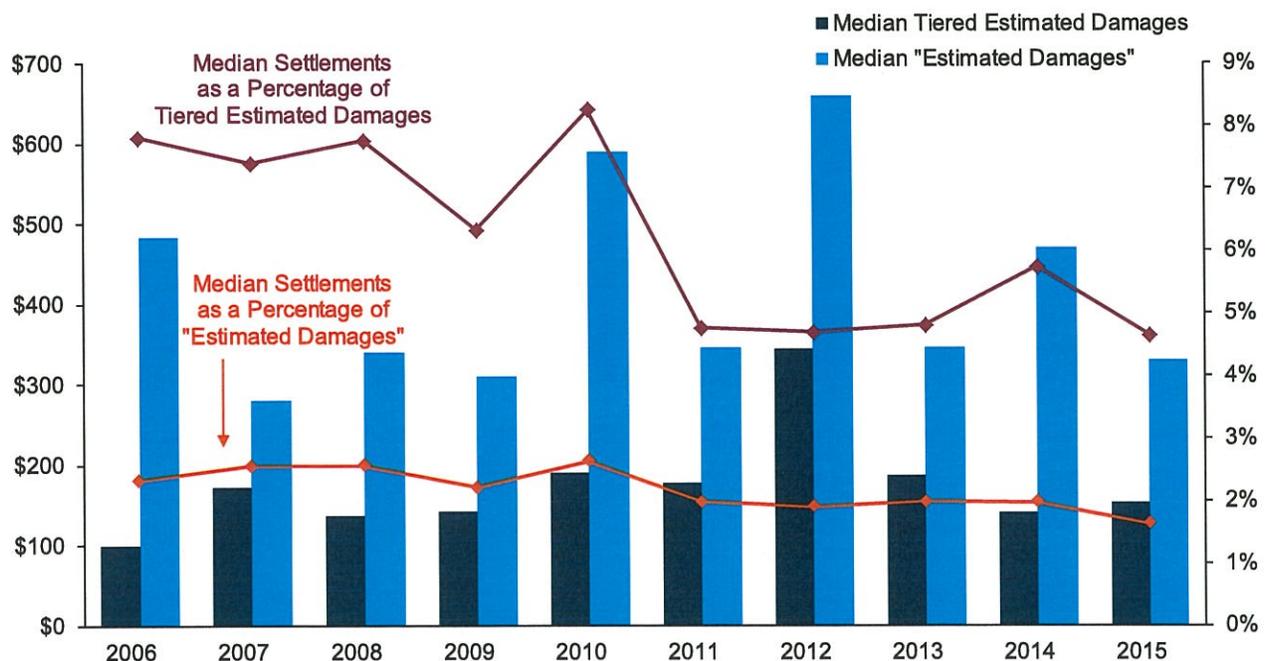
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- While median “estimated damages” declined, median tiered “estimated damages” increased in 2015.
- The median settlement as a percentage of tiered “estimated damages” declined 19 percent in 2015 from 2014.
- Median settlements as a percentage of tiered estimated damages are higher than median settlements as a percentage of “estimated damages,” as tiered estimated damages are typically lower than “estimated damages.”<sup>7</sup>

**FIGURE 11: TIERED ESTIMATED DAMAGES**

**2006–2015**

(Dollars in Millions)



Note: Damages figures are adjusted for inflation based on class period end dates.

## ANALYSIS OF SETTLEMENT CHARACTERISTICS

### NATURE OF CLAIMS

- In 2015, there were five settlements involving Section 11 and/or Section 12(a)(2) claims that did not involve Rule 10b-5 allegations. This is consistent with the historical rate of 6 percent of settlements with only Section 11 claims
- Intensified activity in the U.S. IPO market in recent years, in tandem with the increase in filings involving Section 11 claims (either alone or together with Rule 10b-5 claims),<sup>8</sup> suggests that these cases are likely to be more prevalent in the near future. However, a slowdown in IPO activity reported in 2015 may contribute to a reduction in Section 11–only cases in the long term.
- Settlements and “estimated damages” are considerably higher for cases involving Section 11 and/or Section 12(a)(2) claims in addition to Rule 10b-5 claims. These cases are more likely to include allegations related to other securities of the defendant company in addition to common stock in the alleged class. The cases may also represent more complex matters.
- On average, from 2011 through 2015, cases with combined claims took four years from filing date to the settlement hearing date compared to 3.6 years for cases with only Rule 10b-5 claims. Cases with only Section 11 and/or Section 12(a)(2) claims had settlement hearing dates, on average, 3.4 years after filing. (See page 19 for additional discussion on time to settlement.)

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**Settlements are considerably higher for cases involving combined Section 11 and/or Section 12(a)(2) claims and Rule 10b-5 claims.**

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**FIGURE 12: SETTLEMENTS BY NATURE OF CLAIMS  
1996–2015**

(Dollars in Millions)

	Number of Settlements	Median Settlements	Median "Estimated Damages"	Median Settlements as a Percentage of "Estimated Damages"
Section 11 and/or 12(a)(2) Only	87	\$4.0	\$54.9	7.6%
Both Rule 10b-5 and Section 11 and/or 12(a)(2)	265	\$13.5	\$532.8	3.2%
Rule 10b-5 Only	1,162	\$7.9	\$367.6	2.7%
All Post–Reform Act Settlements	1,514	\$8.2	\$335.5	3.0%

Note: Settlement dollars and "estimated damages" are adjusted for inflation; 2015 dollar equivalent figures are used. "Estimated damages" are adjusted for inflation based on class period end dates.

# **Exhibit 5**

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

IN RE TOWER GROUP INTERNATIONAL,  
LTD. SECURITIES LITIGATION

USDC SDNY  
DOCUMENT  
ELECTRONICALLY FILED  
DOC #:  
DATE FILED: 11/23/2015

13 Civ. 5852 (AT)

**ORDER GRANTING LEAD COUNSEL'S MOTION FOR  
ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

WHEREAS, Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses (the "Fee Motion," ECF Nos. 161, 162) came before the Court for hearing on November 23, 2015, pursuant to the Court's Order dated August 13, 2015 preliminarily approving the Settlement and providing for Notice (the "Preliminary Approval Order," ECF No. 152), and the Court's September 10, 2015 Order rescheduling the hearing date (ECF No. 154); and

WHEREAS, due and adequate notice having been given to the Settlement Classes as required by the Preliminary Approval Order, and the Court, having read and considered the Fee Motion and supporting declarations and exhibits and being fully informed of the related proceedings, now FINDS, CONCLUDES AND ORDERS as follows:

1. This Order incorporates by reference the definitions in the Stipulation and Agreement of Settlement with Tower Defendants (the "Stipulation," ECF No. 148), and all capitalized terms used, but not defined herein, shall have the same meanings as in the Stipulation.
2. This Court has jurisdiction over the subject matter of the Action, and all matters relating to the Settlement, as well as personal jurisdiction over all of the Parties and each of the members of the Settlement Classes.

3. Members of the Settlement Classes have been given the opportunity to object to the Fee Motion in compliance with Federal Rule of Civil Procedure 23(h)(2).

4. The Fee Motion is hereby GRANTED.

5. The Court hereby awards attorneys' fees in the amount of 25% of the Settlement Amount, plus interest earned at the same rate and for the same time period as the Settlement Fund, to be paid from the Settlement Fund. The Court finds that an award of attorneys' fees of 25% is fair and reasonable in light of the following factors, among others: the contingent nature of the case; the risks of this complex litigation against the Tower Defendants; the quality of the legal services rendered; the benefits obtained for the Settlement Classes; the institutional Lead Plaintiffs' support of the fee and expense application; the fees awarded in similar actions; and the reaction of the Settlement Classes. Further, the requested award of attorneys' fees is also supported by a lodestar multiplier cross-check. The fee award is further justified by the risk Lead Counsel undertook and the results they achieved for the Settlement Classes through the quality of their representation of Lead Plaintiffs and the Settlement Classes in this complex litigation.

6. The Court also grants Lead Counsel's request for reimbursement of Plaintiffs' Counsel's Litigation Expenses in the amount of \$235,934.52, to be paid from the Settlement Fund. The Litigation Expenses incurred by Plaintiffs' Counsel have been adequately documented and were reasonably incurred for the benefit of the Settlement Classes, and the Court finds that the reimbursement of those expenses is justified.

7. The Court also grants the request for reimbursement of Lead Plaintiff Kansas City, Missouri Employees' Retirement System's costs and expenses in the amount of \$2,922.00, and Lead Plaintiff ADAR Enhanced Investment Fund, Ltd. and ADAR Investment Fund, Ltd.'s costs

and expenses in the amount of \$7,000.00, pursuant to the Private Securities Litigation Reform Act of 1995, to be paid from the Settlement Fund.

8. Pursuant to Paragraph 16 of the Stipulation, the attorneys' fees and Litigation Expenses awarded above shall be paid to Lead Counsel immediately upon award subject to the terms, conditions and obligations as set forth in the Stipulation.

9. Pursuant to Paragraph 17 of the Stipulation, Lead Counsel shall allocate the attorneys' fees awarded amongst Plaintiffs' Counsel in a manner which they, in good faith, believe reflects the contributions of such counsel to the institution, prosecution and settlement of the Action.

10. There is no just reason to delay the entry of this Order, and immediate entry of this Order by the Clerk of the Court is expressly directed.

SO ORDERED.

Dated: November 23, 2015  
New York, New York



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ANALISA TORRES  
United States District Judge

# **Exhibit 6**

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X

IN RE FACEBOOK, INC. IPO SECURITIES AND  
DERIVATIVE LITIGATION,

MDL No. 12-2389  
OPINION

-----X

A P P E A R A N C E S:

Attorneys for Lead Plaintiffs  
in Consolidated Nasdaq Actions

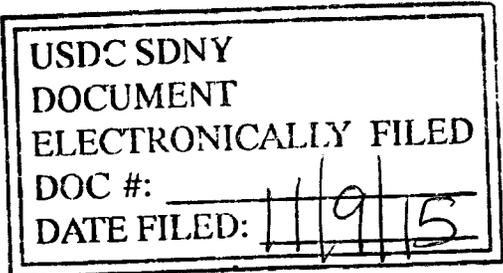
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Andrew Ditchfield

**Sweet, D.J.,**

Lead Plaintiffs T3 Trading Group, LLC, Avatar Securities, LLC, Philip Goldberg, Steve Jarvis, Atish Gandhi, Colin Suzman, Meredith Bailey, and Faisal Sami (collectively, "Lead Plaintiffs" or "Plaintiffs"), on behalf of themselves and the Class, have moved pursuant to Federal Rule of Civil Procedure 23(e) for final approval of a proposed settlement resolving all claims asserted in the Consolidated Nasdaq Actions, for approval of the proposed Plan of Allocation of Net Settlement Fund Among Class Members (the "Plan of Allocation"), and for an award of attorney's fees and reimbursement of expenses. For the reasons set forth below, the motions are granted.

### **Prior Proceedings**

The procedural history and factual background of this litigation has been detailed extensively in various opinions by this Court. See, e.g., In re Facebook, Inc., IPO Sec. & Deriv. Litig., 986 F.Supp.2d 487, 492-93 (S.D.N.Y.2013); see also In re Facebook, Inc., IPO Sec. & Derivative Litig., 288 F.R.D. 26, 31-34 (S.D.N.Y. 2012). Familiarity with the general background of this case as provided in the Court's previous opinions is assumed.

The instant action concerns disputes between retail investors and NASDAQ over losses allegedly resulting from technical systems issues that occurred when investors attempted to purchase or sell Facebook stock on the day of the Facebook IPO (the "Consolidated Nasdaq Actions" or "Nasdaq Actions"). The Plaintiff Class includes all persons and entities that entered retail pre-market and aftermarket orders to purchase and/or sell the common stock of Facebook on May 18, 2012, and who suffered monetary losses as a result of the conduct alleged in the Complaint (the "Class" or "Plaintiffs"). Decl. of E. Schachter Re Mailing of Notice, Ex. A at 5 ("Notice").

In exchange for release of all claims against Defendants in the Consolidated Nasdaq Action, the proposed settlement would provide a \$26,500,000 cash payment to an interest-bearing escrow account for the benefit of the Class. Pls.' MOL at 1; Joint Decl. of V. Cappucci and C. Lovell in Supp. Pls.' Mot., Ex. A at 3.1. ("Stip."). \$750,000 of the payment will be transferred to the Plaintiffs' Settlement Administration account to cover costs associated with administration and class notice. Stip. at 3.1-3.2. The Net Settlement, less court approved fees and expenses, shall be distributed among recognized claims in three categories with independent methods of calculation: (1) pre-opening orders

to sell Facebook common stock at a price of \$42 or less that did not execute or that executed later in the day at a price less than \$42; (2) pre-opening orders to purchase Facebook common stock that were executed at a price of \$42 but for which confirmations were delayed until later in the day; and (3) continuous market purchases of Facebook common stock executed before 1:50:10 p.m. on May 18, 2012. Notice at 9-10.

Initially, 50% of the Net Settlement Fund will be allocated to the first claim category, 40% to the second, and 10% to the third. Notice ¶ 15. If all claims in either category 1 or category 2 are resolved, the remainder of the remainder of the money allocated to the fully resolved category of claims transfers to the unresolved category. Id. Only in the event that all category 1 and 2 claims are resolved will any remainder be transferred to pay category 3 claims. Id. In the event all claims are paid in full, the remainder of the Net Settlement Fund will be distributed to claimants *pro rata*. Id. The Nasdaq Defendants maintain their denial of all wrongdoing and liability. Stip. at 2.

In their motion for final approval, Plaintiffs included a Proposed Order and Final Judgment ("Proposed Order 1"). On August 19, 2015, the Plaintiffs in the Facebook Action ("Facebook Plaintiffs") filed an opposition to Proposed Order 1

requesting three revisions be made the judgment reduction provision (paragraph 11) therein. Facebook Action Pls.' Obj. ("Facebook Pls.' Obj."). First, with regard to Paragraph 11 subsection (b), that the judgment reduction provision must be limited to "common damages." Facebook Pls.' Obj. at 2. Second, with regard to Paragraph 11 subsection (c), that the clause of the judgment reduction provision reducing future judgments by "any greater amount available under any applicable law" be stricken on the grounds it is impermissibly vague. Id. Third, with respect to the last sentence of Paragraph 11, that a final clause be added indicating that the judgment reduction provision shall not apply to any judgment relating to damages incurred on a date other than May 18, 2012. Id.

Oral argument on the fairness of the proposed settlement was heard on September 16, 2015. The Facebook Plaintiffs confirmed during argument that they were willing to withdraw the third proposed revision. After conferring with counsel for the Facebook Plaintiffs, the Lead Nasdaq Plaintiffs submitted a letter to the Court on October 21, 2015 stating that the Nasdaq Parties agree Proposed Order 1 is appropriate for entry, but also submitting two new orders ("Proposed Order 2" and "Proposed Order 3"). Pls.' Oct. 21, 2015 Letter; see also Exs. A-B. Proposed Orders 2 and 3 both add mutually agreeable clarifying

language to Paragraph 11 subsection (c), satisfying the Facebook Plaintiffs' objections to that subsection. Id. Proposed Order 2, the preferred Order of the Nasdaq Parties and the Facebook Defendants, does not include the "common damages" limitation, and the Facebook Plaintiffs object to its approval. Id. at 2, Ex. A. Proposed Order 3, which the Nasdaq Parties consent to (but do not prefer) and the Facebook Plaintiffs but not the Facebook Defendants accept, adds the "common damages" limitation. Id. at 2, Ex B. By letter to the Court dated October 22, 2015, the Facebook Defendants continued to object to the inclusion of "common damages." Facebook Def. Intervenor's Oct. 22, 2015 Letter. By letter to the Court dated October 23, 2015, the Facebook Plaintiffs formally requested Proposed Order 3 be entered. Facebook Pls.' Oct. 23, 2015 Letter. Though the judgment reduction provision remains at issue (specifically, the inclusion of the "common damages" element), no party objects to the content of the settlement.

The matter is now deemed fully submitted.

**I. The Proposed Settlement is Approved**

Under Federal Rule of Civil Procedure 23(e), "[t]he claims, issues, or defenses of a certified class may be settled,

voluntarily dismissed, or compromised only with the court's approval." F.R.C.P. 23(e). Court approval must be premised on a hearing and subsequent finding that the settlement is "fair, reasonable, and adequate" and not a product of collusion. F.R.C.P. 23(e)(3); Wal-Mart Stores, Inc. v. Visa U.S.A., Inc., 396 F.3d 96, 116 (2d Cir. 2005) (citing Joel A. v. Giuliani, 218 F.3d 132, 138 (2d Cir. 2000)). There is a "strong judicial policy in favor of settlements, particularly in the class action context." Wal-Mart, 396 F.3d at 116 (citations omitted). "Courts determine the fairness of a settlement by looking both at the terms of the settlement and the negotiation process leading up to it." In re Telik, Inc. Sec. Litig., 576 F. Supp. 2d 570, 575 (S.D.N.Y. 2008).

#### **A. The Settlement is Procedurally Fair**

Class action settlements are entitled to a "presumption of fairness, adequacy, and reasonableness" when "reached in arms's-length negotiations between experienced, capable counsel after meaningful discovery." Wal-Mart, 396 F.3d at 116 (citations omitted). Procedural fairness is apparent here. The parties are represented by highly experienced, fully informed, and capable counsel. Settlement negotiations have taken place over the course of the year since Plaintiffs' claims were sustained

by this Court's decision partially denying Defendants' motion to dismiss on December 12, 2013. Pls.' MOL at 6. Formal mediation was conducted with a neutral JAMS mediator, and settlement was reached on the eve of argument before the Second Circuit on appeal of that Order. Id. Accordingly, the proposed settlement is procedurally fair.

### **B. The Settlement is Substantively Fair**

Courts in this Circuit examine substantive fairness, adequacy, and reasonableness by analyzing the proposed settlement through the lens of the nine factors set forth in City of Detroit v. Grinnell Corp., 495 F.2d 448, 463 (2d Cir. 1974), *abrogated on other grounds*, Goldberger v. Integrated Res., Inc., 209 F.3d 43, 48 (2d Cir.2000)). The Grinnell factors are: (1) the complexity, expense, and likely duration of the litigation; (2) the reaction of the class to the settlement; (3) the stage of the proceedings and the amount of discovery completed; (4) the risks of establishing liability; (5) the risks of establishing damages; (6) the risks of maintaining the class action through the trial; (7) the ability of the defendants to withstand greater judgment; (8) the range of reasonableness of the settlement fund in light of the best possible recovery; and (9) the range of reasonableness of the

settlement fund in light of all the attendant risks of litigation. In re Telik, 576 F. Supp. 2d at (citing Wal-Mart, 396 F.3d at 117 (quoting Grinnel, 495 F.2d at 463)).

***1. Complexity, Expense, and Likely Duration of Litigation***

As a general rule, securities class actions are “notably difficult and notoriously uncertain” to litigate. In re Michael Milken & Assocs. Sec. Litig., 150 F.R.D. 46, 53 (S.D.N.Y.1993) (quoting Lewis v. Newman, 59 F.R.D. 525, 528 (S.D.N.Y.1973)). In re Bear Stearns Companies, Inc. Sec., Derivative, & ERISA Litig., 909 F. Supp. 2d 259, 266 (S.D.N.Y. 2012). As a class action, the complexity, expense involved, and likely duration of this case are all of a high degree. Moreover, Defendants’ appeal to the Second Circuit concerned a matter of first impression regarding the Nasdaq Exchange’s eligibility for immunity as a self-regulatory organization. Before even reaching the merits, the threshold issues in this case alone are of unique complexity, and thus likely to involve a great deal of both time and expense in this matter. As such, this factor leans in favor of settlement approval.

***2. Reaction of the Class to the Settlement***

"It is well settled that the reaction of the class to the settlement is perhaps the most significant factor to be weighed in considering its adequacy." In re Bear Stearns, 909 F. Supp. 2d 259, 267 (S.D.N.Y. 2012) (quoting In re Am. Bank Note Holographics, Inc., 127 F. Supp. 2d 418, 425 (S.D.N.Y. 2001)).

Objection to this settlement has been extremely limited. Of the 645,626 notices mailed, three objections have been submitted,<sup>1</sup> one of which applies solely to Plaintiffs' motion for attorney's fees, and one of which provides no basis for objection. Pls.' Reply Mem. of Law at 4 ("Reply"). Three objections amounts to less than .0005% of the Class.

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<sup>1</sup> Anthony Bongiorno objects only to an award of Attorney's Fees, not to any substance of the settlement. Supp. Decl. of V. Cappucci, Ex. C: Objection #1 Objection ID 26334755 Aug. 3, 2015 ("Bongiorno Letter"); Reply at 4. Maria Crompton's objection stems from an issue with her broker-dealer having allegedly failed to cancel her order, and states no basis for her objection to this settlement other than the "entire proceeding" being "a circus and mismanaged." Supp. Decl. of V. Cappucci, Ex. C: Objection #2 Objection ID 26334790 Aug. 29, 2015. Such vague and limited objections "are insufficient to weigh against a finding that the proposed settlement is fair and reasonable, and can be overruled without engaging in a substantive analysis." In re Bear Stearns, 909 F. Supp. 2d at 264 n.3. Michael J. Rinis objects on three grounds: (1) Rinis' not having been notified of the amount of settlement relative to the Plaintiff class' overall damages claim; (2) excessiveness of attorney's fees not to exceed 1/3; and (3) failure of the Notice to inform him regarding the process for an attorney's fee award. Supp. Decl. of V. Cappucci, Ex. C: Objection #3 Objection ID 26334801 Aug. 19, 2015 ("Rinis Letter").

Given the limited objections and otherwise “unanimously positive” reaction of the class to the settlement, this factor leans in favor of settlement approval. See Pls. MOL at 8.

### ***3. Stage of Proceedings and Amount of Discovery***

“In considering this factor, the question is whether the parties had adequate information about their claims such that their counsel can intelligently evaluate the merits of plaintiff's claims, the strengths of the defenses asserted by defendants, and the value of plaintiffs' causes of action for purposes of settlement.” In re Bear Stearns, 909 F. Supp. 2d at 267 citations and internal quotation marks omitted).

This matter was settled on the evening of argument before the Second Circuit, and after more than three years of litigation. Pls.' MOL at 9-10. In preparing for and engaging in extensive motion practice and argument before this Court and in fully preparing and filing the necessary papers for the appellate challenge to this Court's decision on the motion to dismiss, the parties engaged in extensive factual and legal investigation of this matter. See e.g., id. at 10-11. As a result of this work, the parties had sufficiently adequate

information to intelligently evaluate the merits of the claims, strengths of the defenses, and value of the causes of action.

This factor weighs in favor of settlement approval.

#### ***4. Risks of Establishing Liability***

Plaintiffs' case against Defendants was hardly assured. As discussed, the threshold question of the Nasdaq Exchange's immunity raised the risk of barring all liability for Nasdaq, and thus all recovery for Plaintiffs. Pls.' MOL at 13. Had the Second Circuit affirmed this court's decision finding immunity did not apply, Defendants indicated they intended to file a writ of certiorari with the Supreme Court. Id. Notwithstanding this Court's opinion, either the Second Circuit and/or the Supreme Court could rule that liability cannot be established in this case.

Defendants' immunity claims were not the only obstacles to establishing liability. Open questions on appeal existed as to whether the Class could invoke the presumption of reliance under Affiliated Ute Citizens of Utah v. United States, and whether the New York doctrine of economic loss barred Plaintiffs' negligence claims. Id. at 13; see generally 406 U.S. 128

(1972). Furthermore, this case turns on the design, testing, promotion, and ultimate technical functioning of Nasdaq's exchange software systems on the days leading up to and the day of the Facebook IPO. Pls.' MOL at 14-15. Multiple types of experts will therefore be required not only for the securities issues in this case, but also for purposes of establishing the software failures, causation for the crashes, software systems planning, and all the related information technological aspects of the design, testing, and execution of Nasdaq's systems.

"When the success of a party's case turns on winning a so-called 'battle of experts,' victory is by no means assured." In re Bear Stearns, 909 F. Supp. 2d at 267 (collecting citations).

Because Plaintiffs' ability to establish the liability of Defendants is "far from certain," this factor weighs in favor of settlement approval. See id.

### ***5. Risk of Establishing Damages***

The unique factual circumstances of this case give rise to multiple arguments to oppose or limit Plaintiffs' damages recovery in this matter given the unique factual background of this case. Defendants may argue the majority of damages

sustained in trading Facebook stock on the day of the IPO were sustained by the Exchange's member firms who are not part of the Class. Defendants may further argue damages are limited by the fact that Facebook stock stabilized after the release of the delayed confirmations for premarket orders as of 1:50pm. Given this Court's ruling, Defendants may also seek to limit damages to pre-market orders for the IPO. In short, even if Plaintiffs are able to successfully vault the hurdle of liability, the fact and amount of damages is far from clear. "[D]amages would be subject to a battle of the experts, with the possibility that a jury could be swayed by experts for Defendants, who could minimize or eliminate the amount Plaintiffs' losses. Under such circumstances, a settlement is generally favored over continued litigation." In re Bear Stearns, 909 F. Supp. 2d at 268 (citations and internal quotation marks omitted).

Given the uncertainty of a damages award, this factor weighs in favor of approval.

#### ***6. Risks of Maintaining the Class***

If Plaintiffs' were to move for class certification, Defendants would almost certainly oppose. Even if the motion was granted, Defendants could seek interlocutory review pursuant

to Federal Rule of Civil Procedure 23(f). This issue, like most of the others in this case, is likely to devolve in to a battle of the experts and by no means suggests a certain, or even likely, result. The risk of maintaining a class throughout this long and protracted litigation weighs in favor of settlement approval.

### ***7. Ability of Defendants to Withstand Greater Judgment***

Plaintiffs concede that Nasdaq may be able to withstand greater judgment in this case. Pls.' MOL at 16. Given Nasdaq's market capitalization is valued at \$9.83 billion, that fact is apparent.<sup>2</sup> Because Nasdaq could likely withstand a judgment of greater than \$26.5 million, this factor weighs against approval of settlement. However, while relevant to settlement approval, the ability of defendants to withstand greater judgment does not alone suggest the settlement is unfair or unreasonable. In re Austrian & German Bank Holocaust Litig., 80 F. Supp. 2d 164, 178 (S.D.N.Y. 2000) aff'd sub nom. D'Amato v. Deutsche Bank, 236 F.3d 78 (2d Cir. 2001); In re PaineWebber Ltd. Partnerships Litig., 171 F.R.D. 104, 129 (S.D.N.Y. 1997) aff'd sub nom. In re

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<sup>2</sup> See Google Finance: Nasdaq Inc. <https://www.google.com/finance?q=NASDAQ%3ANDAQ&sq=Nasdaq&sp=2&ei=bdc3VoCvGsT-igKNg6vwBg>.

PaineWebber Inc. Ltd. Partnerships Litig., 117 F.3d 721 (2d Cir. 1997).

***8. Range of Reasonableness of Settlement Fund in Light of Best Possibly Recovery***

“The determination of whether a given settlement amount is reasonable in light of the best possibly recovery does not involve the use of a mathematical equation yielding a particularized sum. Instead, there is a range of reasonableness with respect to a settlement—a range which recognizes the uncertainties of law and fact in any particular case and the concomitant risks and costs necessarily inherent in taking any litigation to completion.” In re Bear Stearns, 909 F. Supp. 2d at 269 (S.D.N.Y. 2012) (citations and quotation marks omitted).

This settlement amounts to 22-27% of Plaintiffs’ estimated \$182.3 million in damages before reduction for trading by the Exchange’s member firms. Pls.’ MOL at 18. “The fact that the settlement amount may equal but a fraction of potential recovery does not render the settlement inadequate. Dollar amounts are judged not in comparison with the possible recovery in the best of all possible worlds, but rather in light of the strengths and weaknesses of plaintiffs’ case.” In re Agent Orange Prod. Liab.

Litig., 597 F. Supp. 740, 762 (E.D.N.Y. 1984) aff'd sub nom. In re Agent Orange Prod. Liab. Litig. MDL No. 381, 818 F.2d 145 (2d Cir. 1987).

Courts have routinely approved smaller awards relative to the best possible recovery in similarly complex cases. See e.g., In re Bear Stearns, 909 F. Supp. 2d at 269 (approving recovery of under 12%). The aforementioned significant issues to establishing liability and damages in this case make a favorable outcome particularly difficult to foresee with any degree of certainty. See supra §§ I(B)(1), (4)-(6). Under the circumstances of such a high degree of uncertainty and the likelihood that this litigation would drag on for years, a recovery of approximately 25% of Plaintiffs' best-case damages award now is well within the range of reasonableness. See Grinnell, 495 F.2d at 455n.2 (stating "[i]n fact there is no reason, at least in theory, why a satisfactory settlement could not amount to a hundredth or even a thousandth part of a single percent of the potential recovery.").

This factor weighs in favor of settlement approval.

**9. Range of Reasonableness of Settlement Fund in Light of  
Attendant Risks of Litigation**

As reasoned herein, there are unsettled questions of law and valid arguments creating legitimate risk that Plaintiffs may be unable to establish liability, damages, or both. See supra §§ I(B)(1), (4)-(5). There are also real risks that the Plaintiffs may be unable to maintain a class through trial. Id. at §I(B)(6). Finally, the settlement represents a substantial recovery reached through a fair process with the aid of an experienced and impartial mediator, and guided and argued by competent and well-informed counsel. Id. at §§I(A), (B)(8). Taking the full context of this case in to account, the proposed settlement amount of \$26,500,000 falls within the range of reasonableness. This factor weighs in favor of approval.

With the exception of Nasdaq's ability to withstand a greater judgment, all factors militate in favor of settlement approval. Moreover, the factor of ability to withstand judgment does not alone make the settlement unfair or unreasonable. In re Austrian & German Bank Holocaust Litig., 80 F. Supp. at 178; In re PaineWebber, 171 F.R.D. at 129. Therefore, on balance, the settlement is substantively fair, adequate, and reasonable.

Taking in to account the foregoing analysis, and in the light of the fact that settlement of class action litigation is generally favored by the courts, the proposed settlement is hereby approved. See Wal-Mart, 396 F.3d at 116-17.

## II. Approval of the Plan of Allocation

"To warrant approval, the plan of allocation must also meet the standards by which the settlement was scrutinized—namely, it must be fair and adequate.... An allocation formula need only have a reasonable, rational basis, particularly if recommended by experienced and competent class counsel." In re Bear Stearns, 909 F. Supp. 2d at 270 (citing In re WorldCom, Inc. Sec. Litig., 388 F.Supp.2d 319, 344 (S.D.N.Y.2005) (internal citations and quotation marks omitted)); accord Maley v. Del Global Technologies Corp., 186 F. Supp. 2d 358, 367 (S.D.N.Y. 2002). Furthermore, when "recommended by experienced and competent class counsel," "an allocation formula need only have a reasonable, rational basis." Maley, 186 F. Supp. 2d at 367.

The Plan of Allocation in this case was prepared by experienced and competent counsel, supported by an independent economic and damages expert. Pls.' MOL at 19; see supra SI(A). It allocates the Net Settlement Fund based on each claimant's

recognized loss from purchase and sale of Facebook stock on the day of its IPO, and takes in to account Nasdaq Stock Market Rule 4626(b)(3), the Rule pursuant to which Nasdaq compensated Nasdaq Stock Market member firms for some losses to which the Settlement applies (amounts the firms were required to certify were passed on to customers). Pls.' MOL at 20; Notice at 8-9. A court-approved claims administrator will determine each authorized claimant's share of the settlement based on each claimant's defined recognized claim. Pls.' MOL at 20; see also Joint Decl. of V. Cappucci and C. Lovell in Supp. Pls.' Mot., Ex. D; see also Notice at 5, 11. The settlement funds will be distributed on a *pro rata* basis, and reduced by any reimbursements provided by Exchange member firms. Pls.'s MOL at 20-21; Notice at 8-9. Moreover, the classes of claims are organized in order of merit, based on consultation with the damages expert, giving priority to compensation of the strongest claims over the weakest. Id.

For the foregoing reasons, and given that no substantive objection to the Plan of Allocation of the Settlement Fund has been made,<sup>3</sup> the Plan is fair and reasonable.

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<sup>3</sup> Of the three objections made, one was to attorney's fees, one was without basis, and the last concerned only attorney's fees and the content of the Notice. See supra n.1.

### III. The Judgment Reduction Provisions are Approved With "Common Damages" Language

All parties to this action consent to the current wording of Paragraph 11 of Proposed Order 3,<sup>4</sup> with one exception. See supra Prior Proceedings. The issue is whether subclause (b) of the judgment reduction provision should include the phrase "common damages." The relevant part of Paragraph 11 reads as follows, with the contentious language in brackets:

Notwithstanding any other provision of the Order and Final Judgment, any final verdict or judgment that may be obtained by or on behalf of a Covered Plaintiff against a Non-Settling Defendant arising out of or related in any way to the transactions, facts, matters, or occurrences alleged in the CAC, . . . shall be reduced by the greater of (a) the amount that corresponds to the percentage of the responsibility of the Nasdaq Defendants for damages awarded to the Covered Plaintiff(s) in the unsettled action (b) the amount paid by or on behalf of the Nasdaq Defendants to the Covered Plaintiff(s) [for common damages], or (c) solely with respect to any claim asserted by a Covered Plaintiff against a Non-Settling Defendant under foreign law or the law of a state other than New York, any greater amount available under applicable law.

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<sup>4</sup> Proposed Order 1 is the original, lacking mollifying language addressing objections to other aspects of Paragraph 11. Dkt. 314, Ex. B. Proposed Order 2 resolves most objections but does not include the "common damages" language. Dkt. 365, Ex. A. Proposed Order 3 identically resolves most objections but adds "common damages" language. Dkt. 365, Ex. B. All three Proposed Orders are before the Court. See Pls.' Oct. 21 2015 Letter at 2. Proposed Order 1, to which objections were been made, is moot given the parties have reached mutually agreeable terms with respect to all objections except those related to "common damages."

Compare Pls.' Oct. 21 2015 Letter, Ex. A with id., Ex. B  
(emphasis added).

The Nasdaq Parties "believe that the final Order may (and therefore should) be entered without adding the phrase," but consent to entry of the alternative version including "common damages." Id. at 2. The Facebook Action Plaintiffs object to entry of the Order without the phrase, and approve only entry of the Order with the phrase. Letter of J. Rizio-Hamilton and J.W. Johnson Oct. 23, 2015. Facebook Action Defendants object to entry of the Order with the phrase, and approve only entry of the Order without the phrase. Letter of R.D. Bernstein Oct. 22, 2015 ("Bernstein Letter").

The Private Securities Litigation Reform Act ("PSLRA") provides, "A covered person who becomes jointly and severally liable for damages in any private action may recover contribution from any other person who, if joined in the original action, would have been liable for the same damages." 15 U.S.C.A. § 78u-4(f)(8). In other words, only common damages are eligible for offset. In re Refco, Inc., No. 05 CIV. 8626 (GEL), 2007 WL 57872, at \*5 (S.D.N.Y. Jan. 9, 2007) ("The PSLRA and the common law require that nonsettling defendants receive judgment credit for settlement of common damages").

Facebook Defendants argue Refco supports rejection of the “common damages” limitation because, in that case, the Honorable Gerard E. Lynch denied approval. Bernstein Letter at 2. However, in reasoning, Refco supports the position that judgment reduction provisions (such as the one at issue in this case) can *only* apply to common damages, and denied approval on the grounds that dual recovery under more than one legal theory for the same damages violates that rule as embodied in the PSLRA. See Refco, 2007 WL 57872 at \*2-6. It cannot be true that the settlement is unfair to the Facebook Defendants on the grounds that the judgment reduction provision limits offset for Non-Settling Defendants (in other words, the Facebook Defendants) pursuant to the PSLRA. See id. at \*2-3 (“[T]he PSLRA in essence requires that nonsettling defendants receive a judgment credit according to the ‘capped proportionate share’ formula” which “is acceptable because it ensures that a judgment credit is at least the amount of the settlement for common damages and therefore complies with the one satisfaction rule.” (citations and internal quotation marks omitted)).

The Facebook Defendants argue, essentially, that the provision is unnecessary on the grounds that common damages do exist here. Bernstein Letter at 1. However, addition of the

"common damages" language does not preclude offset to the extent the Facebook Defendants are entitled to it. Even if some common damages exist, the addition of the language makes clear that, pursuant to the relevant law, non-settling defendants are entitled to an appropriate reduction. Thus, the Facebook Defendants are sufficiently on notice as to the law of the case such that the "measure of predictability" required under Denney v. Deutsche Bank Ag is satisfied.<sup>5</sup> 443 F.3d 253 (2d Cir. 2006).

For all the reasons described above, the Settlement and Proposed Order 3 are fair and reasonable to the Nasdaq parties. Moreover, because all Nasdaq parties agree the judgment reduction provision of Proposed Order 3 is fair and reasonable, and because the "common damages" language of Proposed Order 3 entitles non-settling defendants to judgment reduction consistent with the applicable law, that Order is likewise fair and reasonable to non-settling defendants.

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<sup>5</sup> Furthermore, the Facebook Defendants "do not ask the Court to specify the amount of a *pro tanto* judgment reduction." Bernstein Letter at 1. It is therefore unclear how entry of the Proposed Order without the "common damages" language would provide any more clarity with regard to offset than entry of the Proposed Order with the language.

**IV. The Requested Attorney's Fees, Expenses, and Incentive Awards are Approved as Reasonable in Part**

Co-Lead Counsel for Plaintiffs have moved for an award of attorney's fees in the amount of 33% of the Settlement Fund, \$268,380.58 in expenses incurred in prosecuting the Consolidated Nasdaq Actions, and a \$1,250 incentive award for each Lead Plaintiff. Co-Lead Counsel's Mem. of Law in Supp. Mot. for Award of Atty's Fees at 1 ("Atty's Fees MOL"). For the reasons set forth below, the request for fees in the amount of 33% of the Settlement Fund and request for incentive awards are granted. The request for expenses is granted in the sum of \$266,523.69.

**A. Attorney's Fees**

"The Second Circuit has authorized district courts to employ a percentage-of-the-fund method when awarding fees in common fund cases, although the Circuit has encouraged district courts to cross-check the percentage fee against counsel's 'lodestar' amount of hourly rate multiplied by hours spent. It bears emphasis that whether calculated pursuant to the lodestar or the percentage method, the fees awarded in common fund cases may not exceed what is 'reasonable' under the circumstances."

In re Giant Interactive Grp., Inc. Sec. Litig., 279 F.R.D. 151, 163 (S.D.N.Y. 2011) (citing Goldberger v. Integrated Res., Inc., 209 F.3d 43, 47 (2d Cir.2000) (citations and quotation marks omitted.) "The trend in this Circuit is toward the percentage method." Wal-Mart Stores, 396 F.3d at 121. Furthermore, the Second Circuit has found "no need to compel district courts to undertake the cumbersome, enervating, and often surrealistic process of lodestar computation." Goldberger, 209 F.3d 43, 49-50 (2d Cir. 2000) (citation and quotation marks omitted).

The following factors are utilized to determine the reasonableness of an award of attorney's fees: "(1) the time and labor expended by counsel; (2) the magnitude and complexities of the litigation; (3) the risk of litigation; (4) the quality of representation; (5) the requested fee in relation to the settlement; and (6) public policy considerations." In re Giant Interactive Grp., 279 F.R.D. at 164 (collecting citations).

#### ***1. Time and Labor Expended by Counsel***

Counsel for the Class and their para-professionals have devoted 14,378.64 hours in litigation in this action, nearly ten thousand hours beyond what this Court has previously described as a "herculean effort by any measure." In re Bear Stearns, 909

F. Supp. 2d at 271; Atty's Fees MOL at 8. Their time was spent conducting extensive investigation and prosecuting this matter, including but not limited to: interviews and extensive investigation in to Nasdaq's communications and systems operations, analysis of relevant SEC filings, enforcement proceedings, and participation in proceedings to amend Nasdaq Stock Market Rule 4626(b)(3), analysis of the hundreds of filings in this litigation, consultation with damages experts and analysis of damage models and reports, preparation of a 139 page Class Action Complaint and analysis of some 700 more pages of exhibits, preparation and defense for numerous motions including the appealed motion to dismiss, preparation and participation in all the concomitant elements of the appeal to this Court's decision on the motion to dismiss, and preparation, participation, and negotiation in mediation and settlement discussions. Id. at 8-10.

Counsel's hours spent yield a lodestar of \$8,576,998, and the amount requested yields multiplier just shy of 1.02. See id. at 8. Considering that the work in this matter is not yet concluded for Plaintiffs' counsel who will necessarily need to oversee the claims process, respond to inquiries, and assist Class Members in submitting their Proof of Claims, the time and labor expended by counsel in this matter support a conclusion

that a 33% fee award in this matter is reasonable.

## ***2. Magnitude and Complexities of Litigation***

As set forth in Section I(B)(1), (4)-(6) of this opinion, the Nasdaq Actions are exceptionally complex on the legal, factual, and technical levels. Id. This case presents matters of first impression to this Circuit, and relates to potentially hundreds of thousands of claims. Id. Accordingly, the magnitude and complexities of litigation in this matter militate in favor of approving Co-Lead Counsel's requested fees.

## ***3. Risk of Litigation***

As set forth above, the risk of litigation was substantial in this case. See id. Furthermore, Counsel undertook to represent the Class on a contingent-fee basis, facing a very real possibility of obtaining no compensation whatsoever in this highly complex matter. See Atty's Fees MOL at 11. For these reasons, this factor weighs in favor of approving Co-Lead Counsel's requested fees.

#### **4. Quality of Representation**

Co-lead Counsel in this matter are recognized as having substantial experience and expertise in prosecuting complex class actions. See id. at 15. Their due diligence and prosecution of this case have been of an exceptionally high quality throughout, as evidenced by Plaintiffs' survival of the motion to dismiss and the fact that Counsel obtained the settlement at issue just before argument at the Second Circuit. This factor weighs in favor of approving Co-Lead Counsel's requested fees.

#### **5. Requested Fee in Relation to the Settlement**

Co-Lead Counsel's requested fee of 33% is at the height of the range indicated in their notice to potential Class Members. See Notice at 7. At least two class members object on this basis. Mr. Bongiorno argued that recovery was near certain in light of the fact that securities class actions are "virtually always settled," citing Goldberger. Bongiorno Letter. However, Goldberger is distinguishable from this case. The Nasdaq Actions represent the first of their kind against a national securities exchange for losses resulting from trading in a listed security as a result of technical systems issues. See

Pls.' MOL at 1. Because no such case has ever been litigated, as discussed above, this matter involved issues of first-impression that could have precluded recovery altogether. Indeed, that Counsel for all parties were fully prepared to argue this matter to the Second Circuit demonstrates that the risk that recovery would be barred was very much real.

Mr. Bongiorno similarly argues that an award of 25% was rejected in Goldberger, and thus 33% is uncalled for in this case. Mr. Rinis agrees, calling a fee award of one-third "clearly excessive and overreaching" and requesting an award "in the neighborhood of half as much or about 16.5 percent." Rinis Letter. "What constitutes a reasonable fee is properly committed to the sound discretion of the district court." Goldberger, 209 F.3d at 47. Furthermore, an award of 33% is not unheard of or even rare in the wake of Goldberger as Mr. Bongiorno's argument might imply. See e.g., In re IMAX Sec. Litig., No. 06 CIV. 6128 NRB, 2012 WL 3133476, at \*7 (S.D.N.Y. Aug. 1, 2012) (finding an award of 33% of a \$12 million settlement reasonable); see also In re Blech Sec. Litig., No. 94 CIV. 7696 (RWS), 2002 WL 31720381, at \*1 (S.D.N.Y. Dec. 4, 2002) (finding an award of 33-1/3% reasonable). A fee award of one-third of the Settlement Fund "is well within the range accepted by courts in this circuit." Becher v. Long Island Lighting Co.,

64 F. Supp. 2d 174, 182 (E.D.N.Y. 1999) (citations omitted).

Given similar awards in this Circuit are well within the range of reasonableness, Co-Lead Counsel's request is not an unreasonable amount. Furthermore, Counsel's lode-star comprises 98% of the fee requested, before including the ongoing work that will be required in this case. Being "intimately familiar with the nuances of th[is] case" which are particularly complex, for the reasons set forth at length above, the Court finds the 33% request to be reasonable in relation to the sizeable settlement of \$26,500,000. See Goldberger, 209 F.3d at 47.

#### **6. Public Policy Considerations**

An award of 33% of the Settlement Fund, of which Co-Lead Counsel's lodestar comprises 98%, rewards and incentivizes plaintiff's counsel for taking on and vigorously prosecuting this highly uncertain action. Public policy militates in favor of such incentives, which encourage attorneys "to enforce federal antifraud securities laws [as] an essential supplement to criminal prosecutions and civil enforcement actions brought, respectively, by the Department of Justice and the Securities and Exchange Commission." Tellabs, Inc. v. Makor Issues & Rights, Ltd., 551 U.S. 308, 313, 127 S. Ct. 2499, 2504, 168 L.

Ed. 2d 179 (2007) (citations omitted). Thus, this factor weighs in favor of fee approval.

Given that all factors weigh in favor of approval and all objections made are unpersuasive, Co-Lead Counsel's request for an award of attorney's fees in the amount of 33% of the Settlement Fund is granted as reasonable.

### **B. Expenses and Costs**

"It is well-settled that attorneys may be compensated for reasonable out-of-pocket expenses incurred and customarily charged to their clients, as long as they were incidental and necessary to the representation of those clients." In re Bear Stearns, 909 F. Supp. 2d at 272 (citations omitted). Class counsel request reimbursement of \$268,380.58,<sup>6</sup> representing

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<sup>6</sup> Entwistle & Cappucci LLP spent \$256,004.46 on expenses itemized as follows: \$778.47 on appellate printing; \$121,742.50 on experts; \$1,029.09 on mailing fees; \$597.58 on filing fees and court costs; \$96,619.33 on legal research; \$15,334.02 on mediation fees; \$875.00 on press releases; \$401.30 on process service; \$4,834.20 on copies; \$395.04 on telephone/fax costs; \$264.92 on transcripts, and \$3,133.01 on travel. Decl. of V. Cappucci in Supp. App. for Atty's Fees, Ex. E, Ex. 2, Dkt. 314-6 at 10. Lovell Stewart Halebian Jacobson LLP spent \$7,799.57 on expenses itemized as follows [sic]: \$1,825.22 on expenses; \$515.70 on mailing; \$350 on filing fees; \$122.98 on meals and ent[ertainment]; \$261.04 on meeting expense; \$226.97 on office supplies; \$3,255.82 on research; \$128.97 on taxis; \$31.05 on taxis and transportation; \$101.02 on teleconferences; \$779.20 on

expenses incurred and interest thereon. Atty's Fees MOL at 22. Counsel have provided declarations and itemizations of the incurred expenses. See id. Ex. E, Ex. 2.; id. Ex. F, Ex. 2. \$121,742.50 of the total amount was spent on expert witness fees, an understandable fact in a matter turning on so many expert issues. See supra §I(B)(4)-(6), (8)-(9).

All of the itemized expenses itemized by Entwistle and Cappuci are of a type that are necessary to the process of litigation, and for which reimbursement is generally granted. See supra n.6. Reimbursement for the \$256,004.46 of expenses spent by Entwistle and Cappucci is therefore granted.

Lovell Stewart's expense list is less transparent. See id. Specifically, the first line item in the list of "NASDAQ FB Expenses from Inception" is for "expenses" in the amount of \$1,825.22. This redundant general category gives the Court no information on which to judge its necessity or whether the charges were incidental to representation. Without such information, this amount cannot be properly awarded. See In re Indep. Energy Holdings PLC Sec. Litig., 302 F. Supp. 2d 180, 183 (S.D.N.Y. 2003) (citation omitted). The remaining line items

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telephone; \$81.60 on transcript; and \$120 on travel. Id. Ex. F, Ex. 1, Dkt. 314-7 at 9.

are of the type necessary to the process of litigation, and for which reimbursement is generally granted. See supra n.6. Therefore, \$5,974.35, the amount spent less the "expenses" category, is awarded for Lovell Stewart's expenses.

The bare sum of all of Co-Lead Counsel's listed expenses totals \$263,804.03. With interest, \$268,380.58 has been requested. The \$4,576.55 difference amounts to 1.734829% interest. This interest rate well within the range of reasonableness.<sup>7</sup> Applied to the \$261,978.81 approved as reasoned above, \$4,544.88 is awarded in interest for a total of \$266,523.69 in justified reasonable costs and expenses.

### **C. Lead Plaintiff Incentive Awards**

"Courts in this Circuit routinely award ... costs and expenses both to reimburse the named plaintiffs for expenses incurred through their involvement with the action and lost wages, as well as to provide an incentive for such plaintiffs to remain involved in the litigation and to incur such expenses in

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<sup>7</sup> As a point of reference for what constitutes a reasonable interest rate, the federal minimum required to consider payment on behalf of another as a mid-term loan rather than a pure gift was between 1.65% and 1.67%. See Internal Revenue Service Applicable Federal Rates for October 2015, Table 1, available at <https://apps.irs.gov/app/picklist/list/federalRates.html>.

the first place.” In re Bear Stearns, 909 F. Supp. 2d at 272-73 (citing Hicks v. Stanley, No. 01 civ. 10071(RJH), 2005 WL 2757792, at \*10 (S.D.N.Y. Oct. 24, 2005)).

Counsel has requested incentive awards in the amount of \$1,250 for the Class representatives. For collecting and producing relevant documentation and information, participating in litigation, reviewing pleadings, and approving settlement, this is a modest amount. See Atty’s Fees MOL at 23. Such awards encourage the public policy goal of private prosecution securities frauds as described above. See Tellabs, Inc. v. Makor Issues & Rights, Ltd., 551 U.S. 308, 313, 127 S. Ct. 2499, 2504, 168 L. Ed. 2d 179 (2007) (citations omitted); see also supra §IV(A)(6). Moreover, no objections to the incentive awards have been made. Id. Accordingly, the incentive awards are approved as reasonable.

**Conclusion**

For the foregoing reasons, the motion for final approval of the settlement and plan of allocation is granted. The motion for an award of attorney's fees, expenses, and incentive awards is granted as detailed above.

It is so ordered.

New York, NY  
November 9, 2015

  
\_\_\_\_\_  
ROBERT W. SWEET  
U.S.D.J.

# **Exhibit 7**



This matter having come before the Court on April 5, 2013, on the motion of Co-Lead Counsel for an award of attorneys' fees and expenses in the Litigation, the Court, having considered all papers filed and proceedings conducted herein, having found the settlement of this action to be fair, reasonable and adequate, and otherwise being fully informed in the premises and good cause appearing therefore;

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that:

1. This Order incorporates by reference the definitions in the Settlement Agreement dated September 5, 2012 (the "Stipulation") and all capitalized terms used, but not defined herein, shall have the same meanings as set forth in the Stipulation.

2. This Court has jurisdiction over the subject matter of this application and all matters relating thereto, including all Members of the Class who have not timely and validly requested exclusion.

3. The Court hereby awards Co-Lead Counsel attorneys' fees of 30% of the Settlement Fund, plus expenses in the amount of \$234,901.71, together with the interest earned on both amounts for the same time period and at the same rate as that earned on the Settlement Fund until paid. The Court finds that the amount of fees awarded is appropriate and that the amount of fees awarded is fair and reasonable under the "percentage-of-recovery" method.

4. The fees and expenses shall be allocated among Lead Plaintiffs' counsel in a manner which, in Co-Lead Counsel's good-faith judgment, reflects each such counsel's contribution to the institution, prosecution, and resolution of the Litigation.

5. The awarded attorneys' fees and expenses and interest earned thereon, shall immediately be paid to Co-Lead Counsel subject to the terms, conditions, and obligations of the Stipulation, and in particular ¶¶6.2-6.3 thereof, which terms, conditions, and obligations are incorporated herein.

SO ORDERED.

DATED: April 5, 2013  
New York, New York



RICHARD J. SULLIVAN  
UNITED STATES DISTRICT JUDGE

# **Exhibit 8**

USDS SDNY  
DOCUMENT  
ELECTRONICALLY FILED  
DOC #:  
DATE FILED: 3/17/11

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

_____	X	
In re L.G. PHILIPS LCD CO., LTD.	:	Civil Action No. 1:07-cv-00909-RJS
SECURITIES LITIGATION	:	
_____	:	<u>CLASS ACTION</u>
	:	
This Document Relates To:	:	
	:	
ALL ACTIONS.	:	
_____	X	

[REDACTED] ORDER AWARDING CO-LEAD COUNSEL ATTORNEYS' FEES AND EXPENSES

This matter having come before the Court on March 17, 2011, on the motion of Co-Lead Counsel for an award of attorneys' fees and expenses incurred in the action, the Court, having considered all papers filed and proceedings conducted herein, having found the settlement of this action to be fair, reasonable, and adequate and otherwise being fully informed in the premises and good cause appearing therefore;

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that:

1. All of the capitalized terms used herein shall have the same meanings as set forth in the Stipulation and Agreement of Settlement dated October 15, 2010 (the "Stipulation"), and filed with the Court.

2. This Court has jurisdiction over the subject matter of this application and all matters relating thereto, including all members of the Class who have not timely and validly requested exclusion.

3. The Court hereby awards Co-Lead Counsel attorneys' fees of 30% of the Settlement Amount, plus litigation expenses in the amount of \$81,993.45, together with the interest earned on both amounts for the same time period and at the same rate as that earned on the Settlement Fund until paid, pursuant to 15 U.S.C. §78u-4(a)(6). The Court finds that the amount of fees awarded is fair and reasonable under the "percentage-of-recovery" method.

4. The fees and expenses shall be allocated among Lead Plaintiffs' counsel in a manner which, in Co-Lead Counsel's good-faith judgment, reflects each such counsel's contribution to the institution, prosecution, and resolution of the action.

5. Justin M. Coren is awarded \$1,500.00 pursuant to 15 U.S.C. §78u-4(a)(4) for his efforts and service to the Class during the action.

6. The awarded attorneys' fees and expenses and interest earned thereon shall immediately be paid to Co-Lead Counsel subject to the terms, conditions, and obligations of the Stipulation, and in particular ¶8 thereof which terms, conditions, and obligations are incorporated herein.

IT IS SO ORDERED.

DATED: March 17, 2011

  
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THE HONORABLE RICHARD J. SULLIVAN  
UNITED STATES DISTRICT JUDGE



# **Exhibit 9**

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

POLICE AND FIRE RETIREMENT SYSTEM OF  
THE CITY OF DETROIT, PLYMOUTH  
COUNTY RETIREMENT SYSTEM, STATE-  
BOSTON RETIREMENT SYSTEM, and  
MICHAEL GOLDE, On Behalf of Themselves and  
All Others Similarly Situated,

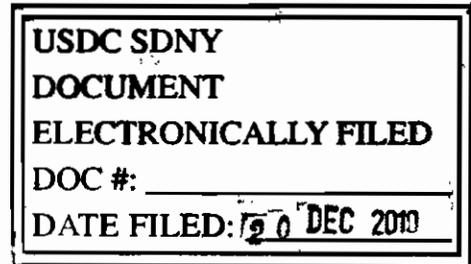
Plaintiffs,

v.

SAFENET, INC., ANTHONY A. CAPUTO,  
KENNETH A. MUELLER, CAROLE D. ARGO,  
THOMAS A. BROOKS, IRA A. HUNT, Jr.,  
BRUCE R. THAW, ARTHUR L. MONEY,  
SHELLEY A. HARRISON, and ANDREW E.  
CLARK,

Defendants.

Lead Case No. 06-cv-5797 (PAC)



~~PROPOSED~~ **ORDER AWARDING ATTORNEYS' FEES AND EXPENSES** *PAC*

This matter came for hearing on December 20, 2010 (the "Settlement Hearing") (a) on the application of Lead Counsel for an award of attorneys' fees and reimbursement of litigation expenses and (b) on the Applications of the Court-appointed Class Representatives (Police and Fire Retirement System of the City of Detroit ("Detroit P&F") and Plymouth County Retirement System ("Plymouth")) and Subclass Representative (Michael Golde) (collectively "Lead Plaintiffs") for awards of their respective costs and expenses pursuant to 15 U.S.C. § 78u-4(a)(4).

Having considered all matters presented to it at the Settlement Hearing and otherwise; and it appearing that notice of the Settlement Hearing in the form approved by the Court were mailed to all Class Members that could be identified with reasonable effort, and that summary notices of the

hearing in the form approved by the Court were published in *Investor's Business Daily* and over the *Business Wire*, and the Court having duly considered the above-referenced applications,,

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. This Order incorporates by reference the definitions in the Stipulation and Agreement of Settlement dated September 13, 2010 (the "Stipulation"), and all capitalized terms used herein shall have the same meanings as set forth in the Stipulation unless otherwise specified.

2. The Court has jurisdiction to enter this Order, and has jurisdiction over the subject matter of this Litigation and all parties thereto, including all Class Members.

3. Notice of Lead Counsel's application for attorneys' fees and reimbursement of expenses (and of the Lead Plaintiffs' respective applications) was given to all Class Members who could be identified with reasonable effort, and the form and method of notifying the Settlement Class of the applications constituted due, adequate, and sufficient notice to all persons or entities entitled to receive notice of the motion and satisfied the requirements of due process, Rule 23 of the Federal Rules of Civil Procedure, and the Private Securities Litigation Reform Act of 1995 (as codified at 15 U.S.C. §77z-1(a)(7) and 15 U.S.C. §78u-4(a)(7)).

4. Lead Counsel are hereby awarded attorneys' fees in the amount of 28.5 % of the Settlement Fund, which award the Court finds to be fair and reasonable, and \$ 447,817.37 in reimbursement of litigation expenses, with interest on such expenses at the same rate as earned by the Settlement Fund from the dates it was funded to the date of payment, to be paid from the Settlement Fund. Lead counsel shall allocate the attorneys' fees award between their two firms consistent with the terms of the Stipulation.

5. Class Representative Detroit P&F is awarded \$ 13,800.00 as reimbursement for its costs and expenses directly relating to its services in representing the Settlement Class.

6. Class Representative Plymouth is awarded \$ 10,000.00 as reimbursement for its costs and expenses directly relating to its services in representing the Settlement Class.

7. Subclass Representative Michael Golde is awarded \$ 14,250.00 as reimbursement for his costs and expenses directly relating to his services in representing the Settlement Class and Subclass.

8. In making the foregoing awards of attorneys' fees and reimbursement of expenses to be paid from the Settlement Fund, the Court has considered and found as follows:

(a) The Settlement has created an all-cash settlement fund of \$25 million that is already on deposit and earning interest, and numerous Class Members who submit acceptable Proofs of Claim will benefit from the Settlement created by Lead Counsels' efforts;

(b) The requested attorneys' fee award has been reviewed and approved as fair and reasonable by Lead Plaintiffs Detroit P&F and Plymouth (who are sophisticated institutional investors that were directly involved in the prosecution and resolution of the Litigation and who have a substantial interest in insuring that any fees paid to Lead Counsel are duly earned and not excessive), and by Subclass Representative Golde (who is an experienced investor and attorney who was also directly involved in the prosecution of the Litigation).

(c) Over 49,000 copies of the Notice have been disseminated to putative Class Members stating that Lead Counsel would apply for attorneys' fees equal to 28.5% of the Settlement Fund, and for reimbursement of expenses incurred in connection with the prosecution and resolution of this Litigation of not more than \$675,000 (including Lead Plaintiffs' respective applications for costs and expenses), and no Class Member has objected to any of the fee or expense applications;

(d) Lead Counsel have conducted the Litigation and achieved the Settlement with skill, perseverance and diligent advocacy;

(e) The Litigation involves complex factual and legal issues and, in the absence of settlement, would involve lengthy proceedings whose resolution would be uncertain;

(f) Had the Settlement not been achieved, there was significant risk that Lead Plaintiffs and the Settlement Class would have recovered less or nothing in this action; and

(g) The amounts of the attorneys' fees awarded and expenses reimbursed are fair and reasonable, and consistent with awards in similar cases.

9. Any appeal or any challenge affecting this Court's approval of any application for attorneys' fees and expense application (including the Lead Plaintiffs' expense applications) shall in no way disturb or affect the finality of the Judgment entered with respect to the Settlement.

10. The Court retains exclusive jurisdiction over the parties and the Class Members for all matters relating to this Litigation, including the administration and the distribution of the settlement proceeds to the members of the Settlement Class.

11. If the Settlement is terminated or does not become Final or the Effective Date does not occur pursuant to the terms of the Stipulation, this Order shall be rendered null and void to the extent provided by the Stipulation, and shall be vacated in accordance with the terms thereof.

12. There is no just reason for delay in the entry of this Order, and immediate entry by the Clerk of the Court is expressly directed.

Dated: New York, NY  
December 20, 2010

  
\_\_\_\_\_  
Honorable Paul A. Crotty  
UNITED STATES DISTRICT JUDGE

# **Exhibit 10**

DF

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

_____ )	07-MD-1898 (TCP)
IN RE AMERICAN HOME MORTGAGE )	
SECURITIES LITIGATION )	Electronically filed
_____ )	
THIS DOCUMENT RELATES TO )	
ALL CLASS ACTIONS )	
_____ )	

**PROPOSED ORDER AWARDING ATTORNEYS' FEES AND EXPENSES**

This matter came for hearing on January 13, 2010 (the "Settlement Hearing") on the motion of Lead Counsel to determine whether and in what amount to award Lead Counsel in the above-captioned consolidated securities class action (the "Action") fees and reimbursement of expenses.

The Court having considered all matters submitted to it at the Settlement Hearing and otherwise; and it appearing that a notice of the Settlement Hearing substantially in the form approved by the Court was mailed to all persons and entities reasonably identifiable, as shown by the records of American Home Mortgage Investment Corp.'s ("American Home") transfer agent, and the records of the Underwriter Defendants, at the respective addresses set forth in such records, who purchased or otherwise acquired shares of American Home common and/or preferred stock during the period from July 19, 2005 through and including August 6, 2007, including all persons or entities who purchased or otherwise acquired shares of American Home common stock pursuant or traceable to the registration statements issued in connection with the secondary offerings conducted on or about August 9, 2005 and on or about April 30, 2007, and who were allegedly damaged thereby, except those persons or entities excluded from the definition of the Class, and that a summary notice of the hearing substantially in the form approved by the Court was published in the national edition

of *The Wall Street Journal* and transmitted over the *PR Newswire* pursuant to the specifications of the Court; and the Court having considered and determined the fairness and reasonableness of the award of attorneys' fees and expenses requested.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. This Order Awarding Attorneys' Fees and Expenses incorporates by reference the definitions in the Stipulations and Agreements of Settlement with the Individual Defendants, defendant Deloitte & Touche LLP and with the Underwriter Defendants, dated April 8, 2009, July 1, 2009 and July 1, 2009, respectively (the "Settlement Stipulations") and all terms used herein shall have the same meanings as set forth in the Settlement Stipulations.

2. The Court has jurisdiction to enter this Order Awarding Attorneys' Fees and Expenses, and over the subject matter of the Action and all parties to the Action, including all Class Members.

3. Notice of Lead Counsel's application for attorneys' fees and reimbursement of expenses was given to all Class Members who could be identified with reasonable effort. The form and method of notifying the Class of the motion for attorneys' fees and expenses met the requirements of due process, Rule 23 of the Federal Rules of Civil Procedure, and Section 27 of the Securities Act of 1933, 15 U.S.C. § 77z-1(a)(7) and Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. § 78u-4(a)(7), as amended by the Private Securities Litigation Reform Act of 1995, and constituted the best notice practicable under the circumstances, and constituted due and sufficient notice to all persons and entities entitled thereto.

4. Lead Counsel are hereby awarded attorneys' fees in the amount of 20 % of the \$37.25 million Total Settlement Amount, with interest thereon at the same net rate as earned by the Settlement Funds from the date the Settlement Funds were funded to the date of payment, which sum

the Court finds to be fair and reasonable, and \$ 572,043.33 in reimbursement of litigation expenses, which expenses shall be paid from the Settlement Funds. The attorneys' fees and expenses awarded shall be taken from each Settlement Fund in the same proportion that the fund represents to the Total Settlement Amount. The award of attorneys' fees shall be allocated among Plaintiffs' Counsel in a manner which, in the opinion of Lead Counsel, fairly compensates Plaintiffs' Counsel for their respective contributions in the prosecution and settlement of the Action.

5. In making this award of attorneys' fees and reimbursement of expenses to be paid from the Settlement Funds, the Court has considered and found that:

(a) The Settlements have created a total settlement fund of \$37.25 million in cash that is already on deposit and has been earning interest, and that numerous Class Members who submit acceptable Proofs of Claim will benefit from the Settlements created by the efforts of Lead Counsel and other Plaintiffs' Counsel;

(b) The fee sought by Lead Counsel has been reviewed and approved as fair and reasonable by the Court-appointed Lead Plaintiffs, sophisticated institutional investors that were substantially involved in the prosecution and resolution of the Action;

(c) To date, over 131,400 copies of the Notice were disseminated to putative Class Members stating that Lead Counsel were moving for attorneys' fees in an amount not to exceed 20% of the Total Settlement Fund and reimbursement of expenses incurred in connection with the prosecution of this Action in an amount not to exceed \$750,000 and no Class Member objected to Lead Counsel's Fee and Expense Application;

(d) Plaintiffs' Counsel have conducted the litigation and achieved the Settlement with skill, perseverance and diligent advocacy;

(e) The Action involves complex factual and legal issues and, in the absence of settlement, would involve lengthy proceedings with uncertain resolution of the complex factual and legal issues;

(f) Had the Settlements not been achieved, there would remain a significant risk that Lead Plaintiffs and the other members of the Class may have recovered less or nothing from the Defendants; and

(g) The amount of attorneys' fees awarded and expenses reimbursed from the Total Settlement Fund are fair and reasonable and consistent with awards in similar cases.

6. Any appeal or any challenge affecting this Court's approval regarding any attorneys' fees and expense application shall in no way disturb or affect the finality of the Judgments.

7. Exclusive jurisdiction is hereby retained over the parties and the Class Members for all matters relating to this Action, including the administration, interpretation, effectuation or enforcement of the Settlement Stipulations and this Order, including any further application for fees and expenses incurred in connection with administering and distributing the settlement proceeds to the members of the Class.

8. In the event that the any or all of the Settlements are terminated or do not become Final in accordance with the terms of the Settlement Stipulations, this Order shall be rendered null and void to the extent provided by the affected Settlement Stipulation(s) and shall be vacated in accordance with that Settlement Stipulation.

9. There is no just reason for delay in the entry of this Order, and immediate entry by the Clerk of the Court is expressly directed.

Dated: July 15, 2010

  
\_\_\_\_\_  
The Honorable Thomas C. Platt  
United States District Judge

# 428665.

# **Exhibit 11**

COPY

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IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE

FILED  
CLERK U.S. DISTRICT COURT  
DISTRICT OF DELAWARE

2004 FEB -5 PM 3:25

IN RE DAIMLERCHRYSLER AG  
SECURITIES LITIGATION

Master File No. 00-0993 (KAJ)

**ORDER AWARDING LEAD  
PLAINTIFFS' COUNSELS' ATTORNEYS' FEES  
AND REIMBURSEMENT OF EXPENSES**

THIS MATTER having come before the Court on December 5, 2003, on the application of Lead Plaintiffs' Counsel for an award of attorneys' fees and reimbursement of expenses incurred in the above-captioned action; the Court, having considered all papers filed and proceedings conducted herein, having found the settlement of this action to be fair, reasonable and adequate and otherwise being fully informed in the premises and good cause appearing therefore;

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:

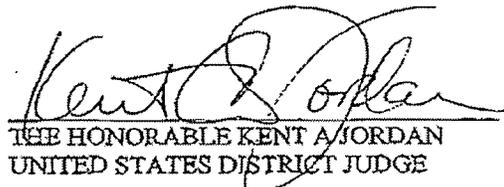
1. All of the capitalized terms used herein shall have the same meanings as set forth in the Stipulation of Settlement dated September 29, 2003 (the "Stipulation").
2. This Court has jurisdiction over the subject matter of this application and all matters relating thereto, including all Members of the Settlement Class who have not timely and validly requested exclusion.
3. The Court hereby awards Lead Plaintiffs' Counsel reimbursement of \$2,908,451.15 million in litigation expenses, plus one-half the cost of the Special Master in participating in and preparing a report on the settlement. The Court also awards Lead Plaintiffs' Counsel attorneys' fees in the amount of \$66,845,600, which is 22.5% of the Settlement Funds

(less expenses), together with the interest earned thereon for the same period and at the same rate as that earned on the Settlement Fund until paid. Said fees and expenses shall be allocated among plaintiffs' counsel by Lead Counsel in a manner which, in Lead Counsel's good faith judgment, reflects each such counsel's contribution to the institution, prosecution and resolution of the Litigation. The Court finds that the amount of fees awarded is fair and reasonable under the "percentage-of-recovery" method.

4. The awarded attorneys' fees and expenses shall be paid to Lead Counsel subject to the terms, conditions and obligations of the Stipulation and in particular ¶¶ 22-24 thereof, which terms, conditions and obligations are incorporated herein.

IT IS SO ORDERED.

DATED: Feb. 5, 2004

  
THE HONORABLE KENT A. JORDAN  
UNITED STATES DISTRICT JUDGE

(511966)

# **Exhibit 12**



THIS MATTER having come before the Court on July 18, 2011, on the motion of Lead Plaintiffs' counsel for an award of attorneys' fees and expenses incurred in the Action; the Court, having considered all papers filed and proceedings conducted herein, having found the settlement of the Action to be fair, reasonable, and adequate and otherwise being fully informed in the premises and good cause appearing therefore;

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:

1. All of the capitalized terms used herein shall have the same meanings as set forth in the Settlement Agreement dated March 7, 2011.

2. This Court has jurisdiction over the subject matter of this application and all matters relating thereto, including all members of the Settlement Class who have not timely and validly requested exclusion.

3. Counsel for the Lead Plaintiffs are entitled to a fee paid out of the common fund created for the benefit of the Settlement Class. *Boeing Co. v. Van Gemert*, 444 U.S. 472, 478-79 (1980). In class action suits where a fund is recovered and fees are awarded therefrom by the court, the Supreme Court has indicated that computing fees as a percentage of the common fund recovered is the proper approach. *Blum v. Stenson*, 465 U.S. 886, 900 n.16 (1984). The Second Circuit recognizes the propriety of the percentage-of-the-fund method when awarding fees. *Wal-Mart Stores, Inc. v. Visa U.S.A. Inc.*, 396 F.3d 96, 121 (2d Cir. 2005).

4. Lead Plaintiffs' counsel have moved for an award of attorneys' fees of 27.5% of the Settlement Fund, plus interest.

5. This Court adopts the percentage-of-recovery method of awarding fees in this case, and concludes that the percentage of the benefit is the proper method for awarding attorneys' fees in this case.

6. The Court hereby awards attorneys' fees of 27.5% of the Settlement Fund, plus interest at the same rate as earned on the Settlement Fund. The Court finds the fee award to be fair and reasonable. The Court further finds that a fee award of 27.5% of the Settlement Fund is consistent with awards made in similar cases.

7. Said fees shall be allocated among plaintiffs' counsel by Co-Lead Counsel in manner which, in their good faith judgment, reflects each counsel's contribution to the institution, prosecution and resolution of the Action.

8. The Court hereby awards expenses in an aggregate amount of \$285,072.62, plus interest.

9. In making this award of attorneys' fees and expenses to be paid from the Settlement Fund, the Court has considered each of the applicable factors set forth in *Goldberger v. Integrated Res., Inc.*, 209 F.3d 43, 50 (2d Cir. 2000). In evaluating the *Goldberger* factors, the Court finds that:

(a) Counsel for Lead Plaintiffs expended considerable effort and resources over the course of the Action researching, investigating and prosecuting Lead Plaintiffs' claims. Lead Plaintiffs' counsel have represented that they have reviewed tens of thousands of pages of documents, interviewed witnesses and opposed legally and factually complex motions to dismiss. The parties also engaged in settlement negotiations that lasted several months. The services provided by Lead Plaintiffs' counsel were efficient and highly successful, resulting in an outstanding recovery for the Settlement Class without the substantial expense, risk and delay of continued litigation. Such efficiency and effectiveness supports the requested fee percentage.

(b) Cases brought under the federal securities laws are notably difficult and notoriously uncertain. *In re AOL Time Warner, Inc. Sec. & ERISA Litig.*, No. MDL 1500, 2006 U.S. Dist. LEXIS 17588, at \*31 (S.D.N.Y. Apr. 6, 2006). "[S]ecurities actions have become more

difficult from a plaintiff's perspective in the wake of the PSLRA." *In re Ikon Office Solutions, Inc., Sec. Litig.*, 194 F.R.D. 166, 194 (E.D. Pa. 2000). Despite the novelty and difficulty of the issues raised, and the procedural posture of the case, Lead Plaintiffs' counsel secured an excellent result for the Settlement Class.

(c) The recovery obtained and the backgrounds of the lawyers involved in the lawsuit are the best evidence that the quality of Lead Plaintiffs' counsel's representation of the Settlement Class supports the requested fee. Lead Plaintiffs' counsel demonstrated that notwithstanding the barriers erected by the PSLRA, they would develop evidence to support a convincing case. Based upon Lead Plaintiffs' counsel's diligent efforts on behalf of the Settlement Class, as well as their skill and reputations, Lead Plaintiffs' counsel were able to negotiate a very favorable result for the Settlement Class. Lead Plaintiffs' counsel are among the most experienced and skilled practitioners in the securities litigation field, and have unparalleled experience and capabilities as preeminent class action specialists. Their efforts in efficiently bringing the Action to a successful conclusion against the Defendants are the best indicator of the experience and ability of the attorneys involved. In addition, Defendants were represented by highly experienced lawyers from a prominent firm. The standing of opposing counsel should be weighed in determining the fee, because such standing reflects the challenge faced by plaintiffs' attorneys. The ability of Lead Plaintiffs' counsel to obtain such a favorable settlement for the Settlement Class in the face of such formidable opposition confirms the superior quality of their representation and the reasonableness of the fee request.

(d) The requested fee of 27.5% of the settlement is within the range normally awarded in cases of this nature.

(e) Public policy supports the requested fee, because the private attorney general role is “vital to the continued enforcement and effectiveness of the Securities Acts.” *Taft v. Ackermans*, No. 02 Civ. 7951(PKL), 2007 U.S. Dist. LEXIS 9144, at \*33 (S.D.N.Y. Jan. 31, 2007) (citation omitted).

(f) Lead Plaintiffs’ counsel’s total lodestar is \$4,049,631.50. A 27.5% fee represents a multiplier of 4.7. Given the public policy and judicial economy interests that support the expeditious settlement of cases, *Maley v. Del Global Techs. Corp.*, 186 F. Supp. 2d 358, 373 (S.D.N.Y. 2002), the requested fee is reasonable.

10. The awarded attorneys’ fees and expenses, and interest earned thereon, shall be paid to Co-Lead Counsel from the Settlement Fund immediately after the date this Order is executed subject to the terms, conditions, and obligations of the Settlement Agreement and in particular ¶6.2 thereof, which terms, conditions, and obligations are incorporated herein.

IT IS SO ORDERED.

Dated: New York, NY

18 July, 2011

  
\_\_\_\_\_  
THE HONORABLE VICTOR MARRERO  
UNITED STATES DISTRICT JUDGE



CERTIFICATE OF SERVICE

I hereby certify that on July 11, 2011, I submitted the foregoing to orders and judgments@nysd.uscourts.gov and e-mailed to the e-mail addresses denoted on the Court's Electronic Mail Notice List, and I hereby certify that I have mailed the foregoing document or paper via the United States Postal Service to the non-CM/ECF participants indicated on the attached Manual Notice List.

I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on July 11, 2011.

s/ Ellen Gusikoff Stewart  
\_\_\_\_\_  
ELLEN GUSIKOFF STEWART

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