



ND STATE INVESTMENT BOARD SECURITIES LITIGATION COMMITTEE MEETING

Wednesday May 10, 2018 - 3:00 PM
North Dakota Retirement and Investment Office (RIO)
3442 East Century Avenue, Bismarck, ND 58503

AGENDA

1. Call to Order and Approval of Agenda
2. Minutes (March 14, 2018)
3. Securities Litigation Charter and Policy Update – Mr. Hunter (Informational) (5 minutes)
4. FRT Claims Filing Report (March/April) – Ms. Flanagan (Informational) (15 minutes)
5. Securities Litigation Education (Informational):
 - Bernstein Litowitz Berger & Grossman - Mr. Michael Blatchley (40 minutes)

===== Break from 4:00 to 4:10 pm =====

- Robbins Geller Rudman & Dowd – Ms. Roxana Pierce and Mr. Patrick Daniels (40 minutes)
6. Other - Next SIB Securities Litigation Committee Meeting

North Dakota Retirement and Investment Office
3442 E Century Ave, Bismarck, ND 58503
Thursday, August 23, 2018 @ 3:00 PM

7. Adjournment

Any individual requiring an auxiliary aid or service should contact the Retirement and Investment Office at (701) 328-9885 at least (3) days prior to the scheduled meeting.

**NORTH DAKOTA STATE INVESTMENT BOARD
SECURITIES LITIGATION SUBCOMMITTEE
MINUTES OF THE MARCH 14, 2018, MEETING**

BOARD MEMBERS PRESENT: Troy Seibel, Chair
Treasurer Kelly Schmidt, Vice Chair
Patrick Brooke, Attorney General's Office (TLCF)
Connie Flanagan, Fiscal/Investment Opr Mgr
David Hunter, ED/CIO

STAFF PRESENT: Bonnie Heit, Assistant to the Board
Sara Sauter, Audit Svs Suprv

CALL TO ORDER:

Mr. Seibel called the State Investment Board (SIB) Securities Litigation Committee meeting to order at 3:02 p.m. on Wednesday, March 14, 2018, at the Retirement and Investment Office, 3442 E Century Ave, Bismarck, ND.

AGENDA:

IT WAS MOVED BY MR. HUNTER AND SECONDED BY MR. BROOKE AND CARRIED BY A VOICE VOTE TO APPROVE THE MARCH 14, 2018, AGENDA.

**AYES: TREASURER SCHMIDT, MR. SEIBEL, MR. HUNTER, MS. FLANAGAN, MR. BROOKE
NAYS: NONE
MOTION CARRIED**

MINUTES:

IT WAS MOVED BY TREASURER SCHMIDT AND SECONDED BY MS. FLANAGAN AND CARRIED BY A VOICE VOTE TO ACCEPT THE MINUTES OF THE FEBRUARY 16, 2018, MEETING AS DISTRIBUTED.

**AYES: MS. FLANAGAN, MR. BROOKE, TREASURER SCHMIDT, MR. SEIBEL, AND MR. HUNTER
NAYS: NONE
MOTION CARRIED**

CHARTER:

The Committee reviewed a second draft of the Committee's Charter. The Charter was reviewed by the SIB at their February 23, 2018, meeting. Mr. Hunter reviewed the changes as a result of the SIB's review.

Discussion followed on the roles of the SIB and the Securities Litigation Committee.

After discussion, the Committee concurred with the revisions to the Charter. The Charter will be presented at the SIB's March 23, 2018, meeting for additional review/discussion and possible acceptance.

SECURITIES LITIGATION POLICY:

The Committee reviewed a second draft of the SIB's Securities Litigation policy.

Ms. Flanagan shared information that she had gathered from other States regarding the content of their securities litigation policies and thresholds. Ms. Flanagan also received additional insight from Financial Recovery Technologies (FRT) on appropriate thresholds for US and Non US Accounts. Ms. Flanagan reviewed changes to the policy as a result of the information she had gathered.

After review and discussion, the Committee concurred with the revisions to the Securities Litigation policy. The policy will be presented to the SIB at their March 23, 2018, meeting for additional review/discussion and possible acceptance.

SECURITIES LITIGATION MONITORING TRANSITION:

Ms. Flanagan updated the Committee on transitioning The Northern Trust's oversight of the SIB's securities litigation program to FRT.

As of March 1, 2018 FRT has been overseeing any new US or Canadian claims. FRT is also providing information on Non US claims but nothing has come forward that would require the Securities Litigation Committee to act on or to bring before the SIB.

ADJOURNMENT:

With no further business to come before the Committee, Mr. Seibel adjourned the meeting at 3:48 p.m.

Mr. Seibel, Chair

Bonnie Heit
Assistant to the Board

Informational

TO: SIB Securities Litigation Committee
FROM: Dave Hunter and Connie Flanagan
DATE: May 4, 2018
SUBJECT: Approved Charter and Policy

On April 27, 2018, the SIB unanimously approved the following Securities Litigation Committee Charter and Securities Monitoring and Litigation Policy.

**CHARTER OF THE
SECURITIES LITIGATION COMMITTEE OF THE
NORTH DAKOTA STATE INVESTMENT BOARD**

PURPOSE

The Securities Litigation Committee (the Committee) is a standing committee of the North Dakota State Investment Board (SIB) created to assist in fulfilling its fiduciary oversight responsibilities of monitoring the investment of assets entrusted to it by the various statutory and contracted funds, and to serve as a communications link for the SIB, RIO's management and staff, third party securities litigation firms, and others.

The Committee will determine when an active role should be pursued in regards to securities litigation affecting securities within the SIB's portfolios.

AUTHORITY

The Committee is authorized to:

- draft policy (to be formally approved by SIB) regarding dollar and/or risk thresholds for determining when to opt-out of class actions and/or seek direct litigation or lead plaintiff status;
- based on SIB approved policy, make decisions on the level of participation the SIB will take in direct litigation, opt-in or group litigation, anti-trust and other class actions; and
- approve the selection of special assistant attorneys in cases of direct litigation.

COMPOSITION

The Committee will consist of the Executive Director of RIO, one member of RIO fiscal or investment staff, RIO general counsel, and two members of the SIB appointed by the Chair.

Membership on the Committee will be for one year or termination of term on the SIB. Vacancies will be filled by the SIB Chair at the first scheduled meeting following the vacancy. There will be no limit to the number of terms served on the Committee.

The Committee will elect a Chair and a Vice Chair. The Chair will preside at all meetings of the Committee and serve as the liaison to the SIB. In the absence of the Chair, the Vice Chair will perform the duties of the Chair. The liaison will report at least four times a year to the SIB on the activities of the Committee and other pertinent information.

The Committee may form, and delegate authority to, subcommittees when it deems appropriate.

MEETINGS

The Committee will meet generally four times a year, with authority to convene additional meetings, as circumstances require or to adequately fulfill all the obligations and duties as outlined in this charter.

Meeting agendas will be prepared by the Executive Director and approved by the Committee Chair, unless otherwise directed by the Committee and will be provided to the Committee members along with briefing materials before the scheduled committee meeting.

Committee members are expected to attend each meeting, in person or via tele- or video-conference. RIO's executive management and others necessary to provide information and to conduct business will attend meetings. The Committee may invite staff of RIO or others to attend meetings, as necessary. The Committee may hold executive sessions as allowed under state law.

The Committee will act only on the affirmative vote of three of the committee members at a meeting. To conduct business, a quorum will be three members of the Committee. Should a quorum not be present before a scheduled meeting or during a meeting, the Chair will announce the absence of a quorum and the members will disburse. Meetings unable to transact business for lack of a quorum are not considered meetings. Meeting minutes will be prepared by RIO, or as otherwise directed by the Committee. Approved meeting minutes of the Committee will be submitted to the SIB.

RESPONSIBILITIES

RIO's management is responsible for ongoing monitoring of securities litigation and claims filing. Based on SIB approved policy guidelines, the Committee has the responsibility to provide oversight in the areas of:

- policy development
- determination on direct litigation and/or lead plaintiff status
- approval of special assistant attorneys (outside counsel)

To this end, the Committee will:

- Develop initial policy and periodically review policy to determine if changes are needed.
- Review reports from RIO staff and third parties in order to maintain awareness of potential and actual securities litigation affecting the SIB portfolios.
- Make decisions on whether to pursue direct litigation and/or lead plaintiff status on cases exceeding policy thresholds for passive participation.
- Select third party litigation firms when deemed appropriate.
- Perform other activities related to this charter as requested by the SIB.
- Review and assess the adequacy of the Committee charter annually, requesting the SIB approval for proposed changes.
- Confirm annually the review of all responsibilities outlined in this charter.

Reporting Responsibilities

- Report to the SIB about the Committee's activities, issues, and related recommendations.
- Provide a written report annually to the SIB, describing the Committee's composition, responsibilities and how they were discharged, and any other information required.

DATE SECURITIES LITIGATION COMMITTEE CHARTER ADOPTED: April 27, 2018

POLICY TITLE: SECURITIES MONITORING AND LITIGATION POLICY

General Purpose

1. The North Dakota State Investment Board (“SIB”) is a fiduciary for assets held in trust for the benefit of SIB clients, including their beneficiaries.
2. In order to carry out its fiduciary duty to prudently invest and diversify the assets of the various investment funds, the SIB invests considerable assets in global public securities markets.
3. The efficient and effective deployment of plan assets requires that in seeking returns market risks must be prudently assumed and managed. Investing in publicly-traded securities in regulated markets under accounting, disclosure and business practice laws and regulations provides general, but not perfect assurance that the information forming the basis for investments is accurate, conforms with accepted accounting practices, and is not distorted due to misfeasance, malfeasance or nonfeasance, or the timing of information disclosures by persons or entities with the ability to affect market prices of the investment securities.
4. Legal action is sometimes necessary to attempt to recover all or part of losses the funds may incur due to alleged improper action or inaction which results in the impairment of the value of the funds’ security holdings.
5. Most such actions will be prosecuted through class action litigation whether or not the SIB takes an active role as a plaintiff or a passive role as a member of a certified class of plaintiffs. Any ultimate award or settlement from a class action will be ratably allocated among legitimate claimants.
6. The SIB will generally only consider pursuing active participation in securities actions when such a role is expected to add value by enhancing the prospect for recovery, increasing the amount of recovery, assuring more efficient and effective prosecution of the case, or identifying and addressing corporate governance issues through litigation.

For purposes of this Policy, “active participation” means seeking status as lead plaintiff, co-lead plaintiff, or filing separate legal action.

Non-Active Recovery and Filing

1. SIB will require as part of its agreement with its custodial bank or other designated agent, that adequate securities class action monitoring is maintained on an ongoing basis, sufficient to assure that most of the actual awards and settlements for such cases are tracked and identified and that

proof of claim forms, including supporting documentation, will be properly and timely filed.

2. SIB may engage one or more legal firms that specialize in prosecuting security class-action cases; any such engagement is subject to the special appointment requirements of N.D.C.C. § 54-12-08. For these purposes only, such firm(s) may be granted ongoing access to security holdings information through the custodian bank or other designated agent.
3. An agreement with any law firm for non-litigation services will not commit SIB to employing said firm in the event that it seeks to represent SIB as an active participant in any securities related litigation. Such representation must be effected by a separate retainer agreement between the SIB and said firm, or another, depending on such factors as the potential monetary scope, the nature of the case and industry specialty that may be required, the allocation of current or past cases among candidate firms, the likely duration and cost of prosecuting such a case, retainer fees or contingency splits, the venue in which the case is to be filed, and other considerations.
4. The custodial bank or other designated agent will be required to provide the Retirement and Investment Office ("RIO") with periodic reports that detail class action cases monitored, claims filed, and award or settlement distributions received. RIO will maintain these records and provide an update to the SIB or Securities Litigation Committee (Committee) with regards to accounting information on distributions received on claims filed by the custodian bank or other designated agent on our behalf.

Active Participation in Cases

1. The Executive Director will initiate active participation in securities cases only upon prior review and approval of the SIB or Committee. Before bringing any recommendations to the SIB or Committee, the Executive Director, with significant assistance from legal counsel from the Office of the Attorney General, will assess the merits and prospects for active participation by reference to the criteria and factors outlined in this section.
2. Decision Criteria and Factors:
 - a. The decision to participate in an active capacity in security litigation should be based on the totality of the circumstances. Dollar loss amounts are important, but not the sole or overriding factor to consider in making such recommendations by the Executive Director, or determinations by the SIB or Committee.

- b. Potential losses to SIB clients must be significant in order to warrant participation as a lead plaintiff, co-lead plaintiff, or separate litigant in U.S. or Canadian cases. Generally, in cases where the potential loss does not exceed the \$5 million, the SIB will generally avoid active participation.
 - c. The prima facie merits of the claim for loss, and the factual basis for the action, recognizing that the full discovery process will not commence until the class has been certified by the court in which such case is to be filed.
 - d. The availability of witnesses, and possible support that may be obtained from investment managers, consultants, and the custodial bank through discovery.
 - e. The potential that any defendants or insurers will be able to pay an adequate recovery to the class, without impairing the value of any current security holdings SIB may yet hold in the issuer in the portfolio.
 - f. The ability of the law firm recommending action on the part of SIB to prosecute the case effectively, in the venue where such case is likely to be filed, and the experience of the firm in managing such cases individually or in partnership with other firms.
 - g. Potential long-term benefits from corporate governance changes from pursuing litigation.
 - h. The ability of SIB to serve as a fiduciary on behalf of all class members in the case, especially in relative terms to other institutional investors that may be considering the same case.
 - i. Potential costs that may be incurred. Special consideration must be given to any case that must be filed in a non-U.S. venue under the “Morrison” criteria established by the U. S. Supreme Court in a 2010 decision, since costs of litigation and potential liabilities of unsuccessful claims may be significant.
 - j. Current workload and staffing resources required for the fulfillment of SIB’s primary member service functions, and whether participation might displace time and staff resources needed for core business functions.
3. Decision Criteria and Factors for cases filed in a non-U.S. venue: In addition to the Criteria and Factors set forth in Subsection 2, the SIB or Committee may consider the following:

- a. The proposed funding arrangements for the action.
- b. Evaluate the merits and risks of the case in light of the law of the jurisdiction in which the action would be brought. Generally, in cases where the potential loss does not exceed the Jurisdictional Thresholds referenced in Exhibit A, the SIB will avoid opt-in or group litigation participation.

Roles in Managing & Monitoring Litigation

1. The SIB or Committee will make the final determination of whether it is in the SIB's best interest to pursue active participation in any case and whether to engage any law firm and the terms of such engagement.
2. Decisions regarding the conduct and implementation of the SIB's or Committee's decision to participate will be the responsibility of the Executive Director, or an approved member of the management staff if he so delegates. When feasible and advisable, the Executive Director shall seek advice and direction from the SIB or Committee on strategic and legal issues that may arise in prosecuting the action on behalf of the SIB and its clients. The Executive Director shall timely report to the SIB or Committee on the progress of the litigation.
3. The Executive Director shall be responsible for management of the relationship with any portfolio monitoring law firm or organization for such purpose. Based on the need for additional coverage, the Executive Director and Committee will determine whether one or several firms are needed to fulfill the goals of this Policy and may terminate such monitoring agreements as judgment advises.
4. Any agreement for portfolio monitoring services that includes a fee or subscription cost must first be approved by the SIB or Committee before execution by the Executive Director.

Policy Review

1. The Committee and SIB shall review this policy at least every three years to ensure that it remains relevant and appropriate.

Exhibit A

Non-US Opt-In and Group Litigation Jurisdictional Thresholds

Jurisdictional Description	Threshold
Passive/very low risk jurisdictions, simple registration or claim filing (no participation in litigation required, strong anonymity, very low costs) including, but potentially not limited to: Australia, Israel, Netherlands (including Dutch Foundations), regulatory funds (e.g. Compensation Schemes in UK)	\$20,000
Low risk jurisdictions (no discovery, low cost) including, but potentially not limited to: Japan	\$1 million
Moderate risk jurisdictions (moderate cost, funded/insured to protect from cost shifting, some restricted discovery, not fully public) including but potentially not limited to: Germany, Austria, Belgium, Switzerland, Denmark, Spain, Finland, France, Hong Kong, Indonesia, Ireland, Italy, Korea, Luxembourg, Malaysia, Norway, New Zealand, Portugal, Sweden, and Thailand	\$5 million
High risk jurisdictions (potential in-person discovery, no anonymity, uncapped fees) including, but potentially not limited to: Taiwan, United Kingdom, Singapore, Brazil	\$10 million

Jurisdictional Thresholds are developed in consultation with legal counsel including other designated agents which are experts in global securities litigation matters.

Policy Implemented: November 20, 2015

Policy Amended: April 27, 2018

Informational










TO: SIB Securities Litigation Committee (Committee)
FROM: Connie Flanagan
DATE: May 4, 2018
SUBJECT: **FRT Claims Filing Reports**

RIO's Fiscal & Investment Operations Manager Connie Flanagan will review the first two monthly claims filing reports prepared by Financial Recovery Technologies (FRT).

There is no action requested at this time, although RIO will look to provide a high level summary of securities litigation claim filing recoveries in prior years at our next meeting in August.

Status Report: Account Details

Claim Status Summary

Status	# Cases	Settlement Fund	Total Recognized Loss	Pro Rata Shares	\$ Recovered
Newly Filed	7 	\$245,997,769 	\$716,117 	0	-
Newly Paid	1 	\$730,000,000 	\$44,826 	0	\$441
Previously Filed	4 	\$239,750,000 	\$70,005 	0	-
Total	12	\$1,215,747,769	\$830,949	0	\$441

Newly Filed Claims

Case Name / Account Name	Claim Deadline	Settlement Fund	Class Period	Total Recognized Loss	Pro Rata Shares	Est Pay Date
BANCORP, INC.	1/13/2017	\$17,500,000 	1/25/2011 9/25/2015	\$12,919	0	4/30/2018
NDLEG PIMCO RAE SMALL CAP -SL	1/13/2017	\$17,500,000	1/25/2011 9/25/2015	\$12,919	0	4/30/2018
Credit Suisse Bulk Settlement Practice Fair Fund	11/15/2016	\$101,747,769 	1/25/2005 1/24/2008	\$600,000 	0	7/31/2018
ZZND INS - DECLARATION -SL	11/15/2016	\$101,747,769	1/25/2005 1/24/2008	\$0	0	7/31/2018
ZZND PEN FIXED WESTERN ASS-SL	11/15/2016	\$101,747,769	1/25/2005 1/24/2008	\$600,000 	0	7/31/2018
DOLAN COMPANY.	9/27/2017	\$2,100,000	7/31/2013 2/10/2014	\$0	0	12/31/2018
NDINS PIMCO RAE SMALL CAP-SL	9/27/2017	\$2,100,000	7/31/2013 2/10/2014	\$0	-	12/31/2018
EZCORP, INC.	5/19/2017	\$5,900,000 	4/19/2012 1/2/2015	\$798	0	8/31/2018
NDLEG PIMCO RAE SMALL CAP -SL	5/19/2017	\$5,900,000	4/19/2012 1/2/2015	\$798	0	8/31/2018
HARMAN INTERNATIONAL INDUSTRIES, INC.	9/8/2017	\$28,250,000 	4/26/2007 12/31/2099	\$0	0	12/31/2018
NDINS LA CAPITAL GROWTH -SL	9/8/2017	\$28,250,000	4/26/2007 12/31/2099	\$0	0	12/31/2018
NDINS LSV LARGE CAP -SL	9/8/2017	\$28,250,000	4/26/2007 12/31/2099	\$0	0	12/31/2018
NDK10-NDPEN LSV	9/8/2017	\$28,250,000	4/26/2007 12/31/2099	\$0	0	12/31/2018
NDPEN CALLAN ASSOCIATES-SL	9/8/2017	\$28,250,000	4/26/2007 12/31/2099	\$0	0	12/31/2018
NDPEN LA CAPITAL	9/8/2017	\$28,250,000	4/26/2007 12/31/2099	\$0	0	12/31/2018
NDPEN NTGI ENHANCED	9/8/2017	\$28,250,000	4/26/2007 12/31/2099	\$0	0	12/31/2018
ZZND PEN LSV-SL -	9/8/2017	\$28,250,000	4/26/2007 12/31/2099	\$0	0	12/31/2018
L-3 COMMUNICATIONS HOLDINGS, INC.	7/29/2017	\$34,500,000 	1/29/2014 10/28/2014	\$18,863	0	10/31/2018
NDLEG-LSV LARGE CAP -SL	7/29/2017	\$34,500,000	1/29/2014 10/28/2014	\$18,863	0	10/31/2018
OCWEN FINANCIAL CORPORATION	12/8/2017	\$56,000,000 	5/2/2013 3/19/2015	\$83,538 	0	3/31/2019
NDINS LA CAPITAL ENHANCED -SL	12/8/2017	\$56,000,000	5/2/2013 3/19/2015	\$31,910	0	3/31/2019
NDPEN LA CAPITAL	12/8/2017	\$56,000,000	5/2/2013 3/19/2015	\$51,627 	0	3/31/2019

Newly Paid Claims

Case Name / Account Name	Claim Deadline	Settlement Fund	Class Period	\$ Recovered	FRT Fees	Net to Client
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Status Report: Account Details

Newly Paid Claims








Case Name / Account Name	Claim Deadline	Settlement Fund	Class Period	\$ Recovered	FRT Fees	Net to Client
CITIGROUP, INC.	8/21/2013	\$730,000,000	5/11/2006 11/28/2008	\$441	\$79	\$361
ZZND INS FIXED WESTERNASSET-S	8/21/2013	\$730,000,000	5/11/2006 11/28/2008	\$316	\$57	\$259
ZZND PEN FIXED WESTERN ASS-SL	8/21/2013	\$730,000,000	5/11/2006 11/28/2008	\$124	\$22	\$102

Previously Filed Claims





Case Name / Account Name	Claim Deadline	Settlement Fund	Class Period	Total Recognized Loss	Pro Rata Shares	Est Pay Date
BANCORP, INC.	1/13/2017	\$17,500,000	1/25/2011 9/25/2015	\$5,680	0	4/30/2018
NDINS PIMCO RAE SMALL CAP-SL	1/13/2017	\$17,500,000	1/25/2011 9/25/2015	\$5,680	0	4/30/2018
EUROYEN TIBOR (Laydon v. Mizuho Bank)	2/20/2018	\$206,000,000	1/1/2006 6/30/2011	\$0	0	
ND INS LSV	2/20/2018	\$206,000,000	1/1/2006 6/30/2011	-	-	
ND PEN-PIMCO UNCONSTRAINED	2/20/2018	\$206,000,000	1/1/2006 6/30/2011	-	-	
NDI03-NDINS CAPIT GU	2/20/2018	\$206,000,000	1/1/2006 6/30/2011	-	-	
NDINS-WILLIAM BLAIR	2/20/2018	\$206,000,000	1/1/2006 6/30/2011	-	-	
NDK02-NDPEN CAPIT GU	2/20/2018	\$206,000,000	1/1/2006 6/30/2011	-	-	
NDK08-NDPEN BRANDYWI	2/20/2018	\$206,000,000	1/1/2006 6/30/2011	-	-	
NDK10-NDPEN LSV	2/20/2018	\$206,000,000	1/1/2006 6/30/2011	-	-	
NDK14-NDPEN EPOCH IN	2/20/2018	\$206,000,000	1/1/2006 6/30/2011	-	-	
NDLEG-WILLIAM BLAIR	2/20/2018	\$206,000,000	1/1/2006 6/30/2011	-	-	
NDLG01-NDLEG LSV INTL	2/20/2018	\$206,000,000	1/1/2006 6/30/2011	-	-	
NDLG02-NDLEG CAPITAL	2/20/2018	\$206,000,000	1/1/2006 6/30/2011	-	-	
NDLG03-NDLEG PRUDENTL	2/20/2018	\$206,000,000	1/1/2006 6/30/2011	-	-	
NDPEN-WILLIAM BLAIR	2/20/2018	\$206,000,000	1/1/2006 6/30/2011	-	-	
NORTH DAKOTA SIB INSURANCE-	2/20/2018	\$206,000,000	1/1/2006 6/30/2011	-	-	
MOLYCORP, INC.	5/18/2017	\$1,250,000	2/21/2012 1/13/2014	\$62,131	0	8/31/2018
NDINS LA CAPITAL ENHANCED -SL	5/18/2017	\$1,250,000	2/21/2012 1/13/2014	\$6,975	0	8/31/2018
NDINS LA CAPITAL GROWTH -SL	5/18/2017	\$1,250,000	2/21/2012 1/13/2014	\$2,854	0	8/31/2018
NDPEN L.A. CAPITAL	5/18/2017	\$1,250,000	2/21/2012 1/13/2014	\$9,053	0	8/31/2018
NDPEN LA CAPITAL	5/18/2017	\$1,250,000	2/21/2012 1/13/2014	\$30,940	0	8/31/2018
NDPEN NTGI ENHANCED	5/18/2017	\$1,250,000	2/21/2012 1/13/2014	\$12,309	0	8/31/2018
OSI SYSTEMS, INC.,	1/15/2016	\$15,000,000	1/24/2012 3/7/2014	\$2,194	0	6/29/2018
NDLEG PIMCO RAE SMALL CAP -SL	1/15/2016	\$15,000,000	1/24/2012 3/7/2014	\$2,194	-	6/29/2018

Status Report: Account Details




Claim Status Summary

Status	# Cases	Settlement Fund	Total Recognized Loss	Pro Rata Shares	\$ Recovered
Newly Filed	4 	\$85,825,000 	\$0	0	-
Newly Paid	1 	\$20,000,000 	\$4,617	0	\$600
Previously Filed	9 	\$466,147,769 	\$786,122 	0	-
Total	14	\$571,972,769	\$790,739	0	\$600

Newly Filed Claims

Case Name / Account Name	Claim Deadline	Settlement Fund	Class Period	Total Recognized Loss	Pro Rata Shares	Est Pay Date
AKORN, INC.,	4/20/2018	\$24,000,000 	5/5/2014 7/23/2015	\$0	0	7/31/2019
NDINS LA CAPITAL ENHANCED -SL	4/20/2018	\$24,000,000	5/5/2014 7/23/2015	\$0	0	7/31/2019
NDINS LA CAPITAL GROWTH -SL	4/20/2018	\$24,000,000	5/5/2014 7/23/2015	\$0	0	7/31/2019
NDINS PIMCO RAE SMALL CAP-SL	4/20/2018	\$24,000,000	5/5/2014 7/23/2015	\$0	0	7/31/2019
NDLEG PIMCO RAE SMALL CAP -SL	4/20/2018	\$24,000,000	5/5/2014 7/23/2015	\$0	0	7/31/2019
NDLEG-LA CAPITAL ENHANCEME-SL	4/20/2018	\$24,000,000	5/5/2014 7/23/2015	\$0	0	7/31/2019
NDLEG-LA CAPITAL GROWTH -SL	4/20/2018	\$24,000,000	5/5/2014 7/23/2015	\$0	0	7/31/2019
NDPEN L.A. CAPITAL	4/20/2018	\$24,000,000	5/5/2014 7/23/2015	\$0	0	7/31/2019
NDPEN LA CAPITAL	4/20/2018	\$24,000,000	5/5/2014 7/23/2015	\$0	0	7/31/2019
ARIAD PHARMACEUTICALS, INC.,	4/26/2018	\$3,500,000 	12/10/2012 3/13/2013	\$0	0	7/31/2019
NDINS LA CAPITAL ENHANCED -SL	4/26/2018	\$3,500,000	12/10/2012 3/13/2013	\$0	0	7/31/2019
NDINS LA CAPITAL GROWTH -SL	4/26/2018	\$3,500,000	12/10/2012 3/13/2013	\$0	0	7/31/2019
NDPEN L.A. CAPITAL	4/26/2018	\$3,500,000	12/10/2012 3/13/2013	\$0	0	7/31/2019
NDPEN LA CAPITAL	4/26/2018	\$3,500,000	12/10/2012 3/13/2013	\$0	0	7/31/2019
AVID TECHNOLOGY, INC.,	4/19/2018	\$1,325,000 	8/3/2016 2/7/2017	\$0	0	7/31/2019
NDINS PIMCO RAE SMALL CAP-SL	4/19/2018	\$1,325,000	8/3/2016 2/7/2017	\$0	0	7/31/2019
NDLEG PIMCO RAE SMALL CAP -SL	4/19/2018	\$1,325,000	8/3/2016 2/7/2017	\$0	0	7/31/2019
TERRAFORM GLOBAL, INC.,	4/13/2018	\$57,000,000 	5/7/2015 12/15/2017	\$0	0	7/31/2019
NDINS PIMCO RAE SMALL CAP-SL	4/13/2018	\$57,000,000	5/7/2015 12/15/2017	\$0	0	7/31/2019
NDLEG PIMCO RAE SMALL CAP -SL	4/13/2018	\$57,000,000	5/7/2015 12/15/2017	\$0	0	7/31/2019

Newly Paid Claims

Case Name / Account Name	Claim Deadline	Settlement Fund	Class Period	\$ Recovered	FRT Fees	Net to Client
BANKRATE, INC.,	1/21/2017	\$20,000,000 	10/27/2011 2/23/2015	\$600 	\$108	\$492
NDLEG PIMCO RAE SMALL CAP -SL	1/21/2017	\$20,000,000	10/27/2011 2/23/2015	\$600 	\$108	\$492

Status Report: Account Details

Previously Filed Claims

Case Name / Account Name	Claim Deadline	Settlement Fund	Class Period		Total Recognized Loss	Pro Rata Shares	Est Pay Date
BANCORP, INC.	1/13/2017	\$17,500,000	1/25/2011	9/25/2015	\$18,599	0	10/27/2018
NDINS PIMCO RAE SMALL CAP-SL	1/13/2017	\$17,500,000	1/25/2011	9/25/2015	\$5,680	0	10/27/2018
NDLEG PIMCO RAE SMALL CAP -SL	1/13/2017	\$17,500,000	1/25/2011	9/25/2015	\$12,919	0	10/27/2018
Credit Suisse Bulk Settlement Practice Fair Fund	11/15/2016	\$101,747,769	1/25/2005	1/24/2008	\$600,000	0	7/31/2018
ZZND INS - DECLARATION -SL	11/15/2016	\$101,747,769	1/25/2005	1/24/2008	\$0	0	7/31/2018
ZZND PEN FIXED WESTERN ASS-SL	11/15/2016	\$101,747,769	1/25/2005	1/24/2008	\$600,000	0	7/31/2018
EUROYEN TIBOR (Laydon v. Mizuho Bank)	2/20/2018	\$206,000,000	1/1/2006	6/30/2011	\$0	0	
ND INS LSV	2/20/2018	\$206,000,000	1/1/2006	6/30/2011	-	-	
ND PEN-PIMCO UNCONSTRAINED	2/20/2018	\$206,000,000	1/1/2006	6/30/2011	-	-	
NDI03-NDINS CAPIT GU	2/20/2018	\$206,000,000	1/1/2006	6/30/2011	-	-	
NDINS-WILLIAM BLAIR	2/20/2018	\$206,000,000	1/1/2006	6/30/2011	-	-	
NDK02-NDPEN CAPIT GU	2/20/2018	\$206,000,000	1/1/2006	6/30/2011	-	-	
NDK08-NDPEN BRANDYWI	2/20/2018	\$206,000,000	1/1/2006	6/30/2011	-	-	
NDK10-NDPEN LSV	2/20/2018	\$206,000,000	1/1/2006	6/30/2011	-	-	
NDK14-NDPEN EPOCH IN	2/20/2018	\$206,000,000	1/1/2006	6/30/2011	-	-	
NDLEG-WILLIAM BLAIR	2/20/2018	\$206,000,000	1/1/2006	6/30/2011	-	-	
NDLG01-NDLEG LSV INTL	2/20/2018	\$206,000,000	1/1/2006	6/30/2011	-	-	
NDLG02-NDLEG CAPITAL	2/20/2018	\$206,000,000	1/1/2006	6/30/2011	-	-	
NDLG03-NDLEG PRUDENTL	2/20/2018	\$206,000,000	1/1/2006	6/30/2011	-	-	
NDPEN-WILLIAM BLAIR	2/20/2018	\$206,000,000	1/1/2006	6/30/2011	-	-	
NORTH DAKOTA SIB INSURANCE-	2/20/2018	\$206,000,000	1/1/2006	6/30/2011	-	-	
EZCORP, INC.	5/19/2017	\$5,900,000	4/19/2012	1/2/2015	\$798	0	8/31/2018
NDLEG PIMCO RAE SMALL CAP -SL	5/19/2017	\$5,900,000	4/19/2012	1/2/2015	\$798	0	8/31/2018
HARMAN INTERNATIONAL INDUSTRIES, INC.	9/8/2017	\$28,250,000	4/26/2007	12/31/2099	\$0	0	12/31/2018
NDINS LA CAPITAL GROWTH -SL	9/8/2017	\$28,250,000	4/26/2007	12/31/2099	\$0	0	12/31/2018
NDINS LSV LARGE CAP -SL	9/8/2017	\$28,250,000	4/26/2007	12/31/2099	\$0	0	12/31/2018
NDK10-NDPEN LSV	9/8/2017	\$28,250,000	4/26/2007	12/31/2099	\$0	0	12/31/2018
NDPEN CALLAN ASSOCIATES-SL	9/8/2017	\$28,250,000	4/26/2007	12/31/2099	\$0	0	12/31/2018
NDPEN LA CAPITAL	9/8/2017	\$28,250,000	4/26/2007	12/31/2099	\$0	0	12/31/2018
NDPEN NTGI ENHANCED	9/8/2017	\$28,250,000	4/26/2007	12/31/2099	\$0	0	12/31/2018

Status Report: Account Details

Previously Filed Claims

Case Name / Account Name	Claim Deadline	Settlement Fund	Class Period		Total Recognized Loss	Pro Rata Shares	Est Pay Date
HARMAN INTERNATIONAL INDUSTRIES, INC.	9/8/2017	\$28,250,000	4/26/2007	12/31/2099	\$0	0	12/31/2018
ZZND PEN LSV-SL -	9/8/2017	\$28,250,000	4/26/2007	12/31/2099	\$0	0	12/31/2018
L-3 COMMUNICATIONS HOLDINGS, INC.	7/29/2017	\$34,500,000	1/29/2014	10/28/2014	\$18,863	0	10/31/2018
NDLEG-LSV LARGE CAP -SL	7/29/2017	\$34,500,000	1/29/2014	10/28/2014	\$18,863	0	10/31/2018
MOLYCORP, INC.	5/18/2017	\$1,250,000	2/21/2012	1/13/2014	\$62,131	0	8/31/2018
NDINS LA CAPITAL ENHANCED -SL	5/18/2017	\$1,250,000	2/21/2012	1/13/2014	\$6,975	0	8/31/2018
NDINS LA CAPITAL GROWTH -SL	5/18/2017	\$1,250,000	2/21/2012	1/13/2014	\$2,854	0	8/31/2018
NDPEN L.A. CAPITAL	5/18/2017	\$1,250,000	2/21/2012	1/13/2014	\$9,053	0	8/31/2018
NDPEN LA CAPITAL	5/18/2017	\$1,250,000	2/21/2012	1/13/2014	\$30,940	0	8/31/2018
NDPEN NTGI ENHANCED	5/18/2017	\$1,250,000	2/21/2012	1/13/2014	\$12,309	0	8/31/2018
OCWEN FINANCIAL CORPORATION	12/8/2017	\$56,000,000	5/2/2013	3/19/2015	\$83,538	0	3/31/2019
NDINS LA CAPITAL ENHANCED -SL	12/8/2017	\$56,000,000	5/2/2013	3/19/2015	\$31,910	0	3/31/2019
NDPEN LA CAPITAL	12/8/2017	\$56,000,000	5/2/2013	3/19/2015	\$51,627	0	3/31/2019
OSI SYSTEMS, INC.,	1/15/2016	\$15,000,000	1/24/2012	3/7/2014	\$2,194	0	6/29/2018
NDLEG PIMCO RAE SMALL CAP -SL	1/15/2016	\$15,000,000	1/24/2012	3/7/2014	\$2,194	-	6/29/2018

GLOBAL SECURITIES LITIGATION CASES AS OF MAY 2018

CASE ID	CASE NAME	MESSAGE	MESSAGE DATE	COUNTRY CODE
19774	AMP LIMITED (SLATER AND GORDON)	Preliminary Alert Sent	4/30/2018	AU
19629	BHP BILLITON (GRANT AND EISENHOFER)	Preliminary Alert Sent	3/26/2018	AU
19629	BHP BILLITON (GRANT AND EISENHOFER)	Organizer Analysis Requested	3/26/2018	AU
19629	BHP BILLITON (GRANT AND EISENHOFER)	Data Sent to Organizer	3/26/2018	AU
19629	BHP BILLITON (GRANT AND EISENHOFER)	Full Eligible Alert Sent	4/4/2018	AU
19629	BHP BILLITON (GRANT AND EISENHOFER)	Organizer Analysis Received	4/11/2018	AU
19629	BHP BILLITON (GRANT AND EISENHOFER)	Participation Declined - No relevant purchases	4/11/2018	AU
19764	BLUE SKY ALTERNATIVE INVESTMENTS LIMITED (GADENS)	Preliminary Alert Sent	4/23/2018	AU
19471	G8 EDUCATION LIMITED (SLATER & GORDON)	Preliminary Alert Sent	3/2/2018	AU
19421	GETSWIFT LIMITED (PHI FINNEY MCDONALD)	Preliminary Alert Sent	2/26/2018	AU
19631	Kobe Steel Securities Litigation (DRRT)	Preliminary Alert Sent	3/22/2018	AU
19631	Kobe Steel Securities Litigation (DRRT)	Full Eligible Alert Sent	4/9/2018	JP
19631	Kobe Steel Securities Litigation (DRRT)	Organizer Analysis Requested	4/12/2018	JP
19631	Kobe Steel Securities Litigation (DRRT)	Data Sent to Organizer	4/12/2018	JP
19631	Kobe Steel Securities Litigation (DRRT)	Organizer Analysis Received	5/1/2018	JP
19631	Kobe Steel Securities Litigation (DRRT)	No losses - participation declined	5/1/2018	JP
19730	MYER HOLDINGS LIMITED	Update Alert Sent	4/17/2018	AU
19730	MYER HOLDINGS LIMITED	Organizer Analysis Requested	4/17/2018	AU
19730	MYER HOLDINGS LIMITED	Data Sent to Organizer	4/17/2018	AU
16482	Petroleo Brasileiro S.A., Securities Litigation (ISAF - Netherlands)	Update Alert Sent	1/16/2018	NL
16482	Petroleo Brasileiro S.A., Securities Litigation (ISAF - Netherlands)	Organizer Analysis Requested	4/20/2018	NL
16482	Petroleo Brasileiro S.A., Securities Litigation (ISAF - Netherlands)	Data Sent to Organizer	4/20/2018	NL
19630	RETAIL FOOD GROUP (MAURICE BLACKBURN)	Preliminary Alert Sent	3/21/2018	AU
17744	Tesco PLC Compensation Scheme (KPMG)	Client wants to file claims WITH DATA (source: Participation Tracker); Notes from tracker: PRE-POP FROM SET RESULTS	1/18/2018	GB
17744	Tesco PLC Compensation Scheme (KPMG)	Participation Confirmed	2/22/2018	UK
15323	TOSHIBA Corporation (DRRT) Securities Litigation	Update Alert Sent	2/20/2018	JP
15323	TOSHIBA Corporation (DRRT) Securities Litigation	Organizer Analysis Requested	2/21/2018	JP
15323	TOSHIBA Corporation (DRRT) Securities Litigation	Data Sent to Organizer	2/21/2018	JP
15323	TOSHIBA Corporation (DRRT) Securities Litigation	Organizer Analysis Received	2/22/2018	JP
15323	TOSHIBA Corporation (DRRT) Securities Litigation	Participation Declined - no losses	2/22/2018	JP
19723	YOWIE GROUP LIMITED (GADENS)	Preliminary Alert Sent	4/12/2018	AU

ANTI-TRUST SECURITIES LITIGATION CASES AS OF MAY 2018

Case Name	Status
(ISDAfix) Alaska Electrical Pension Fund v. Bank of America Corp. et al.	Ineligible
(EURIBOR) SULLIVAN V. BARCLAYS PLC ET AL	Ineligible
(EUROYEN) Laydon v. Mizuho Bank, Ltd. et al	Filed
(FX or FOREX) In re: FOREIGN EXCHANGE BENCHMARK RATES ANTITRUST LITIGATION (13-CV-07789)	Filed
(GOLD Fixing) In re Commodity Exchange, Inc. Futures and Options Trading Antitrust Litigation	Ineligible
(LIBOR Exchange) Metzler Investment GmbH et al. v. Credit Suisse Group AG et al.	Ineligible
(LIBOR OTC) MAYOR AND CITY COUNCIL OF BALTIMORE V. BANK OF AMERICA CORPORATION ET AL	Ineligible
(SILVER Fixing) In re London Silver Fixing Ltd. Antitrust Litigation (14MD02573)	Ineligible
Axiom Investment Advisors, LLC v. Barclays Bank PLC et al (BARX) Antitrust Litigation	Ineligible
CDS ANTI-TRUST Securites Litigation (13MD2476DLC)	Ineligible
CGM Anti-Trust Qualified Settlement	Ineligible
Commonwealth of Puerto Rico (Bankruptcy) (17BK03283)	Ineligible
CRUDE OIL Futures Settlement (11CV3600KBF)	Ineligible
FX DUTCH FOUNDATION (FX STICHTING) ANTITRUST LITIGATION	Ineligible
In re: SSA Bonds Antitrust Litigation (SSA Bonds)	Ineligible
Municipal Derivatives Antitrust Litigation	Ineligible
Sonterra Capital Master Fund Ltd. v. Credit Suisse Group AG et al. (LIBOR Swiss Franc)	Ineligible
STAINES V. ROYAL BANK OF CANADA ET AL (FX CANADA)	Ineligible

Informational

TO: SIB Securities Litigation Committee

FROM: Dave Hunter

DATE: May 4, 2018

SUBJECT: Securities Litigation Education

RIO has requested two prominent securities litigation law firms to provide education on recent trends and market developments in the securities litigation field. RIO has previously met with these firms in the past year and informally engaged with them when developing our approved securities litigation policy and practices.

SIB Securities Litigation Policy states the “SIB may engage one or more legal firms that specialize in prosecuting security class-action cases; any such engagement is subject to special appointment requirements of N.D.C.C. 54-12-09. For these purposes only, such firm(s) may be granted ongoing access to security holdings information through the custodian bank or other designated agent.”

RIO notes “An agreement with any law firm for non-litigation services will not commit SIB to employing said firm in the event that it seeks to represent SIB as an active participant in any securities related litigation. Such representation must be effected by a separate retainer agreement between SIB and said firm...”

There is no action requested at this time, although the Committee may discuss the merits of engaging with these firms, or other similar firms, in the future.

Protecting Pension Fund Assets through Portfolio Monitoring

Presentation to:

North Dakota State Investment Board Securities Litigation Committee



**Hon. Kelly
Schmidt**

State Treasurer

**David
Hunter**

Executive Director &
CIO

**Connie
Flanagan**

Fiscal & Investment
Operations Manager

**Troy
Seibel**

Chief Deputy
Attorney General

**Anders
Odegaard**

Attorney General
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Michael Blatchley
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May 10, 2018

Tony Gelderman
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(504) 899-2339



Why do funds like North Dakota engage law firms to serve as portfolio monitoring counsel?



**Because Congress
passed a law encouraging
them to do so.**



That law is the
**Private Securities
Litigation Reform Act,**
which encourages pension funds to
take action if they lose money as a
result of corporate wrongdoing.

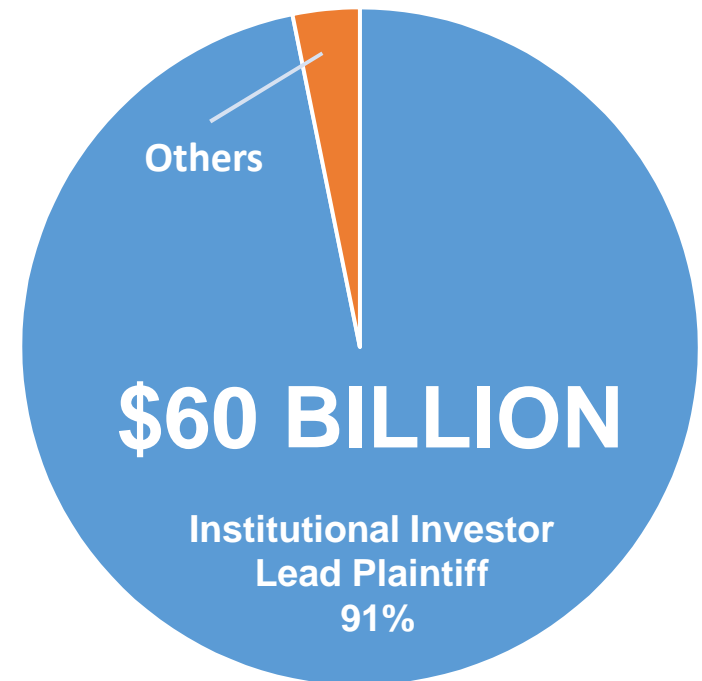
The law has worked:

- ▶ Institutional investors and pension funds have been able to obtain higher recoveries and negotiate lower legal fees through their leadership.
- ▶ Over \$120B has been recovered on behalf of investors through securities litigation since the passage of the Private Securities Litigation Reform Act, or “PSLRA.”

Sources: Institutional Shareholder Services, Inc. (ISS) January 2017; Cornerstone Research, Securities Class Action Settlements: 2016 Review and Analysis

Institutional Investors are Instrumental in Maximizing Securities Fraud Recoveries

- ▶ Research shows that institutional investors negotiate higher settlements and lower legal fees than individuals.
- ▶ 91 of the top 100 recoveries in securities class actions were obtained by an institutional investor lead plaintiff.
- ▶ Institutional investor lead plaintiffs also obtain significant corporate governance reforms as part of securities settlements.



Source: ISS Securities Class Action Services

PSLRA key points:

- ▶ The PSLRA encourages institutional investor participation:
 - The PSLRA's Lead Plaintiff provisions ensure that the investors with the "largest financial interest" lead securities class actions.

- ▶ The PSLRA also:
 - Imposes a discovery stay.
 - Heightens pleading standards.
 - Provides a safe harbor for "forward-looking statements."
 - Contains apportionment-of-fault provisions.
 - Seeks to enhance the quality of representation in securities litigation while reducing legal fees.



A preponderance of public pension funds have arranged with firms like ours to actively monitor their investment portfolios.



**Engaging in portfolio
monitoring does NOT mean
North Dakota will have to
become an active litigant.**

Why Monitoring Is Helpful

- ▶ There are instances where our Firm has ensured a recovery for our client without the client actually becoming actively involved.
- ▶ Public Pension Funds have begun to feel very vulnerable about foreign claims and their role in those settlements.
- ▶ It is considered best practice for funds to be aware of misconduct and litigation impacting their investments, and monitoring helps protect against scrutiny from others, including auditors, the press, and members.
- ▶ From time to time, an issue or case arises and the Fund may want to get advice or a second opinion without generating any further costs to the Fund.

The fiduciary duty of pension fund trustees

“Officers have a fiduciary obligation to recover funds lost through investments in public securities as the result of corporate mismanagement and/or fraud.”

*Government Finance Officers Association (U.S.)
Recommended Practice*

Courts expect large pension funds to engage monitoring counsel

- ▶ Courts recognize that monitoring firms provide a valuable service in helping institutional investor trustees fulfill their fiduciary duties. Indeed, courts presume that large public funds have outside counsel to monitor the status of class actions.

See, e.g., Larson v. JPMorgan Chase & Co., 530 F.3d. 578, 581 (7th Cir. 2008) (Posner, J.)

Changes in the law require pension funds to take steps to ensure they can recover losses caused by fraud

- ▶ The role monitoring counsel play is even more important now, in the wake of the U.S. Supreme Court's recent *ANZ Securities* decision—which reversed decades of law concerning class action “tolling.”
- ▶ While filing a class action previously served to preserve class members' claims, that is no longer the case. Now, investors may be forced to file a “protective” lawsuit if they believe the class action will not sufficiently protect their interests.

As Justice Ginsburg explained in dissent, as result of the decision, “every fiduciary who must safeguard investor assets, will have strong cause to file a protective claim, in a separate complaint or in a motion to intervene” before the limitations period expires.

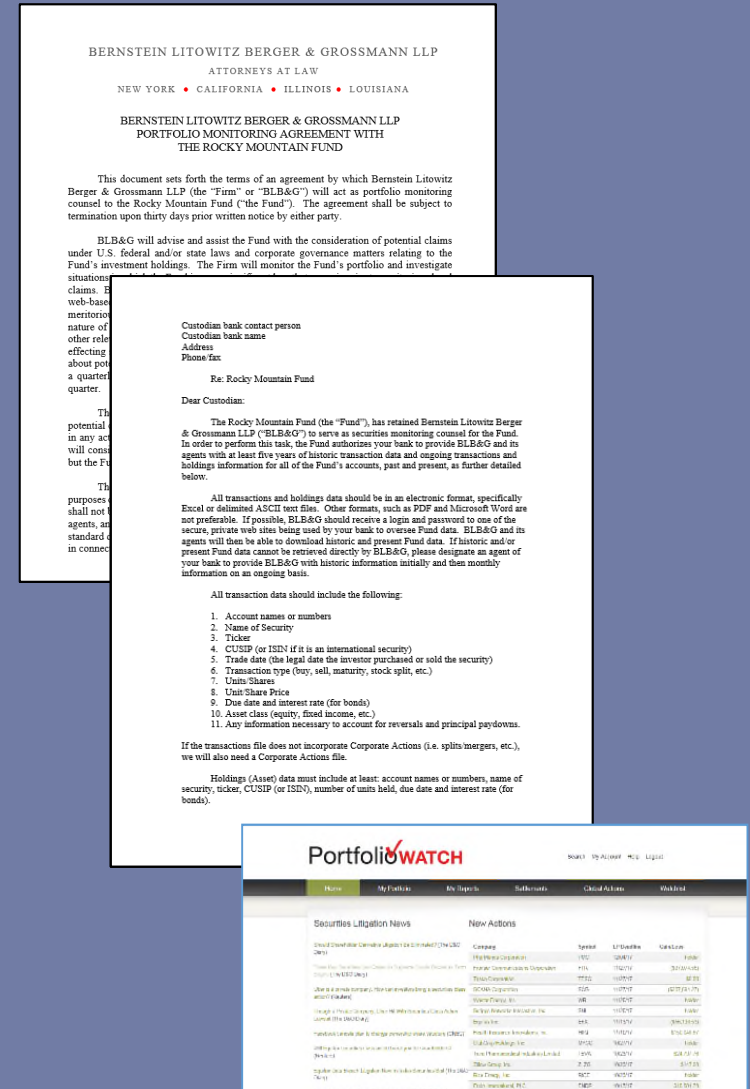
Calif. Pub. Empls. Ret. Sys. v. ANZ Secs., Inc.,
137 S.Ct. 2042, 2058 (2017) (Ginsburg, J., dissenting).



How does monitoring work?

Starting the process.

1. Both parties sign an Engagement Letter.
2. A Steering Letter is sent to the Custodial Bank granting the Firm access to the portfolio.
3. The data is uploaded on our secure electronic platform, *PortfolioWatch*.



BLB&G's Portfolio Monitoring Covers Both Domestic and Foreign Securities Claims



- ▶ BLB&G monitors our clients' entire portfolio, whether the securities trade domestically or abroad:
 - Our robust platform proactively identifies and informs clients of investment losses caused by misconduct, as well as available options for recovery, and the risks and benefits of each option.
 - We provide analytic case-specific memoranda addressing all legal options with respect to new and pending foreign securities actions that are potentially meritorious, and in which our clients appear to have a material financial interest.

No gap in oversight

There is no need for additional monitoring programs specific to foreign securities actions.

PortfolioWatch Monitoring Platform



In response to the PSLRA, BLB&G pioneered portfolio monitoring and case evaluation services for its pension fund clients.

- ▶ Web-based platform
- ▶ Tracks client's investments and trading activity against new and pending actions
- ▶ Shows potential losses and highlights cases where recoveries may be available
- ▶ Provides key information to assist in claims filings in settled cases
- ▶ Offers a full array of reporting functions, historical data and current news
- ▶ Covers both U.S. and foreign securities
- ▶ Triple-encrypted security, regularly audited, secured enterprise class data servers, and unique log-on credentials

BLB&G
provides
clients with a
comprehensive
suite of
services

Privileged and Confidential Attorney Work Product

Portfolio Monitoring and Reporting
Auditing of Claims Filing

Securities Class Actions
Shareholder Derivative Cases
Corporate Governance Advice
Transaction/Deal Cases
Appraisal Rights Litigation
Direct Action and Opt-Out Cases
Foreign Law Claims

U.S. Supreme Court Advocacy
Educational Opportunities

Securities Monitoring Reporting



- ▶ Catalogue of all securities litigation initiated during the period
- ▶ Summary of meritorious cases as determined by BLB&G
- ▶ Breakdown of losses in meritorious cases
- ▶ Active litigation update
- ▶ Listing of claim filing deadlines

**We are committed to only one thing –
getting the best result for our clients.**

Portfolio monitoring and claims evaluation services are provided at **no charge** to our clients.

Litigation services are provided on a contingency fee basis. That means:

- ▶ No out-of-pocket costs to our clients.
- ▶ Our model ensures that our clients get the legal excellence and results they seek.



What Should the Securities Litigation Committee Consider?

- Losses
- Merits
- Evidence
- Ability-to-pay
- Corporate governance
- Other potential investors
- Potential costs and resource requirements
- Jurisdictional issues
- Any other relevant facts or circumstances impacting North Dakota's ability to recover



BLB&G's Approach to Portfolio Monitoring



1

Our Firm is well situated to protect
North Dakota's interests.

We are the
trusted counsel to
public pension
funds and other
institutional
investors just like
North Dakota.

Privileged and Confidential Attorney Work Product

North Dakota Retirement & Investment Office (\$13.3B AUM)

Arkansas Teacher Retirement System
(\$16B AUM)

Arkansas Public Employees Retirement System
(\$8B AUM)

Public School Teachers' Pension & Retirement Fund of
Chicago (\$12B AUM)

Employees' Retirement System of the State of Hawaii
(\$16B AUM)

Louisiana State Employees' Retirement System
(\$12B AUM)

Teachers' Retirement System of Louisiana (\$21B AUM)

Municipal Employees' Retirement System of Michigan
(\$10B AUM)

Public Employees' Retirement System of Mississippi
(\$29B AUM)

Oregon Public Employees Retirement Fund (\$77B AUM)

Rhode Island State Investment Commission (\$9.5B AUM)

Some of our other clients include...

- ▶ Alabama Retirement Systems
- ▶ Arizona State Retirement System
- ▶ Arkansas Public Employees Retirement System
- ▶ Arkansas Teacher Retirement System
- ▶ Boston Retirement Board
- ▶ California Public Employees Retirement System
- ▶ California State Teachers' Retirement System
- ▶ City of Miami General Employees' & Sanitation Employees' Retirement Trust
- ▶ Employee Retirement System of the City of Providence
- ▶ Fire and Police Pension Association of Colorado
- ▶ Florida State Board of Administration
- ▶ General Retirement System of the City of Detroit
- ▶ Kansas City, Missouri Employees' Retirement System
- ▶ Louisiana Municipal Police Employees' Retirement System
- ▶ Louisiana State Employees' Retirement System
- ▶ Maryland State Retirement and Pension System
- ▶ Michigan (State of) Retirement System
- ▶ Montana Board of Investment
- ▶ Municipal Employees' Retirement System of Michigan
- ▶ New York State Common Retirement System
- ▶ North Carolina Retirement System
- ▶ Ohio Public Employees Retirement System
- ▶ Oklahoma Firefighters Pension and Retirement System
- ▶ Oregon Public Employees Retirement Fund
- ▶ Pennsylvania State Employees' Retirement System
- ▶ Policemen's Annuity and Benefit Fund of Chicago
- ▶ Public School Teachers' Pension and Retirement Fund of Chicago
- ▶ San Francisco City and County Employees' Retirement System
- ▶ State Teachers' Retirement System of Ohio
- ▶ Teacher Retirement System of Texas
- ▶ Virginia Retirement System



2

We are conservative in the cases we recommend – an approach that matches the needs of our clients, and produces results.

BLB&G has recovered over
\$31 billion
for investors since its
founding in 1983.

There are only 13 securities litigations in history resulting in settlements in excess of \$1 billion.

BLB&G represented investors as Lead or co-Lead Counsel in 6 of these billion dollar cases.



\$6.2
BILLION



\$3.3
BILLION



\$2.4
BILLION



\$1.07
BILLION



\$1.06
BILLION



\$1.05
BILLION

More Top Recoveries Than Any Other Firm

6

of the top 12
settlements
of all time

We obtained 6 of the top 12 settlements of all time.

33

of the top 100
settlements
of all time

We obtained a third of the top 100 recoveries of all time.

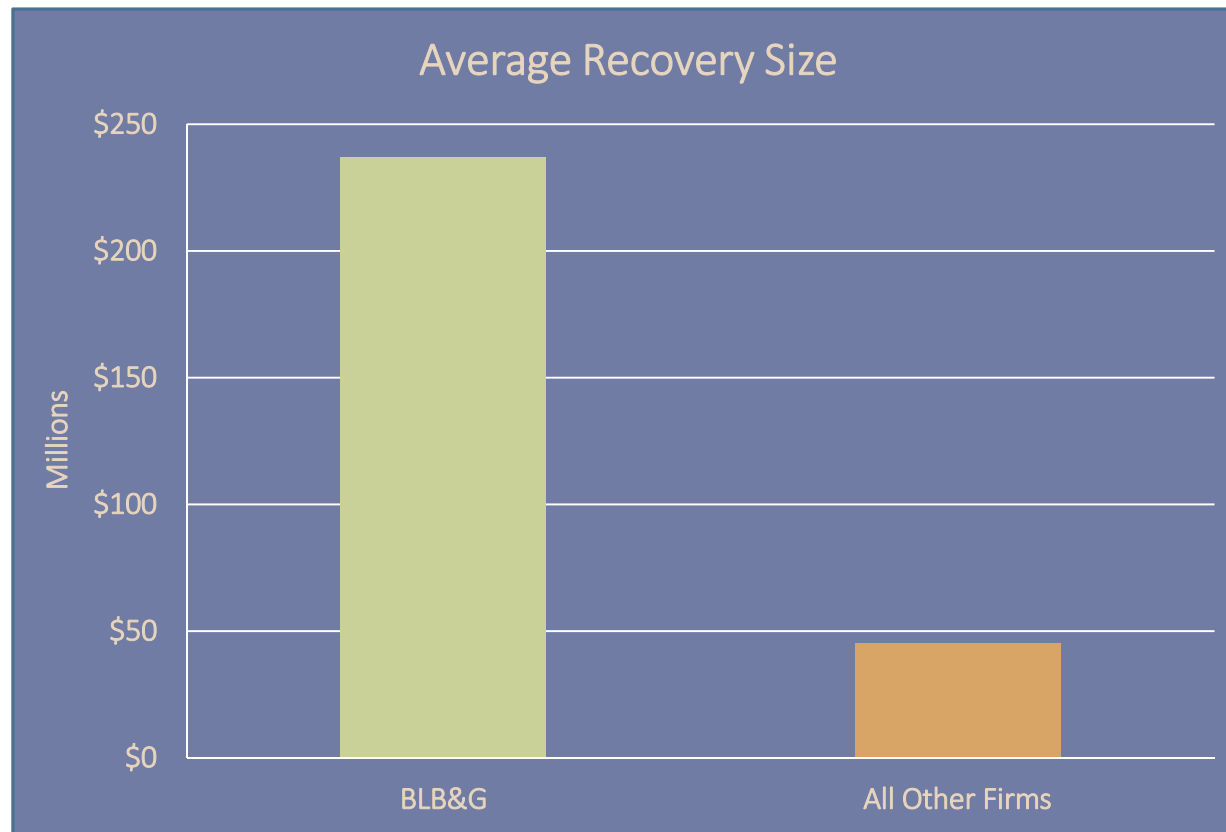
40%

of all monies
recovered in the
top 100
settlements of
all time

BLB&G eclipses all other firms in Securities Class Action Services' compiled data on the profession, having recovered 40% (nearly \$25 billion) of all funds recovered in the top 100 settlements of all time.

Source: ISS/Securities Class Action Services ("SCAS"); NERA Economic Consulting

Over the past 15 years, the average securities class action recovery for cases in which BLB&G has served as Lead or co-Lead Counsel is over five times greater than the industry average.



Source: Stanford Securities Litigation Analytics



3

We have the lowest case dismissal rates in the industry.

**This success rate is the best track record
of any firm in the field.**

86%

**of our cases
are upheld by
the courts**

*Source: Stanford Securities
Litigation Analytics*

Why?

Because we only pursue meritorious cases and have a specialized in-house team of financial analysts and financial investigators who rigorously vet each potential case upfront to confirm the merits and protect our clients' interests.

Stanford Securities Litigation Analytics:

The Firm's 86% success rate is based on data from Stanford Securities Litigation Stanford Securities Litigation Analytics (SSLA), a research project at Stanford Law School which tracks and collects data on securities class action litigation and SEC enforcement actions brought to enforce the disclosure requirements of the securities laws.



4

We pursue claims that others fail to identify.

**BLB&G's
portfolio
monitoring
practice helps
our clients to
identify claims
that others may
miss.**

Identifying Unique Claims

- ▶ Lead Plaintiffs in the **Citigroup**, **Wachovia** and **Merrill Lynch** class actions omitted the claims of preferred stock and bond investors. As counsel for several pension funds, we identified this omission and filed claims on their behalf – obtaining over **\$1.5 billion** in recoveries as a result.
- ▶ As a result of our investigation into certain banks' securities lending practices, we initiated a class action on behalf of our pension fund clients to recover losses suffered by securities lending program participants.
- ▶ We identified claims on unique securities and investments – such as toxic RMBS and CDOs – and pursued litigation resulting in hundreds of millions of dollars in recoveries for investors.



5

We devote the resources needed to provide our clients with the best possible advice, and to effectively investigate and prosecute their claims.

- ▶ Our attorneys are among the top practitioners in the field – over 120 attorneys with diverse experience – former prosecutors, former SEC and regulatory lawyers and attorneys who began their careers at some of the most prominent defense firms in the country.
- ▶ Our professional staff include outstanding financial and market analysts, investigators and client relations specialists.

Benchmark Litigation

New York and California “Litigation Stars”

Max Berger, Salvatore Graziano, Mark Lebovitch, Blair Nicholas,
Hannah Ross, Gerald Silk and David Stickney

National “Plaintiff Attorney of the Year”

Mark Lebovitch

“Top 100 Trial Lawyers in America”

Salvatore Graziano

“Top 250 Women in Litigation in America”

Hannah Ross

“Under 40 Hot List”

Michael Blatchley, Katherine Sinderson, Jonathan Uslaner and
Adam Wierzbowski

Lawdragon

The “500 Leading Lawyers in America”

Max Berger, Salvatore Graziano, Mark Lebovitch, Hannah Ross,
Gerald Silk and David Stickney

“Lawdragon Legend”

Max Berger

(Practitioners selected every year since
list’s inception 10 years ago.)

The National Law Journal

“Litigation Trailblazer and Pioneer”

Gerald Silk

Chambers and Partners’ Guide to America’s Leading Lawyers for Business

“Star Individual”

Max Berger

Salvatore Graziano, Gerald Silk and Mark Lebovitch were named
among an elite group of notable practitioners in the field.

Law360

“Rising Stars” in Securities Litigation

Avi Josefson, Katherine Sinderson and Jonathan Uslaner

“Class Action MVPs”

Salvatore Graziano, David Stickney and John Browne

Daily Journal

California’s “Top Plaintiff Attorneys”

David Stickney

California’s “Top 40 Under 40” Attorneys

Jonathan Uslaner

Legal 500

“Leading Lawyers”

Max Berger (Securities Litigation) and
Mark Lebovitch (M&A Litigation)

The Recorder

California “Litigation Groundbreaker”

David Stickney

“Some of the best trial lawyers I’ve ever seen.”

— *United States District Court, Northern District of California*

“The unique talents of [these] plaintiffs’ lawyers...are just simply not available in the mainstream of litigators.”

— *United States District Court, District of Oregon*

“The quality of the representation has been superb and is unsurpassed in this court’s experience.”

— *United States District Court, Southern District of New York*

“A cut above the typical lawyering I have seen.”

— *United States District Court, Middle District of Tennessee*

“This case [Landry’s] 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’d put this case up as an example of what to do.”

— *Delaware Court of Chancery*

Commitment to Investor Education

We offer an array of investor education programs to our clients to help raise awareness of issues important to the institutional investor community.

- ▶ **The Advocate for Institutional Investors:** Reporting and analysis of current securities and corporate law issues.
- ▶ **Real-Time Speaker Series:** An educational platform featuring candid online conversations with academics, policy makers and other experts about issues of importance to the institutional investor community.
- ▶ **Corporate Governance and Securities Litigation Alert:** Email bulletin on important judicial, regulatory, corporate governance and securities news and developments.





Questions?



Michael Blatchley
Partner

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Mr. Blatchley's practice focuses on securities fraud litigation. He is currently a member of the firm's new matter department in which he, along with a team of attorneys, financial analysts, forensic accountants, and investigators, counsels the firm's clients on their legal claims.

Mr. Blatchley has also served as a member of the litigation teams responsible for prosecuting a number of the firm's significant cases. For example, Mr. Blatchley was a key member of the team that recovered \$150 million for investors in *In re JPMorgan Chase & Co. Securities Litigation*, a securities fraud class action arising out of misrepresentations and omissions concerning JPMorgan's Chief Investment Office, the company's risk management systems, and the trading activities of the so-called "London Whale." He was also a member of the litigation team in *In re Medtronic, Inc. Securities Litigation*, an action arising out of allegations that Medtronic promoted the Infuse bone graft for dangerous "off-label" uses, which resulted in an \$85 million recovery for investors. In addition, Mr. Blatchley prosecuted a number of cases related to the financial crisis, including several actions arising out of wrongdoing related to the issuance of residential mortgage-backed securities and other complex financial products. Currently, Mr. Blatchley is a member of the team prosecuting *In re Allergan, Inc. Proxy Violation Securities Litigation*.

Mr. Blatchley was recently named to *Benchmark Litigation's* "Under 40 Hot List," which recognizes him as one the nation's most accomplished legal partners under the age of 40.



Tony Gelderman
Counsel

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Mr. Gelderman heads the firm's Louisiana office and is responsible for the firm's institutional investor and client outreach. He is a frequent speaker at U.S. and European investor conferences and has written numerous articles on securities litigation and asset protection. Previously, Mr. Gelderman served as Chief of Staff and General Counsel to the Treasurer of the State of Louisiana (1992-1996) and prior to that served as General Counsel to the Louisiana Department of the Treasury. Mr. Gelderman also coordinated all legislative matters for the State Treasurer during his tenure with the Treasury Department. Earlier in Mr. Gelderman's career, he served as law clerk to U.S. District Judge Charles Schwartz, Jr., Eastern District of Louisiana (1986-1987).



Robbins Geller Rudman & Dowd LLP

North Dakota Retirement and Investment Office

May 10, 2018

Bismarck, North Dakota

Patrick Daniels | Roxana Pierce

One Firm. Global Reach.

185 Lawyers in 10 offices including dozens of former Federal and State Prosecutors

200 Legal Support Professionals including Forensic Accountants, Economists and Investigators





THE WALL STREET JOURNAL.

August 3, 2005

CIBC to Pay \$2.4 Billion Over Enron

Canadian Bank Is Settling Investors' Fraud Claims; Spotlight on Merrill, CSFB

By RANDALL SMITH

Settling for More

Enron class-action recoveries to date:



David Goffman

Settling for More

Enron class-action recoveries to date:

DEFENDANTS	DATE	SETTLEMENT, IN BILLIONS
Canadian Imperial Bank of Commerce	August 2005	\$2.40
J.P. Morgan Chase	June 2005	2.20
Citigroup	June 2005	2.00
Outside Directors	January 2005	0.17
Lehman Brothers	October 2004	0.22
Bank of America	July 2004	0.07
Andersen Worldwide SC	2002	0.03
LJM2 bankruptcy recovery	2004-2005	0.03
TOTAL as of Aug. 2, 2005		\$7.10 billion

Source: University of California

Some remaining defendants

- Merrill Lynch
- Credit Suisse First Boston

The New York Times

August 3, 2005

CIBC Settles Enron Case

Investors to Get \$2.4 Billion

By JEFF BAILEY

Enron-related legal matters."

For fiscal 2004, which ended Oct. 31, CIBC had net income of about \$1.8 billion.

The latest settlement is a victory for plaintiffs, led by the University of California, which is represented by the law firm of William S. Lerach.

The Enron lawsuit accused CIBC and other firms of creating false investments in elaborate and complex Enron partnerships that had the effect of deceiving investors and moving billions of dollars of debt off the company's balance sheet.

James E. Holst, the general counsel for the University of California, said, "It sets the stage for very important additional progress."

Mr. Lerach said that settlement talks were continuing. "It's sort of up to whoever wants to settle for the next lowest price," he said.

An October 2006 trial is scheduled for defendants that do not settle.

As lead counsel, Mr. Lerach's firm will get the biggest piece of legal fees. In total, Mr. Lerach said that law firms would receive 8 percent of the first \$1 billion, 9 percent of the second \$1 billion and 10 percent of any recoveries after that, indicating that fees so far total about \$680 million. The fees must be approved by the court when the case is completed.

A suit accused

The amount makes it the largest class-action securities settlement on record

Federal court in Houston that accuses financial institutions and others of helping Enron pull off accounting deceptions that resulted in billions of dollars of losses.

Individuals and Enron employees — are expected to receive pennies on every dollar of their losses.

Mr. Lerach, in comments in a court

sets by mid-2006, the bank said in a statement. CIBC said it admitted no wrongdoing in the Enron matter, and

TOTAL RECOVERY \$7.2 billion

Interest earned at about \$550,000 per day



United States District Judge
Melinda Harmon

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In Re Enron Corporation
Securities, Derivative &
"ERISA" Litigation

MDL 1446

MARK HENRY, ET AL.,
Plaintiffs

VS.
ENRON CORPORATION, ET AL.,
Defendants

CIVIL ACTION NO. H-01-1624
CONSOLIDATED CASES

CONCLUSIONS OF LAW, FINDINGS OF FACT, AND ORDER
RE AWARD OF ATTORNEY'S FEES FROM SETTLEMENT FUND

"The experience, ability, and reputation of the attorneys of [Robbins Geller Rudman & Dowd] is not disputed; it is one of the most successful law firms in securities class actions, if not the preeminent one, in the country."

In re Enron Corp. Sec., Derivative & "ERISA" Litig., MDL No. 1446, Order at 130.

"[I]n the face of extraordinary obstacles, the skills, expertise, commitment, and tenacity of [Robbins Geller Rudman & Dowd] in this litigation cannot be overstated. Not to be overlooked are the unparalleled results, \$7.2 billion in settlement funds, which demonstrate counsel's clearly superlative litigating and negotiating skills."

Id. at 112-13.

"As this Court has explained [this is] an extraordinary group of attorneys who achieved the largest settlement fund ever despite the great odds against them."

Id. at 203.

10000 JOURNALIST
UNITED STATES DISTRICT COURT FOR THE

Jury Verdict

DOCKETED
AUG 20 2002

Bloomberg.com

Household International, Officials Misled Investors, Jury Finds

By Andrew M. Harris

May 8 (Bloomberg) -- Household International Inc. and three executives misled investors about the company's business practices, a Chicago federal court jury found after a monthlong trial.

The jury of three women and seven men returned the verdict yesterday after 3 1/2 days of deliberation. Jurors concluded the company and

panel's findings could indicate a loss of billions of dollars.

After the verdict was read and jurors had left, defense attorney Thomas Kavalier told Guzman their decision was "fatally flawed and inconsistent."

Kavalier, a partner in New York's Cahill Gordon &

An incisivemedia website

AMERICAN LAWYER.COM

Robbins Geller Hails Jury Verdict in Household International Securities Class Action Trial

By Andrew Longstreth
May 07, 2009

He emailed Thomas Kavalier of Cahill

Bloomberg

Household International, Officials Misled Investors, Jury Finds

By Andrew M. Harris

May 8 (Bloomberg) – Household International Inc. and three executives misled investors about the company's business practices, a Chicago federal court jury found after a month long trial.

Jurors didn't award a lump sum to shareholders. U.S. District Judge Ronald A. Guzman, who presided over the trial, admonished them not to discuss the case publicly and told trial lawyers not to talk to the jurors because the case isn't over.

Having found Household and the executives liable for making misleading statements, the jury calculated the amount of shareholders' daily losses at as much as \$23.94 a share from March 23, 2001, to Oct. 11, 2002.

Potential Loss

The company said in corporate filings that it had an average of 455.4 million shares outstanding for the three months ended Sept. 30, 2002, meaning the

"Household had no intent to deceive investors," Kavalier told the jury that same day.

Aldinger and co-defendants David Schoenholz, who was chief financial officer, and Gary Gilmer, who led the consumer-lending division, had no intent to deceive anyone, the lawyer said.

Presented with 40 alleged instances in which misleading public statements were made, the jury found the company and at times some or all three of the executives made actionable comments concerning Household's business practices 17 times.

The case is *Lawrence E. Jaffe Pension Plan v. Household International Inc.*, 1:02-cv-05893, U.S. District Court, Northern District of Illinois (Chicago).

and plaintiffs have won this historic victory," said Coughlin Stoa partner Patrick Coughlin in a statement e-mailed to the *Litigation Daily*. "The jury's verdict is a victory for the millions of Americans suffering as a result of deceptive predatory lending practices and a victory for all investors fighting for greater corporate transparency, honesty and integrity. The verdict is also a testament to our firm's willingness and ability to see a case through on behalf of our clients, despite facing adversaries with tremendous power and resources."

In the
United States Court of Appeals
For the Seventh Circuit

No. 13-3532

GLICKENHAUS & COMPANY, *et al.*,
on behalf of themselves and all
others similarly situated,

Plaintiffs-

v.

HOUSEHOLD INTERNATIONAL, INC., *et al.*,

Defendants-.

Appeal from the United States District Court
for the Northern District of Illinois, Eastern Division
No. 02 C 5893 — Ronald A. Guzmán, Judge.

ARGUED MAY 29, 2014 — DECIDED MAY 21, 2015

Before BAUER, KANNE, and SYKES, *Circuit Judges*.
SYKES, *Circuit Judge*. This securities-fraud class
tried to a jury and produced an enormous judgment

Before BAUER, KANNE, and SYKES, *Circuit Judges*.

SYKES, *Circuit Judge*. This securities-fraud class action was
tried to a jury and produced an enormous judgment for the
plaintiffs

IT IS ORDERED AND ADJUDGED that the claimants set forth in Exhibit A hereto shall
from defendants Household International, Inc., William F. Aldinger, David A. Schoenholz,
by Gilmer principal of the household interest in

III. Conclusion

In sum, the defendants are entitled to a new trial limited to
the two issues we've identified here: loss causation and
whether the three executives "made" certain of the false
statements under *Janus's* narrow definition of that term. We
reject all other claims of error.

REVERSED AND REMANDED.

4/17/2015
THE HONORABLE RONALD A. GUZMAN
UNITED STATES DISTRICT JUDGE

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

LAWRENCE E. JAFFE PENSION PLAN, On)
Behalf of Itself and All Others Similarly)
Situating,)

Plaintiff,

vs.

HOUSEHOLD INTERNATIONAL, INC., et)
al.,)

Defendants.)

Lead Case No. 02-C-5893
(Consolidated)

CLASS ACTION

Honorable Jorge L. Alonso



MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF PLAINTIFFS'
UNOPPOSED MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION
SETTLEMENT

The proposed \$1,575,000,000 settlement falls well within the range of approval, representing the largest securities class action recovery ever achieved in the Seventh Circuit. *See Securities Class Action Services, The SCAS 100 for Q2 2010*, at 2-4 (MSCI 2010). This sum is extraordinary whether viewed in isolation or considered along with the risks that Plaintiffs and the Class would face if the parties proceeded to a second trial.

June 17, 2016

FINANCIAL TIMES

HSBC Holdings

Class action lawsuits keep companies in check

HSBC settlement is the latest example of a big win for investors

June 17, 2016 by: Brooke Masters, Companies editor

Class-action lawsuits are one of the flashpoints of the US legal system.

Business groups grumble that plaintiffs' lawyers file frivolous claims on behalf of unknown clients, bully companies into settling and keep much of the money for themselves in fees.

But consumer and investor groups see collective action as an important way to hold big companies to account. It is often prohibitively expensive for individuals to sue over defective products or misleading financial statements but, together, they can force companies to redress wrongs.

Their notable successes — ranging from a \$7bn settlement over the 2001 collapse of Enron to \$3.4bn for victims of faulty breast implants — have inspired investor groups elsewhere, including the UK, to lobby for similar rules.

On Thursday, HSBC became the latest company to ink a huge settlement: the UK bank paid \$1.6bn to end a 14-year battle with former shareholders of Household International, a US lending company that it bought in 2003. HSBC investors had alleged that Household made financial misstatements in 2001 and 2002. Essentially, they claimed that the company lied to them about its results, its loan portfolio and its capital position.

the UK bank pays \$1.6bn to end a 14-year battle with former shareholders of Household International, a US lending company that it bought in 2003.

The deal looks like a victory for investors. The bank warned that the payment could be as high as \$3.6bn once the additional years of accumulated interest were included. The settlement is the latest in a series of deals that have seen companies pay out billions of dollars to settle class action lawsuits.

HSBC certainly fought the lawsuit hard. It took the case to trial in 2009 and lost resoundingly.

The evidence and the legal arguments were so strong that the court found in favor of the investors. The bank is now going to pay the substantial price.

US financial companies may well have to face more class action cases. The Consumer Financial Protection Bureau last month proposed banning mandatory arbitration clauses that prevent consumers from clubbing together to bring lawsuits. It argued that fear of group action would help deter bad practices, such as unfair fees and predatory lending.

The class action system also came out a winner. Very few of these cases ever make it to trial, and business groups often argue that the long string of settlements shows that companies are being blackmailed by an unfair system. But, over the years, the courts and Congress have tightened the requirements. Now HSBC has pretty much put the system to the test. A jury heard the evidence and found there were 17 separate misstatements in 18 months. The appeals court tested that verdict and found it sound. The bank is now going to pay the substantial price.

HSBC settlement
proves a win for the
class action system

The Top Line

Companies Editor

HCA to Pay \$215M in Latest Big Securities Class Settlement

By Jenna Greene
November 4, 2015

For the first six months of the year, it looked like securities class actions were in the doldrums.

Between January and June, the median settlement was a mere \$5.2 million, the lowest in a decade, according to a midyear report by Gibson, Dunn & Crutcher. New filings were down too, whether compared with the preceding six months or the 15-year historical average, another study found.

But since June 30, there have been a series of big-ticket settlements in securities class actions brought by Robbins Geller Rudman & Dowd. Among them: a pending \$388 million settlement by JP Morgan Chase & Co., and a \$272 million settlement by Goldman Sachs.

On Wednesday, the firm struck again, when Hospital Corporation of America agreed to pay \$215 million to settle a securities class action stemming from its initial public offering in 2011.

The case is a bit different from the parade of suits against banks based on residential mortgage-backed securities.

Filed in Nashville federal court in 2011, the suit pitted the class action specialists against counsel from Latham & Watkins for HCA and Davis Polk & Wardwell for the underwriters.

By way of background: HCA is the largest for-profit hospital chain in the country. In 2000, it paid \$1.7 billion to settle Medicare fraud charges by the Justice Department, and in 2012 was slammed in a New York Times article for performing medically unnecessary procedures.

At a crucial hearing in the class action—a motion to dismiss before Chief Judge Kevin Sharp of the U.S. District Court for the Middle District of Tennessee in 2013—the big dogs were out. Robbins Geller name partner Darren Robbins argued for the plaintiffs, and Everett “Kip” Johnson Jr., at the time the chair of Latham’s litigation department, made the case for the defense.

The key point of contention: Did the hospital giant fail to disclose material facts before it went public on March 9, 2011? At the time, it was the largest ever private equity-backed IPO in the U.S., with \$4.3 billion in securities issued.

Johnson called the allegations “typical rearview mirror, fraud by hindsight. You disclosed it on Tuesday; you must have known it on Monday. It was fraud not to disclose it on Monday. That’s what this case is about,” he said, according to a transcript of the proceedings.

“In this case, the only thing that’s in dispute is whether HCA failed to disclose certain known trends that it was aware of before March 9, 2011, and which it reasonably believed would have an unfavorable—material unfavorable—impact on its revenues,” he said.

The trend included a decline in Medicaid revenue per admission and movement away from cardiac surgical treatment into less expensive medical treatment.

“Those things are constant in medicine,” Johnson argued. “There is always movement from one treatment to another. Every time somebody invents a drug or a device, there is movement. But this is like counting nosebleeds, your honor. These kinds of movements don’t have any real significant effect until they become very significant over a very long period of time.”

When it was Robbins’ turn, he responded, “These aren’t nosebleed treatments or earaches. We’re talking about, you know, implants into people’s hearts and cardiothoracic surgeries that were being done and were not medically necessary.”

Robbins continued, “We heard a broad-brush presentation. But when you



Darren Robbins

look and drill down into the cases supporting this, they don’t support the law as articulated by the defendants.”

He pointed to Item 303 of Regulation S-K, which requires a registrant to disclose “profits.”

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“George Barrett was instrumental to the prosecution of this case and the incredible result we ultimately achieved for shareholders. George Barrett was truly a great American,” Robbins said.

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HCA

Hospital Corporation of AmericaSM

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But since June 30, there have been a series of big-ticket settlements in securities class actions brought by Robbins Geller Rudman & Dowd. Among them: a pending \$388 million settlement by JP Morgan Chase & Co., and a \$272 million settlement by Goldman Sachs.



MOTOROLA

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

ERIC SILVERMAN, On Behalf of Himself and All Others Similarly Situated,)	
)	
Plaintiffs,)	No. 07 C 4507
)	
v.)	
)	
MOTOROLA, INC., et al.,)	
)	
Defendants.)	

MEMORANDUM OPINION AND ORDER

AMY J. ST. EVE, District Court Judge:

Plaintiffs have filed a motion for an award of attorney's fees and expenses and reimbursement of the class representatives' expenses pursuant to 15 U.S.C. § 78u-4(a)(4). For

Chicago Tribune
BUSINESS

Front Page | News | Sports | **Business** | Lifestyles | Opinion | A&E

Home > Featured Articles > Securities Fraud

Home>Featured Articles>Securities Fraud

Motorola Solutions to pay \$200 million to settle shareholder suit

Alleged securities fraud occurred years before Motorola split into 2 companies

February 03, 2004 *By Robert Sedelir, Chicago Tribune reporter*

Motorola Solutions Inc. will pay \$200 million to settle a 2007 securities fraud lawsuit brought by shareholders.

Attorneys representing the shareholders disclosed the proposed settlement Thursday evening; it was also filed with a federal court in Chicago, where the case was brought. The settlement is subject to court approval.

The suit, which sought class-action status, was filed before Motorola split into two companies last year. It alleged that Motorola had artificially inflated its stock by making misrepresentations about the company's projected revenues for the third and fourth quarters of 2006.

Motorola had denied any wrongdoing.

last year from the cellphone
c. The two sides had hired
mediator proposed that
million, which the parties

the risk and distraction of
years. "It also enables us to

continue to focus on delivering mission-critical communications solutions to
government and enterprise customers."

The plaintiffs were led by the Macomb County Employees' Retirement System

They were represented by
han & Dowd, which

for investors in a case
s and Exchange
the plaintiffs' attorneys, said
they alone sought to

represent the class and they led the investigation and prosecution of the action
from start to finish on behalf of Motorola shareholders."

Sweers said the settlement amount is covered by a combination of previously
booked reserves and insurance. In its fourth-quarter earnings announced last

Both class representatives were actively involved in this litigation and are, as a result, uniquely familiar with Class Counsel's work on the case.

LEGAL STANDARD

"In a certified class action, the court may award reasonable attorney's fees . . . that are

The representation that Class Counsel provided to the class was significant, both in terms of quality and quantity.

U.S. 810, 110 S. Ct. 53, 107 L. Ed. 2d 22 (1989). To determine the reasonableness of the



Pfizer agrees to \$400 million settlement in off-label marketing class action

Investors claimed Pfizer misled them concerning the government's investigation of off-label marketing of Bextra and other drugs

BY ZACH WARREN
JANUARY 28, 2015



Off-label marketing deception in the pharmaceutical industry has increasingly seen a watchful eye from regulators — Florida Attorney General Pam Bondi wrote for InsideCounsel in December of 2014 that False Claims Act prosecution was one of her biggest priorities. However, it's not just regulators who are getting in on the off-label action, as investor lawsuits over off-label marketing are now hitting companies where it hurts: the bottom line.

On Jan. 27, Pfizer announced that it had reached a \$400 million settlement before trial in a class action case with investors. The company's investors had claimed that Pfizer made misleading statements connected to a government investigation of Pfizer's off-label marketing practices of Bextra and other drugs, an investigation that eventually led to a \$2.3 billion settlement in 2009.

The investor settlement comes with a looming jury trial, which was expected to begin on Feb. 10 in U.S. District Court for the Southern District of New York. The judge's acceptance of the settlement is still pending.

"This resolution reflects a desire by the company to avoid the distraction of continued litigation and focus on the needs of patients and physicians," said Pfizer spokeswoman Christine Regan Lindenbloom in a statement to Reuters.

Ahead of the trial, Pfizer fought hard to block jurors from hearing testimony from one damages expert who claimed that the company's stock had been artificially inflated by \$1.26 per share as a result of the off-label marketing. Pfizer had, after all, gotten one previous securities class action dismissed after the expert's testimony was barred. U.S. District Judge Alvin Hellerstein, however, ruled in early January that the expert would be allowed to testify in the case.

The investor settlement adds to what was already a high cost for Pfizer in the off-label marketing probe. As part of the \$2.3 billion government settlement in 2009, the company paid a \$1.95 billion criminal penalty specifically for its off-label marketing of the drug Bextra, at the time the largest criminal fine in U.S. history.

THE AM LAW LITIGATION DAILY

Litigators of the Week Michael Dowd and Jason Forge of Robbins Geller

Scott Flaherty, The Litigation Daily
January 29, 2015



Jason A. Forge (right) and Michael J. Dowd (left)

Ever since it paid \$2.3 billion and pleaded guilty in 2009 to charges of illegal drug marketing, Pfizer Inc. and a phalanx of defense lawyers have tried every argument they could muster to defeat a follow on investor class action. But lawyers at Robbins Geller Rudman & Dowd kept the case alive until the threat of trial next month finally helped convince the drug maker to make a deal.

Pfizer revealed in a regulatory filing on Tuesday that it will pay \$400 million, subject to court approval, to settle the class action. The deal promises to end four and a half years of legal wrangling over claims that Pfizer misled investors about its off label marketing of several drugs, including the osteoarthritis medication Bextra, and that it paid kickbacks to doctors to promote sales.

The settlement comes just two weeks before Robbins Geller name partner Michael Dowd and partner Jason Forge were set to try the investors' case before a federal jury in Manhattan. On Wednesday, Dowd and Williams & Connolly's Joseph Petrosinelli, lead counsel for Pfizer, asked U.S. District Judge Alvin Hellerstein to cancel the Feb. 10 trial. The lawyers expect to file preliminary approval papers in court within the next couple of weeks.

Robbins Geller has represented the plaintiffs since the case got off the ground in 2010, though Forge didn't make an appearance in the case until July 2013, while Dowd joined last September. The two lawyers, both former assistant U.S. attorneys, took the lead as the case propelled toward trial.

In early October, five defense firms—O'Melveny & Myers, Quinn Emanuel Urquhart & Sullivan, Davis Polk & Wardwell, Goodwin Procter and Skadden, Arps, Slate, Meagher & Flom—all joined the case as counsel for individual Pfizer executives. Forge said the individual defendants and Pfizer's lawyers at Williams & Connolly then proceeded to bury the plaintiffs in "hundreds of pages of motions."

"My sense was that, at that point, they were expecting us to blink," Forge said.

The defense lawyers challenged the investors' damages expert. And they sought summary judgment on the grounds that Pfizer's disclosures about the impact of the government's off label marketing probe were based on the advice of counsel. Pfizer pointed to advice from two lawyers in particular: inside counsel Lawrence Fox and an outside securities disclosure lawyer, Dennis Block, then at Cadwalader, Wickersham & Taft (Block is now at Greenberg Traurig).

According to Forge, however, the plaintiffs had overwhelming evidence that Fox and Block hadn't really advised Pfizer in connection with the off label marketing investigation. In their own briefs, and at a Jan. 6 hearing before Judge Hellerstein, Dowd argued that both Fox and Block testified that they themselves relied on Pfizer's investigations counsel when it came to the company's securities disclosures. But, Dowd told the judge, the plaintiffs were blocked from taking additional discovery about the chain of advice.

Hellerstein appeared skeptical at the hearing, and he hadn't yet ruled on the summary judgment motions by the time of this week's settlement. But in a Jan. 9 order, the judge rejected Pfizer's attempts to exclude the investors' damages expert. And while he ruled that Pfizer could seek to show at trial that it relied on advice from Fox and Block, he said he'd permit such argument and testimony only "to the extent that defendants allowed plaintiffs to inquire, both of Messrs. Block and Fox, as to the information upon which they relied, and as to the individuals and information each relied on."

Judging by statements made by both sides, a settlement was still far from certain at the time of the Jan. 6 hearing. But avoiding the trial and potential appeals was apparently worth \$400 million to Pfizer, which insisted in a statement to us on Thursday that it never intentionally misled investors.

"Pfizer continues to believe that the company's disclosures at issue in this matter were appropriate and prepared in good faith," the company said. "This resolution reflects a desire by the company to avoid the distraction of continued litigation and focus on the needs of patients and prescribers."

In addition to Dowd and Forge, a number of Robbins Geller lawyers played roles in the case as it moved forward over the years. Partner Willow Radcliffe, for instance, helped lead the plaintiffs' successful bid for class certification in 2012. Partners Henry Rosen and Trig Smith were also closely involved along the way. And, Forge told us, the firm had already deployed an 18 member trial team to New York in advance of the scheduled trial next month.

"We were ready to try the case," said Forge.

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Goldman's Higher Legal Risks Masked in \$272 Million Settlement

By Carleton English | 08/18/15 - 04:51 PM EDT

NEW YORK (TheStreet) -- For one Illinois pension fund, a seven-year pursuit of legal claims related to the financial crisis paid off, and Goldman Sachs (GS - Get Report) is covering the bill.

Last week, the New York bank agreed to pay \$272 million to settle class-action claims by labor union NECA-IBEW that it misled investors about the credit quality of mortgage-backed securities the pension fund purchased in 2007 and 2008. Goldman Sachs didn't respond to requests for comment but noted in the proposed agreement that it denies all of the claims as well as any wrongdoing or liability and is settling to avoid the expense of dragging the case out further.

Pursuing the case further would have carried additional risks as well. Already, an appeals court ruling during the case has set a precedent that will make it easier for financial-crisis plaintiffs to attain class-action status because they purchased similar securities. Such cases have often proved difficult to make since the applicable laws were largely drafted in the 1930s -- long before the availability of mortgage-backed securities in their current complex form.

By clarifying the law, the decision by the U.S. Court of Appeals for the Second Circuit, "assisted similarly situated investors, and some of the investors victimized here, in recovering billions of additional dollars in other cases unrelated to Goldman Sachs," said Darren Robbins, a partner with Robbins Geller Rudman & Dowd LLP who represented NECA-IBEW. Goldman Sachs appealed the ruling to the U.S. Supreme Court, which declined to review it.

The appeals court's decision allows investors in different tranches of the same security to band together. Previously, investors of one tranche could only bring a case to court with members of the same tranche, even though they were all effectively invested in the same security, with the same disclosures in its offering agreement.

Mortgage-backed securities were built by lenders who packaged groups of home loans, frequently of wildly varying credit quality, together and sold them to investors. The securities were divided into tranches based on risk and the purchaser's relative priority in receiving payments, all of which affected the price. Because of the variations between tranches, different investors were exposed to the risks of the underlying securities at different times.

Not all of the risks were made sufficiently clear, the NECA-IBEW alleged in its lawsuit, which referenced statements that lenders funded loans based on a "judgment that mortgagors or obligors will have the ability to make the monthly payments required initially." The pension fund cited evidence after the financial crisis that many banks relaxed approval standards significantly because they were no longer holding the loans on their own books and could make more money by boosting their lending and then selling mortgages for securities.

Last week, the New York bank agreed to pay \$272 million to settle class-action claims by labor union NECA-IBEW that it misled investors about the credit quality of mortgage-backed securities the pension fund purchased in 2007 and 2008.

Goldman Sachs stock has fallen 5.5% to \$201.33 since the July 16 earnings report, while the S&P 500 Financials index has gained 0.3%.

Many of the cases Goldman Sachs -- including the NECA-IBEW suit -- claim that its due diligence practices when reviewing loans packaged into mortgage-backed securities were insufficient.

"What the allegations are, is that in conducting that due diligence, Goldman either knew or was reckless in not knowing that the information was false -- that, in fact, the underlying collateral was not worth what Goldman was telling the investors," said Luke Oltz, an attorney with Robbins Geller.

"Goldman as an underwriter of the securities has a responsibility to make sure the statements in the offering documents that outline the characteristics of the securities are correct and they're not materially false or misleading in any way," said Oltz.

For instance, the plaintiffs alleged that the loans in Goldman's securities didn't always provide sufficient confirmation of the borrower's claims of income and assets. Some borrowers made statements of "purported income amounts that could not possibly be reconciled with jobs claimed on the loan applications," the plaintiff said in court filings.

"There is something fundamentally wrong," Robbins said. "What happens is you have extraordinary profits that can be extracted from a small number of people which then creates perverse incentives and you have a disconnectedness between the risk and the return because the packaging and the selling of these mortgage-based products generates huge revenues and income."

In approving the settlement, Chief Judge Loretta Preska complimented Robbins Geller attorneys, noting: "Counsel, thank you for your papers. They were, by the way, extraordinary papers in support of the settlement, and I will particularly note Professor Miller's declaration in which he details the procedural aspects of the case and then speaks of plaintiffs' counsel's success in the Second Circuit essentially changing the law. I will also note what counsel have said, and that is that this case illustrates the proper functioning of the statute. . . . Counsel, you can all be proud of what you've done for your clients. You've done an extraordinarily good job."

NECA-IBEW Health & Welfare Fund v. Goldman Sachs & Co.,
No. 1:08-cv-10783 (S.D.N.Y.).

JPMorgan Inks \$388 Million MBS Settlement

By Mani on July 21, 2015

JPMorgan agreed to pay \$388 million to settle a lawsuit brought by pension investors who claimed the bank misled them about the safety of the \$10 billion worth of residential mortgage-backed securities.

The latest settlement was unveiled in a court filing on Friday and is still subject to approval by a judge. However, JPMorgan denied wrongdoing as part of the accord.

JPMorgan's settlement relates to nine 2007 MBS

The \$388 million settlement pertains to nine 2007 residential mortgage-backed securities offerings issued by JPMorgan. The latest settlement brings to a successful conclusion one of the last remaining MBS purchaser class actions arising out of the global financial crisis. On a percentage basis, the settlement marks the largest recovery ever achieved in an MBS purchaser class action.

The suit was brought by investors including the \$2.1 billion Fort Worth Employees' Retirement Fund and the \$1.8 billion Laborer's Pension Trust Fund for Northern California in the nine offerings. The suit claimed JPMorgan misled them about the underwriting, appraisals and credit quality of home loans underlying the securities. The investors claimed following the 2008 collapse of Lehman Brothers Holdings Inc., the certificates were worth 62 cents on the dollar at most.

JPMorgan maintained that the underperformance of the investments was related to the economic downturn rather than the specific investments.

Latest in the series of out-of-court agreements

As reported by ValueWalk, in 2013, JPMorgan agreed to a separate settlement of \$13 billion with the U.S. Department of Justice, after it alleged JPMorgan misled investors about the security of MBS investments.

Last year, Bank of America agreed to pay the Department of Justice and homeowners \$16.65 billion over MBS sales.

JPMorgan's current settlement with the pension funds is the latest in a series of major out-of-court agreements between institutional investors and organizations responsible for selling and rating MBS.

Luke Brooks, one of the lead attorneys on the latest case, said in a statement: "We couldn't have achieved such a stellar recovery without the leadership of the Northern and Southern California Laborers Pension Funds". He added: "These funds not only stepped forward to protect their participants' hard earned retirement savings, but equally important they committed themselves to the trial of this action, which allowed us to maximize the recovery for the class".

Law firm Robbins Geller Rudman & Dowd, which filed the suit on behalf of investors and two pension funds, said the settlement was achieved after six years of hard-fought litigation and an extensive investigation into all facets of defendants' securitization practices — a process that resulted in the production of more than 80 million pages of documents from defendants and third parties.

JPMORGAN

Triple-A Failure

The New York Times

How Moody's and other credit-rating agencies licensed the abuses that created the housing bubble - and bust

FINANCIAL TIMES By Roger Lowenstein

Rating bodies 'broke bond of trust'

Credit agencies face attack in Congress

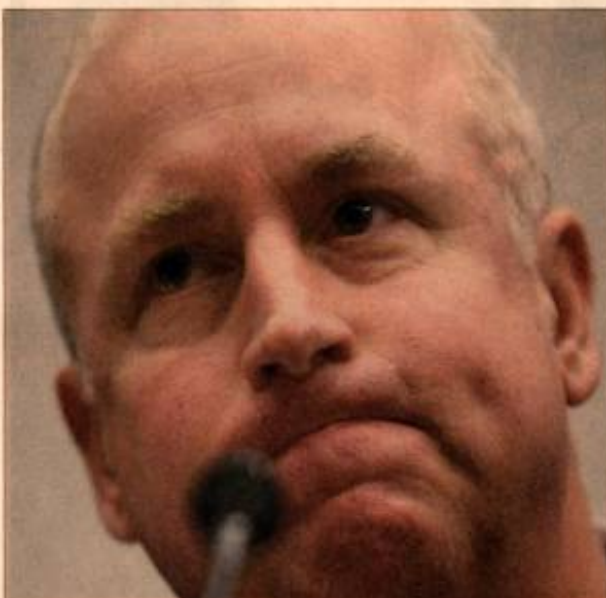
Groups knew about conflicts of interest

By Alan Beattie
in Washington

Credit ratings agencies were fully aware that conflicts of interest were leading them to give unduly high scores to risky assets, threatening the stability of the entire financial system, lawmakers from a key Capitol Hill committee said yesterday.

Henry Waxman, chairman of the US House of Representatives oversight committee, said the agencies were wrong to insist that the massive downgrades of mortgage-based and other assets during the financial crisis were unforeseeable.

Questioning executives from the three leading ratings agencies, Moody's, Standard & Poor's and Fitch, Mr Waxman said: "The credit rating agencies occupy a special place in our financial markets. The out-



ings quality. "The real problem is not that the market does underweights [sic] ratings quality but rather that, in some sectors, it actually penalises quality by awarding rating mandates based on the lowest credit enhancement needed for the highest rating," Mr McDaniel's report says. "Unchecked, competition on this basis can place the entire financial system at risk."

He adds: "Moody's for years has struggled with this dilemma."

The company had various mechanisms in place to prevent such conflicts of interest, including assigning ratings by committees and preventing anyone with "market share objectives" from chairing such a committee.

"This does NOT solve the problem, though," writes Mr McDaniel. Ratings in the securities that helped cause the financial crisis "are simply the latest instance of trying to hit perfect rating pitch in a noisy marketplace of competing interests."

While acknowledging that

Mr McDaniel. An "investor-pays" model would give preferential information for bigger and wealthier investors.

"Potential conflicts exist regardless of who pays. The key is how well the rating agencies manage the potential conflicts."

Mr McDaniel and the other agency executives present yesterday. Deven Sharma of Standard & Poor's and Stephen Joynt of Fitch, said their companies were co-operating fully with reviews of the agencies' performance carried out by the US Securities and Exchange Commission and other authorities.

But they said that many parts of the financial system had underperformed, and it was disproportionate to blame the ratings agencies for their role.

Republicans on the committee joined in the criticism of the ratings agencies, but

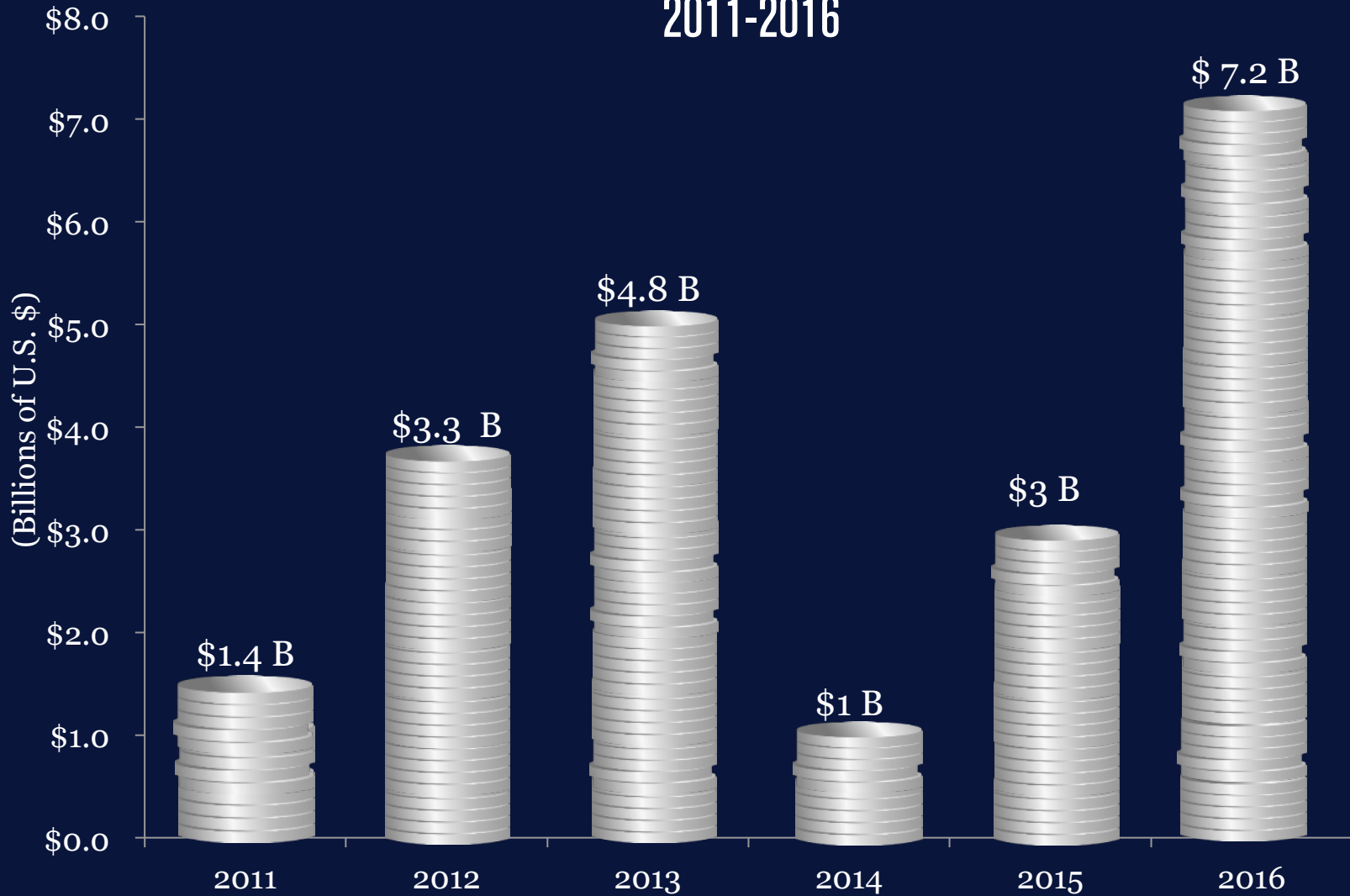
"Our ratings are not influenced by commercial considerations"



Why Pay Attention to Class Action Recoveries?

Annual U.S. Securities Class Action Recoveries

2011-2016





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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
FORT WORTH EMPLOYEES' RETIREMENT
FUND, On Behalf of Itself and All Others Similarly
Situates, Plaintiff,
vs.
J.P. MORGAN CHASE & CO., et al.,
Defendants.

Civil Action No. 1:09-cv-03701-JPO-JCF

CLASS ACTION

PROOF OF CLAIM AND RELEASE FORM
I. GENERAL INSTRUCTIONS

1. To be potentially eligible to recover as a Class Member based on your claims in the action entitled Fort Worth Employees' Retirement Fund v. J.P. Morgan Chase & Co., et al., No. 1:09-cv-03701-JPO-JCF (the "Action"), you must complete and, on page 6 hereof, sign this Proof of Claim and Release Form ("Proof of Claim Form"). If you fail to file a properly addressed (as set forth in paragraph 4 below) Proof of Claim Form, your claim may be rejected and you may be precluded from any recovery from the Net Settlement Fund created in connection with the proposed Settlement.

2. The capitalized and defined terms used herein shall have the meanings set forth in the Stipulation and Agreement of Settlement (the "Settlement"), unless otherwise noted.

3. Submission of this Proof of Claim Form, however, does not assure that you will share in the proceeds of the Settlement of the Action.

4. YOU MUST MAIL YOUR COMPLETED AND SIGNED PROOF OF CLAIM POSTMARKED ON OR BEFORE
December 16, 2015, ADDRESSED AS FOLLOWS:

J.P. Morgan RMBS Settlement
Claims Administrator
c/o Glard & Co. LLC
P.O. Box 6040
San Rafael, CA 94912-0040

5. If you are a Class Member and you do not timely request exclusion in connection with the proposed Settlement, you are bound by the terms of any judgment entered in the Action, including the releases provided therein, WHETHER OR NOT YOU SUBMIT A PROOF OF CLAIM FORM.

The Class is defined as all Persons who, prior to March 12, 2009, purchased or otherwise acquired any Certificates in any of the Offerings.² Excluded from the Class are: (i) Defendants and the other Released Parties and any entity in which any Defendant has or had a controlling interest, except that affiliates and entities in which a Defendant has or had a controlling interest, other than Investment Vehicles (which are excluded only to the extent provided for in the definition of Investment Vehicles), are excluded from the Class only to the extent that such entities themselves had a proprietary capacity or otherwise interest in the Certificates and not to the extent that they have benefit plan that otherwise falls within the definition of the Class; (ii) originators of any loans underlying the Certificates, and (iii) Persons that have separately asserted or pursued their claims against Defendants asserting claims arising from securities covered by the Class, including by filing individual actions or claims against Defendants asserting claims arising from securities covered by the Class, as such Persons are identified on Appendix 1 to the Stipulation (which shall remain confidential). Any Certificate purchaser or holder may call the Claims Administrator with questions as to whether or not that Certificate purchaser or holder is excluded. Also excluded from the Class are any Persons who exclude themselves by filing a valid request for exclusion in accordance with the requirements set forth in the Notice of Pendency of Class Action and Proposed Settlement and Settlement Hearing (the "Notice").

If you are NOT a Class Member (as defined in the Notice), DO NOT submit a Proof of Claim Form.

¹ "Certificates" means those Certificates listed by CUSIP on Table A to the Plan of Allocation, which is available on the Settlement website, www.JPMorganRMBSlitigation.com.
² "Offerings" means J.P. Morgan Alternative Loan Trust 2007-A2; J.P. Morgan Alternative Loan Trust 2007-G1; J.P. Morgan Mortgage Acquisition Trust 2007-CH4; J.P. Morgan Mortgage Acquisition Trust 2007-CH4K; J.P. Morgan Mortgage Acquisition Trust 2007-G2; and J.P. Morgan Mortgage Acquisition Trust 2007-CH3; J.P. Morgan Mortgage Acquisition Trust 2007-A4; J.P. Morgan Mortgage Acquisition Trust 2007-G3; and J.P. Morgan Mortgage Acquisition Trust 2007-G3.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

Fort Worth Employees' Retirement
Fund v. J.P. Morgan Chase & Co., et al.
Civil Action No. 1:09-cv-03701-JPO-JCF
PROOF OF CLAIM FORM AND RELEASE

Please Type or Print in the Boxes Below.
Do NOT use Red Ink, Pencil, or Staples

Must Be Postmarked
No Later Than
December 16, 2015

JPMRMB

NAME (Last, First, Middle Initial) M.I. First Name
NAME (Last, First, Middle Initial) M.I. First Name (Co-Beneficial Owner)
☐ Employee ☐ Individual ☐ Other (specify)
Is not an individual or Custodian Name if an IRA
Beneficial Owner's Name (If Different from Beneficial Owner Listed Above)
Filers)
Taxpayer Identification Number
or
Telephone Number (Alternate)
State Zip Code
High Postal Code Foreign Country Name/Abbreviation
MM/DD/YYYY
DOB CLAIMS
PRERELEASED ONLY

SCHEDULE OF TRANSACTIONS IN THE CERTIFICATES

and their CUSIPs, please see Table A which can be found on the Case Documents
JPMBSlitigation.com. Please remember to attach copies of any relevant supporting

all purchases and/or other acquisitions of the Certificates which occurred prior to

Purchase Date
Price
Total Purchase Price
(Excluding Commissions, Taxes and Fees)
Was this Certificate exchanged? ☐ Y ☐ N

Purchase Date
Price
Total Purchase Price
(Excluding Commissions, Taxes and Fees)
Was this Certificate exchanged? ☐ Y ☐ N

Dispositions of the Certificates which occurred up to the Claim Submission
as distributions ("payouts") in this section.

Sale Date
Price
Total Sale Price
(Excluding Commissions, Taxes and Fees)
Was this Certificate exchanged? ☐ Y ☐ N

Sale Date
Price
Total Sale Price
(Excluding Commissions, Taxes and Fees)
Was this Certificate exchanged? ☐ Y ☐ N

CUSIP
Face Value
\$
\$
\$

above were exchanged, please complete and return a separate form entitled
a settlement website at www.JPMorganRMBSlitigation.com. You will need to
price, total purchase price, and face value for each certificate received in the

CHASE AND SALE TRANSACTIONS OR UNSOLD CERTIFICATES,
SO PRINT ADDITIONAL SCHEDULES FROM THE WEBSITE.

TO SIGN THE RELEASE MAY RESULT IN A DELAY IN PROCESSING
TION OF YOUR CLAIM.

| Why Serve as Lead Plaintiff?

Institutional Investors as Lead Plaintiff

CORNERSTONE RESEARCH
ECONOMIC AND FINANCIAL CONSULTING AND EXPERT TESTIMONY

Securities Class Action Settlements

2012 Review and Analysis

CORNERSTONE RESEARCH
Economic and Financial Consulting and Expert Testimony

Securities Class Action Settlements

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

- The median settlement in 2015 for cases with a public pension as a lead plaintiff was \$18 million. This compares to a median settlement of \$6.4 million for cases with non-public pension lead plaintiff institutional investors and \$2.7 million for cases where the lead plaintiff was not an institutional investor.

Active Recoveries: U.S. Direct ("Opt-Out") Actions

BusinessWeek

Fractured Class Actions

"Opt-outs" are a growing headache for companies

By Lorraine Woellert
FEBRUARY 27, 2006

When Time Warner Inc. (TWX) said it would spend \$2.4 billion to settle an investor class action alleging securities violations, Chairman and CEO Richard D. Parsons crowed that the company had made swift work of its litigation woes. "By acting now to put these matters behind us, we avoid the costs and distractions

lawyers. "There's the numbers are Stanford Law School professor Grundfest, who is litigator.

The trend is causing concern in courtrooms and boardrooms. On Feb. 8 a federal judge in New Jersey postponed approval of a \$195 million settlement between KPMG International and tax shelter investors because more

Clients sue separately to recover more cash

Edward I. Adler, executive vice-president of Time Warner, calls the number of opt-outs "very, very small." Lead class counsel Samuel D. Heins of Minneapolis-based Heins Mills & Olson PLC says the settlement

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

Group Inc. (ONV), which owned over 10% of Time Warner and over 3% of America Online (TWX) when the companies announced their merger in September, 2000, is pursuing its own settlement. BusinessWeek has learned. So are several state pension accounts and more than 100 other institutional investors with alleged losses ranging from less than \$50,000 to more than \$500 million. All are exercising their right to opt out of a class settlement in hopes of winning more money by going it alone.

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

Taking A Pass

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

Enron \$71 <small>BILLION</small> OPT-OUTS AIG, Alabama and Ohio state pension funds	WorldCom \$6.1 <small>BILLION</small> OPT-OUTS Sun Life, Bank of America, New York City pension funds
Time Warner \$2.4 <small>BILLION</small> OPT-OUTS Janus Capital and nearly 100 other institutional investors <small>*Waiting court approval</small>	Qwest Communications \$400 <small>MILLION</small> OPT-OUTS State Univ. Retirement Systems of Illinois, Calif. State Teachers' Retirement System

Many investors could do worse by striking out on their own, but there's enough evidence to the contrary to keep fueling the trend. When the California Public Employees' Retirement System quit the WorldCom deal, it recovered \$187 million, or 67% of its claimed bond losses. New York City pension funds also opted out of WorldCom, recovering close to 100% of losses, its lawyers say. The final return for WorldCom class members remains to be seen, but it's expected to be far less.

Excerpted from | BusinessWeek



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