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# TRAILBLAZERS

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**PIONEER SPIRIT** In his days as a commercial litigator, Robert Rothman saw from the defense table just what a powerful tool class action litigation could be. Victims of fraud could be compensated. Cheated investors could be made whole. But even more significantly, social change could result from an important verdict. “In most cases, the only realistic way they can obtain justice is through a class action.” Finally, Rothman decided to switch teams, joining the plaintiffs’ bar and filing the kind of class action cases he had marveled over. “It wasn’t a hard switch for me to make. It was what I wanted to do, and I felt like I’d be able to make a difference by doing it.” In an early victory, he secured a \$129 million settlement from Doral Financial, at the time the largest lender in Puerto Rico. Investors sued for fraud after Doral announced in 2005 that it needed to restate its financials as far back as 2000. That case, however, pales in comparison to Rothman’s litigation with a real estate investment trust known as American Realty Capital Properties.

**TRAILS BLAZED** Rothman’s clients alleged they were the victims of accounting fraud by American Realty, which had manipulated a key performance metric, thereby giving a false representation of its financial results. For five years, Rothman led a team that litigated nine separate claims of securities fraud involving six stock or debt offerings by American Realty and two mergers. Along the way, the defendants filed 25 motions to dismiss and 12 motions for summary judgment. In a single month, they filed 42 other motions. They engaged 17 expert witnesses. Discovery included more than 70 depositions. American Realty turned over 12 million documents. Finally, in January, a judge approved a settlement — a whopping \$1.025 billion. The settlement included more than \$200 million from individual defendants. This recovery represented the highest percentage of damages from a pre-trial settlement of a major securities fraud class action. “No other case has ever come close to that.” Rothman’s clients recovered more than twice as much as plaintiffs who had settled earlier in the process.

**FUTURE EXPLORATIONS** Shortly after he completed the American Realty case, a different kind of adversary — the coronavirus outbreak — presented itself, complicating the scheduling of trials and hearings and making collaboration among lawyers more difficult. Working remotely is fine in many instances, “but there are just certain things that are very difficult to do when you’re working from home. If you have a big filing where you have to check exhibits and do things like that, sometimes you need the paper in front of you.” Rothman is a believer in teamwork, and he credits the efforts of other Robbins Geller attorneys in the American Realty case. He expects similar efforts will be needed in the years to come. “Unfortunately, greed is a very powerful vice, and I don’t see it going away. Class actions will be there, too. We hope to protect people when corporate greed takes something from these victims.”