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Supremes About to Hear Historic Challenge to Fraud on the Market Theory

by Louis C. Ludwig

Inside This Issue

1 Supremes to Hear Challenge to Fraud on the Market Theory

2 Threat to Shareholder Protections in Controlling Party Transactions

3 JPMorgan Admits Madoff Cover-Up

3 Attorney Abe

4 "Go Shop" Provisions -- Too Little, Too Late

5 Pomerantz Is Pleased

6 Notable Dates

7 PomTrack© Update

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Twenty five years ago, in *Basic Inc. v. Levinson*, the Supreme Court adopted the so-called "fraud on the market" ("FOTM") theory in securities fraud class actions. That theory holds that a security traded on an "efficient" market presumably reflects all public "material" information about that security, including any public misrepresentations by the defendants; and that in such cases investors rely on the market price as a fair reflection of the totality of information available. Because investors purchase their shares at the market price, assuming that that price reflects all available material information, it is fair to presume that all investors relied, indirectly, on defendants' misrepresentations when they purchased their shares.

Reliance is an essential element of securities fraud claims. The FOTM presumption allows investors to establish reliance on a class-wide basis, without having to show that each member of the class personally relied on defendants' misrepresentations. If reliance had to be shown separately for each of the hundreds of thousands, or even millions, of investors, individual questions of reliance would overwhelm the case. In legalese, individual questions would "predominate" over common questions in the action, and it would be next to impossible to certify a class. The FOTM theory adopted in *Basic* is therefore a foundation of securities fraud class actions.

The importance of class-wide reliance was apparent to the courts from the outset of the modern class action era in 1966. Just two years later, the Second Circuit rejected a defendant's argument "that each person injured must show that he personally relied on the misrepresentations" because, the court concluded, "[c]arried to its logical end, it would negate any attempted class action under Rule 10b-5 ...." Because most investors do not suffer large enough losses from securities fraud to support prosecution of an individual action, class actions are often the only way for most investors to obtain redress for securities fraud.

In recent years, some members of the Supreme Court have become more critical of securities fraud class actions, echoing Chamber of Commerce arguments that the mere act of certifying a class in a securities fraud action puts enormous financial pressure on defendants, forcing them to settle claims regardless of their merit. Before *Halliburton*, defendants had mounted a series of efforts to get the courts to make it harder to certify a class, arguing that plaintiffs should be forced to prove, at the class certification stage, that the misrepresentations were material (the *Amgen* case), or that they caused plaintiffs' losses (an earlier *Halliburton* case). Both of those efforts failed.

Those were merely the preliminary bouts; the main event is now here. For years, corporate interests have been mounting attacks on the FOTM theory, arguing that markets are not as efficient as economists previously thought. With the Supreme Court agreeing to revisit its decision in Basic, these well-funded efforts have finally paid off. On November 15, 2013, the Court granted *certiorari* in *Halliburton Co. v. Erica P. John Fund*. In *Halliburton*, the Supreme Court will decide two issues:

Continued on Page 2 . . ./

Supremes to Hear Historic Challenge to Fraud on the Market Theory
. . . /continued from Page 1

(1) Whether it should overrule or substantially modify the holding of *Basic* to the extent that it recognizes a presumption of class-wide reliance derived from the fraud-on-the market theory; and

(2) Whether, in a case where the plaintiff invokes the presumption of reliance to seek class certification, the defendant may rebut the presumption and prevent class certification by introducing evidence that the alleged misrepresentations did not distort the market price of its stock.

For everyone involved in litigating securities fraud class actions, the answers to these questions could be game-changers; and Pomerantz's clients are among the potentially affected. If *Basic* is overruled and FOTM is jettisoned, securities fraud class actions as we have known them for a quarter century will be a thing of the past.

Another possibility is that the Court will modify, rather than reject, *Basic* and FOTM. This possibility exists because FOTM theory actually consists of two distinct, but related, parts: first, "informational efficiency," the idea that the market is capable of efficiently and speedily processing material information; and second, "price distortion," whether fraudulent statements injected into the informationally-efficient market in a particular case actually distort a given security's market price. After *Basic* was decided, courts weighing class certification in securities fraud cases focused primarily on informational efficiency, allowing the FOTM presumption of reliance to attach where that test was satisfied. By contrast, inquiries into price distortion were rare, if they occurred at all, on class certification motions. The Court could keep FOTM while requiring that plaintiffs establish both an informationally-efficient market, and some price distortion, perhaps using event studies of a type already much in use in securities fraud litigation.

Defendants are arguing that the issue of price distortion is closely related to another element of a securities fraud claim, "loss causation," proof that defendants' misstatements, once corrected, caused the price of the stock to drop, causing plaintiff's losses. A court that simply assumes price distortion also, to some extent, assumes loss causation. Second, the FOTM presumption is essentially predicated on another independent element of a securities fraud claim, "materiality." By presuming reliance, courts presume the materiality of the alleged misstatement, and on the class certification motion defendants cannot offer rebuttal evidence negating materiality. Defendants argue that plaintiffs should not be entitled to such presumptions in their favor on a class certification motion.

Sure, at the end of the day, at summary judgment or at trial, defendants will have their opportunity to rebut all these presumptions. But, the argument goes, that is too late, as a practical matter. Once a class is certified, defendants have a strong incentive to settle. Very few defendants have the chutzpah to take a "bet the company" securities fraud class action to trial.

Even if the Court abrogates *Basic* and the FOTM theory completely, class actions will still be possible in cases involving failures to disclose (rather than misrepresentations), or involving violations of the Securities Act, which relates primarily to initial public offerings. In other cases, however, investors will be left to pursue individual actions, mostly on behalf of large institutional investors, and possibly in state court. Pomerantz's current *BP* litigation, which alleges common law fraud and negligence claims stemming from over two dozen clients' losses associated with BP common stock investments, provides a glimpse into what this post-*Basic* world might look like. In such cases, institutions with significant losses can pursue individual actions even without the FOTM presumption, if their advisors actually relied on defendants' misrepresentations.

Oral arguments in *Halliburton* are set for March 5, 2014. In the meantime, Pomerantz attorneys continue to work with economists, Supreme Court consultants, and the law firm that will argue the case, to craft an *amicus* brief that will support the continued viability of FOTM. Barring the outright affirmance of Basic, we will urge the Court to adopt an approach that leaves FOTM in place – as securities fraud class actions are untenable without some version of it – while adopting a limited inquiry into price distortion.

Threat to Shareholder Protections in Transactions with Controlling Parties

A recent Delaware Chancery Court decision, now on appeal before the Delaware Supreme Court, may dramatically lessen the customary safeguards for minority shareholders in controlling party transactions, such as going private mergers.

In *M&F Worldwide* ("MFW"), Chairman Ronald Perelman offered to acquire the remaining 57% of MFW common stock he did not already own. As part of his proposal , Perelman indicated that he expected that the "board of Directors will appoint a special committee of independent directors to consider [the] proposal and make a recommendation to the Board of Directors," and also noted that the "transaction will be subject to a non-waivable condition requiring the approval of a majority of the shares of the Company not owned by M&F or its affiliates."

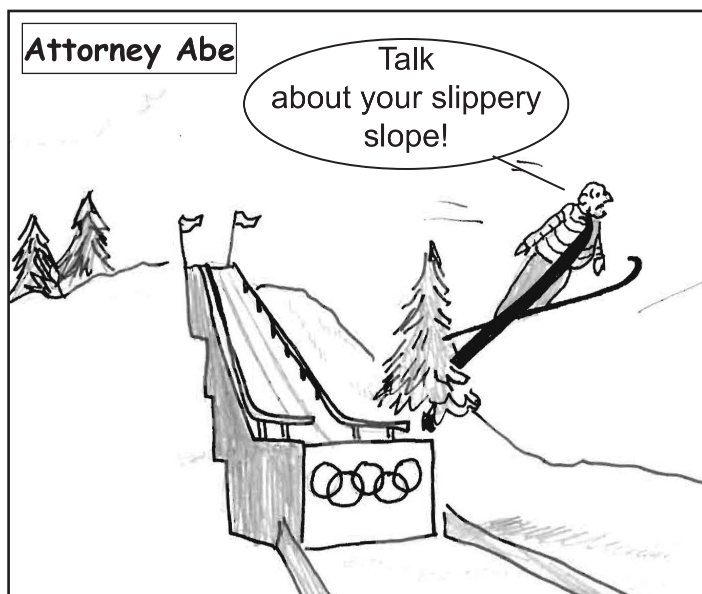
Controlling shareholder transactions normally trigger the en-

hanced "entire fairness" standard of judicial review. This enhanced standard places a burden on the corporate board, and the controlling shareholder, to demonstrate that the transaction is inherently fair to the shareholders, by both demonstrating fair dealing and fair price. This is a very difficult standard for the company to meet.

However, Delaware courts have held that the burden of proof on the issue of "entire fairness" can be shifted to the plaintiff challenger if the transaction has been approved either by an independent special committee of directors or by a positive vote of a majority of the minority shareholders. Independent committee and "majority of the minority" provisions are an attempt to assure that the company and its shareholders can exercise independent judgment in deciding to accept or reject the transaction. Although shifting of the burden of proof creates a higher hurdle for minority shareholders to surmount, it is not an impossible one, because the ultimate inquiry remains the same: the "entire fairness" of the transaction.

Critically, even if these devices are used, Delaware courts have consistently held, up to now, that the business judgment rule does not protect the transaction. That rule, which protects most ordinary business decisions from shareholder challenge, is almost impossible for shareholders to overcome, because it provides that in making a business decision the directors of a corporation are presumed to have "acted on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the company."

In his decision, Chancellor Strine (who was just nominated to become the next Chief Justice of the Delaware Supreme Court), ruled that where a transaction with a controlling person is conditioned on both negotiation and approval by an independent, special committee and a fully-informed, un-coerced vote of the majority of the minority, the proper standard of review is that of business judgment. According to Chancellor Strine, because Perelman conditioned the deal on implementation of procedural protections that essentially neutralized his controlling influence, the transaction is no different from routine corporate transactions in which the deferential business judgment standard is applicable.



At oral argument, the Supreme Court seemed interested in the policy arguments both for accepting and rejecting the Chancellor's reasoning. Chancellor Strine's ruling, if adopted by the Supreme Court, could provide a roadmap for corporate boards to forestall litigation on even the most one-sided controlling shareholder transactions. Though too early to predict fully the repercussions of such a ruling, there is fear that institutional investors will use the power of the purse to reduce their holdings in controlled corporations over time, if their assets lose the valuable protections they are currently afforded.

Gustavo F. Bruckner

JPMorgan Admits that it Covered Up the Madoff Ponzi Scheme

This January, Federal District Judge Jed Rakoff published an essay in *The New York Review of Books* that reverberated in the financial community. He noted that, five years after the market crash of 2008 that caused millions of people to lose their jobs, "there are still millions of Americans leading lives of quiet desperation: without jobs, without resources, without hope." Yet the Wall Street malefactors who caused this catastrophe have never been called to account. "Why," he asked, "have no high-level executives been prosecuted?" Many of us have asked the same question. After all, after previous periods of financial scandal, several big time honchos spent years staring at the inside of a jail cell. Just ask Dennis Koslowski and Jeffrey Skilling, to name only two.

The JPMorgan Chase case shows how much things have changed. The bank has confessed to a litany of misconduct, including fraud in connection with its sale of mortgage-backed securities, and allowing its "London Whale" trader to run amok, causing the company to lose billions of dollars, and then covering it up. Now, on almost the same day as Judge Rakoff's essay was published, JPMorgan Chase has fessed up again, admitting that it committed two criminal violations when it covered up its knowledge of Bernard Madoff's $65 billion Ponzi scheme, which was run through Madoff's bank accounts at the bank. According to prosecu-

Continued on Page 4 . . ./

JPMorgan Admits Madoff Cover-Up
. . . /continued from Page 3

tors, JPMorgan's actions amount to "programmatic violation" of the Bank Secrecy Act, which requires banks to maintain internal controls against money laundering and to report suspicious transactions to the authorities. According to Preet Bharara, the U.S. Attorney for the Southern District of New York, JPMorgan's "miserable" institutional failures enabled Madoff "to launder billions of dollars in Ponzi proceeds."

To resolve these Madoff cases, JPMorgan agreed to pay more than $2.6 billion in various settlements with federal authorities. At the same time, it also filed two settlements in private actions totaling more than $500 million – one for $325 million with the trustee liquidating the Madoff estate, and the other for $218 million to settle a class action.

Interestingly, the federal prosecutors credited the trustee's team with discovering many of the unsavory facts of the bank's involvement.

These payouts bring to nearly $32 billion the total that JPMorgan has reportedly paid in penalties to federal and state authorities since 2009 to settle a litany of charges of misconduct. Most notably it came to a record $13 billion settlement just months ago with federal and state law enforcement officials and financial regulators, over its underwriting of questionable mortgage securities before the financial crisis.

And yet, no one at the bank has been criminally prosecuted for any of this. The deal reached by JPMorgan with prosecutors in the Madoff case stopped short of a guilty plea, and no individual prosecutions were announced. Instead, the bank entered into a deferred prosecution agreement, which suspends a criminal indictment for two years on condition that the "too big to fail" and "too big to jail" bank overhauls its money laundering controls. Even so, this is reportedly the first time that a big Wall Street bank has ever been forced to consent to a non-prosecution agreement.

Given what JPMorgan Chase admits happened here, it is amazing that there were no prosecutions of individuals. According to documents released by the U.S. Attorney's office, the megabank's relationship with Madoff stretched back more than two decades, long before Madoff was arrested in 2008. One document released by prosecutors outlining the megabank's wrongdoing observed that "The Madoff Ponzi scheme was conducted almost exclusively through" various accounts "held at JPMorgan."

By the mid-nineties, according to an agreed statement of facts released by prosecutors, bank employees raised concerns about how Madoff was able to claim remarkably consistent market-beating returns. Indeed, one arm of the bank considered entering into a deal with Madoff's firm in 1998 but balked after an employee remarked that Madoff's returns were "possibly too good to be true" and raised "too many red flags" to proceed. Then, in the fall of 2008, the bank withdrew its own $200 million investment from Madoff's firm, without notifying either its clients or the authorities.

Twice, in January 2007 and July 2008, transfers from Madoff's accounts triggered alerts on JPMorgan's anti-money-laundering software, but the bank failed to file suspicious activity reports. In October 2008, a U.K.-based unit of JPMorgan filed a report with the U.K. Serious Organised Crime Agency, saying that "the investment performance achieved by [the Madoff Securities] funds ... is so consistently and significantly ahead of its peers year-on-year, even in the prevailing market conditions, as to appear too good to be true — meaning that it probably is." But that information was not relayed to U.S. officials, as required by the Bank Secrecy Act.

On the day of Mr. Madoff's arrest in December 2008, a JPMorgan employee wrote to a colleague: "Can't say I'm surprised, can you?" The colleague replied: "No."

In commenting on this latest settlement by the bank, Dennis M. Kelleher, the head of Better Markets, an advocacy group, observed that "banks do not commit crimes; bankers do." Jailing people is the best way to deter future misconduct.

If anyone thinks that huge fines are enough to deter misconduct by huge financial institutions, they should think again. Despite its huge penalties, JPMorgan just reported another multi-billion dollar quarterly profit, and announced that Chairman Jamie Dimon will receive a hefty raise. Obviously, it can afford to keep treating penalties as just another cost of doing business.

Jay Douglas Dean

"Go-Shop" Provisions – Too Little, Too Late

In a previous issue of the *Monitor,* we discussed potential problems the combination of certain "deal protection devices" may cause for shareholders wanting to receive the most they can get for their stock when their corporation receives an acquisition offer.

In most merger transactions, the party making the offer wants to lock up the transaction as tightly as possible. The offeror, after all, has just finished negotiating the deal, usually after a

Pomerantz is Pleased to Announce . . . that **Matthew L. Tuccillo** is now a Partner of the Firm.

Matthew L. Tuccillo

Mr. Tuccillo, along with Pomerantz Managing Partner Marc I. Gross, manages the Firm's securities litigation concerning BP's 2010 Deepwater Horizon oil spill, representing dozens of foreign and domestic public and private pension funds, limited liability partnerships, and investment trusts in individual actions related In re BP p.l.c. Secs. Litig., Multidistrict Litigation 2185. He is also presently responsible for the Firm's litigation of several securities fraud class actions, including In re Silvercorp Metals, Inc. Securities Litigation.

Mr. Tuccillo's prior casework includes litigation and resolution of complex roll up disputes. He was on the multi-firm team that settled In re Empire State Realty Trust, Inc. Investor Litigation for a $55 million cash/securities settlement fund and a deal restructuring that generated a $100 million tax benefit for investors in public and private commercial real estate interests. He has also handled shareholder books and records demands and derivative lawsuits, as well as consumer, wage and hour, and M&A litigation.

He has attained a rating of AV® Preeminent, the highest ranking available through Martindale-Hubbell's Peer Review Ratings, scoring a perfect 5.0 out of 5.0 in the area of Securities Law, Securities Class Actions, and Securities Litigation while being described as a "First class, top flight lawyer, especially in complex litigation." Mr. Tuccillo graduated from the Georgetown University Law Center in 1999, where he made the Dean's List. He joined Pomerantz in 2011.

Pomerantz also welcomes two new associates. **C. Dov Berger**, a member of our securities litigation team, is a 2013 graduate of the Benjamin N. Cardozo School of Law, where he was Staff Editor of the Cardozo Public Law, Policy and Ethics Journal. He was also a Cardozo Scholar on a full scholarship. Mr. Berger, a Certified Public Accountant, holds a B.S. in Accounting, summa cum laude, from Touro College, and an M.S. in Accounting from CUNY. From April 2005 – May 2008, Mr. Berger performed community service as an NYPD Auxiliary Police Officer.

Alla Zayenchik recently joined our mergers and acquisitions litigation team. Ms. Zayenchik is a 2013 graduate of the Benjamin N. Cardozo School of Law, where she was Symposium Editor of the Cardozo Public Law, Policy and Ethics Journal. She was the recipient of a Squadron Fellowship in Media Law and full-tuition Dean's Merit Scholarship. Ms. Zayenchik received a Bachelor of Arts summa cum laude from Baruch College, City University of New York, in 2010.

During her school years, Ms. Zayenchik interned for the Innocence Project and for the Honorable Melvin L. Schweitzer, New York State Supreme Court, and was a research fellow at the Annenberg School for Communication at the University of Pennsylvania.

long and expensive process of due diligence, and does not want its offer to be just the opening of an all-out bidding war with competing bidders. Offerors therefore typically condition their offer on the target agreeing to limit its ability to consider other offers.

On the other side of the table sits the target company's board of directors, which has fiduciary duties to the target company and its public shareholders. Among those are the duty to maximize shareholder value if the company is sold, and, to that end, to keep itself as free as possible to consider (or even to seek out) superior offers, should they be made (through what are known as "fiduciary out" provisions).

This conflict is usually resolved through the adoption of multiple deal protection devices which are incorporated into the merger agreement between the target company and buyer. These devices can include, among other things, "no solicitation" provisions which restrict the target's board of directors from soliciting and negotiating potentially superior offers; "matching rights" which essentially give the buyer a leg-up over any potential bidder, allowing it to match any superior offer made for the target company; and termination fees which require the target company to pay a significant amount (usually ranging between 3% and 4% of the total value of the transaction) to the buyer in the event the target's board decides to pursue a superior offer.

Sometimes the target's board will negotiate what is known as a "go-shop period," which is a period of time, usually between 30-45 days, during which the target's board of directors is allowed to actively solicit superior offers from potential bidders without breaching the "no solicitation" mechanism.

But there is an inherent flaw in this mechanism, which in most cases does not turn up any superior bids. More often than not,

Continued on Page 6 . . ./

"Go Shop" Provisions -- Too Little, Too Late
. . . /continued from Page 5

go-shop provisions are negotiated in lieu of a pre-signing market check. This usually happens when the buyer pressures the target's board to accept its bid in a short period of time. The board, afraid that any delay may thwart this opportunity, may choose to skip a market check – a process that takes time – and instead enter into a merger agreement with the buyer, leaving itself the theoretical possibility of potentially securing a better offer after the deal with the buyer is already agreed upon and publicly announced.

However, at that point, the target's board has already approved the deal with the buyer, including the consideration to be paid for the target's common stock. This acceptance by the target's board sometimes leads to a number of insiders (including board members) entering into voting and support agreements pursuant to which they agree to vote their shares in favor of the deal with the buyer, and against any other deal.

Moreover, the go-shop mechanism doesn't necessarily neutralize the other deal protection devices in place including, without limitation, the termination fees and matching rights. This means that any potential bidder who is now interested in making an offer for the target company must assume significant time and expense just to be able to make a superior offer, knowing that the buyer can always simply match the bidder's offer. Such potential bidder will also have to work harder to secure a majority supporting its offer, in light of any voting or support agreements entered into by target insiders. Even if the buyer chooses not to match, the new bidder must, directly or indirectly, incur the termination fees, thereby increasing even further the cost of such a transaction.

It is no surprise, then, that the go-shop process usually produces zero competitive bids for the company. The hoops potential bidders must jump through are usually just too many, and they usually go on to search other opportunities, potentially leaving money on the table instead of in the target's shareholders' pockets. As a result, go-shop provisions are often dismissed as "too little, too late."

It should therefore be shareholders' preference that a company undergo a significant and meaningful pre-signing market check, or outright auction, rather than negotiate a post-signing go-shop. Bidders are far more likely to materialize if the target hasn't already signed a deal with someone else. Target boards have to weigh the risk that the offeror will walk away, with the risk that they will be foregoing possibly better offers. In other words, directors have to decide whether a bird in the hand is really better than two in the bush.

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notable dates

. . . on the Pomerantz horizon

Jeremy Lieberman: will speak at a Pomerantz-sponsored conference in Amsterdam on January 30, on "Investor Protection Actions."

Cheryl Hamer: will attend the **NCPERS** Legislative Conference, January 26-28, in Washington, DC; **National Labor & Management Conference**, February 13-18 in Hollywood , FL; **CALAPRS** General Assembly Meeting, Mar 1-4 in Rancho Mirage , CA; **Building & Construction Trades Department Legislative Conference**, March 8-12 in Washington , DC; **TEXPERS** Annual Conference , March 23-26 in Fort Worth, TX; **NCPERS** Annual Conference, April 27- May 1 in Chicago, IL; **CII** Spring Meeting, May 7-9 in Washington, DC; **SACRS** Spring Conference, May 13-16 in Sacramento, CA; **ICGN** Annual Conference, June 16- 18 in Beurs Van Berlage, Amsterdam; **NAPPA** Legal Education Conference, June 24-27 in Nashville, TN

Robert Axelrod: will speak at the **LATEC** Investment Education Symposium in New Orleans on February 26-28.

Jayne Goldstein: will speak on April 2 at the Florida Public Pension Trustees Association's Continuing Education Wall Street Program in New York, NY.

Jeremy A. Lieberman

Cheryl D. Hamer

Robert J. Axelrod

Jayne A. Goldstein

PomTrack© Class Actions Update

Pomerantz, through its proprietary PomTrack© system, monitors client portfolios to identify potential claims for securities fraud, and to identify and evaluate clients' potential participation in class action settlements.

NEW CASES: Recently filed securities class action cases filed by various law firms are listed below. If you believe your fund is affected by any of these cases, contact Pomerantz for a consultation.

Case Name	TICKER	Class Period	Lead Plaintiff Deadline
Lumber Liquidators Holdings, Inc.	LL	February 22, 2012 to Nov 21, 2013	January 27, 2014
Violin Memory, Inc.	VMEM		January 27, 2014
International Business Machines Corp (2013)	IBM	June 25, 2013 to October 16, 2013	February 10, 2014
OSI Systems, Inc.	OSIS	January 24, 2012 to Dec 6, 2013	February 10, 2014
Sanofi	GCVRV	March 6, 2012 to November 7, 2013	February 10, 2014
The Western Union Company	WU	February 7, 2012 to Oct 30, 2012	February 10, 2014
Turquoise Hill Resources Ltd.	TRQ	May 14, 2010 to November 8, 2013	February 11, 2014
Insys Therapeutics, Inc.	INSY	May 1, 2013 to December 12, 2013	February 14, 2014
PVR Partners, L.P. (E.D. Pa.)	PVR		February 14, 2014
Electronic Arts Inc. (2013)	EA	July 24, 2013 to December 4, 2013	February 17, 2014
Tri-Tech Holding Inc.	TRIT	March 26, 2012 to Dec 12, 2013	February 18, 2014
Angie's List, Inc.	ANGI	February 14, 2013 to Oct 23, 2013	February 21, 2014
Net 1 UEPS Technologies, Inc.	UEPS	August 27, 2009 to Nov 27, 2013	February 24, 2014
Barnes & Noble, Inc.	BKS	February 25, 2013 to Dec 5, 2013	March 10, 2014
INTL FCStone, Inc.	INTL	February 17, 2010 to Dec 16, 2013	March 14, 2014
Advanced Micro Devices, Inc. (2014)	AMD	October 27, 2011 to Oct 18, 2012	March 17, 2014
Aegerion Pharmaceuticals, Inc.	AEGR	March 15, 2012 to January 9, 2014	March 17, 2014
Gentium S.p.A.	GENT		March 17, 2014
Merge Healthcare Incorporated	MRGE	August 1, 2012 to January 7, 2014	March 17, 2014
Cooper Tire & Rubber Company (2014)	CTB	June 12, 2013 to Nov 8, 2013	March 18, 2014
Nu Skin Enterprises, Inc.	NUS	July 10, 2013 to January 14, 2014	March 21, 2014
Thoratec Corporation (2014)	THOR	April 29, 2010 to November 27, 2013	March 25, 2014

SETTLEMENTS: The following class action settlements were recently announced. If you purchased securities during the listed class period, you may be eligible to participate in the recovery.

Case Name	Amount	Class Period	Claim Filing Deadline
VeriFone Holdings, Inc. (n.k.a. Verifone Systems)	$95,000,000	August 31, 2006 to April 1, 2008	January 29, 2014
Duoyuan Global Water, Inc.	$5,150,000	June 24, 2009 to April 5, 2011	February 1, 2014
Lehman Brothers (S.D.N.Y.) (Equity/Debt)	$120,000,000		February 4, 2014
Residential Asset Securitization Trust 2006-A8	$10,900,000		February 5, 2014
Assisted Living Concepts, Inc. (2012)	$12,000,000	March 4, 2011 to August 6, 2012	February 6, 2014
KIT digital, Inc.	$6,001,999	May 19, 2009 to November 21, 2012	February 12, 2014
Sino-Forest Corporation	$117,583,830	March 19, 2007 to August 26, 2011	February 14, 2014
Smith Barney Mutual Funds	$4,950,000	September 11, 2000 to June 24, 2004	February 24, 2014
Metrologic Instruments, Inc.	$11,950,000	Sept 12, 2006 to December 21, 2006	March 1, 2014
Sequans Communications S.A.	$2,250,000	April 14, 2011 to July 27, 2011	March 4, 2014
Advanced Battery Technologies, Inc.	$275,000	May 15, 2007 to March 29, 2011	March 22, 2014
Career Education Corporation (2012)	$27,500,000	February 19, 2009 to Nov 21, 2011	March 22, 2014
Cathay Forest Products Corp. (Canada)	$1,843,399	Nov 9, 2009 to August 21, 2013	March 31, 2014
Protective Products of America (Canada)		October 8, 2009 to January 13, 2010	April 5, 2014
American Superconductor Corporation	$10,000,000	July 29, 2010 to July 11, 2011	April 7, 2014
CIBER, Inc.	$3,000,000	December 15, 2010 to August 3, 2011	April 9, 2014
Alange Energy Corp. (PetroMagdalena Energy)	$8,730,180	August 30, 2010 to January 12, 2011	April 10, 2014
Lehman Brothers (S.D.N.Y.) (Equity/Debt)	$99,000,000	June 12, 2007 to September 15, 2008	April 17, 2014
Diebold Inc. (2010)	$31,600,000	June 30, 2005 to January 14, 2008	April 21, 2014

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Pomerantz is acknowledged as one of the premier firms in the areas of corporate, securities, antitrust, mergers and acquisitions, and insurance litigation. Founded by the late Abraham L. Pomerantz, known as the 'dean of the class action bar,' the firm pioneered the field of securities class actions. Today, more than 77 years later, Pomerantz continues in the tradition that Abe Pomerantz established, fighting for the rights of victims of securities fraud, breaches of fiduciary duty, and corporate misconduct. Prior results, however, do not guarantee a similar outcome in future cases.

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