

Securities Group Of The Year: Robbins Geller

By Jack Newsham

Law360 (February 7, 2018, 4:14 PM EST) -- Robbins Geller Rudman & Dowd LLP's big victories at the end of long-fought shareholder suits against a unit of HSBC Holdings PLC, Community Health Systems Inc. and the former bosses of auto parts supplier Dana Corp. have set it apart from other securities litigation shops and have earned it a spot on Law360's list of Practice Groups of the Year.

From winning a roughly \$1.6 billion settlement against HSBC subsidiary Household International Inc. to filing novel actions against privately held giants like Theranos Inc., Robbins Geller cemented its reputation as a go-to firm for harmed investors in the yearlong period starting Oct. 1, 2016. The firm, whose roughly 200 lawyers are overwhelmingly focused on securities cases, sets itself apart with its drive for "an optimum result" for clients, partner Darren Robbins said.

In the Household case, which was filed in 2002 and ended in final approval in October 2016, the Lawrence E. Jaffe Pension Plan and other investors beat the defendants at trial and had a key part of the judgment upheld on appeal. Luke Brooks, a partner on Robbins Geller's trial team on that case, said the Seventh Circuit's decision upheld their use of an unorthodox "leakage" damages model that resulted in a higher per-share result when the case was settled on the eve of a second trial.

"My colleagues across the plaintiffs' bar were thrilled by the decision — more thrilled than I was, because of the partial reversal," he said. But at every turn, "we demonstrated to them that this was something they couldn't escape with a nominal payment."

The case involved spending more than \$34 million, going toe-to-toe with a long list of prominent defense firms, ultimately leading to a settlement at 4 a.m. on the day the second trial was set to begin, Robbins said. He added that the case encapsulates the firm's strong points: "our commitment to the clients, not giving up, not settling early, not settling on the cheap, and obtaining an optimal result."

Household wasn't the only long-pending case that wrapped up recently. In November 2016, the firm won final approval of a \$64 million deal with former Dana Corp. executives over an accounting scandal in the case Plumbers & Pipefitters National Pension Fund v. Burns. It took 11 years of litigating, including two trips to the Sixth Circuit, to get there.



Sometimes, investors want more than just financial recovery. Robbins said settlements that call for corporate governance reforms have become a hallmark of his practice, like the one his team notched this year in a shareholder derivative suit against the hospital chain Community Health Systems.

"Large institutions were not entirely satisfied with just getting the money they lost back," Robbins said. "There was a thought — after seeing Waste Management and several other public companies repeatedly violate the securities laws in the late 1990s and early 2000s — that if we're going to take the time and effort to file securities actions, let's make sure we fix the underlying problem."

Not only did investors get \$60 million in the Community Health deal, but a stronger voice in the company's direction, with two directors on its board. The settlement required members of the board's compensation committee to be independent directors and created a clawback scheme that required the recovery of compensation paid to the company's top officers if its accounts were restated, among other changes.

Robbins Geller attorneys also notched an important win in a fight with software maker Quality Systems Inc., which won dismissal and sought to preserve its win in the Ninth Circuit. But in July 2017, an appeals panel resuscitated the case, finding that statements the lower court had found to be nonactionable were "mixed," with both forward-looking information that was protected by federal law and nonforward looking info that could form the basis for a fraud claim.

The firm's attorneys are also representing plaintiffs in potentially groundbreaking securities actions against Theranos and Uber Technologies Inc., both highly valued private companies that have seen their valuations drop in the wake of corporate scandals. Although neither case has panned out yet, Brooks, who worked on the Household trial team, said they show that the firm is willing to go the distance.

"It's a new line of attack, but we're definitely willing to be and have been on the vanguard of these cases," he said. "As the defendants find new ways to commit fraud, we're going to find new ways to hold them accountable."

--Editing by Alyssa Miller.