



Securities & Fiduciary Duty Litigation

PRACTICE OVERVIEW





Value-driven excellence in defending complex securities disputes.

In recent years, more public companies are facing securities class actions as well as derivative, M&A, complex financial products and similar litigation and internal, board, whistleblower, and governmental investigations.

These cases are often complex and can distract directors, officers, and employees from the goals of the business. Furthermore, they are often accompanied by publicity that can negatively impact the company's reputation among the public and investors. Such cases can also be costly. These matters call for top-quality attorneys with deep experience in the complex and unique world of securities and financial litigation.

How We Help

Seyfarth's Securities & Fiduciary Duty Litigation group has emerged as a major competitor in securities litigation because of its decades of experience with a unique value proposition, explained in more detail below, which most other excellent firms do not have. Our group is composed of nationally recognized, experienced lead lawyers and experienced, well-trained associates. We deliver excellence in defending actions in this field with what we believe to be materially lower costs. As one of our clients has commented, this amounts to a true "value proposition." Our skills enable us to develop strategies and tactics designed to reduce risks for our clients and find the best path to a successful resolution of matters which are entrusted to us. Our deep experience successfully defending individuals, companies, boards, and financial institutions has given us a lead counsel and trusted advisor role in a wide variety of securities, financial, and corporate governance disputes. These include complex securities class actions, shareholder litigation, derivative claims, and investigations arising in a variety of contexts.

Our Securities & Fiduciary Duty Litigation team embraces Seyfarth's dedication to providing value in legal service delivery. As a result, we can offer our clients optimum

quality of service—at rates that are generally below those of comparable firms. We also achieve higher value through our award-winning use of technology, our efficient staffing and responsiveness, and effective case management techniques. We also collaborate with clients to develop, where desired, tailor-made alternative fee arrangements derived from our past experience and the clients' objectives.

Seyfarth's Securities & Fiduciary Duty Litigation team is committed to early and ongoing case analysis. By quickly evaluating a case when it is commenced, we can adopt strategies and tactics designed to bring a case to an end successfully, before it becomes burdensome economically and wastes executives' valuable time. In securities cases, where we have a strong record of achieving dismissals, our strategies often involve major efforts for early victory at the motion to dismiss and/or class certification stages of a case, or—in some appropriate circumstances—early settlement. Seyfarth has an outstanding and dedicated team of attorneys that includes highly rated and nationally known securities litigators, former state and federal prosecutors, former SEC enforcement staff members, as well as partners with deep experience

dealing with government agencies. We also have a truly outstanding group of attorneys in Seyfarth's Financial Industry Regulatory Authority (FINRA) defense team, known for its record of success in large FINRA arbitration matters—many of which are tried to a panel. Our attorneys have represented public companies across various industries including:

- Mining
- Fashion
- Manufacturing
- Health care and pharmaceuticals
- Music, sports, and entertainment
- Technology
- Finance
- Real estate
- Banking and insurance
- Hedge funds
- Broker dealers
- Non-profits
- Corporate ratings
- Accounting
- Investment funds

We routinely conduct investigations for our clients, often in response to whistleblower internal complaints, on behalf of boards and board committees, and in response to government investigations and claims. The investigations we conduct often include allegations of fraud, misrepresentations and omissions, breaches of fiduciary duties, claims of market manipulation and insider trading, improper internal controls, auditor

independence issues, alleged violations of SEC, CFTC and FINRA regulations, broken swap and CDO trades, and claims arising out of indentures and servicing agreements for asset-backed securities. We also have extensive experience with post-M&A litigation, including defending clients against challenges to disclosures, going private transactions, proxy statement challenges, and earn-out disputes.

Independent Recognition of Our Work in Securities Litigation

Our capabilities, excellent work and results, expertise, and value-driven approach have been recognized not only by our peers and clients but also by law firm ranking organizations, including:

- Chambers
- Legal 500
- Benchmark
- Best Lawyers
- LawDragon
- BTI Consulting

Many top D&O Carriers have in the last three years added Seyfarth as panel counsel to their elite securities litigation panels. These highly prized designations amount to an additional testament to our emergence as a competitor for the most challenging work available in securities litigation because of our expertise, excellence of work, and the value we provide.



Samples of Our Experience

- Represented individual directors and officers in two similar but separate securities actions filed alleging violations of Rule 10 b-5 and state law. Plaintiffs claim that nine individual defendants affiliated a bankrupt e-commerce and t-commerce company made misrepresentations and omissions concerning the prospects for the company. Seyfarth filed motions to dismiss on behalf of all company defendants. Several parts of these motions were granted by the court.
- Represented a large international company in a class action securities suit alleging violations of Section 14(a), Rule 14a-9 and Section 20(a) of the Securities Exchange Act of 1934 in connection with proxy disclosure of financial projections in connection with an acquisition.
- Represented former and current officers and directors in connection with internal and government investigations of structured financial products and related class action and shareholder derivative litigation stemming from the 2008 financial crisis.
- Represented former directors and officers of a global financial service firm in connection with investigations by various state and federal government agencies, including the SEC, the New York Attorney General and the DOJ, and the defense of class action securities litigation in New York, California, and New Jersey in connection with the transactions arising out of the 2008 financial crisis.
- Represented numerous companies, boards, and special committees in deal-related M&A litigation and shareholder class actions, including in litigation arising out of the largest hedge fund merger in history.
- Defended the directors and officers of a life sciences company in four related shareholder litigation suits stemming from an announced acquisition of the company by a biotech company through a tender offer.
- Represented the Audit Committee of a Fortune 100 consumer products company in connection with the company's restatement of earnings, including conducting, with company counsel, an extensive internal investigation and responding to an SEC investigation.
- Defended a Chinese-based manufacturer of electronic components and two of its directors in a consolidated federal securities class action and a companion shareholder derivative suit filed in Delaware Chancery Court.
- Secured a complete defense verdict in a FINRA arbitration seeking over \$68 million for a full-service investment bank and self-clearing broker-dealer in one of the largest and most complex FINRA arbitrations involving a clearing firm in recent years.
- Represented former executive of multinational finance and insurance corporation in several civil litigation matters filed in federal and state courts in New York and related government investigations and enforcement actions arising out of the highly-publicized alleged insurance industry-wide bid-rigging practice and undisclosed contingent commissions paid to insurance brokers and the restatement of the company's financial statements. The cases involved complicated accounting and regulatory issues concerning finite reinsurance and general reinsurance transactions, various structured financial products, and non-US financial vehicles.
- Represented a financial institution and its senior principals in connection with a confidential SEC investigation regarding valuations set by hedge fund investors in one of the client's portfolio companies.
- Defended pharmaceutical company in an action brought by venture capitalists alleging securities and common law causes of action stemming from a dispute over an earn-out payment.
- Represented a fast-growing California based nutrient-infused water company, as well as its founder and largest stockholder, in a battle for corporate control against several other large stockholders and former directors in Delaware Chancery Court, the Northern District of Texas, and the Middle District of North Carolina. The case involved issues of stockholder voting rights, interference with contracts, materiality of public statements regarding credentials, and standards of judicial review.
- Represented a large Canadian bank in a proceeding in Delaware Bankruptcy Court involving allegations of breach of fiduciary duty stemming from a failed attempt to sell the company pre-bankruptcy.
- Represented former chair of an international technology company in consolidated derivative litigation concerning employee stock options.
- Represented the former corporate controller of a public company in investigations of the company's restatements as well as multiple class action lawsuits and an SEC investigation.
- Represented shareholders (the "Sellers") in an ICC arbitration for recovery of a \$23 million purchase price adjustment to a \$125 million sale of a business to a large Spanish construction company (the "Purchaser").
- Investigated, on behalf of a special committee of the board of a large financial institution, alleged misconduct by employees of the institution and advised on related securities law and corporate governance issues.

Our Culture

With more than 975 lawyers across 17 offices, Seyfarth Shaw LLP provides advisory, litigation, and transactional legal services to clients worldwide.

Our long history of excellence and innovation has created a culture with a sense of purpose and belonging for all. In turn, our culture drives our commitment to the growth of our clients, the diversity of our people, and the resilience of our workforce.

For us, “inclusion and diversity” are more than aspirational words. They are at the forefront of our firm’s client- and talent-centered culture. We drive our efforts through tangible action, continuous improvement, and constant learning.

Our goal is to create a culture in which people can bring their authentic selves and unique experiences to the work we do every day. We do so for two simple yet powerful reasons: our people matter, and we excel when we cultivate belonging, inclusion, and diversity.

Our innovative programs—inside the firm and in partnership with our clients—help grow our population of attorneys from underrepresented groups, and advance their careers.

WE FOCUS ON FOUR KEY PILLARS:

INCLUSIVE LEADERSHIP

Leaders must model the behavior change we desire to see, and drive the organizational change necessary for inclusion and diversity.

INCLUSIVE TALENT DEVELOPMENT

We equip our talent to succeed through targeted programs that address the unique hidden barriers professionals from under-represented groups face.

COMMUNITIES

Seyfarth is committed to partnering with the communities where we live and work, and with our clients on advancing inclusion and diversity in the legal profession.

ORGANIZATIONAL STRATEGY

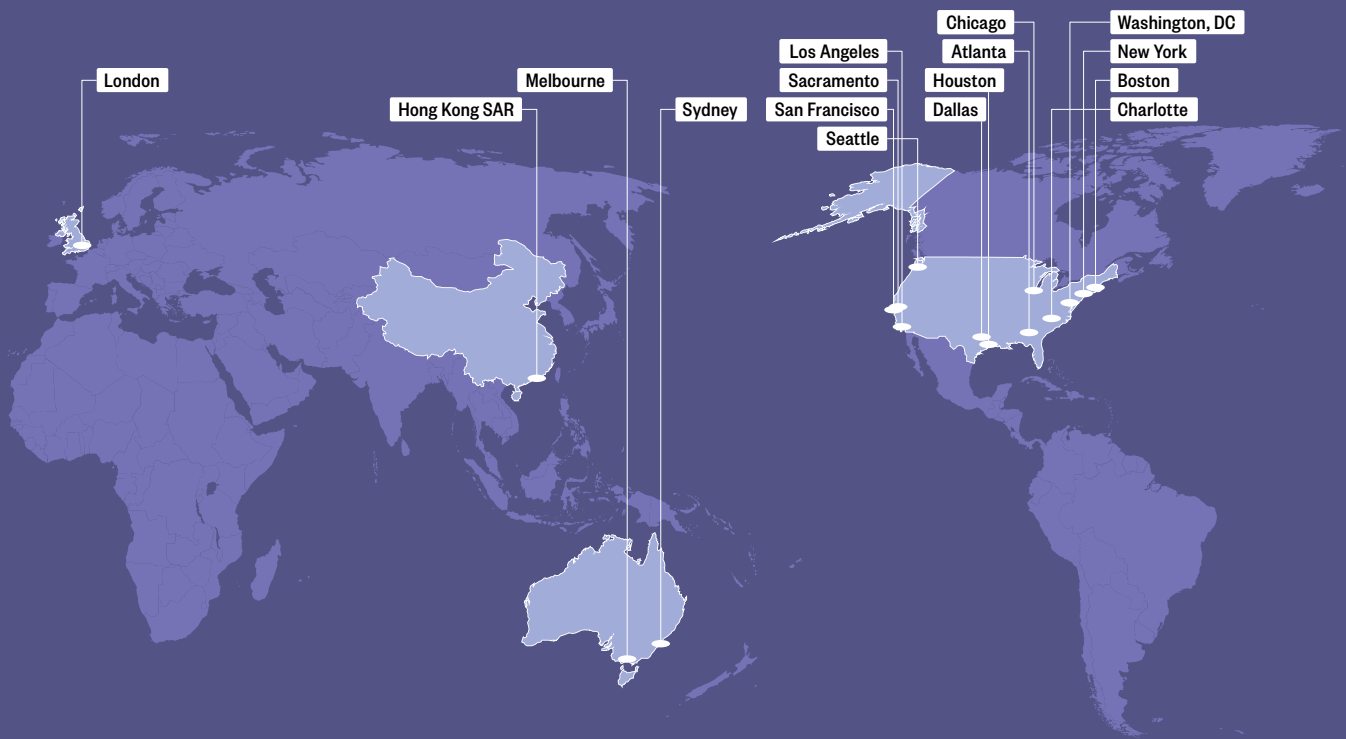
We know that it is not enough to provide education and awareness; we must also examine the systems and processes we use in the business and practice of law.

Our innovation, culture, and legal work have been recognized by top-tier organizations around the world:

- Association for Corporate Counsel
- Benchmark Litigation
- Chambers Asia-Pacific
- Chambers USA
- Financial Times Innovative Lawyers
- Human Rights Campaign Corporate Equality Index
- The Legal 500
- The Legal 500 Asia-Pacific
- Working Mother Best Law Firms for Women

Your needs serviced through an international model.

AN INTERNATIONAL FOOTPRINT





“Seyfarth” and “Seyfarth Shaw” refer to Seyfarth Shaw LLP, an Illinois limited liability partnership. Our London office operates as Seyfarth Shaw (UK) LLP, an affiliate of Seyfarth Shaw LLP. Seyfarth Shaw (UK) LLP is a limited liability partnership established under the laws of the State of Delaware, USA, and is authorised and regulated by the Solicitors Regulation Authority with registered number 556927. Legal services provided by our Australian practice are provided by the Australian legal practitioner partners and employees of Seyfarth Shaw Australia, an Australian partnership. Seyfarth Shaw (賽法思律師事務所) is a separate partnership operating from Hong Kong as a firm of solicitors.