

SECURITIES AND FINANCIAL FRAUD



Bartlit Beck's lawyers have a long record of success, on both the plaintiff and defense side, in cases involving allegations of large scale fraud. Our experience includes claims of securities fraud, accounting fraud, violations of RICO, insurance fraud, fraud in the standards setting context, and other types of fraud in a variety of business transactions.

Our focus on and preparation for trial places clients in a position of strength – enabling us to try the case if necessary but also leverage our readiness to obtain a beneficial settlement.

EXPERIENCE

Massachusetts Mutual Life Ins. Co. Residential Mortgage-Backed Securities Litigation

Represented MassMutual in actions in D. Massachusetts under the Massachusetts Uniform Securities Act, against underwriters Credit Suisse and Goldman Sachs, arising from their sales of residential mortgage-backed securities to MassMutual in 2005-2007. Credit Suisse settled after four weeks of trial, taking an additional \$79.5 million charge to earnings because of the settlement payment. Goldman Sachs settled shortly thereafter.

Metropolitan Mortgage & Securities Litigation

Represented Ernst & Young in federal securities class action suit and related arbitrations surrounding the collapse and bankruptcy of Metropolitan Mortgage & Securities Co., a \$2 billion investment, real estate and insurance conglomerate. Plaintiffs alleged accountants' negligence relating to audit work. Won back-to-back complete defense verdicts in separate trials involving claims for hundreds of millions in investment losses brought by Metropolitan's insurance subsidiary and the bankrupt estate. Class action case settled favorably shortly before trial.

Elliott Associates, L.P., et al. v. AbbVie Inc.

Represent various investment funds in fraud actions in circuit court in Chicago arising from AbbVie's aborted \$50 billion acquisition of Shire in 2014.

Wedel v. Colorado MEDtech

Represented Colorado MEDtech in case alleging securities fraud and breach of contract in connection with plaintiff's sale of a medical device company to client in exchange for stock in client. The case went to arbitration for two weeks before JAG in Denver. Ruling for client on all counts.

United States v. United Technologies

Represented United Technologies in ten-week bench trial of False Claims Act case brought by the Department of Justice. Government sought \$624 million, alleging price inflation on jet engine sales by UTC division Pratt & Whitney to the Air Force. Trial court's judgment rejected the government's \$624 million damages claim, held that the government suffered no actual damages, and imposed statutory penalties of \$7 million. UTC appealed after a subsequent remand ruling in which the district court reversed its trial ruling and awarded \$664 million. The Sixth Circuit reversed the damages award, held that the government had suffered no actual damages, and remanded to the trial court again. On the second remand, the government finally abandoned its \$600 million damages theory, and the trial court entered final judgment of \$1.2 million with interest of \$2.8 million (plus the \$7.1 million penalty).

In re Tyco Securities Litigation

Represented Tyco in multiple class action securities claims which involved more than \$10 billion in claimed damages. Litigation resolved favorably.

Ironworkers District Council of Philadelphia v. Andreotti, et al.

Represented current and former DuPont and Pioneer officers and employees in shareholder derivative action. Won motion to dismiss in the Delaware Chancery Court, which was affirmed by the Delaware Supreme Court.

In re TyCom Ltd. Securities Litigation

Represented Tyco in class action in D. New Jersey in which plaintiffs sought over \$1 billion in damages for alleged securities fraud in connection with a subsidiary's IPO. Litigation resolved favorably.

Whirlpool Financial Corp. v. W.R. Grace & Co.

Represented W.R. Grace in securities fraud action in N.D. Illinois relating to acquisition financing transaction. Won motion to dismiss. Dismissal affirmed on appeal.

Micron Technology v. Rambus

Represented Micron in connection with antitrust, fraud, and patent infringement claims brought in D. Delaware relating to Rambus's misconduct in industry standard-setting activities.

Overby v. Tyco International Ltd.

Represented Tyco International in ERISA class action in D. New Hampshire on behalf of participants in Tyco's retirement plans. Plaintiffs sought over \$1 billion. Litigation resolved favorably.

Attorney General of Canada v. R.J. Reynolds Tobacco

Represented Canadian government in prosecution of civil RICO claim against R.J. Reynolds seeking more than \$1 billion in damages caused by tobacco companies' scheme to smuggle tobacco into Canada and avoid Canadian taxes. Case dismissed from U.S. court and transferred to Canadian court. The Second Circuit affirmed dismissal.

Brantman, et al. v. MFS Communications Co., et al.

Represented MFS Communications Co. in securities fraud lawsuit in N.D. Illinois. Litigation favorably resolved on second day of trial.

Board of Trustees of City Colleges v. Arthur Andersen

Represented Arthur Andersen in Circuit Court of Cook County, Illinois litigation relating to derivative securities trading. Won partial summary judgment as to most of plaintiff's damages claim, leading to favorable resolution.

Franklin Strategic Income Fund, et al. v. Rigas, et al.

Represented Deloitte and Touche in federal securities suit in S.D. New York related to Adelphia Communications Corporation. Case settled.

Confie Seguros Holding II Co. v. J.C. Flowers & Co.

Represented J.C. Flowers, a private equity firm, in securities fraud litigation in N.D. Illinois resulting from the sale of certain insurance assets to plaintiff insurer Confie Seguros Holding II Co.

Brazen v. Tyco International

Represented Tyco in class action securities law claims in Cook County state court relating to registration statement issued by Tyco in connection with a merger with Mallinckrodt. Case settled.

IDT Corporation v. Telefonica, S.A.

Represented IDT in securities fraud action in D. New Jersey relating to the termination of a joint venture between IDT and Terra Networks and Terra Network's acquisition of internet portal Lycos. Litigation favorably resolved.

Cline, et al. v. Gerrity Oil & Gas Company

Represented Gerrity Oil and individual officers and directors in securities fraud class action in S.D. New York arising out of alleged nondisclosure of information relating to reserves and production. Case settled favorably after argument on dispositive motions.

In re IntelCom Group, Inc. Securities Litigation

Represented IntelCom Group, Inc. and individual defendants in federal securities fraud class action case in D. Colorado. Plaintiffs alleged that defendants failed to disclose material information about subsidiary's disbarment from federal government contracting. Case settled.

In re Corporate Express Securities Litigation

Represented director defendant in consolidated shareholder class action litigation in Colorado state court challenging the merger of Corporate Express and Buhrmann NV. Won dismissal for client.

Schwartz v. Celestial Seasonings

Represented defendants in class action securities fraud case in D. Colorado. Plaintiffs alleged defendants failed to disclose material information concerning contract with Perrier Corporation. Case settled.