Robbins Geller Rudman & Dowd LLP

CORPORATE GOVERNANCE BULLETIN

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Robbins Geller Obtains $2.46 Billion Judgment Against Household International

On October 17, 2013, United States District Judge Ronald A. Guzman entered a judgment of **$2.46 billion – the largest judgment following a securities fraud class action trial in history** – against Household International (now HSBC Finance Corporation) and three of its former top executives, William Aldinger, David Schoenholz and Gary Gilmer.

After a six-week trial, a Chicago jury rendered a verdict in favor of plaintiffs in May 2009, finding that Household International and the individual defendants had violated federal securities laws by fraudulently misleading investors about the company's predatory lending practices, the quality of its loans, and its financial accounting from March 23, 2001 through October 11, 2002.

At trial, plaintiffs presented evidence to the jury that Household International's growth and revenues were driven by systemic and company-wide predatory lending practices. Household International's fraud included misrepresenting interest rates, charging prepayment penalties in violation of state law and hiding prepayment penalties in the loan terms, packing the loans with insurance that the borrowers did not need or want, charging the borrowers excessive fees or points, and "loan splitting" – unnecessarily splitting one loan into two so the borrower was forced to pay a higher, noncompetitive rate on the first loan. After reviewing evidence of defendants' predatory lending practices, attorneys general from 19 states jointly concluded that defendants had engaged in widespread "insidiously deceptive sales practices."

The plaintiffs also presented evidence that defendants had manipulated the credit quality of Household International's loan portfolio to conceal the true level of delinquencies and mask the poor quality of its loans. At trial, Household International's former CEO, William Aldinger, admitted under oath that the disclosures in the company's 2001 Form 10-K were materially false and misleading.

In support of their case, plaintiffs showed that defendants had a motive to commit fraud, including evidence that defendants Aldinger and Gilmer sold their Household International stock while the price was artificially inflated, netting $19 million and $3 million, respectively. The plaintiffs also presented evidence that defendants had destroyed documents to cover up their fraud.

The *Household* case was tried by Robbins Geller Rudman & Dowd LLP on behalf of court-appointed lead plaintiffs **International Union of Operating Engineers, Local 132 Pension Plan, PACE Industry Union-Management Pension Fund** and **Glickenhaus & Co.** Robbins Geller's trial team was led by partners **Michael J. Dowd, Spencer A. Burkholz** and

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It's Official: $500 Million Countrywide Settlement Gets Final Approval

On December 6, 2013, Senior U.S. District Court Judge Mariana R. Pfaelzer approved a settlement in which Countrywide Financial Corporation ("Countrywide") agreed to pay $500 million to settle investors' claims that they were misled as part of Countrywide's sale of mortgage-backed securities ("MBS") from 2005 to 2007. **The half-billion dollar settlement is the largest MBS class action recovery in history.**

Robbins Geller initially filed what was to be the first post-financial crisis MBS class action and alleged that Countrywide (now owned by Bank of America Corp.), along with various Wall Street banks, misrepresented the quality of billions of dollars' worth of MBS and sold them to plaintiffs and other class members. Although the securities that pooled the loans were rated investment grade (A to AAA), in reality they were "junk" and held massive amounts of defective loans. Defendants issued MBS certificates through 430 offerings tied to registration statements and prospectus supplements that allegedly misrepresented the underwriting standards and loan origination practices used in originating the underlying mortgages. For more than six years, the California Superior Court case wound its way from state court to federal district court, including Robbins Geller's victories at both the California Court of Appeal and the U.S. Court of Appeals for the Ninth Circuit, eventually reaching resolution in the Central District of California before Judge Pfaelzer.

The settlement in this enormously complex case was achieved with the assistance of experienced mediators and included participation at mediation sessions by lead plaintiffs **Vermont Pension Investment Committee** and **Pension Trust Fund for Operating Engineers**.

In approving the settlement, Judge Pfaelzer repeatedly complimented plaintiffs' attorneys, writing that it was "beyond serious dispute that Class Counsel has vigorously prosecuted the Settlement Actions on both the state and federal level over the last six years." She also wrote that "[w]ithout a settlement, these cases would continue indefinitely, resulting in significant risks to recovery and continued litigation costs. It is difficult to understate the risks to recovery if litigation had continued." The court indicated in its order that "[p]laintiffs' [c]ounsel have over the last six years persisted through numerous adverse rulings at both the state and federal levels and litigated issues of first impression in the Ninth Circuit and in California state court to maintain the viability of their claims." Judge Pfaelzer also wrote that "[h]ere, the proposed $500 million settlement represents one of the 25 largest securities class action settlements and largest MBS class action settlements to date. Indeed, this settlement easily surpasses the next largest . . . MBS settlement."

"This was an incredible recovery for our clients, and was the result of the hard work by our team of lawyers. The defendants paid a substantial sum to settle the cases because of our ability to prepare the case and send it to trial, if necessary," said Robbins Geller partner **Spencer A. Burkholz**. "After six years of hard-fought litigation, this record-breaking recovery is a tremendous result for MBS investors."

Robbins Geller is co-lead counsel for the plaintiffs. Robbins Geller attorneys **Spencer A. Burkholz**, **Scott Saham**, **Thomas E. Egler** and **Ashley M. Robinson** were responsible for obtaining this historic settlement on behalf of the settlement class. The settlement resolves *Luther v. Countrywide Fin. Corp.*, No. 12-cv-05125-MRP-MAN (C.D. Cal.); *Western Conference of Teamsters Pension Trust Fund v. Countrywide Fin. Corp.*, No. 12-cv-05122-MRP-MAN (C.D. Cal.); and *Maine State Ret. Sys. v. Countrywide Fin. Corp.*, No. 10-cv-00302-MRP-MAN (C.D. Cal.). ■

Board Oversight of Sustainability: Highlights of Current U.S. Practice

For some time, institutional investors have been urging U.S. companies to formally assign oversight of sustainability matters to a specific committee of the board of directors. Companies that do this, advocates of the practice believe, will be more likely to attend to the social and environmental issues material to their core businesses, and to integrate them into strategic planning at the highest levels.

Data collected in the fall of 2013 by GMI Ratings shows that at least at large-cap U.S. firms, many companies are heeding investors' calls for board oversight of sustainability. Seventy percent of S&P 100 firms now assign such responsibility to at least one board committee. The wording of most committee charters, however, leaves investors uncertain about whether boards truly view sustainability in strategic terms.

Most commonly, committees are assigned to "monitor," "oversee" or "evaluate" a company's corporate responsibility policies, programs, or positions, and if necessary to make recommendations to the entire board about them. It is typically unclear through what specific means (*e.g.*, what kinds of reporting systems or data-gathering methods) this oversight or evaluation will be exercised. Many committees appear to focus on charitable and political donations, evaluation of shareholder proposals, and compliance with laws governing environmental and labor matters. While these are useful functions for directors to perform, they are far from what most responsible investors mean when they speak of integrating sustainability into the conduct of a firm's core business. Relatively few firms indicate that directors are asked to evaluate the risks and opportunities posed to the business by sustainability issues; to oversee reporting to investors on sustainability topics or communicate with stakeholders about them; or to assess the role of sustainability issues in key transactions (such as acquisitions) or other business decisions.

Moreover, nearly 40% of the board committees charged with overseeing sustainability are key board committees – typically Nominating and Governance Committees. In nearly all of these cases, sustainability is only one of the committee's responsibilities (and typically a very subsidiary one, far down on the list after the primary tasks of selecting directors and setting corporate governance policies). Investors may well be skeptical about the amount of time and attention sustainability issues are likely to receive under these circumstances.

In general, when a company has a separate committee oversee sustainability matters – as over 60% of firms with board-level sustainability oversight do – disclosure about how that oversight functions is more detailed. Perhaps unsurprisingly, some of the most detailed commitments to sustainability oversight have been made by companies in more highly regulated industries – such as utilities and pharmaceuticals – and companies that have already faced serious public controversy. For example, Exelon has two committees that oversee the environmental and worker safety issues related to its power generation, as well as its initiatives on climate change and other sustainability issues. Pfizer's Regulatory and Compliance Committee's charter gives

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News Brief

Robbins Geller Recognized as One of the Most Feared Plaintiffs Firms and Named to Plaintiffs' Hot List

Every year, *The National Law Journal* honors firms "that have done exemplary, cutting-edge work on the plaintiffs' side" with inclusion on their Plaintiffs' Hot List. Robbins Geller has been named to the Plaintiffs' Hot List again in 2013 after obtaining "several megasettlements in the past year."

This award comes on the heels of Robbins Geller being named among the 11 Most Feared Plaintiffs Firms by *Law360* on October 4, 2013. In this inaugural list, *Law360* focused on firms that "have stood above the rest in recent years by launching headline-grabbing suits, winning landmark decisions and brokering mammoth settlements."

The National Law Journal praised the Firm's work in rooting out the "mountain of evidence" that had "never been seen by the general public," and that detailed the horrible conduct of the credit rating agencies. That evidence led to a confidential settlement in April with Moody's, Standard & Poor's and Morgan Stanley. *The National Law Journal* also highlighted the Firm's $500 million settlement with Bank of America and Countrywide over toxic residential mortgage-backed securities. That is the largest class action recovery for investors who say they were misled about the risk of such securities. Each of these cases settled just before trial, which sets Robbins Geller apart from the field.

"Institutional investors come to us because of our willingness to go the distance and prepare a case for trial," said founding partner **Darren J. Robbins**. The Firm has offices in 10 cities and counts former federal prosecutors among its ranks. "We bring to bear substantial financial and human resources in a manner designed to optimize results for our clients," Robbins said. ■

Court Approves Historic Antitrust Settlement

On December 13, 2013, Judge John Gleeson of the Eastern District of New York granted final approval to the settlement reached by the parties in *In re Payment Card Interchange Fee and Merchant Discount Antitrust Litigation*. **The settlement, believed to be the largest private antitrust class action settlement of all time**, provides for the creation of two cash funds, estimated at a combined $5.7 billion, as well as significant changes to rules regarding acceptance of Visa and MasterCard credit cards, including the ability for merchants to surcharge certain transactions. Robbins Geller is one of three firms appointed to serve as class counsel.

The court concluded that the "proposed settlement secures both a significant damage award and meaningful injunctive relief for a class of merchants that would face a substantial likelihood of securing no relief at all if this case were to proceed." As to the rules changes brought about by the settlement, the court noted, "For the first time, merchants will be empowered to expose hidden bank fees to their customers, educate them about those fees, and use that information to influence their customers' choice of payment methods."

Noting that the case is extremely complex, with many pending motions that would be appealed, the court held that the "settlement allows class members to take advantage of rules changes now – those changes are already in place – and further provides for significant monetary compensation in the near future." The court also held "on balance that the reaction of the class favors approval of the . . . settlement." The court found that in balancing the benefits to the class against the continuing risk of litigation, settlement of the case was in the best interest of the class, as there were significant risks plaintiffs would have to overcome should the case proceed.

The court carefully considered various objections to the settlement and found that the arguments were "largely unpersuasive." As to the surcharging rules changes, the court noted that the relief, "which the Class Plaintiffs and the Individual Plaintiffs fought very hard to obtain, is an indisputably procompetitive development that has the potential to alter the very core of the problem this lawsuit was brought to challenge." The court further noted that the surcharging changes were "a critical accomplishment." Other changes brought about by the settlement, including the right to form buying groups, constitute "meaningful reform that is favorable to merchants," the court wrote. The court also approved the proposed plan of allocation, finding it to be "fair, reasonable and adequate."

"This settlement delivers an extraordinary result to the merchant class, both in terms of monetary recovery and in changes to Visa's and MasterCard's rules," said Robbins Geller partner **Bonny E. Sweeney**. "The massive damages fund and reforms implemented by the settlement provide immediate relief and the tools merchants need to reduce one of their most significant costs."

On January 10, 2014, the court issued a separate order granting attorneys' fees and expenses, finding that "this case stands out in size, duration, complexity, and in the nature of the relief afforded to both the injunctive relief and damages classes." In awarding fees, the court commended class counsel for taking on this "unusually risky" case, "and for achieving substantial value for the class. If not for the attorneys' willingness to endure for many years the risk that their extraordinary efforts would go uncompensated, the settlement would not exist." The court further found that "plaintiffs' counsel litigated the case with skill and tenacity, as would be expected to achieve such a result."

Robbins Geller attorneys **Patrick J. Coughlin**, **Bonny E. Sweeney**, **David W. Mitchell**, **Alexandra S. Bernay** and **Carmen A. Medici** prosecuted the case for the Firm.

In re Payment Card Interchange Fee and Merchant Discount Antitrust Litigation, No. 05-MD-1720 (JG) (JO) (E.D.N.Y.). ■

Robbins Geller's International Monitoring Update

Robbins Geller has made several enhancements to its international monitoring this year, including the distribution of quarterly International Portfolio Monitoring Reports via its secure client extranet. The International Portfolio Monitoring Report identifies clients' exposure in international collective actions. Information in the report includes case descriptions, securities identifiers, the courts and jurisdictions involved, the relevant periods involved, and whether the particular client has invested in any of the securities at issue. By providing clients with the ability to identify and assess their losses associated with transactions outside of as well as within the United States, Robbins Geller provides clients with the information necessary to maximize their potential recoveries worldwide.

These new reports allow Robbins Geller to continue its unrivaled success in the securities litigation field and deliver superior advice and analysis to its clients in a timely and accessible manner. Robbins Geller is committed to the ongoing improvement of its services to better meet – and exceed – its clients' needs. ■

Litigation Update

Plaintiffs' Powerwave Pleadings Prevail Over Motion to Dismiss

On October 23, 2013, Judge Cormac J. Carney of the Central District of California denied defendants' motion to dismiss the class's second amended consolidated complaint, allowing securities fraud claims against senior officers of the now-bankrupt Powerwave Technologies Inc. to proceed to discovery. The case began when shareholders, represented by Robbins Geller, filed their initial class action complaint in 2012, alleging that defendants made false and misleading statements regarding demand for the company's products, revenue forecasts, and improper revenue recognition procedures. As a result of the alleged deception, when Powerwave revealed that it would fail to meet projections, its stock plummeted and would eventually become worthless as the scope of Powerwave's predicament became clear. Judge Carney rejected defendants' assertions in their motion to dismiss and found that plaintiffs had sufficiently pled "'enough facts to state a claim to relief that is plausible on its face.'"

During the proposed class period, Powerwave sold its wireless communications products to original equipment manufacturers and wireless network operators. A substantial portion of the sales were made through resellers or "Turf Partners" who bought the products through the resellers, including Team Alliance. Customers such as AT&T would get their product from the Turf Partners. Plaintiffs alleged that Powerwave would ship product (changing the method of delivery from air freight to ship-born so as to delay actual delivery), including obsolete, unwanted or otherwise unsellable product, to Team Alliance. This continued to the extent that "Powerwave's accounts receivable attributable to Team Alliance spiked to more than ***2000% higher*** than sales in 3Q11 . . . . Prior to 1Q11, Team Alliance had accounted for less than 10% of total accounts receivable."

As summarized by Judge Carney, the complaint sufficiently alleged that defendants had engaged in an accounting scheme to artificially inflate the company's revenue and earnings when demand for Powerwave products was actually steeply declining. The complaint details how Powerwave, with the knowledge and approval of defendants, improperly recognized revenue by "(1) shipping 'bulk orders' of unsold and/or unsellable inventory to resellers on a contingent basis whereby Powerwave would ***explicitly waive payment***, grant special extended payment terms, and/or ***grant rights to return the product if it could not be sold***; and (2) knowingly and deliberately shipping product that Powerwave knew did not function with the promise to replace the defective products in a later quarter."

During the same period that plaintiffs alleged defendants were conducting the above scheme, defendants made a number of public statements regarding contemporaneous demand and reported revenue, each of which failed to acknowledge that Powerwave was engaging in a practice of shipping last-minute bulk orders in order to meet its quarterly projections. Judge Carney explained that "the right of return coupled with delayed collection of payment effectively rendered the bulk orders consignment sales," given that recognizing revenue on products before they are actually resold is improper and a violation of Generally Accepted Accounting Principles. The court ruled that the allegations set forth in the complaint "support the reasonable inference that Powerwave falsely inflated its revenue and created the appearance of demand for its products by arranging end-of-quarter bulk orders to Team Alliance in which Team Alliance had the right to return the products, and by subsequently delaying or failing to collect payment from Team Alliance." Judge Carney also found that the bulk orders were of sufficient magnitude that the likelihood of the orders (and discounts and incentives on those orders) would require approval from the individual defendants and that "the inference of scienter [was] strong and outweigh[ed] any competing inference."

As a result of plaintiffs' successful opposition to defendants' motion to dismiss, this case will proceed to discovery. According to Robbins Geller partner **Robert R. Henssler, Jr.**, "We concur with Judge Carney's ruling and look forward to aggressively prosecuting this case on behalf of the proposed class."

Robbins Geller attorneys litigating the case are **Robert R. Henssler, Jr.** and **Matthew I. Alpert**.

Kmiec v. Powerwave Technologies, Inc., No. 8:12-cv-00222, 2013 U.S. Dist. Lexis 153031 (C.D. Cal. Oct. 23, 2013).

Questcor's Dismissal Motion Is No Miracle Drug to Defeat Plaintiffs' Fraud Claims

On October 1, 2013, United States District Judge Dolly M. Gee issued an order granting in part and denying in part motions to dismiss filed by defendants Questcor Pharmaceuticals, Inc. and several of the company's officers and directors. The securities class action arose out of false and misleading statements concerning the effectiveness of Questcor's primary product, H.P. Acthar Gel ("Acthar"), as a treatment for certain conditions. Acthar is an injectable drug that was approved by the U.S. Food and Drug Administration ("FDA") for the treatment of a number of indications, including infantile spasms ("IS"), multiple sclerosis, and nephrotic syndrome. Despite being available as a treatment for over 60 years, Acthar did not garner much attention until it was purchased by Questcor in 2001. Since then, Questcor has dramatically increased its price and engaged in an aggressive marketing campaign to accelerate its prescription rate. For indications other than IS, however, there exists no meaningful scientific or medical basis for an increase in the drug's use.

The consolidated action, led by lead counsel Robbins Geller and court-appointed lead plaintiffs **West Virginia Investment Management Board** and **Plumbers and Pipefitters National Pension Fund**, alleges that throughout the class period, Questcor and its officers and directors violated the federal securities laws by disseminating false and misleading statements to the investing public about the effectiveness of Acthar as a treatment for indications other than IS, making it impossible for shareholders to gain a meaningful or realistic understanding of the drug's prospects and marketing success. As a result of defendants' false statements,

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For more information on these and other cases, please visit: www.rgrdlaw.com

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Questcor's stock traded at artificially inflated prices during the class period. Questcor insiders then seized the opportunity to capitalize on the inflated price of Questcor's stock created by their fraud by dumping unprecedented amounts of their own Questcor shares for illicit profits of over $100 million.

Other investors who relied on defendants' false statements were, however, not so lucky. On September 19, 2012, investors learned that Aetna, Inc., one of the nation's largest insurers, had determined that clinical research only supported Acthar as a treatment for IS. Then, on September 24, 2012, Questcor disclosed that the company's promotional practices were being investigated by the U.S. government. As a result of these revelations, Questcor's stock plummeted from a class period high of $57.64 per share on July 9, 2012 to close at $19.08 per share on September 24, 2012.

Defendants' motions to dismiss challenged whether plaintiffs had sufficiently alleged material misrepresentations, scienter and loss causation, three of the elements that a plaintiff must demonstrate to prevail on a securities fraud claim under §10(b) of the Securities Exchange Act of 1934 and SEC Rule 10b-5(b). In upholding the vast majority of plaintiffs' fraud claims, Judge Gee found that plaintiffs had adequately alleged that defendants made misleading statements about "the scientific basis for Acthar," "the availability of insurance reimbursement," and "the Company's financial success arising out of Acthar's sales." The court rejected defendants' argument that plaintiffs had failed to sufficiently allege that defendants acted with the requisite state of mind, or scienter. Judge Gee found plaintiffs' allegations concerning the trading activity of several of the defendants, which was "dramatically inconsistent to [] pre-Class Period sales and yielded substantial proceeds," to be particularly probative of scienter, and held that these allegations, combined with defendants' "sizeable incentive compensation package[s]" and defendants' "close involvement in the day-to-day operations of the business," were sufficient to raise a strong inference of scienter.

Finally, Judge Gee flatly rejected defendants' argument that plaintiffs had failed to establish a causal connection between defendants' misleading statements and the alleged loss. Judge Gee concluded that an Aetna bulletin and related September 19, 2012 Citron Research Report announcing Aetna's findings of "no proof of efficacy to substantiate reimbursement for Acthar, except for [IS]" in addition to the company's September 24, 2012 disclosure of an investigation by the United States Attorney's Office into the company's promotional practices were corrective disclosures that "together raise at least a reasonable inference that Questcor had been misleading about the clinical support for its product and the stability of insurance reimbursement rates." Because plaintiffs also "sufficiently allege[d] that the disclosures caused the price of Questcor shares to decline, causing loss to shareholders who had purchased during the Class Period, . . . the Court conclude[d] that Plaintiffs [] adequately pleaded loss causation."

The case now proceeds into discovery and towards trial. The Robbins Geller attorneys litigating the case are **Andrew J. Brown**, **Robert K. Lu** and **Erik W. Luedeke**.

In re Questcor Securities Litigation, No. 12-cv-01623 DMG (FMOx), Order re Defendants' Motions to Dismiss and Plaintiffs' Motion to Strike (C.D. Cal. Oct. 1, 2013).

District of Arizona Certifies Class of First Solar Investors

On October 8, 2013, Judge David G. Campbell of the United States District Court for the District of Arizona published an order granting plaintiffs' motion to certify a class of persons who purchased or otherwise acquired First Solar, Inc. stock during the April 30, 2008 through February 28, 2012 class period.

Led by lead plaintiffs **Mineworkers' Pension Scheme** and **British Coal Staff Superannuation Scheme**, the First Amended Complaint for Violation of the Federal Securities Laws detailed the nearly four-year scheme in which defendants publicly manipulated First Solar's key operating metrics while concealing from investors the existence and scope of First Solar's solar panel defects and failure rates. Defendants' misstatements and omissions of fact during the class period inflated the price of First Solar shares, which dropped precipitously as the market absorbed defendants' prior fraudulent conduct, causing substantial detriment to the class.

After lead plaintiffs defeated defendants' attempt to dismiss the complaint in December 2012, the parties engaged in intensive discovery and briefing concerning lead plaintiffs' motion for class certification. With most of the factors courts consider in certifying a class undisputed upon the close of briefing (including lead plaintiffs' ability to fairly and adequately protect the interests of the class), the parties and the court ultimately focused on Rule 23(b)(3)'s predominance element, which turned on whether lead plaintiffs could utilize the fraud on the market theory of investor reliance by showing that First Solar stock had traded in an efficient market.

On October 8, 2013, following full briefing and oral argument, Judge Campbell concluded that lead plaintiffs had sufficiently demonstrated that First Solar stock had traded in an efficient market during the class period, and that common questions of law or fact, including whether members of the class relied on defendants' public misrepresentations, would predominate over questions affecting only individual class members. In reaching his conclusion, Judge Campbell deemed it "significant" that a majority of the factors courts commonly consider in determining market efficiency were "without dispute" from defendants, including that First Solar stock had traded at high weekly volumes on "the NASDAQ, a major and well-developed securities market," was widely followed and reported on by securities analysts, and had substantial market makers and institutional investors.

Judge Campbell granted lead plaintiffs' motion to certify the class, appointed Robbins Geller as class counsel, and appointed lead plaintiffs as representatives of the class. More recently, defendants attempted to delay the litigation of the case in light of the Supreme Court's grant of a petition for certiorari in *Halliburton Co. v. Erica P. John Fund, Inc., f/k/a Archdiocese of Milwaukee Supporting Fund, Inc.* On November 25, 2013, Judge Campbell rejected defendants' argument, authorized lead plaintiffs to proceed with discovery, and ordered defendants to begin their document production in January 2014.

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$2.46 Billion Judgment continued from page 1

Daniel S. Drosman of the Firm's San Diego office. Partners **Luke O. Brooks** and **Jason C. Davis** handled key assignments during both the pre-trial prosecution of the case and during trial. Associate **Maureen E. Mueller** was also critical to plaintiffs' success at trial.

Robbins Geller fought defendants' repeated attempts to derail the litigation after the verdict, which included several post-trial motions to invalidate the verdict and objections to tens of thousands of claims by injured class members. After the verdict, the court also considered and ruled on issues concerning the reliance of absent class members on defendants' fraudulent statements. The judgment follows an October 4, 2013 order from the district judge denying all of defendants' post-trial motions.

"We are very pleased that we went the distance in this case, all the way through a jury trial, and that we were able to obtain such a tremendous recovery for shareholders. The judgment shows that the fraud committed by Household International and the individual defendant officers will not go unpunished, and we look forward to having the judgment affirmed on appeal," said James Glickenhaus of Glickenhaus & Co.

The judgment consists of approximately $1.5 billion in damages and almost $1 billion of prejudgment interest. Judge Guzman also ordered the defendants to pay post judgment interest, which will accrue during defendants' appeal, and certain costs incurred by plaintiffs after more than 10 years of litigating the case. Robbins Geller is continuing to litigate defendants' objections to over 25,000 additional claims with losses in excess of $650 million. If defendants' objections to certain of these claims are denied, Robbins Geller will seek entry of judgment in favor of these claimants as well.

Since the enactment of the Private Securities Litigation Reform Act of 1995 ("PSLRA"), trials in securities fraud cases have been rare. Only a handful of such cases have gone to trial since the passage of the PSLRA. The Firm boasts over 20 former federal and state prosecutors among its partners and associates, as well as a number of other experienced trial lawyers, making Robbins Geller unique among firms that specialize in plaintiffs' class-action litigation in its ability to handle such cases. The trial not only added to Robbins Geller's wealth of trial experience, it also showcased the Firm's willingness to shoulder the burden of sustained litigation. In addition to the partners and associate attorneys who relocated to Chicago for approximately 70 days of pre-trial preparation, pretrial hearings and trial, another 12 Robbins Geller employees, including forensic accountants, project attorneys, paralegals, litigation support specialists and administrative assistants, were part of the team that moved to Chicago for the trial.

"The fact that, after 11 years of hard-fought litigation, we obtained the largest judgment ever in a securities fraud trial demonstrates our firm's resolve to vindicate the rights of defrauded investors," said plaintiffs' lead trial attorney, Michael J. Dowd.

Jaffe v. Household Int'l, Inc., No. 1:02-CV-05893 (N.D. Ill.). ■

Board Oversight continued from page 3

extensive detail about how the board is seeking to avoid a repetition of the company's legal violations related to off-label marketing. Nike's Corporate Responsibility and Sustainability Committee charter mentions integrating sustainability into the company's business, including through sourcing and supply chain practices. Finally, Halliburton discloses charters for both a board committee and a management committee on Health, Safety and Environment, which are charged to work together to manage HSE policies and mitigate related risks.

To be sure, the committee charters companies disclose on their websites may or may not give an accurate picture of how the committees function in practice. Two committees that look nearly identical on paper may act in diametrically opposed ways – one highly active and engaged in critical and strategic thinking, one purely focused on compliance and "checking the box." In the end, it always comes down to the particular individuals involved and the corporate culture in which they operate. But, in the aggregate, committee charters reveal high-level trends. Board oversight of sustainability, they tell us, is now the default at America's largest companies. The quality of that oversight, however, remains very much in doubt. ■

Bob Monks, a widely published expert on corporate governance, is the co-founder of GMI Ratings, an independent research firm specializing in environmental, social, and governance (ESG) data and analysis. For more of his commentary on topical issues in governance and investment, see his website at www.ragm.com.

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Robbins Geller attorneys litigating the case are **Daniel S. Drosman**, **Luke O. Brooks**, **Mark Solomon**, **Jason A. Forge** and **Christopher D. Stewart**.

Smilovits v. First Solar, Inc., No. 2:12-cv-00555, Order (D. Ariz. Oct. 8, 2013). ■

New 2014 Partners

David A. Knotts
San Diego

David A. Knotts' practice focuses on securities class action litigation in the context of mergers and acquisitions, representing both individual shareholders and institutional investors. In connection with that work, Mr. Knotts has been counsel of record for shareholders on a number of significant decisions from the Delaware Court of Chancery, including *In re Del Monte Foods Co. S'holders Litig.*, 25 A.3d 813 (Del. Ch. 2011), and *N.J. Carpenters Pension Fund v. infoGROUP, Inc.*, No. 5334-VCN, 2011 Del. Ch. LEXIS 147 (Del. Ch. Oct. 6, 2011).

Mark T. Millkey
Melville

With a background in writing, Mark T. Millkey ensures that the Firm's submissions to courts are persuasive and of the highest quality. He has written scores of briefs in cases that have collectively resulted in billions of dollars in recoveries for the victims of securities and consumer fraud. Mr. Millkey also has significant appellate experience in the federal court system and the state courts of New York.

Jessica T. Shinnefield
San Diego

Jessica T. Shinnefield has significant experience in litigating securities fraud class actions from start to finish. Her practice focuses on initiating and investigating new securities fraud class actions. Previously, Ms. Shinnefield was a member of the litigation teams that obtained significant recoveries for investors in cases such as *AOL Time Warner*, *Cisco Systems*, *Aon* and *Petco*.

Calendar of Upcoming Events

Robbins Geller Rudman & Dowd LLP

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Boca Raton
Chicago
Manhattan
Melville
Nashville
Philadelphia
San Diego
San Francisco
Washington, D.C.

(800) 449-4900

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January 26-28, 2014

Corporate Directors Forum 2014:
Directors, Management & Shareholders in Dialogue

University of San Diego
San Diego, California

Now in its 9th year, this event continues to uniquely bring together institutional investors, directors, management and regulators in an intimate setting created for real access and interaction between speakers and attendees. The Forum provides the opportunity to both listen to — and be heard by — 35+ top corporate governance thought leaders in the United States.

For more information, visit: www.directorsforum.com

January 26-28, 2014

National Conference on Public Employee Retirement Systems (NCPERS)
2014 Legislative Conference

Capital Hilton Hotel
Washington, D.C.

This conference is the premier conference for public fund trustees and plan administrators, highlighting the issues on Capitol Hill and in federal regulatory agencies that affect pension funds today. Attendees include administration officials, members of Congress and Washington insiders to help educate fund members on the critical issues affecting public pensions and equip them with the tools needed to deal with these issues effectively and meet face-to-face with their elected leaders on the Hill.

For more information, visit: www.ncpers.org

February 8-10, 2014

Opal Financial Group
National Association of Police Organizations (NAPO)
26th Annual Police, Fire, EMS, & Municipal Employee Pension & Benefits Seminar

Caesars Palace
Las Vegas, Nevada

This seminar will educate pension and union representatives along with their providers on the latest issues surrounding the pension and benefits industry.

For more information, visit: www.opalgroup.net

February 13-18, 2014

National Labor & Management
37th Annual Conference

Westin Diplomat Resort & Spa
Hollywood, Florida

This annual forum consistently attracts nationally recognized speakers, deals with timely and significant issues from the perspectives of management, labor and neutrals, and provides stimulating exchanges of views on, and approaches to, labor relations. In addition to daily seminars, speakers and participants continue discussions in informal surroundings after hours. The program content is annually developed by a distinguished group of business executives, labor leaders, arbitrators, public officials and academics.

For more information, visit: www.laborandmanagement.com

February 19-21, 2014

ABA Antitrust Section's 10th International Cartel Workshop

Rome Cavalieri — Waldorf Astoria Hotels & Resorts
Rome, Italy

Featured Speaker: **Bonny E. Sweeney**,
Robbins Geller Rudman & Dowd LLP

The International Cartel Workshop, recognized globally as the premier international cartel program offered anywhere, is presented only once every two years. The 2014 program will continue the Workshop's tradition of instruction by demonstration, with experienced faculty from around the globe taking you inside a hypothetical international cartel matter — from detection by government enforcers to the disposition of government prosecutions and private damage claims. The Workshop will also highlight new developments in the law and leniency practices around the world, with leading enforcers and experienced private practitioners demonstrating how critical decisions are made on both sides of the table and providing examples of important interactions between counsel and enforcers. The 2014 Workshop's international faculty includes many of the most accomplished cartel attorneys in the world, as well as the most senior cartel enforcement officials from a variety of jurisdictions.

For more information, visit: www.americanbar.org

March 3-4, 2014

International Corporate Governance Network (ICGN)
2014 Regional Conference

Royal Park Hotel
Tokyo, Japan

Hosted by the Japan Exchange Group and Tokyo Stock Exchange and endorsed by the Financial Services Authority, the conference theme is "Building a common language: a new era for company and shareholder dialogue." Topics include responsible investment and development of the Japanese stewardship code; company and investor dialogue for long-term sustainable business; enhancing collaboration and understanding between local and global investors; and effective boards, independence and value creation.

For more information, visit: www.icgn.org

March 26-28, 2014

American Bar Association (ABA)
62nd Annual Antitrust Law Spring Meeting

JW Marriott Hotel
Washington, D.C.

Featured Speaker: **Bonny E. Sweeney**,
Robbins Geller Rudman & Dowd LLP

Civil antitrust litigation is often driven by a prosecution, whether in the United States or abroad. This creates complex issues for trial: the use of company and witness guilty pleas, leniency status of a witness, Fifth Amendment invocations, and even the fact and scope of prior investigations. This program will debate these issues and offer opinions by experienced trial lawyers on both sides of the issues.

For more information, visit: www.americanbar.org

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