

# BARRACK BULLETIN

THE INSTITUTIONAL INVESTOR'S GUIDE TO SECURITIES CLASS ACTION LITIGATION

## Second Quarter 2016 Securities Litigation Review Prepared for the Lancashire County Council

Barrack, Rodos & Bacine, as securities monitoring counsel for the Lancashire County Council ("Lancashire"), provides the following securities litigation review for the second quarter of 2016 as reflected in Barrack's Evaluation And Monitoring System, or BEAMS®:

### ***U.S. Securities Class Action Filings***

From April 1 through June 30, 2016, there were 54 securities class actions filed by investors:

- 52 cases were filed in federal court and two cases were filed in state court.<sup>1</sup>
- One of the 54 cases was voluntarily dismissed by the end of the quarter. Securities cases are typically dismissed voluntarily when the investor leading the case, after conducting an investigation into the allegations, determines that there will likely be insufficient evidence to support for the allegations of wrongdoing.
- BR&B analyzed every securities class action filed and concluded that 16 cases contained allegations that appeared to be of sufficient merit that we would recommend that our institutional investor clients with a substantial financial interest in the case consider an active role.
- Lancashire did not suffered losses on class period investments in the securities that were the subject of institutional quality cases filed during the second quarter of 2016, but did suffer losses on its class period investments in securities that were the subject of two non-institutional quality cases filed in the quarter. Because we had determined that these cases were not institutional quality cases, we did not recommend that the fund seek appointment as a lead plaintiff in those cases.

---

<sup>1</sup> The state court cases are listed at the end of the U.S. Securities Class Actions Report (All U.S. Cases) without a lead motion due date. Securities class actions alleging violations of federal law in connection with public offerings of securities may be filed in state court, outside the scope of the Private Securities Litigation Reform Act of 1995 ("PSLRA"). Because the PSLRA's lead plaintiff procedures do not apply, the Lead Motion Due Date has been left blank.

### ***Settled Cases – Claim Filings***

- There were 36 settled securities class actions with claim filing deadlines in the second quarter of 2016.
- Every month we notified Northern Trust, Lancashire’s custodian, of upcoming claim filing deadlines and our analysis of the fund’s financial interest in each settlement based on the terms of the settlement.
- According to the custodial data available to us, Lancashire invested in the securities covered by one settlement with a claim filing deadline in the quarter and Northern Trust filed a claim on the Fund’s behalf in that case.<sup>2</sup>

### ***Settled Cases – Recoveries***

- Lancashire did not receive distributions from settlement funds in the second quarter of 2016.

### ***Global Group Actions***

- We identified nine group actions that were contemplated or brought outside of the United States with participation deadline dates in the second quarter of 2016.
- Lancashire did not have a substantial financial interest in any of the global group actions that had participation deadlines in the second quarter of 2016.<sup>3</sup>

---

<sup>2</sup> According to the custodial data available to us, Northern Trust filed a claim on Lancashire’s behalf in the J.P. Morgan settlement, where the fund did not purchase the securities that are the subject of that settlement during the relevant period. This may have occurred because the fund held the relevant securities at the beginning and end of the relevant period, which information is requested in the claim form for that settlement.

<sup>3</sup> Should the fund appear to have a substantial financial stake in a non-U.S. case, we will provide an analysis that includes a discussion of the feasibility of asserting claims in a non-U.S. jurisdiction.