the POMERANTZ MONITOR

VOLUME 15, ISSUE 3 MAY/JUNE 2018

ARE CRYPTOCURRENCY OFFERINGS SUBJECT TO FEDERAL SECURITIES REGULATION?

By Michele S. Carino

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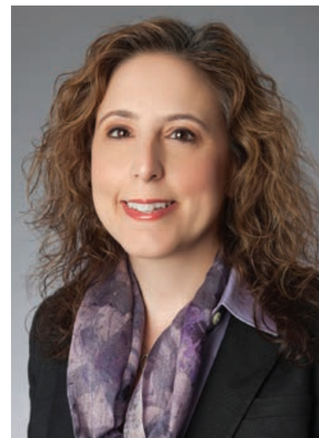
The ability to raise capital through an Initial Coin Offering, or "ICO," has been hailed as a boon to innovation and economic growth, allowing small businesses and start-ups to bypass traditional (and more expensive) financing sources, such as venture capitalists and investment banks. In fact, in the first four months of 2018, ICOs have raised over $4 billion in funding, already exceeding the $3.3 billion raised in ICOs in 2017, and well ahead of the amounts raised through traditional venture capital.

But what exactly is an ICO, and what are investors buying? And what happens if they don't get what they expected? Until recently, this emerging, decentralized capital market has been largely unregulated, exposing investors to price volatility, pump-and-dump schemes, and outright theft by fraudsters and hackers – oftentimes, with no legal recourse. Regulators have now started to take action, making it clear that while cryptocurrencies may be novel, they are not outside the bounds of existing laws.

Cryptocurrency, also known as virtual currency, coins, or "tokens," is a representation of value that can be digitally traded and exchanged, and that may entitle the owner to certain other rights, such as access to a technology or platform. But it is more than just digital money. According to the Securities and Exchange Commission ("SEC"), coins and tokens may also qualify as "securities" under U.S. laws, and thus be subject to regulation, including registration and disclosure requirements. The seminal Supreme Court case *SEC v. Howey Co.*, decided in 1946, sets forth the test for determining if a financial instrument – actual or virtual – is an "investment contract" that meets the definition of a security. Specifically, a transaction is an investment contract if: (1) money is invested in a common enterprise, (2) the investor expects profits from the investment, and (3) the profit comes from the efforts of someone other than the investor. An instrument must meet all three criteria to be considered a security. Coins and tokens, like any other financial instrument, can take many forms, but to the extent a company utilizes coins or tokens to raise capital with the promise of increased value based on the company's plans or growth prospects (e.g., launch of a new technology or product), coins and tokens seem to satisfy the "common enterprise" and "efforts of others" elements of the *Howey* test, in the same way as shares of stock. Indeed, just as with stock, the value of a coin or token on an exchange will fluctuate depending on the perceived performance of the issuing company.

Seeking to avoid the complications and costs of compliance with U.S. securities laws, many entities have re-packaged and re-labeled coins as "utility tokens" and have downplayed the expectation of profit and/or promised some future use, such as participation in a digital community. But the SEC recently clarified that labels do not matter: "Whether a particular investment transaction involves the offer or sale of a security – regardless of the terminology or technology used – will depend on the facts and circumstances, including the economic realities of the transaction." SEC Chairman Jay Clayton further stated: "By and large, the [ICOs] that I have seen … directly implicate the securities registration requirements and other investor protection provisions of our federal securities laws."


Michele S. Carino, Of Counsel

While some have decried the regulatory intrusion into this new digital frontier, and others simply have gone the route of blocking U.S. investors from participating in offerings, the benefits of increased investigation and enforcement more than outweigh the potential downside. Industry insiders, including Joseph Lubin, the co-founder of the cryptocurrency Ethereum, and Brad Garlinghouse, CEO of Ripple, agree that curbing fraud will strengthen and legitimize cryptocurrencies and the distributed ledger platforms ("blockchains") on which they trade. Moreover, to the extent ICOs mirror initial public offerings or other smaller offerings or private placements, there is already a well-established legal framework to ensure both access to capital and protection for investors, including that the coins or tokens be registered and that the issuer make adequate disclosures. These requirements would provide investors with recourse under the Securities Act for initial sales, as well as potential recovery in the instance of market manipulation and insider trading, which have been rampant in secondary markets for coins and tokens.

The SEC's involvement in this area is likely to increase, as evidenced by the creation of a new cyber task force

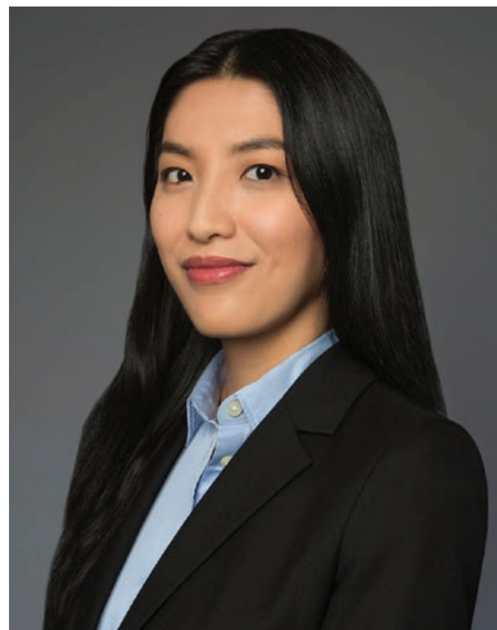
charged with policing ICOs. That task force already has been busy – the SEC filed a fraud suit against the organizers of the PlexCoin ICO in December, with the founder sentenced to jail by Canadian authorities. In recent weeks, the SEC has launched an investigation into Overstock.com's token sale through its subsidiary tZero, which was supposed to be the first fully-compliant ICO by a publicly-traded company, but which has now been postponed. The SEC also halted trading in Longfin Corp., a cryptocurrency business, alleging that executives committed securities fraud by running up the stock price and then illegally selling large blocks of restricted stock to the public while the price was elevated. The SEC obtained a court order freezing more than $27 million in trading proceeds before the illicit gains could be transferred to offshore entities.

Cryptocurrencies may still disrupt the financial industry and change the way we do business in the future. However, in terms of regulation, the old adage that "the more things change, the more they stay the same," may still hold true, especially in terms of investor protection.

Editor's Note:

On May 8 a federal district court in Brooklyn, New York held an oral argument on the motion of Maksim Zaslavskiy to dismiss a criminal indictment against him for violations of the federal securities laws. Prosecutors allege that Zaslavskiy used his companies to dupe investors into buying nonexistent digital tokens in his initial coin offerings, which he is alleged to have falsely claimed were backed by real estate and diamonds. This is reportedly the first time the issue of whether an ICO is covered by the federal securities laws has been presented to a federal court. No one knows when a decision may come.

Because ICOs can be structured in so many different ways, any decision in a case may well be limited to its specific facts. That is, until some court finds that a particular ICO fact pattern does not satisfy the Howey test. Once a blueprint for avoiding the securities laws has been found, future offerings are bound to follow it. If Zaslavskiy wins his motion to dismiss, his case could become a watershed.



Attorney Hui Chang

POMERANTZ SECURES MILESTONE SETTLEMENT IN *YAHOO*

By Hui Chang

Pomerantz is co-lead counsel in a securities fraud class action suit brought by investors in the Northern District of California on behalf of shareholders of Yahoo! Inc. ("Yahoo"). The case arises from the two biggest data breaches in U.S. history, in which Russian hackers stole the records of all of Yahoo's three billion users in 2013 and compromised the accounts of 500 million users in 2014. In early March 2018, Yahoo agreed to pay $80 million to settle the action filed by the plaintiff shareholders in the action. Plaintiffs alleged that Yahoo and some its officers failed to disclose that these breaches had occurred and also failed to disclose two additional massive data breaches in 2015 and 2016, which affected approximately 32 million Yahoo users and caused financial harm to its investors. The suit further alleged that defendants knowingly concealed its deficient security practices and the 2014 data breach from the market. Plaintiff shareholders alleged that the company's share price fell over 31 percent during the class period in reaction to its data-breach disclosures. These data breach disclosures also had a substantial and quantifiable financial impact on Yahoo when Verizon Communications, Inc. reduced its bid to acquire Yahoo by $350 million, to $4.4 billion.

The proposed *Yahoo* settlement, which is still subject to final court approval, will be the first substantial shareholder recovery in a securities fraud class action related to a

cybersecurity breach. Historically, data-breach disclosures by publicly traded companies have not been generally followed by significant stock price declines, making it hard to show that investors suffered material harm. With stock prices largely unaffected, cyber-related disclosures have instead mainly driven shareholder derivative or consumer protection actions. For years, data breach class actions have been typically dismissed early on by courts, and were generally unsuccessful.

Recently, however, investors are far more focused on cybersecurity issues and more highly-publicized data breaches have been accompanied by stock price declines. While in the past, investors seemed to be indifferent to news of data breaches, investors now appear more aware of the increased risks of security breaches. This past year alone saw the filing of a handful of securities fraud class actions related to cybersecurity breaches, with the publicly traded companies Equifax Inc., PayPal Holdings, Inc. and Intel Corporation among those sued following cybersecurity breach announcements.

The *Yahoo* action is significant for another reason as well: on April 24, 2018, the U.S. Securities and Exchange Commission ("SEC") imposed a $35 million fine on Yahoo in connection with the 2014 data breach, marking the first time a publicly traded company has been fined for a cybersecurity hack. The SEC recounted in its order that Yahoo found out in December 2014 about Russian hackers breaching the company's systems to obtain usernames, phone numbers, encrypted passwords and other sensitive information, yet did not disclose the hack until 2016, when it was closing a deal with Verizon. While the SEC acknowledges that large companies are at risk of persistent cyber-related breaches by hackers, it did not excuse companies from reasonably dealing with these risks and of responding to known cyber-breaches. The SEC said that Yahoo continued to mislead investors with generic public disclosures about the risks of cyber-related breaches when it knew a significant breach had occurred.

The SEC has also recently toughened its reporting guidelines by updating its guidance on cybersecurity disclosures. The guidance stresses the importance of cybersecurity policies and procedures and advises companies that they need "disclosure controls and procedures that provide an appropriate method of discerning the impact that such matters may have on the company and its business, financial condition and results of operations." It also calls for public companies to be more open when disclosing cybersecurity risks, with companies expected "to disclose cybersecurity risks and incidents that are material to investors, including the concomitant financial, legal or reputational consequence."

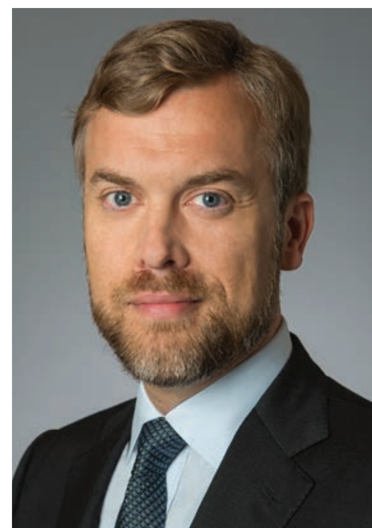
This milestone settlement in *Yahoo*, in combination with updated SEC guidelines, may provide the foundation that allows plaintiff shareholders to bring securities fraud actions to pursue these claims with greater success. As exemplified by the *Yahoo* action, Pomerantz has been at the forefront of cyber-related securities fraud actions. ■

THE ASCENDANCY OF "EVENT-DRIVEN" SECURITIES CASES

By Matthew C. Moehlman

Corporate fraud comes to light by different routes. The Securities Exchange Act's reporting requirements are designed to compel disclosure and transparency by public companies. Even so, investors cannot always count on bad corporate actors to blow the whistle on themselves.

When a third party reports an event that calls into question the truth of a company's statements to the market, some commentators refer to the resulting litigation as "event-driven." These types of cases have become more common in recent years, as companies have found ways to avoid obvious admissions that their previous statements were wrong. In some quarters, particularly the defense bar, event-driven cases are criticized as applying 20/20 hindsight to an unprecedented bad event. But in our view, this ignores the many cases in which a company knows but conceals a risk that just such an event will occur. When the event then does occur and investors suffer losses due to the market's reaction to the materialization of the concealed risk, we believe that the company should be held accountable.



Attorney Matthew C. Moehlman

RESTATEMENT CASES – A DWINDLING CATEGORY OF SECURITIES SUIT

Fifteen years ago, securities fraud often came to light when a company restated its past financial results. For example, if a company had engaged in several large, pre-arranged, round-trip transactions with no economic purpose, in order to inflate its reported revenue and cash flow, it might announce that it was restating its financial results to correct them. If the stock then plunged, shareholders suing to recoup their losses could invoke the restatement as an admission that the company's earlier financials were materially misstated. Since materiality and falsity are two elements of a securities claim, the restatement would significantly strengthen the shareholders' case.

Times have changed. Litigation analysts report that in the ten years since the *Enron* securities litigation wrapped up, the number of reissuance restatements filed by public companies has steadily declined—from nearly one thousand in 2006 to just over a hundred in 2016. Regulatory reforms aimed at deterring accounting fraud may account for the downturn, or corporations may simply have learned that restatements increase litigation risk and learned not to lead with their chins.

In any event, astute shareholders should stay attuned to multiple non-company sources for revelations that damage their investment portfolio. Let's look then at several

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examples of recent cases in which news reported by third parties prompted shareholder litigation.

EVENT-DRIVEN CORRUPTION CASE—*IN RE PETROBRAS SECURITIES LITIGATION*

A case prosecuted by this firm, the securities litigation relating to the Brazilian state-owned energy giant Petróleo Brasileiro S.A.-Petrobras, shows how investors may first learn of a fraud from external sources and events rather than a company announcement.

Reports of corruption had dogged Petrobras for years. The endgame began in early 2014, when newspapers reported that the Brazilian federal police had arrested a retired Petrobras executive as part of a crackdown on black-market money-laundering.

Petrobras did not mention the incident explicitly in its annual report filed the following month, saying only that it was conducting routine internal investigations into certain issues.

Petrobras had still not disclosed the findings of those investigations when, months later, the police released sworn affidavits in which the executive testified to orchestrating a decades-long kickback and bid-rigging scheme along with other top Petrobras executives, over a dozen large construction companies, and many of Brazil's leading political figures.

In addition to not divulging the scheme, Petrobras never restated its financials, despite having overvalued its fixed assets by, according to its own estimates, $30 billion.

Rather than restate the value of its fixed assets, Petrobras wrote off $2.5 billion as kickback-related overpayments, and took a $16 billion asset impairment. Petrobras argued in its motion to dismiss that $2.5 billion was immaterial to its financial results under SEC guidance regarding materiality from a legal and accounting standpoint. In denying Petrobras' motion, the district court observed that materiality is not limited to a purely quantitative assessment but can also include qualitative factors, such as concealment of an unlawful transaction. In that regard, the court noted that Petrobras' misstated financials concealed an illegal kickback scheme that, when revealed, called into question the integrity of the company as a whole. The court also found that Petrobras' assertions of integrity and high ethical standards were actionable because they were alleged to have been made to reassure the market, and the market may have relied on their truth.

EVENT-DRIVEN PRODUCT CASE—*MATRIXX INITIATIVES, INC. V. SIRACUSANO*

Some events that lead to actionable claims implicate a company's representations about its products. *Matrixx Initiatives, Inc. v. Siracusano* involved a drug manufacturer that failed to disclose that its popular cold remedy had caused a small number of users to lose their sense of smell. When a morning television show revealed this potential side effect, the stock plummeted. On appeal to the Supreme Court of the United States, Matrixx argued that the possibility of loss of smell was so minute as to be immaterial. The Court disagreed. It found that misstatements need not be statistically significant to be material, and held that Matrixx's press releases touting the safety and efficacy of the cold drug were actionable.

EVENT-DRIVEN OPERATIONS CASE—*IN RE VALE S.A. SECURITIES LITIGATION*

An event may also reveal a company's statements about its operations to have been materially false and misleading. In November 2015, it was reported that the Fundão dam in Minas Gerais, Brazil had collapsed, releasing tons of toxic sludge on the village below and leading to the worst environmental disaster in Brazil's history. The dam was jointly owned by Vale S.A., a multi-national mining concern whose securities trade on NASDAQ.

The dam collapse shattered Vale's carefully-crafted image as a good corporate citizen. While some economists say that the only social responsibility of business is to increase profits, socially responsible investing has become a major force across global markets, with over $23 trillion in responsibly invested assets reported to be under management. Vale, like a number of large industrial companies, published a detailed annual "Sustainability Report" in order to win inclusion in the Dow Jones Sustainability Index. Vale stated in one sustainability report that it would "prevent, control or compensate for [environmental] impacts," and that it had "policies, systematic requirements and procedures designed to prevent and minimize risks and protect lives." The district court found that these statements were actionable. The court, moreover, found that Vale's executives had been privy to studies showing that the dam was structurally unsound for years before the foreseeable risk of its collapse became a reality. ■

COURT DENIES MOTION TO DISMISS OUR *QUORUM HEALTH CORPORATION* COMPLAINT

By Michael J. Wernke

Chief Judge Waverly D. Crenshaw, Jr. of the Middle District of Tennessee recently denied defendants' motion to dismiss Pomerantz's securities fraud class action involving Quorum Health Corporation ("Quorum") and Community Health Systems, Inc. ("CHS"). CHS is one of the nation's largest operators of hospitals. Quorum, an operator and manager of hospitals, was spun off from CHS in April 2016. The action, brought on behalf of investors in Quorum who purchased Quorum shares after the spinoff, alleges that Quorum, CHS and certain of their officers violated section 10(b) of the Securities Exchange Act as well as section 20(a), the "control person" provision, by issuing financial statements for Quorum that misrepresented its

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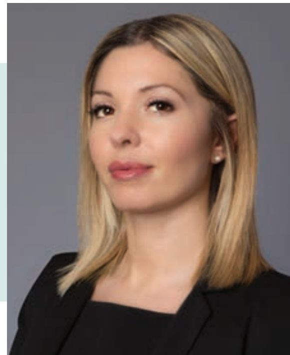
POMERANTZ IS PLEASED TO BE HOSTING ITS ANNUAL CORPORATE GOVERNANCE AND SECURITIES LITIGATION ROUNDTABLE EVENT THIS YEAR ON OCTOBER 23 AT THE FOUR SEASONS HOTEL IN NEW YORK CITY.

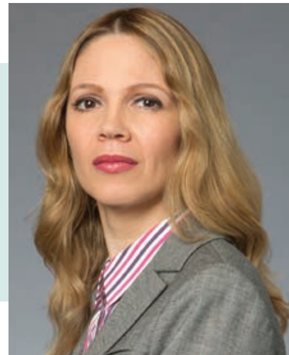
This annual event is a fantastic opportunity for institutional investors from around the globe to discuss topics that affect the value of their pension funds. Presenters are experts in the fields of securities litigation, corporate governance and asset management.

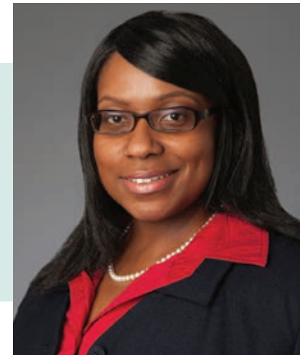
This year, the theme of the Roundtable Event will focus on women and minorities who have risen through the ranks and pioneered the path for change and unity in our community. We are particularly excited to hear our guests' thoughts and contributions on this subject and how we can advance opportunities for all.

Among Pomerantz attorneys attending the Roundtable Event this year will be Jennifer Pafiti, Emma Gilmore and Jennifer Banner Sobers – women who have each played an integral role at the Firm and each were heavily involved in the high-profile litigation against Brazil's energy giant, Petróleo Brasileiro S.A. – Petrobras. In early 2018, Pomerantz, along with Lead Plaintiff Universities Superannuation Scheme, Ltd., achieved a historic $3 billion settlement for investors, as well as a number of precedent-setting decisions in the Second Circuit Court of Appeals that will better protect defrauded shareholders for decades to come.

From left to right: Partner, Jennifer Pafiti, Partner, Emma Gilmore and Attorney, Jennifer Banner Sobers







Partner **JENNIFER PAFITI**, who will host the Roundtable with Managing Partner Jeremy Lieberman, is dual-qualified to practice law in the United States and the United Kingdom. Among her accolades, Jennifer was selected by the *Daily Journal* in 2016 for its "Top 40 Under 40" list of the best young attorneys in California. In 2017, Jennifer was named a Southern California Rising Star by Super Lawyers. Jennifer has also been included in Super Lawyers and Rising Stars: Top Women Attorneys in Southern California for the year 2017. In 2018, Jennifer was recognized as a Lawyer of Distinction, an honor bestowed upon less than 10% of attorneys in any given state. Jennifer also serves on the Honorary Steering Committee of Equal Rights Advocates ("ERA"), which focuses on specific issues that women face in the legal profession. Jennifer, who heads the Investor Relations team at the Firm – responsible for over $4 trillion of assets under management – says, "At Pomerantz, we believe that diversity unleashes innovation by creating an environment where 'outside the box' ideas are heard. Our legal strategies benefit from our hiring of the best and the brightest people from a broad array of backgrounds to contribute different points of view, experience, and perspectives. We foster an inclusive environment, built on teamwork."

At the age of seventeen, Partner **EMMA GILMORE** emigrated from Romania to the United States, where she learned English while enrolled as a junior at a high school in Arizona. Emma graduated *summa cum laude* from Arizona State University. She graduated *cum laude* from Brooklyn Law School, where she was a member of the *Brooklyn Law Review* and the recipient of two *CALI Excellence for the Future Awards*, awarded to the highest-scoring student in the subjects of evidence and discovery. Emma served as a law clerk to the Honorable Thomas C. Platt, former U.S. Chief Judge for the Eastern District of New York. She began her legal career as an associate at two of the top three law firms in the country, Skadden Arps and Sullivan & Cromwell. Emma was honored as a 2018 Super Lawyer® in the New York Metro area.

Associate **JENNIFER BANNER SOBERS** received her B.A. from Harvard University (with honors), and her J.D. from the University of Virginia School of Law. Prior to working at Pomerantz, Jennifer was an associate at one of the nation's top law firms, focusing her practice on securities and complex commercial litigation. An advocate of volunteer work and pro bono representation, Jennifer completed several internships with the Legal Aid Society while in college and law school. As an attorney, she earned the Empire State Counsel honorary designation from the New York State Bar Association and received an award from New York Lawyers for the Public Interest for her pro bono work. Says Jennifer, "The lack of diversity in law firms has been an area of concern for decades and people of color continue to be underrepresented. One of the keys to addressing this difficult issue is for those in the highest positions in law firms to make promoting diversity a priority, which includes not only interviewing and hiring diverse attorneys, but also mentoring and promoting qualified attorneys of color to leadership positions so they may break through the glass ceiling, which will, in turn, foster continued diversity."

For more information on the October 23 Roundtable Event or to register your interest, please email: 2018roundtable@pomlaw.com

financial condition.

Specifically, our complaint alleges that CHS hatched a scheme to unload its worst-performing hospitals at an inflated price. It set up the new subsidiary, Quorum, to buy these hospitals from CHS for $1.2 billion, which Quorum borrowed. That price was based on fraudulent calculations of "good will" attributable to those hospitals. Goodwill is an intangible asset that that results when one company purchases another for a premium value. The value of a company's brand name, customer base, and good customer relations are examples of goodwill. That is, when a company like CHS purchases hospitals like those that came to make up Quorum, it must record as goodwill the amount it paid for those hospitals in excess of the fair value of the assets. A company must then periodically test the goodwill and record an "impairment" to the goodwill when it is more likely than not that the fair value of the asset has declined below its carrying amount (or book value). This occurs when "triggering events" lead management to believe that the expected future cash flows of an asset have significantly declined.

Partner Michael J. Wernke

The inflated value of Quorum's goodwill was then reflected in Quorum's financial statements, which were disseminated to investors when Quorum's stock started trading as a separate public company.

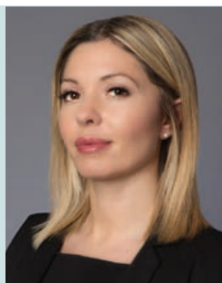
We allege that the defendants knowingly inflated Quorum's goodwill and failed to take a necessary impairment. As a result of the defendants' false statements about Quorum's goodwill, investors that purchased Quorum stock in the market following the spin-off paid an inflated price. The truth was revealed when Quorum and CHS each announced only a few months after the spin-off was completed (and CHS received its $1.2 billion) that each company was severely impairing its goodwill. As a result, Quorum's stock price plummeted $4.99, almost 50%, damaging investors.

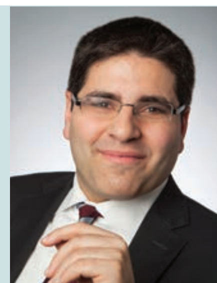
Defendants' main argument for dismissal was that their statements of goodwill, which are considered statements of opinion under the law, were not false and misleading when made, or made with the intent to mislead investors. The court rejected these arguments, finding that the multiple "triggering events" or "red flags" indicating that the goodwill was impaired were known to the defendants prior to the spin-off. For example, in the months prior to the spin-off, CHS's stock price decline 78%, corresponding to a decline in market capitalization of $5.6 billion. The court also noted the extremely poor performance of the hospitals that made up Quorum as an indicator that the goodwill was impaired. Thus, the court held that because the complaint alleged that the defendants' statements of goodwill did not fairly align with the information they knew, Pomerantz adequately alleged that the defendants knew that their statements of goodwill were false.

This opinion is particularly significant because the court held that the CHS defendants, in addition to the Quorum defendants, were "makers" of the false statements of goodwill in Quorum's initial financial statements even though the filings were made on behalf of Quorum, not CHS. Normally, only the company and officers whose stock the class purchased are liable for false statements under the federal securities laws. Here, that would be Quorum and its officers. However, the court accepted our argument that CHS and its officers should also be liable for the false statements because Quorum was part of CHS prior to the spin-off and all of Quorum's financials in the spin-off documents were calculated by CHS.

CONGRATULATIONS TO
JEREMY A. LIEBERMAN
FOR BEING NAMED A
TITAN OF THE PLAINTIFFS' BAR
BY LAW 360!

NOTABLE DATES ON THE POMERANTZ HORIZON


Jennifer Pafiti


Jeremy A. Lieberman

JEREMY LIEBERMAN will speak about securities litigation on a panel at the **NCPERS Annual Conference & Exhibition** to be held from May 13 – 16 in New York City. **JENNIFER PAFITI** will attend the conference.

JEREMY and **JENNIFER** will also attend the **ICGN Annual Conference** from June 25 – 28 in Milan.

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
Celgene Corporation	CELG	January 12, 2015 to February 27, 2018	May 29, 2018
Overstock.com, Inc.	OSTK	August 3, 2017 to March 26, 2018	May 29, 2018
Patterson Companies, Inc.	PDCO	June 26, 2015 to February 28, 2018	May 29, 2018
Solid Biosciences, Inc.	N/A	January 25, 2018 to March 14, 2018	May 29, 2018
TrueCar, Inc.	TRUE	February 16, 2017 to November 6, 2017	June 1, 2018
Cancer Genetics, Inc.	CGIX	March 23, 2017 to April 2, 2018	June 4, 2018
IZEA, Inc.	RPDH, IZEA	May 15, 2015 to April 3, 2018	June 4, 2018
Longfin Corp.	LFIN	December 13, 2017 to April 2, 2018	June 4, 2018
Synacor, Inc.	SYNC	May 4, 2016 to March 15, 2018	June 4, 2018
Colony NorthStar, Inc.	CLNS	February 28, 2017 to March 1, 2018	June 5, 2018
Telefonaktiebolaget LM Ericsson	ERIC, ERICY	April 8, 2013 to July 17, 2017	June 5, 2018
Puerto Rico Securities	N/A	December 1, 2012 to October 31, 2013	June 11, 2018
Live Nation Entertainment, Inc.	LYV	February 23, 2017 to March 30, 2018	June 18, 2018
Myriad Genetics, Inc.	MYGN	August 13, 2014 to March 12, 2018	June 19, 2018
Edge Therapeutics, Inc.	EDGE, EDGX	December 29, 2017 to March 27, 2018	June 22, 2018
Aceto Corporation	ACET	August 25, 2017 to April 18, 2018	June 25, 2018
Allegiant Travel Company	ALGT	June 8, 2015 to April 13, 2018	June 25, 2018
Gridsum Holding Inc.	GSUM	April 27, 2017 to April 20, 2018	June 25, 2018
Macquarie Infrastructure Corporation	MIC	February 22, 2016 to February 21, 2018	June 25, 2018
QuinStreet, Inc.	QNST	February 10, 2016 to April 10, 2018	June 26, 2018
Molina Healthcare, Inc.	MOH	October 31, 2014 to August 2, 2017	June 29, 2018
LendingClub Corporation	LC	February 28, 2015 to April 25, 2018	July 2, 2018
Esperion Therapeutics, Inc.	ESPR	February 22, 2017 to May 1, 2018	July 6, 2018
Flex Ltd.	FLEX	January 26, 2017 to April 26, 2018	July 9, 2018
InnerWorkings, Inc.	INWK	August 11, 2015 to May 7, 2018	July 9, 2018
Kulicke and Soffa Industries, Inc.	KLIC	November 16, 2017 to May 10, 2018	July 10, 2018

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
Higher One Holdings, Inc.	$7,500,000	August 7, 2012 to August 6, 2014	May 26, 2018
AVEO Pharmaceuticals, Inc.	$21,000,000	May 16, 2012 to May 1, 2013	May 29, 2018
comScore, Inc.	$110,000,000	February 11, 2014 to November 23, 2016	May 29, 2018
MagnaChip Semiconductor Corporation	$6,200,000	February 1, 2012 to March 11, 2014	June 9, 2018
Petróleo Brasileiro S.A. - Petrobras	$3,000,000,000	January 22, 2010 to July 28, 2015	June 9, 2018
Lipocine Inc.	$4,250,000	June 30, 2015 to June 28, 2016	June 11, 2018
KaloBios Pharmaceuticals, Inc.	$1,500,000	November 19, 2015 to December 16, 2015	June 18, 2018
CommVault Systems, Inc.	$12,500,000	May 7, 2013 to April 24, 2014	June 20, 2018
Focus Media Holding Limited (SEC)	$55,627,865	March 17, 2010 to July 29, 2010	June 20, 2018
Metrologic Instruments, Inc.	$9,750,000	September 12, 2006 to December 21, 2006	June 20, 2018
LendingClub Corporation	$125,000,000	December 10, 2014 to June 8, 2015	June 25, 2018
Ply Gem Holdings, Inc. (2014)	$25,950,000	May 23, 2013 to December 15, 2014	June 29, 2018
Citigroup, Inc. (SEC)	$75,000,001	February 26, 2007 to April 18, 2008	July 1, 2018
American Renal Associates Holdings, Inc.	$4,000,000	April 20, 2016 to August 18, 2016	July 6, 2018
Opus Bank	$17,000,000	January 26, 2015 to January 30, 2017	July 10, 2018
3D Systems Corporation	$50,000,000	October 29, 2013 to May 5, 2015	July 11, 2018
GT Advanced Technologies (Underwriters)	$9,700,000	November 5, 2013 to October 6, 2014	July 12, 2018
GT Advanced Technologies (Individualss)	$27,000,000	November 5, 2013 to October 6, 2014	July 12, 2018
ISDAfix Transactions (Antitrust)	$408,500,000	January 1, 2006 to January 31, 2014	July 16, 2018
AAC Holdings, Inc.	$25,000,000	October 2, 2014 to August 4, 2015	July 19, 2018
Resource Capital Corp.	$9,500,000	October 31, 2012 to August 5, 2015	July 23, 2018
ChinaCache International Holdings Ltd.	$990,000	March 27, 2015 to August 20, 2015	July 24, 2018
Facebook, Inc.	$35,000,000	May 17, 2012 to May 21, 2012	July 24, 2018
GoPro, Inc.	$5,000,000	June 26, 2014 to November 19, 2014	July 26, 2018
Allergan, Inc.	$40,000,000	February 25, 2014 to April 21, 2014	July 31, 2018
Euro Interbank Offered Rate (Antitrust)	$309,000,000	January 1, 2006 to June 30, 2011	August 1, 2018
Straight Path Communications, Inc.	$9,450,000	August 1, 2013 to July 22, 2016	August 2, 2018
Allergan, Inc.	$250,000,000	February 25, 2014 to April 21, 2014	August 7, 2018
LeapFrog Enterprises, Inc.	$5,500,000	May 5, 2014 to June 11, 2015	August 8, 2018
Atossa Genetics Inc.	$3,500,000	December 20, 2012 to October 4, 2013	August 20, 2018
BancorpSouth, Inc.	$13,000,000	July 12, 2013 to July 21, 2014	August 23, 2018
Twitter, Inc.	$2,500,000	November 7, 2013 to February 18, 2014	August 31, 2018
Insulet Corporation	$19,500,000	May 7, 2013 to April 30, 2015	September 4, 2018

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NEW YORK
600 Third Avenue, New York, NY 10016 Tel: +1 212 661 1100 Fax: +1 917463 1044
CHICAGO
10 South La Salle Street, Suite 3505, Chicago, IL 60603 Tel: +1 312 377 1181 Fax: +1 312 377 1184
LOS ANGELES
468 North Camden Drive, Beverly Hills, CA 90210 Tel: +1 818 532 6499 Fax: +1 818 532 6499
PARIS
68, Rue du Faubourg Saint-Honoré, 75008 Paris, France Tel: +33 (0) 1 53 43 62 08

CONTACT US:

We welcome input from our readers. If you have comments or suggestions about *The Pomerantz Monitor*, or would like more information about our firm, please visit our website at: wwww.pomerantzlaw.com or contact:

Jennifer Pafiti, Esq.
jpafiti@pomlaw.com +1 818 532 6499

Jeremy A. Lieberman, Esq.
jalieberman@pomlaw.com +1 212 661 1100