

## IN THIS ISSUE

### FEATURES

Motorola Shareholders Obtain  
\$200 Million Recovery in the  
Seventh Circuit 1

Restoring Integrity Through  
Action 2,7

The Fourth Annual Future of  
Corporate Reform 2012  
Public Funds Forum 2

Two Robbins Geller Partners  
Named Attorneys of the  
Year 3

More Praise for Robbins  
Geller Attorneys 5

Attorney to Watch:  
Danielle S. Myers 6

*In Memoriam:*  
Mark H. Ayers 7

### DEPARTMENTS

Litigation Update 4

Class Certification Granted in  
*Matrixx* 4

Novatel's Expert Excluded,  
Summary Judgment  
Denied 4

Settlement Update 5-6

\$627 Million Recovery  
Obtained in *Wachovia* 5

\$25 Million Settlement  
for R.H. Donnelley  
Shareholders 6

Recommended  
Reading 7

Calendar of  
Upcoming Events 8



Once again, Robbins Geller has proven its ability to litigate a case up to the eve of trial in order to maximize a recovery for aggrieved shareholders. Motorola, Inc. (n/k/a as Motorola Solutions, Inc.) was once the world's predominant manufacturer of mobile handsets.

During the class period, as alleged in the second amended complaint, the company's ability to deliver new 3G handsets had become significantly compromised because Freescale Semiconductor, Inc., the company's vendor for 3G chips, was unable to deliver key 3G chips that were functional and in viable commercial quantities, and thus, Motorola was unable to deliver the new 3G handsets to key customers around the globe in the fourth quarter of 2006. In addition, the company allegedly entered into two sham intellectual property transactions in the third quarter of 2006 with Freescale and Qualcomm, Inc., both of which were not appropriately disclosed and violated numerous provisions of generally accepted accounting principles, for the purpose of concealing the dramatic financial impact that Motorola's 3G failings had on its reported financial statements. Motorola's handset business, now Motorola Mobility, Inc., has never gained back the dominant market share for mobile handsets that it enjoyed between 2002 and 2006.

In December 2011, after four hard-fought years of litigation, Robbins Geller obtained a \$200 million cash settlement from Motorola and certain of its former officers and its former Chairman of the Board. The \$200 million settlement is the third largest in the history of the Seventh Circuit for a securities class action, and came on the heels of U.S. District Judge Amy J. St. Eve's July 25, 2011 denial of defendants' second motion for summary judgment in its entirety. According to Robbins Geller partner **Samuel Rudman**, "The settlement represents an extraordinary recovery for investors in a

case where there is no financial restatement or SEC investigation. Our clients, the **Macomb County Employees' Retirement System** and **City of St. Clair Shores Police and Fire Retirement System**, deserve all the credit. 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."

According to **Tor Gronborg**, the lead partner on the litigation team, "The \$200 million settlement is just another example of how a dedicated team of Robbins Geller attorneys, paralegals and support staff painstakingly dedicated their work to bringing relevant evidence to bear concerning defendants' liability, which led to the delivery of remarkable results for our clients and injured class members." **Jennifer Gmitro**, a senior associate on the Motorola team, added, "We were really looking forward to trying this action to a jury before Judge St. Eve. The team worked extremely hard to prepare the case for trial, and their efforts continued up to the eve of settlement. While the trial team was disappointed that they did not get to try the case, the dedication and skills of the Robbins Geller attorneys involved in this action are reflected in the significant settlement obtained for the class."

The litigation team at **Robbins Geller Rudman & Dowd LLP**, consisting of **Michael J. Dowd**, **Tor Gronborg**, **Susan Taylor**, **Jim Barz**, **Trig Smith**, **Jennifer Gmitro** and **Ivy Ngo**, was responsible for obtaining this extraordinary settlement on behalf of the class.

*Silverman v. Motorola, Inc.*, No. 07 C 4507 (N.D. Ill.).

# Restoring Integrity Through Action

“We can monitor, expose, and bring action against those who do harm.”

Goldman Sachs has undoubtedly been under enormous pressure since one of its executives resigned publicly via an Op-Ed in *The New York Times*.<sup>1</sup> Greg Smith describes how the culture at Goldman Sachs has become “toxic and destructive” and that the “decline in the

firm’s moral fiber represents the single most serious threat to its long-run survival.” Smith goes on to call upon the board of directors to make the clients the focus of the business again, instead of viewing them as “muppets” that they can rip off. But how did the Goldman Sachs culture come to this? Smith states that the decline came about under the watch of the current Chief Executive Officer, Lloyd C. Blankfein. If so, this situation is emblematic of how the “tone at the top” really does trickle down to the rest of a firm’s culture.

Historically, leaders of banks have not always thought like this. Indeed, J.P. Morgan, one of the first well-established Wall Street bankers, was a pioneer of personal integrity, believing that personal integrity was central to success in banking. At the end of his life, he was asked at a congressional hearing, “Is not commercial credit based primarily upon money or property?”

“No, sir,” replied Morgan. “The first thing is character.”

“Before money or property?”

“Before money or property or anything else,”

Morgan insisted. “Money cannot buy it. . . . Because a man I do not trust could not get money from me on all the bonds in Christendom.”<sup>2</sup>

This notion seemed to have been engrained in Wall Street during that time, which is probably one of the reasons those large banks stayed successful for so long. As Greg Smith states, “[C]ulture was always a vital part of Goldman Sachs’s success. It revolved around teamwork, integrity, a spirit of humility, and always doing right by our clients. The culture was the secret sauce that made this place great and allowed us to earn our clients’ trust for 143 years.”

It is difficult to say when the toxicity entered into the culture of banks in general. Some would argue that in the last decade, with the predatory lending practices of subprime mortgages and the handsome executive compensation packages that followed, the culture of Wall Street eroded, and, as a consequence, the rest of America and the world would suffer. The “tone at the top” went from a culture of integrity and humility to a culture of hubris and greed. At present there seems to be no solution.

As legendary corporate governance expert Robert A.G. Monks has said, “There is no remedy for greed.” Despite the tenor of futility, our system does allow a way to reform corporate practices and recover the wealth we have lost due to others’ misdeeds. We can monitor, expose, and bring action against those who do harm. Rather than blindly trusting the market we invest in, we can be active in holding corporations accountable by closely monitoring our investments, taking action against those that have depleted our wealth through fraud or misstatements, and demanding reforms in their culture through corporate governance practices to restore the integrity of the market.

The story of Goldman Sachs is not unique; it is emblematic of a toxic culture that pervades not only Wall Street, but all of corporate America. We live in a time when many are beginning to wake up and take a stand against those who profit from our misfortune. We see it every day in the “Occupy” movements across the world. As a leader in the shareholder movement, Robert A.G. Monks has said that “the only effective enforcer of corporate governance standards is ownership. . . . The inability and unwillingness of institutional investors to effectively monitor and require accountability of management is one of the principal causes of the

Continued on p. 7

## News Brief

### The Fourth Annual Future of Corporate Reform 2012 Public Funds Forum



GMI Ratings, a leading source for independent corporate governance information and analysis, is pleased to announce its fourth annual **The Future of Corporate Reform 2012 Public Funds Forum**, an invitation-only educational conference. Designed to educate representatives of public pension funds with the knowledge and tools to create long-term value and shape corporate reform, the 2012 Forum will be held from September 4-6 at the Montage Deer Valley in Park City, Utah. **Robbins Geller Rudman & Dowd LLP**, the premier securities litigation firm, and **Gilardi & Co. LLC**, class-action administration experts, will also be sponsoring the event.

Officials from public pension systems throughout the United States and abroad will meet to participate in panel discussions ranging from investment strategies for public funds, the use of private securities actions as remedies, and a review of new tools being used to protect assets. The keynote address will be delivered by General Colin Powell (Ret.). Other speakers will include Aron Ralston, outdoorsman and inspiration for the film *127 Hours*; Robert A.G. Monks, co-founder of GMI Ratings; and Rudy Giuliani, former Mayor of New York City.

In addition to educational sessions and informative panel discussions, an exciting variety of activities will allow guests ample opportunity to network and build relationships. A wilderness-themed dinner, a supper club dinner, rafting on the Colorado River, olympic games at Utah Olympic Park and guided hiking through the Wasatch Mountains compliment the Forum’s offerings.

For the most current information about the sessions agenda and to register, please visit: [www.GMIconferences.com](http://www.GMIconferences.com).

# Two Robbins Geller Partners Named Attorneys of the Year

*California Lawyer* magazine recently named **A. Rick Atwood, Jr.** and **Randall J. Baron** as 2012 *California Lawyer* Attorneys of the Year. The “CLAY” award recognizes lawyers who made the greatest impact in their practice area in the past year.



**A. Rick Atwood, Jr.**

In honoring the two **Robbins Geller Rudman & Dowd LLP** partners, the monthly legal magazine wrote: “BARON and ATWOOD secured an \$89 million settlement for shareholders of Del Monte Corporation in one of the largest shareholder lawsuit settlements in recent years.” On behalf of lead plaintiff **NECA-IBEW Pension Fund (The Decatur Plan)**, the attorneys challenged the buyout of the food company, “charging that Del Monte adviser Barclays Capital was also [without the knowledge of Del Monte’s board] financing the buyers – a practice known as ‘staple financing,’ where the seller’s bank steers the acquisition by lending money to a favored buyer to obtain buy-side financing fees.” As part of the settlement, Barclays contributed \$24 million (more than its buy-side fees) to the settlement, while Del Monte paid shareholders \$65 million (including \$21 million that Del Monte would have paid to Barclays for its sell-side role in the deal). (For more information, see 1Q12 *Corporate Governance Bulletin*.)

The *Wall Street Journal* noted that the settlement is one of the largest in a case “challenging a merger-and-acquisition [‘M&A’] transaction.” Observing that plaintiffs’ counsel “have an established track record of generating meaningful results in this Court,” the Delaware Court of Chancery held that “it was only through the effective use of discovery that the plaintiffs were able to ‘disturb [ ] the patina of normalcy surrounding the transaction.’” The court elaborated: “Lead Counsel engaged in hard-nosed discovery to penetrate and expose problems with practices that Wall Street considered ‘typical.’” As one Wall Street banker confessed in *The Wall Street Journal*, “Everybody does it, but Barclays is the one that got caught with their hand in the cookie jar .... Now everybody has to rethink how we conduct ourselves in financing situations.” Indeed, *Bloomberg News* reported that since the financing practices in the *Del Monte* case were brought to light, “[a]t least nine major investment banks, including Barclays, have reviewed their lending practices,” and that according to *Bloomberg’s* data, staple financing of public company buyouts over \$1 billion had ceased.

This is the second time in the last three years that Robbins Geller attorneys have won *California Lawyer’s* honor in the securities practice area. **Michael J. Dowd** was named the 2010 CLAY award winner. Dowd led

the Robbins Geller team that obtained a jury verdict in the Northern District of Illinois on behalf of shareholders of Household International. (See 2Q10 *Corporate Governance Bulletin*.) The verdict is believed to be the largest jury verdict ever returned in a securities class action.

Specializing in M&A litigation, Baron has recovered billions of dollars for shareholders, including overseeing nine of the largest M&A settlements in history. He was named “Litigator of the Week” by *American Lawyer* for the Del Monte recovery. Baron also negotiated a record \$200 million common fund recovery for former Kinder Morgan shareholders in 2010.

Atwood has successfully represented shareholders in securities class actions, M&A class actions, and shareholder derivative suits in federal and state courts in jurisdictions across the country. Through his litigation efforts at the trial and appellate levels, he has helped recover billions of dollars for shareholders, including landmark recoveries in the *Del Monte* and *Kinder Morgan* cases.

“I’m proud of my partners,” said the firm’s founding partner **Darren J. Robbins**. “The skill and tenacity of our lawyers is why more institutional investors turn to us than to any other plaintiffs’ firm in the world.”

Baron’s and Atwood’s CLAY awards come on the heels of Cornerstone Research’s *2011 Year in Review*, which found that Robbins Geller was ranked first in securities class action recoveries. For each year studied in the report – 2009 and 2010 – Cornerstone concluded that “Robbins Geller Rudman & Dowd was named lead or co-lead counsel more often than any other firm in each year,” and shows that the firm is the clear leader in Cornerstone Research’s assessment of lead counsel appointments based on both the Maximum Dollar Loss and the Disclosure Dollar Loss of recoveries.



**Randall J. Baron**

*In re Del Monte Foods Company Shareholders Litigation*, No. 6027-VCL (Del. Ch.).

*Lawrence E. Jaffe Pension Plan v. Household International, Inc.*, No. 02-C-5893 (N.D. Ill.).

*In re Kinder Morgan, Inc. S’holders Litig.*, No. 06-C-801 (Shawnee County Dist. Ct., Kan.). ■

# Litigation Update

## **Motion for Class Certification Matrixx/Zicam: The Nose Knows**

A year after a unanimous favorable decision at the United States Supreme Court, and eight years after the case was first filed, a class of stock-purchasing plaintiffs was finally certified by District of Arizona Judge Neil V. Wake in the shareholder lawsuit against Matrixx Initiatives, Inc.

Matrixx marketed its Zicam Cold Remedy containing zinc gluconate in gel and nasal spray forms. The case against Matrixx was initiated in 2004 after Matrixx's stock price dropped over 23% in one day. The drop was the alleged result of news reports that Matrixx knew that doctors had treated more than a dozen purchasers of its Zicam nasal products who, after using the product, subsequently lost their sense of smell (a malady known as anosmia), and also that product liability lawsuits had been filed. Despite this, the company warned medical professionals in 2003 against mentioning any link between Zicam and anosmia, and also reassured investors that Zicam's safety was "well established" in clinical trials.

When plaintiffs' consolidated complaint was dismissed in district court, the judge held that the allegations did not meet materiality or scienter requirements, as the number of consumer complaints regarding Zicam did not reach a threshold of statistical significance. On appeal, the Ninth Circuit disagreed with the district court, reinstating the proposed class action complaint and holding that statistical significance was not an appropriate materiality standard. Additionally, the Ninth Circuit held that scienter had been adequately pleaded by plaintiffs as "the inference that [Matrixx] withheld the information regarding Zicam and anosmia ... is at least as compelling as any plausible nonculpable explanation."

Defendants petitioned the Supreme Court in an effort to overturn the Ninth Circuit's ruling, but the justices held, in a 9-0 decision, that the "statistically significant" standard was, indeed, incorrect. In rejecting defendants' reasoning, the Court noted that neither the Food and Drug Administration nor doctors in general require statistical significance before acting on alarming inferences in data, and there was no reason a reasonable investor would have to do so either. Justice Sotomayor wrote that Matrixx's position on statistical significance "to establish a strong inference of scienter [was] just as flawed as its approach to materiality."

In its return to the district court, the case is now before Judge Wake, who certified a class of investors who purchased Matrixx's securities between October 22, 2003 and February 6, 2004. Lead plaintiff **NECA-IBEW Pension Fund (The Decatur Plan)** was appointed as representative of the class and **Robbins Geller Rudman & Dowd LLP** was appointed class counsel. Said partner **Scott Saham**, "We are currently conducting document discovery and look forward to the commencement of depositions in May."

*Siracusano v. Matrixx Initiatives, Inc.*, No. 2:04-cv-00886, Order (D. Ariz. Feb. 27, 2012).

## **Motion for Summary Judgment/ Motion to Exclude Expert Testimony – Novatel Case Closes in on Trial**

In November 2011, plaintiffs scored a significant victory when U.S. District Court Judge Anthony J. Battaglia of the Southern District of California denied the bulk of defendants' motion for summary judgment in the securities class action against Novatel Wireless, clearing the way for trial. As the parties designated experts to testify in the upcoming trial, attorneys for lead plaintiffs **Plumbers' & Pipefitters' Local #562 Pension Fund** and **Western Pennsylvania Electrical Employees Pension Fund** recently made further progress when they successfully moved to exclude the testimony of defendants' expert on loss causation.

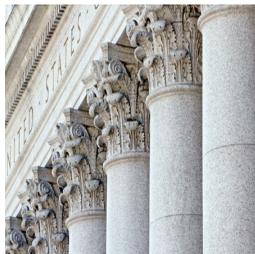
In ruling on the summary judgment motion, Judge Battaglia held that plaintiffs had presented sufficient evidence that there were serious, triable issues concerning alleged misrepresentations defendants made about Novatel's financial health and prospects, including the concealed cancellation of a major contract with Sprint, one of its largest customers. The judge also noted that certain individual defendants who knew of the Sprint cancellation netted almost \$29 million by selling company stock, writing that "common sense tells us that their decision ... was influenced by the information."

In March, Judge Battaglia granted plaintiffs' motion to exclude defendants' loss causation expert's testimony. The expert had intended to opine that plaintiffs could not show loss causation, or corrective disclosures, on the days when plaintiffs had alleged Novatel's stock was adversely impacted by the disclosure of previously concealed facts. Plaintiffs' attorneys argued that the expert's personal definition of "loss causation," which required the market to infer fraud through review of media and analyst reports (to determine whether someone suggested that "something [was] inappropriate") was an erroneous and inapplicable standard. Indeed, plaintiffs' attorneys were able to get another of defendants' experts to agree with plaintiffs, stating that "I thought [the standard was] whether or not the conduct was revealed and not whether or not a reasonable investor can infer that a fraud has occurred."

Judge Battaglia was similarly unconvinced by the loss causation expert. The defendants tried to minimize the damage done by contending that if the expert was wrong in defining loss causation, only certain of the expert's legal conclusions needed to be excluded, and not his entire testimony. However, the judge wrote, "If erroneous legal conclusions form the basis of [the expert's] rebuttal opinions, the Court fails to see, and the Defendants have failed to articulate, what else [the expert] would provide testimony on, aside from these opinions."

Robbins Geller attorneys **Douglas R. Britton**, **Robert R. Hensler, Jr.**, **Lucas F. Olts** and **Eric I. Niehaus** are prosecuting the case on behalf of lead plaintiffs **Plumbers' & Pipefitters' Local #562 Pension Fund** and **Western Pennsylvania Electrical Employees Pension Fund**.

*In re Novatel Wireless Securities Litigation*, No. 08cv1689 (S.D. Cal.).



# Settlement Update

## \$627 Million "Record Settlement" Obtained in *Wachovia* – Largest Securities Act Recovery to Date

On August 5, 2011, Robbins Geller Rudman & Dowd LLP announced a record-breaking settlement with Wachovia successor Wells Fargo & Company and Wachovia auditor KPMG LLP. Under the terms of the settlement, Wells Fargo agreed to pay \$590 million while KPMG agreed to pay an additional \$37 million, bringing the total recovery for investors to an unprecedented \$627 million. The settlement is one of the 15 largest securities class action recoveries in history and the largest recovery ever in a case brought solely under the Securities Act of 1933. The settlement is also one of the biggest securities class action recoveries arising from the credit crisis. Robbins Geller is one of three co-lead counsel representing the **City of Livonia Employees' Retirement System, Hawaii Sheet Metal Workers Pension Fund**, and the investor class.

Between July 31, 2006 and May 29, 2008, Wachovia sold investors \$35 billion worth of bonds and preferred securities pursuant to five registration statements and various prospectuses and the SEC filings incorporated into those registration statements (the "Offering Materials"). Plaintiffs alleged that the Offering Materials misrepresented and/or omitted material facts concerning the nature and quality of Wachovia's "Pick-A-Pay" mortgage loan portfolio, including its "pristine credit quality." In reality, Wachovia employed high-risk

underwriting standards and made loans to subprime borrowers. Plaintiffs also alleged that the Offering Materials omitted material facts concerning Wachovia's exposure to subprime mortgage-related investments retained on its balance sheet, including billions of dollars in collateralized debt obligations, misstated the company's loan loss reserves, and overstated the "goodwill" it carried on its balance sheet relating to the 2006 acquisition of Golden West.

On March 31, 2011, the Honorable Richard J. Sullivan of the United States District Court for the Southern District of New York denied in substantial part Wachovia and the individual defendants' motion to dismiss, finding that plaintiffs, at a minimum, "stated a material misrepresentation claim based on the [Loan-to-Value] ratios reported in the offering documents." Although the court did dismiss certain offerings for which plaintiffs did not have standing, it allowed the addition of three named plaintiffs, including **City of Livonia Employees' Retirement System and Hawaii Sheet Metal Workers Pension Fund**. The court also denied the underwriter defendants' and KPMG's motions to dismiss in their entirety.

Robbins Geller attorneys **Darren J. Robbins, Lucas F. Olts** and **Maureen E. Mueller** prosecuted the action on behalf of plaintiffs.

*In re Wachovia Preferred Securities and Bond/Notes Litigation*, No. 09-cv-6351 (S.D.N.Y.).

Continued on p. 6

For more information on these and other cases, please visit: [www.rgrdlaw.com](http://www.rgrdlaw.com)

## More Praise for Robbins Geller Attorneys



**Darren J. Robbins**



**Paul J. Geller**



**Randall J. Baron**

**Darren J. Robbins, Paul J. Geller** and **Randall J. Baron**, all partners at **Robbins Geller Rudman & Dowd LLP**, were named to *Lawdragon's* recently published list of the 500 Leading Lawyers in America. According to the legal publication, "This year's look at the 2011 lawyers of the year was selected from a combination of votes in our online ballot; submissions from law firms; and, most importantly, our own editorial research including vetting by the toughest critics in the profession. The quality and quantity of submissions, voter comments and information from trusted sources has increased each year, making the 2011 selection process the most exhaustive and intense yet."

Robbins previously received the *Lawdragon* award in 2010. He has also been recognized as one of *American Lawyer's* Young Litigators 45 and Under, and named Attorney of the Year by *California Lawyer* in 2004 for his role as lead counsel in *In re Hanover Compressor Securities Litigation*, which resulted in a significant recovery for shareholders and landmark corporate governance reforms.

Geller receives the *Lawdragon* honor for the third time. Rated AV by Martindale-Hubbell (the highest rating available) and twice named one of the nation's top "40 Under 40" by *The National Law Journal*, Geller has served as lead or co-lead counsel in a majority of the securities class actions that have been filed in the southeastern United States in the past several years. Throughout his career, Geller has remained deeply committed to legal remedies that result in better corporate governance reforms.

This is Baron's first time receiving the *Lawdragon* honor, in addition to his 2012 *California Lawyer* Attorney of the Year award (see article "Two Robbins Geller Partners Named Attorneys of the Year" on page 3) and a Litigator of the Week award from *American Lawyer* in 2011.

## Green Light for Yellow Pages Settlement with R.H. Donnelley

Investors in the yellow pages company R.H. Donnelley Corporation recently secured a significant victory against the company's executives when **Robbins Geller Rudman & Dowd LLP** partners **David J. George** and **Robert J. Robbins** negotiated a \$25 million settlement on behalf of shareholders.

The securities class action arose from a series of false and misleading statements made by the company and its executives in SEC filings, press releases, and conference calls between October 26, 2006 and May 29, 2009. The company ran into trouble when demand for its core print business deteriorated significantly with the permanent migration of advertisers to the Internet. Robbins Geller attorneys argued that the company's high-ranking officers and directors misleadingly masked and denied the permanent decline in the company's core business – the print yellow pages. As that business declined, R.H. Donnelley experienced substantial economic losses, increasing bad debt levels, and an inability to pay its significant debt obligations. The company and its executives, however, misrepresented the true extent of the company's woes (blaming a faltering economy), which caused the company's stock to trade at artificially inflated levels. When the truth regarding the company's financials came out, the price of R.H. Donnelley stock plummeted, and the company ultimately went bankrupt.

Upon completing an expansive investigation that included interviews with several former R.H. Donnelley executives, Robbins Geller attorneys filed a comprehensive consolidated complaint. After full briefing on defendants' motion to dismiss and hearing oral argument in May 2011, Judge Michael M. Baylson, sitting for the United States District Court for the District of Delaware, issued an order on June 14, 2011 denying every aspect of the motion to dismiss. Robbins Geller partner **David J. George** argued for the plaintiffs. Despite defendants' arguments, Judge Baylson held that the consolidated complaint more than adequately described plaintiffs' 26 confidential witnesses, who provided many of the details behind defendants' fraud, and that defendants' statements characterizing the downturn in the yellow pages market as temporary were materially false and misleading. Discussing defendants' state of mind, Judge Baylson found the inference that defendants "withheld material information because they did not want the market to learn that a secular shift was eroding the commercial viability of their key product" to be cogent and compelling.

"The breadth and depth of our investigation into defendants' fraud gave us a strategic advantage. It is unusual for judges to rule from the bench in securities fraud class actions, but Judge Baylson made it clear at the motion to dismiss hearing that he would deny defendants' motion," said Robbins Geller associate **Kathleen L. Barber**.

Having cleared that procedural hurdle, Robbins Geller's litigation team launched into extensive fact and expert discovery, reviewing millions of pages of documents produced by defendants. After plaintiffs

moved for class certification, defendants agreed to attend formal mediation, where extended negotiations led to a \$25 million settlement for R.H. Donnelley investors. "We reached this settlement after more than two years of exhaustive investigation, discovery, and negotiation. It represents the fruits of our sustained efforts and the hard work of our extremely driven litigation team," said **David J. George**.

*Local 731 I.B. of T. Excavators and Pavers Pension Trust Fund, Private Scavenger and Garage Attendants Pension Trust Fund and Textile Maintenance and Laundry Craft Pension Fund v. David C. Swanson, et al., No. 1:09-cv-00799-MMB (D. Del.).* ■

## Attorney to Watch

**Danielle S. Myers**  
Robbins Geller Rudman & Dowd LLP



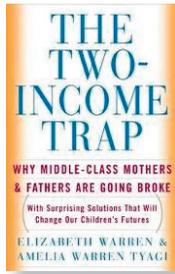
**Danielle S. Myers**

**Danielle S. Myers**, an associate with Robbins Geller Rudman & Dowd LLP, has been named one of "Five Associates to Watch in 2012" by the *Daily Journal*. This is the third time in three years that Myers has been commended, having been nominated for the *San Diego Daily Transcript's* Top Attorney and Young Attorneys awards, respectively, in 2010 and 2011.

Myers focuses her practice on complex securities litigation, having successfully briefed numerous lead plaintiff motions, including *In re Goldman Sachs Grp., Inc. Sec. Litig.*, No. 1:10-cv-03461 (S.D.N.Y.); *Karam v. Corinthian Colleges, Inc.*, No. 2:10-cv-06523 (C.D. Cal.); *Buettgen v. Harless*, No. 3:09-cv-00791 (N.D. Tex.); and *Goldstein v. Tongxin Int'l Ltd.*, No. 2:11-cv-00348 (C.D. Cal.).

Myers began at Robbins Geller as a paralegal, and realized swiftly that she had both the talent and desire to become a top securities lawyer. Putting herself through law school while working full time was no easy feat, and Myers brings the same intensity to her work. Recently, Myers took on credit ratings agency giants S&P, Moody's and Fitch, through her research into state and federal law. Much to the chagrin of "the Big Three" ratings agencies, Myers painstakingly built a case that the mortgage-backed securities at issue are not covered in the same way as other bonds, and therefore, opened up an avenue for defrauded institutional investors to pursue their cases in state courts. The judge concurred. Myers isn't looking back. Wall Street is on notice.

# Recommended Reading



## The Two-Income Trap: Why Middle-Class Mothers & Fathers Are Going Broke

Elizabeth Warren &  
Amelia Warren Tyagi

Basic Books, September 2003

Elizabeth Warren has had a busy decade. A mother and a law professor, Ms. Warren researched and wrote “The Two-Income Trap” with her daughter Amelia Warren Tyagi. First published in 2003, their research is now more relevant than ever: American families today are under even more financial pressure. What the authors discovered is that these burdens are not due to frivolous consumer choices, but to brutal economic realities that have forced a second wage earner into the labor market – which ironically has created not a safety net, but a trap.

After advising the President on the creation of a Consumer Financial Protection Bureau and being drafted to run for Senate in Massachusetts, Warren’s original research has been vindicated. Warren, the Leo Gottlieb Professor of Law at Harvard University, and her daughter Amelia Warren Tyagi (a working mother in her own right) string together impressive research culled from interviews and archives, and demonstrate a stunning correlation that turns conventional wisdom on its head:

dual-income households are in fact more prone to economic collapse than single-income households.

The double-digit rise in the cost of housing, healthcare and education, coupled with flat or declining wages, meant more and more families could not make ends meet and have any chance of affording a house in a decent school district, or even bare-bones healthcare. With the choice of debt or substandard housing, one creative family solution since the 1970s has been to send a second wage earner (often Mom) out into the workplace or office. But this only took some of the pressure off, and only for a short while. The glut of talented new labor meant wages have stayed flat, yet rising housing prices (due to the unintentional bidding war to get into “a safer neighborhood with good schools”) have effectively imperiled millions of families’ finances, according to the authors.

Does this not go against the most cherished tenets of modern feminism? Yes. But the authors are nothing if not detached and objective. In fact, Elizabeth Warren originally set out to confirm her hypothesis: Americans must be spending too much on expensive consumer goods. Instead, the data they uncovered stunned both mother and daughter. The credibility of their conclusions is solidified by Warren’s professional expertise in bankruptcy law. The book is recommended reading for anyone wishing to understand the hardships and paradoxes of the American middle class in 2012 and beyond. ■

## Restoring Integrity Through Action

continued from page 2

continuing financial crisis. . . . Institutions must take the initiative to protect their relevance as a wealth preserving energy in a free society. They cannot wait for others, nor can they decline to act.”<sup>3</sup>

Shareowners can address this conundrum by acting responsibly and effectively as stewards. We can no longer rely on the central normative premise of justice that all human beings are subjects of equal moral worth. Lord Acton famously pronounced: “Power tends to corrupt, and absolute power corrupts absolutely.” This is true whether the exerciser of power is the dictator of a political entity or the Chief Executive Officer of a corporation. Change requires confrontation of, not acquiescence in, powerful present realities. It is time to restore the traditional role of the true owners of corporations, the shareholders, to invest, monitor and fully engage in the optimization of value of the corporations in which they invest.

<sup>1</sup> See Greg Smith, *Why I Am Leaving Goldman Sachs*, The New York Times (Mar. 14, 2012), available at [http://www.nytimes.com/2012/03/14/opinion/why-i-am-leaving-goldman-sachs.html?\\_r=1&ref=contributors](http://www.nytimes.com/2012/03/14/opinion/why-i-am-leaving-goldman-sachs.html?_r=1&ref=contributors).

<sup>2</sup> See John Steele Gordon, *An Empire of Wealth: The Epic History of American Economic Power* 233 (HarperCollins 2004).

<sup>3</sup> See Robert A.G. Monks, *L’Appel*, ICGN Annual Conference (Sept. 12, 2011), <http://www.rgm.com/libraryFiles/113.pdf>. ■

## In Memoriam: Mark H. Ayers

**Mark H. Ayers**, President of the **Building and Construction Trades Department of the AFL-CIO**, passed away on Easter Sunday. The Building Trades, LIUNA, and other labor organizations issued statements of condolences to Mr. Ayers’ family, highlighting his years of service.



**Mark H. Ayers**

Ayers spent his life in the service of working Americans, fighting for fair wages and better jobs. At the height of the recession, Ayers wrote an Op-Ed published in *The Huffington Post*, citing the key importance of jobs for workers and the impact of those who build: “Tax breaks for the wealthy never built a bridge or an airport. They never increased American productivity by reducing traffic congestion, increasing broadband service, or creating a modern energy grid. The most fundamental step in boosting our economy is to get American workers back on the job.”

From the Building Trades official statement: “Although our hearts are heavy today, our spirits are lifted by virtue of the unsullied legacy of a working man who was grounded and guided to his core through the values that were instilled in him during his upbringing in Peoria, Illinois. Mark Ayers was a true trade unionist in every sense of the word, and it was through that commitment to bettering the lives of working families that he was able to offer so much to his country, his family, and to the labor movement.”

# Calendar of Upcoming Events

April 22-24, 2012

## International Pension & Employee Benefit Lawyers Association (IPEBLA) 2012 Annual Conference

Half Moon Bay Resort  
Montego Bay, Jamaica



Featured Speaker: **Darren J. Robbins**,  
Robbins Geller Rudman & Dowd LLP

The program will address current issues relating to public and private pension plan design, governance, investment, operation and supervision, as well as deferred income arrangements for executives. Several plenary and concurrent workshop sessions will provide opportunities to interact with leading professionals.

For more information, visit: [www.ipebla.org](http://www.ipebla.org)

April 26-27, 2012

## Institute for Law & Economic Policy (ILEP) 18th Annual Symposium The Future of Class Actions

Regis Bahia Beach Hotel  
Rio Grande, Puerto Rico



Featured Speakers: **Samuel H. Rudman**,  
**Sandra D. Stein** and **Laura S. Stein**,  
Robbins Geller Rudman & Dowd LLP



This annual event will formulate policy positions on issues involving the administration of civil justice within the American legal system. These issues include existing legal protections of all consumers and protection of the public interest in maintaining a safe environment. In addition, ILEP will focus on issues of government regulation, preservation of competition, and free and fair markets.



For more information, visit: [www.ilep.info](http://www.ilep.info)

April 29, 2012-May 2, 2012

## AFL-CIO Building & Construction Trades Legislative Conference

Washington Hilton and Towers Hotel  
Washington, District of Columbia

This annual conference will highlight the many challenges and opportunities members face in order to rise together and influence change in our industry for working men and women.

For more information, visit: [www.bctd.org](http://www.bctd.org)

May 6-10, 2012

## National Conference on Public Employee Retirement Systems (NCPERS) 2012 Annual Conference and Exhibition

Hilton New York  
New York, New York

More than 1,000 trustees, administrators, state and local officials, investment, financial and union officers, pension staff and regulators attend this annual conference. Attendees benefit from the comprehensive educational programming, dynamic speakers, and networking opportunities with money managers, investment service providers and public fund colleagues from across the nation.

For more information, visit: [www.ncpers.org](http://www.ncpers.org)

May 19-21, 2012

## Building & Construction Trades Department Labor of Love & Softball Slam

Hilton Baltimore  
Baltimore, Maryland

This year's event features championship golf, the Bricklayers' Annual Softball Slam in Camden Yards at Oriole Park, Labor Night at the Orioles v. Red Sox game, and much more.

For more information, visit: [www.bctd.org](http://www.bctd.org)

June 11-13, 2012

## International Foundation Trustees and Administrators Institutes

Hilton San Francisco Union Square  
San Francisco, California

Designed for salaried and contract administrators of all experience levels, the sessions will focus on the key administrative areas you deal with each day, from legal and regulatory compliance to maximizing efficient operations and staff productivity.

For more information, visit: [www.ifebp.org](http://www.ifebp.org)

June 25-27, 2012

## International Corporate Governance Network (ICGN) 2012 Annual Conference

Hotel Sofitel Rio de Janeiro Copacabana  
Rio de Janeiro, Brazil

This annual conference will inform institutional investors, business leaders, policymakers and professional advisors on best practice guidance, leadership development and emerging issues in corporate governance.

For more information, visit: [www.icgn.org](http://www.icgn.org)

July 18, 2012

## PIRC The Corporate Governance and Responsible Investment Journalism Awards 2012

The Globe Theatre  
London, England



Featured Speaker: **Patrick W. Daniels**,  
Robbins Geller Rudman & Dowd LLP

In recognition of the important contribution that journalists make in the areas of corporate governance and responsible investment, and to encourage quality journalism, PIRC and Robbins Geller Rudman & Dowd LLP are pleased to announce the Corporate Governance and Responsible Investment Journalism Awards. Now in their third year, these awards are intended to recognize those journalists who are helping record and clearly explain the issues emerging in these vitally important areas.

For more information, visit: [www.pirc.co.uk](http://www.pirc.co.uk)

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