

**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
:
:
:

**REPLY MEMORANDUM OF LAW IN
FURTHER SUPPORT OF (1) SETTling PLAINTIFFS' MOTION FOR
FINAL APPROVAL OF REMAINING SENIOR NOTES UNDERWRITER
SETTLEMENT; AND (2) CO-LEAD COUNSEL'S MOTION FOR AN AWARD OF
ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

**BERNSTEIN LITOWITZ BERGER
& GROSSMANN LLP**

Salvatore J. Graziano
Hannah G. Ross
Jai Chandrasekhar
1251 Avenue of the Americas, 44th Floor
New York, NY 10020
Telephone: (212) 554-1400
Facsimile: (212) 554-1444

*Co-Lead Counsel for Lead Plaintiffs,
the Remaining Senior Notes Underwriter
Class, and Settling Plaintiff Government of
Guam Retirement Fund*

BLEICHMAR FONTI & AULD LLP

Javier Bleichmar
Dominic J. Auld
Cynthia Hanawalt
7 Times Square, 27th Floor
New York, New York 10036
Telephone: (212) 789-1340
Facsimile: (212) 205-3960

*Co-Lead Counsel for Lead Plaintiffs
and the Remaining Senior Notes Underwriter
Class*

Dated: July 8, 2016

TABLE OF CONTENTS

TABLE OF AUTHORITIES ii

I. PRELIMINARY STATEMENT1

II. THE REACTION OF THE CLASS SUPPORTS APPROVAL OF THE
SETTLEMENT AND THE REQUESTED ATTORNEYS’ FEES AND
LITIGATION EXPENSES.....2

III. CONCLUSION.....4

TABLE OF AUTHORITIES

CASES	Page(s)
<i>In re FLAG Telecom Holdings, Ltd. Sec. Litig.</i> , No. 02-CV-3400 (CM)(PED), 2010 WL 4537550 (S.D.N.Y. Nov. 8, 2010).....	3
<i>In re Hi-Crush Partners L.P. Sec. Litig.</i> , No. 12-CIV-8557 CM, 2014 WL 7323417 (S.D.N.Y. Dec. 19, 2014).....	3
<i>Maley v. Del Global Techs. Corp.</i> , 186 F. Supp. 2d 358 (S.D.N.Y. 2002).....	4
<i>In re Sturm, Ruger, & Co. Sec. Litig.</i> , No. 3:09cv1293 (VLB), 2012 WL 3589610 (D. Conn. Aug. 20, 2012).....	3
<i>In re Veeco Instruments Inc. Sec. Litig.</i> , No. 05 MDL 01695 (CM), 2007 WL 4115808 (S.D.N.Y. Nov. 7, 2007)	4
<i>Wal-Mart Stores, Inc. v. Visa U.S.A. Inc.</i> , 396 F.3d 96 (2d Cir. 2005).....	3

Lead Plaintiffs, the Virginia Retirement System and Her Majesty The Queen In Right Of Alberta (“Lead Plaintiffs”), and named plaintiff the Government of Guam Retirement Fund (together with Lead Plaintiffs, the “Settling Plaintiffs”) on behalf of themselves and the Court-certified Remaining Senior Notes Underwriter Class (or “Class”), and Co-Lead Counsel respectfully submit this reply memorandum of law in further support of: (1) Settling Plaintiffs’ Motion for Final Approval of the Remaining Senior Notes Underwriter Settlement (ECF Nos. 1098-1099); and (2) Co-Lead Counsel’s Motion for an Award of Attorneys’ Fees and Reimbursement of Litigation Expenses (ECF No. 1100-1101).¹

I. PRELIMINARY STATEMENT

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”), the Claims Administrator, under the supervision of Co-Lead Counsel, mailing copies of the Remaining Senior Notes Underwriter Notice (the “Notice”) to over 4,800 potential members of the Class and nominees. In response to this notice program, not a single member of the Class has requested exclusion, or objected to the Settlement or Co-Lead Counsel’s motion for an award of attorneys’ fees and reimbursement of expenses. The total absence of objections and requests for exclusion provides further evidence that the proposed

¹ Unless otherwise noted, all capitalized terms used herein have the meanings set out 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), or 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 (ECF No. 1102).

Settlement and the request for attorneys' fees and reimbursement of expenses are fair and reasonable, and should be approved.

II. THE REACTION OF THE CLASS SUPPORTS APPROVAL OF THE SETTLEMENT AND THE REQUESTED ATTORNEYS' FEES AND LITIGATION EXPENSES

Settling Plaintiffs and Co-Lead Counsel respectfully submit that their opening papers demonstrate why approval of the motions is warranted. Now that the time for objecting or requesting exclusion from the Class has passed, the reaction of the Class provides additional strong support for approval of the motions.

Pursuant to the Preliminary Approval Order, more than 4,800 copies of the Notice have been mailed to potential Class Members and nominees. *See* Supplemental Declaration of Jose C. Fraga Regarding (A) Mailing of the Remaining Senior Notes Underwriter Notice; and (B) Report on Requests for Exclusion Received ("Supp. Fraga Decl.") at ¶ 2. The Notice informed Class Members of the terms of the proposed Settlement and that Co-Lead Counsel would apply for an award of attorneys' fees in the amount of 19% of the Settlement Fund and reimbursement of Litigation Expenses in an amount not to exceed \$2,500,000. *See* Notice ¶¶ 5, 41. The Notice also apprised Class Members of their right to object to the proposed Settlement and/or the request for attorneys' fees and reimbursement of expenses, their right to exclude themselves from the Class, and the June 17, 2016 deadline for filing objections and for receipt of requests for exclusion. *See* Notice at p. 3 and ¶¶ 42-54.²

² The Summary Notice, which informed readers of the proposed Settlement, how to obtain copies of the Notice, and the deadline for objections and requests for exclusion, was published once each in *The Wall Street Journal* and *Investor's Business Daily* and released over the *PR Newswire* on April 21, 2016. *See* 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 (ECF No. 1102-1) at ¶ 7.

As noted above, following this notice program, not a single Class Member objected to the Settlement or Lead Counsel's application for fees and expenses or requested exclusion from the Class. *See* Supp. Fraga Decl. ¶ 4.³

The lack of any objections or requests for exclusion support a finding that the Settlement is fair, reasonable, and adequate. Indeed, "the favorable reaction of the overwhelming majority of class members" to a settlement is "perhaps the most significant factor in [the] *Grinnell* inquiry." *Wal-Mart Stores, Inc. v. Visa U.S.A. Inc.*, 396 F.3d 96, 119 (2d Cir. 2005). The lack of objections to a settlement or requests for exclusion provides evidence that the proposed settlement is fair. *See, e.g., In re Hi-Crush Partners L.P. Sec. Litig.*, No. 12-CIV-8557 CM, 2014 WL 7323417, at *6 (S.D.N.Y. Dec. 19, 2014) ("The absence of . . . objections or investors electing to exclude themselves from the Settlement provides evidence of Class Members' approval of the terms of the Settlement"); *In re Sturm, Ruger, & Co. Sec. Litig.*, No. 3:09cv1293 (VLB), 2012 WL 3589610, at *5 (D. Conn. Aug. 20, 2012) ("[T]he absence of objectants may itself be taken as evidencing the fairness of a settlement.") (internal quotation marks omitted); *In re FLAG Telecom Holdings, Ltd. Sec. Litig.*, No. 02-CV-3400 (CM)(PED), 2010 WL 4537550, at *16 (S.D.N.Y. Nov. 8, 2010) ("The absence of objections to the Settlement supports the inference that it is fair, reasonable and adequate."). Accordingly, the uniformly positive reaction of the Class here supports approval of the Settlement.

The reaction of the Class should also be considered with respect to Co-Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses. The absence of any objections to the requested fee supports a finding that the fee and expense request is fair and

³ One individual who previously requested exclusion from the Individual Defendant Settlement Class and PwC Settlement Class will be excluded from the Remaining Senior Notes Underwriter Class.

reasonable. *See, e.g., In re Veeco Instruments Inc. Sec. Litig.*, No. 05 MDL 01695 (CM), 2007 WL 4115808, at *10 (S.D.N.Y. Nov. 7, 2007) (the reaction of class members to a fee and expense request “is entitled to great weight by the Court” and the absence of any objection “suggests that the fee request is fair and reasonable”); *Maley v. Del Global Techs. Corp.*, 186 F. Supp. 2d 358, 374 (S.D.N.Y. 2002) (the lack of any objection to the fee request supported its approval).

III. CONCLUSION

For the foregoing reasons and the reasons set forth in Settling Plaintiffs’ and Co-Lead Counsel’s opening papers, they respectfully request that the Court approve the Settlement and the request for attorneys’ fees and reimbursement of litigation expenses.

Dated: July 8, 2016
New York, New York

Respectfully submitted,

**BERNSTEIN LITOWITZ BERGER
& GROSSMANN LLP**

/s/ Salvatore J. Graziano

Salvatore J. Graziano

Hannah G. Ross

Jai Chandrasekhar

1251 Avenue of the Americas, 44th Floor

New York, NY 10020

Telephone: (212) 554-1400

Facsimile: (212) 554-1444

***Co-Lead Counsel for Lead Plaintiffs,
the Remaining Senior Notes Underwriter
Class, and Settling Plaintiff Government of
Guam Retirement Fund***

-and-

BLEICHMAR FONTI & AULD LLP

Javier Bleichmar

Dominic J. Auld

Cynthia Hanawalt

7 Times Square, 27th Floor

New York, New York 10036

Telephone: (212) 789-1340

Facsimile: (212) 205-3960

***Co-Lead Counsel for Lead Plaintiffs
and the Remaining Senior Notes Underwriter
Class***

#997024