



# the Pomerantz Monitor

Volume 7, Issue 2 March/April 2010

## A Conversation With Ohio Attorney General Richard Cordray

Pomerantz Partner Brian Hufford recently interviewed Mr. Cordray in his Columbus office for *The Pomerantz Monitor*

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### PomTalk

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I'd like to start by congratulating you on receiving the 2010 Henry B. Gonzalez Award from the National Community Reinvestment Coalition for your "unswerving dedication to achieving economic justice for the people of Ohio."

Any award I receive is really a team award. In this case, it had to do with our efforts on foreclosure prevention and mitigation and the community partnerships we've built around the state of Ohio. We've created "Save Our Homes" coalitions of local community groups who have been working real hard to help people stay in their homes, as "foreclosure rescue" scam artists try to dig into people's pockets. The National Community Reinvestment Coalition recognized our work with community groups to build these partnerships, which I think have been important in helping thousands of Ohioans stay in their homes, even as we're having tens of thousands of foreclosure filings each year. It's been a grim problem and a difficult, complex one, and we're continuing to work on it.

#### Do you see that things are improving?

I'm an optimist, but I look at the numbers and say things have not improved. We had a record number of 89,000 foreclosures filed in Ohio last year. We continue to be in the midst of a serious crisis. I think it's the single biggest drag on the economy in Ohio, creating all kinds of problems for communities, neighborhoods, and local governments.

**Your office sued the national credit agencies for misleading evaluations of mortgage-backed securities. What prompted you to get involved in that lawsuit?**

Our clients, which in this case are the main pension systems of Ohio, feel very strongly – and I agree – that the credit rating agencies really let down investors across the country. They were rating as triple A some mortgage-backed securities that privately, they knew and acknowledged to be junk,



Ohio Attorney General Richard Cordray with D. Brian Hufford

and/or on which they hadn't done the due diligence on the underwriting to understand the tremendous risks that it turned out were involved in a lot of these exotic instruments created on Wall Street. We understand lawsuits against the national credit rating agencies are tough sledding; they have typically beaten back these lawsuits in the past, but we think the climate has changed and that the scope of their involvement in structuring these transactions has changed. We are aggressively pursuing those cases and hope to get a good result for the people we represent.

**You, along with some other states' attorneys general, went after companies that processed unauthorized debits through Wachovia Bank. As a result, Wachovia will pay over \$150 million in redress checks to victims, which is a substantial recovery. What are the less tangible benefits you see from pursuing these types of actions on behalf of the State?**

A benefit that's tangible, but not quantifiable in dollars, is that we show we are stepping up to the plate and taking on people who take advantage of consumers. That hopefully deters others from taking advantage of consumers. This case also exemplifies how we work closely with other states.

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Pomerantz Haudek Grossman & Gross LLP

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The attorneys general have recognized, going all the way back to the tobacco lawsuit in the last decade, that we have strength in numbers, and more clout as we work together. This is another great example of us working with not only state but federal officials to seek recovery, which makes us very effective.

**Can you describe the process by which various attorneys general work together, how you discuss and make decisions on how to work together in pursuing cases?**

It's quite an institutionalized process at this time. In the consumer protection field, for example, there are working groups in which most of the attorneys general's offices participate. Ohio is very active. When matters are identified for possible action, there typically is an executive committee of those who take on more of the labor, and we tend to be on a number of the executive committees and take the lead on these. The Medicaid fraud field is another area. We set a record last year bringing back \$91 million for Ohio taxpayers, and we work very effectively not only with other state AGs, but with the federal government, who has the same interest we do, because it's a joint federal-state program. We hear people talk about waste, fraud and abuse in federal government. This is an area where we're actually doing something about it.

**The State Teachers Retirement System of Ohio and the Ohio Public Employees Retirement System are lead plaintiff, along with other pension funds both foreign and national, against Bank of America, arising from its acquisition of Merrill Lynch. What led to your involvement and what do you hope to achieve from your active role in that litigation?**

In our view, that lawsuit arises out of terrible misconduct on the part of Bank of America, Merrill Lynch, and their officials. Bank of America wanted to merge with Merrill Lynch. This was in September of 2008; it takes several months to put a merger of that size together, so it wasn't until December of 2008 that they went to the shareholders for approval. During the three months in between, we allege – and congressional testimony has reinforced – that Bank of America came to realize that on Merrill Lynch's books there were many more bad assets than they had realized. We think it's in the \$15 – \$16 billion range. They had a duty, in our view, to disclose that to shareholders. They talked about doing so; they strategized on it; but they thought it would hurt their merger and decided not to say anything. Before the merger closed, the Merrill Lynch executives – the same executives that had just racked up \$16 billion in bad assets on their books – wanted their yearly bonuses. I always thought a bonus was a special reward for special performance. They paid about \$3.8 billion, we believe, in bonuses before the merger closed. Again, this was not disclosed to shareholders. After the merger closed and these things seeped out into the public, the stock prices crashed. The *New York Times* has described it as the single greatest destruction of shareholder wealth in the history of the country. And that has led to our lawsuits. We think they're good lawsuits and expect a good recovery on behalf of our pension

systems, and, since it's a class action, on behalf of investors and retirees from across the spectrum.

**Sometimes you've been involved in cases where Ohio is pursuing individualized damages, and sometimes as part of a class. How do you decide which angle you want to pursue?**

We always think that where appropriate, a class action is a better way to go, because it's a more efficient recovery for more people. But sometimes we can't do that. Our ratings agencies case, for example, we brought specifically on behalf of Ohio pension systems. The reason is that we're suing under state law in court here, and that's often why a case can't be a class action – different states have different laws, and that just won't lend itself to uniform resolution.

**In the *Bank of America* case, plaintiffs included funds from Sweden and the Netherlands. Given the increasingly global nature of the securities marketplace, what are your views on the kinds of legislation that may be needed to protect shareholder rights, both in the United States and internationally?**

Well, that's been an interesting feature of the *Bank of America* case and an increasingly interesting feature of securities litigation. The victims are not simply Ohioans. They're all Americans, and frankly, more and more, they include international investors, who have invested in the American markets, who have confidence in the American markets and thought they were properly regulated, and then find to their regret that the SEC was pretty much asleep on the job for about a decade. The world is increasingly interconnected in investing and in markets. In terms of legislation, there are court cases, including one in front of the Supreme Court right now, to determine the extra-territorial rights of the American antitrust laws. I think the courts will have to continue to take a more permissive view of how our laws apply internationally. Congress may have to revisit that issue. I don't have any strong prescriptions for them at the moment, but it is certainly a different environment than it was twenty years ago, and fifty years ago. Many more international investors invest in our markets, and conversely, many more Americans invest in global markets where we're going to have to be sure that we get proper reimbursement and compensation if there are problems.

**The Supreme Court eliminated aiding and abetting liability as part of the securities laws. Do you have a view with regard to whether there should be actions taken to restore aiding and abetting liability?**

We think there should. I have written to Congress and urged them to re-enact aider and abettor liability, which we thought was the law, but the Supreme Court held otherwise. One of the reasons we brought our rating agencies in court here under Ohio law is that our Blue Sky Law does have aider and abettor liability, and that gives us a better chance of recovering. It is a principle throughout criminal and civil law that not only those who perpetrate a fraud but those who aid and abet them in perpetrating fraud should be held to account. I think that's the right principle

and I think it should be embodied in federal law.

**Your office has taken innovative steps to protect your constituents against predatory financial practices and consumer fraud. You teamed with the Better Business Bureau to introduce a real-time scam alert widget for web sites and profile pages. What is it?**

We've been frustrated because the scammers are so nimble and creative that it feels like we're always chasing them. The idea of the scam alert widget is you can download it to your Facebook page or web site and then report to us when you see a potential scam, whether or not you're a victim of the scam. In turn, you'll get the most up-to-date reports on the scams and frauds we and others are seeing out there, and be forewarned in real time about things happening in real time. We urge people to download the scam alert widget from [www.ohioattorneygeneral.gov](http://www.ohioattorneygeneral.gov) to participate in the evolving mix of information – you can share with us, and we will share with you.

**President Obama recently was successful, after a long battle, in getting the healthcare bill approved and signed. But at the same time, there's a lot of activity about it, including other attorneys general who are bringing lawsuits. Have you had an opportunity yet to evaluate the law and do you have a perception of what it will do for the country?**

We have, and actually our focus principally has been on these constitutional challenges to the validity of the law, because I had received correspondence from the eight Republican members of the Ohio Congressional delegation and from the twenty-one Republican members of the Ohio Senate, urging me to join the lawsuits that have been filed. So we've sized this up pretty carefully. Recently I laid out my considered judgment, which is that I think the lawsuits lack merit; I think they would be a waste of taxpayer money; I think both the Commerce Clause and Tenth Amendment claims would be out of step with long-standing precedents of the kind that the people urging the lawsuits normally deplore as the work of activist judges. So we're not going to be taking our eye off our ball, which is to pursue holding Wall Street accountable, consumer protection, and what I call the financial security issues for Ohioans – that's going to remain our focus and this will not be our focus.

**You have the impressive distinction of being an undefeated five-time champion and Tournament of Champions semifinalist on Jeopardy! Has your clear gift for recall and knowing facts given you an edge, you believe, in life?**

My memory is not as good as it was twenty-three years ago. But the fact people think that's an impressive achievement has certainly been helpful, because it tends to give people an outsized view of my abilities and accomplishments.

*This interview has been condensed and edited.*

D. Brian Hufford is the partner-in-charge of *American Medical Assoc. v. United HealthGroup*, in which the Court appointed Pomerantz as Settlement Class Counsel and granted preliminary approval to a \$350 million settlement. With Pomerantz serving as Co-Lead Counsel, Mr. Hufford was also the Court-appointed plaintiffs' spokesperson in *Wachtel v. Health Net, Inc.*, which settled for \$250 mil-

lion, one of the largest settlements ever reached in a health insurance litigation. In addition, Pomerantz was selected by the Court overseeing the *Aetna Health Insurance MDL* to serve as chair of the Plaintiffs' Executive Committee; in doing so, the Court specifically acknowledged the work of Mr. Hufford as a critical basis for its decision.

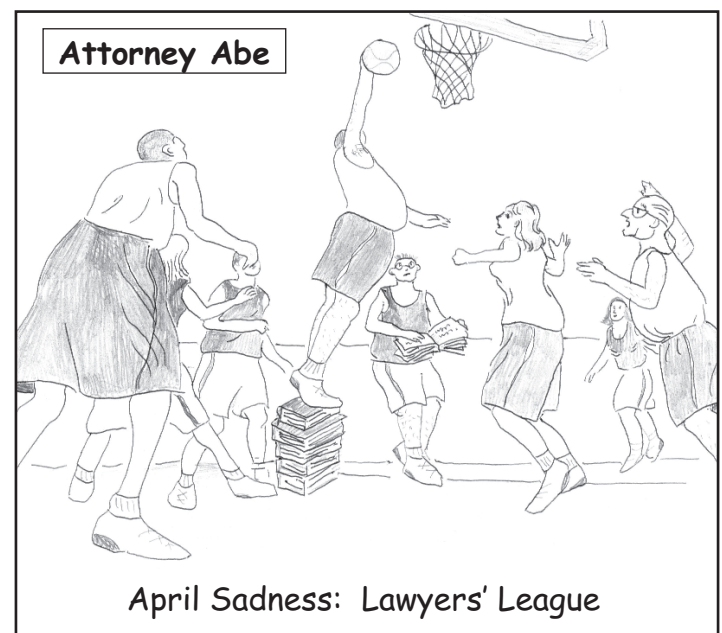
## Supreme Court Allows Investors to Challenge Fairness of Fees Charged to Mutual Funds

On March 30 the Supreme Court decided *Jones v. Harris*, a case concerning reasonableness of fees charged by a mutual fund advisor to its funds, and adopted a standard that was set in a case litigated by the Pomerantz firm almost three decades ago.

Section 36(b) of the Investment Company Act imposes a fiduciary duty on fund advisors "with respect to the receipt of compensation," and creates a private right of action for investors in the funds that paid those fees. This provision was enacted because Congress recognized that the fund directors who approve the fees are often not truly independent of the advisor, since the advisor created the funds in the first place and controls the appointment of the directors of the funds.

The Supreme Court in *Jones v. Harris* held that the Investment Company Act allows shareholders of mutual funds to challenge the reasonableness of fees charged by fund advisors, if those fees are so excessive as that they could not have been negotiated at

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Supreme Court Allows Investors to Challenge Fairness of Fees . . .  
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arm's length. The Court unanimously voted to reverse the decision of the Seventh Circuit, which had held that the marketplace, and not courts, should determine whether mutual fund fees are reasonable. The standard used by the Seventh Circuit rendered it almost impossible for shareholders to challenge fees.

In *Jones v. Harris*, the Supreme Court adopted the standard set by the Pomerantz Firm in *Gartenberg v. Merrill Lynch*, which was much easier for shareholders to meet than the Seventh Circuit's standard. The Court also provided additional guidelines, which may further help shareholders to prevail in excessive fees case. Previously, lower courts have not been very receptive to such claims.

*Jones v. Harris* involved a claim that the fees charged by the advisor were excessive because they were far higher than the rates it charged to other advisees, such as pension plans, that the advisor does not control. The lower courts have been ignoring such comparisons for over forty years, on the theory that this is an apples to oranges comparison and that only the fees charged to other mutual funds can be used for comparison purposes. The Supreme Court has now held that the courts may consider, in deciding whether the fees charged are excessive, the fees the same advisor charges to other types of clients. In addition, the Court admonished lower courts not to rely too heavily on comparisons with fees charged to other mutual funds, because those fees might be just as inflated as the fees at issue in the action.

Once the fees charged to other types of advisees are seriously considered, this will not only make current fees harder to justify, but might actually force mutual fund directors to consider those types of charges in approving new advisor fee agreements, which must be renewed each year.

The Court in *Jones v. Harris* also decided that courts should take a closer look at the fairness of the fees agreed to by the funds if the fee approval process is impaired, such as when an advisor withholds information, or makes misrepresentations, to mutual fund directors.

## Florida Court Certifies Class in Title Insurance Rate Case

On March 16 a Florida state court judge certified a class of several hundred thousand Floridians in a case brought by the Pomerantz Firm on behalf of purchasers of title insurance from First American Title Insurance Company. The complaint alleges that First American unlawfully overcharged for title insurance premiums on refinance transactions, when it was required by Florida to charge a discounted "reissue rate" premium be-

cause there already was title insurance on the property.

First American argued that state law did not require it to charge the "reissue" rate unless the borrower made it known that an existing title insurance policy was in place. The court did not decide that question, but held that the question was a common question applicable to the entire class and therefore warranted class determination. The court said, "As a first step, this issue requires only that the Court determine, as a matter of law, what Florida law requires."

This is one of three title insurance cases involving the failure to apply the "reissue rate" the Firm has and the first to be certified. Robert J. Axelrod, who is handling the case for the Firm, commented that "although we expect an interlocutory appeal from defendants, we remain confident that we will prevail given the language of the reissue rate code in Florida."

H. Adam Prussin

## Report Confirms Continuing Prominence of Securities Class Actions in Canada

A recent report released by NERA Economic Consulting details promising developments in Canadian class action securities litigation. In 2009, Canada saw a new wave of class action activity. Most of the new filings were based upon classic securities causes of action involving allegations of misrepresentations and/or omissions by issuers. However, the end of 2009 also saw the Ontario Superior Court issue its first order sustaining a case brought under recent revisions to the Ontario Securities Act. Those provisions are thought to make it easier to bring actions for civil liability against directors and officers.

The year 2009 actually saw less securities class action activity in the Canadian courts than 2008's banner year. The eight new cases filed in 2009 were two short of the record set the previous year. Moreover, the aggregate settlement amounts were also off the 2008 peak – \$55 million in 2009 versus \$890 million in 2008. The drop-off, however, appears to be mainly attributable to the fact that, in 2008, Canada saw several major actions relating to options backdating and the credit crisis. While Canada had no new actions in those areas in 2009, it did see new actions relating to alleged Ponzi schemes, including the Stanford and Madoff scandals.

Last year also may have signaled a shift in the types of actions Canadians can expect to see in coming years. In *Silver v. Imax Corp, et al.*, Ontario Superior Court Justice Catherine van Rensburg broke new ground by granting plaintiffs class certification

and leave to proceed under Section XXIII.1 of the Ontario Securities Act. Because *Imax* is the first case to test Section XXIII.1 – which has effectively replaced the Securities and Competition Acts as the statutory basis for securities claims brought in Ontario – the decision is considered groundbreaking. Not surprisingly, the plaintiffs' success in *Imax* is expected to open the door to future actions under the statute.

The NERA report confirms that Canada remains an important market for securities class action practitioners. Although 2009 did not see the aggregate settlement volume that Canada experienced in 2008, settlements still averaged approximately \$9.1 million – roughly the same (if not slightly better) than average settlement amounts reported in the United States.

*Anthony F. Maul*

### **Supreme Court Tackles Global Reach of U.S. Securities Fraud Laws**

On March 29, the U.S. Supreme Court heard arguments on whether U.S. courts have jurisdiction over cases involving international investors purchasing securities traded on exchanges outside the United States. Early press reports of the oral argument suggests that plaintiffs may face an uphill battle.

The case before the Supreme Court, *Morrison v. National Australia Bank*, (“NAB”) addressed the issue of “foreign-cubed” – or simply “f-cubed” – cases, because it involves plaintiffs from outside the United States, suing a firm whose headquarters and main operations are outside the United States, based on losses they incurred on securities exchanges outside the United States.

In recent years, so-called f-cubed lawsuits have become more common, as the global credit crisis led to a rise in claims against foreign banks in U.S. courts.

The defendant, National Australia Bank (“NAB”), is Australia's largest bank. The case arose out of NAB's purchase in 1998 of an American mortgage service provider, HomeSide Lending, which at the time reported substantial profits. However, these profits were inflated by HomeSide's fraudulent accounting for its mortgage servicing rights, which were incorporated into NAB's reported results. In December 2001, NAB belatedly wrote down by \$2 billion the value of HomeSide's mortgage servicing rights, causing NAB's shares and ADRs to drop more than 11.5%.

The case originated in the Southern District Court, which held that it did not have subject matter jurisdiction over the claims brought by three foreign plaintiffs based on transactions con-

ducted on foreign exchanges. (Claims by a fourth domestic plaintiff were dismissed on grounds that it lacked any losses.)

On appeal, the Second Circuit asked the Securities and Exchange Commission to submit an amicus brief, which argued that the anti-fraud provisions of the federal securities laws should apply to transnational frauds that result exclusively or principally in overseas losses, if conduct in the United States is material to the fraud's success and forms a “substantial component” of the fraudulent scheme. Nonetheless, the Second Circuit held that the connection between the losses sustained by the foreign investors and the fraudulent conduct in the United States was too attenuated for U.S. securities laws to apply, since the decision on how and whether to incorporate the misleading HomeSide financials was made in Australia.

In advance of the Supreme Court argument, roughly a dozen amicus briefs were filed by non-parties advocating for one side or the other. These include institutional investors from outside the United States, among them a number of pension funds.

The U.S. government submitted a brief in which it reaffirmed the SEC's “substantial component” jurisdictional test, but urged dismissal on grounds that foreign investors could not prove reliance or loss causation where there were no statements issued in the US that directly caused injury to the foreign investors.

At oral argument, Justice Breyer questioned whether a claim could be asserted if the foreign investor could link its investment decision to conduct within the U.S. (which clearly could be the case in an emerging case on behalf of investors against Toyota). Moreover, since recent studies show that stock prices in global markets move in tandem with US markets, it can be argued that securities fraud with a manifest component in the United States has a global impact, and thus should be subject to recovery in the U.S. courts. NAB will be carefully watched.

*Jay D. Dean*

### **Lehman Bankruptcy Examiner to Former Top Execs: “J’Accuse”!**

The bankruptcy of Lehman Brothers in September of 2008 was a milestone of enormous proportions. The biggest bankruptcy ever, it triggered the biggest financial meltdown since the depression. The government arranged for Bear Stearns and Merrill Lynch to be swallowed up by even bigger fish, while saving AIG, Citigroup and Bank of America by pumping mountains of cash into them. Lehman, the only Wall Street investment bank allowed to go under, stands alone as the biggest casualty of the finan-

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Lehman Bankruptcy Examiner to Former Top Execs: J'Accuse!  
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cial meltdown – except, of course, for the American people.

On March 11, a year and a half after Lehman's collapse, its bankruptcy examiner issued a 2,200-page report, pointing the finger at several senior executives at Lehman, including its CEO Richard S. Fuld (who, according to the report, was "at least grossly negligent"), as well as at Lehman's auditors Ernst & Young. To no one's surprise, the report concluded that Lehman's huge real estate bets are what brought it down.

The report's most noteworthy finding, though, is that Lehman had been using gimmicky "Repo" financing transactions to move billions in debt obligations off its balance sheet just before the end of financial reporting periods, in order to make its financial statements look better.

Financial institutions commonly use Repo transactions to obtain short-term financing. The transactions are customarily accounted for as borrowings, with the assets and debt obligations both remaining on the company's books.

But, according to the examiner's report, Lehman devised an accounting maneuver it referred to as "Repo 105." It counted as sales Repo transactions where the value of the assets "sold" was 105% or more of the amount of cash being received in the transaction. By considering these transactions to be sales, Lehman was able to remove the assets and the liabilities from its balance sheet until it actually did repurchase the assets. The "sales" would occur right at the end of a financial reporting period, allowing Lehman to issue financial statements that understated its borrowings and lowered its closely-watched "leverage ratio." After the reports were out, Lehman would then repurchase the assets.

The 105% figure was used to justify the treatment of the transaction as a bona fide sale. According to accounting guidelines, if the value of the assets transferred exceeds 102% of the value of the cash received, this may be viewed as a bona fide sale because it makes no financial sense for the seller to buy the assets back at that price. But there has to be some economic substance to the transactions, not just accounting gimmicks. According to at least one Lehman insider, there was none.

Reportedly Lehman had trouble finding a U.S. law firm that would sign off on the Repo 105 tactic; so it reached out to Linklaters, a British law firm, which gave an opinion that this maneuver was acceptable under U.K. law. Consequently Lehman ran most of these Repo 105 transactions through its British subsidiary. Another issue therefore arises: Can a U.S. parent legitimately circumvent U.S. accounting rules by routing transactions through a foreign affiliate? According to some observers, the answer is no.

The examiner's report notably criticizes Lehman's outside auditors, Ernst & Young, which certified Lehman's financial statements despite knowing about the Repo 105 transactions and other alleged financial irregularities. Ernst & Young apparently received a copy of an "ugly" whistleblower letter to his superiors from Matthew Lee, a Lehman senior vice president, about the practice. But it never raised the issue with the board of directors. Ernst & Young, for its part, claims that it was still reviewing the issue when Lehman collapsed. For his troubles, Lee was "downsized" out of his job in late June of 2008, three months before the rest of the company's employees.

The report also criticizes the SEC and New York Federal Reserve officials who were installed full-time in Lehman's offices for six months before the collapse. They had access to all of Lehman's books and records, and the examiner's report says Lehman made no attempt to hide what it was doing from the regulators. Yet they saw no evil and spoke no evil, perhaps because their job was to help keep Lehman afloat rather than to assure that proper information was disclosed to the markets. When the examiner interviewed more than 100 executives and other witnesses about the financial health and reporting at Lehman, "[A] recurrent theme in their responses was that Lehman gave full and complete financial information to government agencies," the report says. They told the examiner that "the government never raised significant objections or directed that Lehman take any corrective action."

For example, the SEC didn't take action after determining in June 2008 that Lehman was exaggerating the liquid assets on its books, the bankruptcy examiner's report shows. Behind the scenes, the SEC had been questioning how Lehman calculated its liquid asset figures. The SEC deemed assets to be liquid only if they were convertible to cash within 24 hours. Lehman afforded itself five days. Yet this problem was never ironed out, much less disclosed.

According to Professor John Coffee, a well-known securities expert, "It looks like the SEC was behaving much like a bank regulator and trying to avoid public disclosure of information which could encourage either raids, short selling, or possibly a run on the bank. ... I think the SEC got itself compromised here."

As Congress contemplates giving the regulators enhanced powers to rein in excessive risk-taking on Wall Street, this failure, along with a host of others, including the failure to uncover the Madoff fraud, leads us to wonder whether these people are up to the task.

Meanwhile, Richard Fuld has been indirectly quoted in the press as viewing the examiner's report as a "vindication" of his own stewardship. To which we can only add, "heckuva job, Fuldie."

# PomTrack© Class Actions Update

The Pomerantz Firm, 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:

A selection of 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.

<u>Case Name</u>	<u>Ticker</u>	<u>Class Period</u>	<u>Lead Plaintiff Deadline</u>
Harleysville National Corporation	HNBC	July 27, 2009 - January 22, 2010	April 5, 2010
CRM Holdings, Ltd.	CRMH	December 21, 2005 - November 5, 2008	April 6, 2010
Nokia Corp. (2010)	NOK	January 24, 2008 - September 5, 2008	April 6, 2010
Toyota Motor Corporation (C.D. Cal.)	TM, TOYOF	December 22, 2006 - February 2, 2010	April 9, 2010
Proshares UltraShort Russell MidCap Value Fund	SJL		April 12, 2010
ProShares Ultrashort Russell2000 Growth Fund	SKK		April 14, 2010
Allied Capital Corporation (2010)	ALD		April 16, 2010
Cedar Fair, L.P. (N.D. Ohio)	FUN		April 23, 2010
MASTR Pass-Through Certificates, Series 2007-3			April 26, 2010
Smithtown Bancorp, Inc.	SMTB	March 13, 2008 - February 1, 2010	April 26, 2010
Electronic Game Card, Inc.	EGMI	April 5, 2007 - February 19, 2010	May 3, 2010
STEC, Inc. (2010)	STEC	November 4, 2009 - February 23, 2010	May 3, 2010
Novelos Therapeutics, Inc.	NVLT.OB	December 14, 2009 - February 24, 2010	May 4, 2010
Medivation, Inc.	MDVN	July 17, 2008 - March 2, 2010	May 10, 2010
Ormat Technologies, Inc.	ORA	May 6, 2008 - February 24, 2010	May 10, 2010
Schweitzer-Mauduit International, Inc.	SWM	August 5, 2009 - February 10, 2010	May 10, 2010
Cell Therapeutics, Inc. (2010)	CTIC	May 5, 2009 - February 8, 2010	May 11, 2010
St. Jude Medical, Inc. (2010)	STJ	April 22, 2009 - October 6, 2009	May 17, 2010
AMAG Pharmaceuticals, Inc.	AMAG	January 21, 2010 - January 21, 2010	May 18, 2010
athenahealth, Inc.	ATHN	October 29, 2009 - February 25, 2010	May 18, 2010
Fuqi International, Inc.	FUQI	May 15, 2009 - March 17, 2010	May 18, 2010
Rydex Inverse Government Long Bond Strategy Fund	RYAQX, RYJAX, RYJXC, RYJUX	March 19, 2007 - March 19, 2010	May 18, 2010
Stifel, Nicolas & Company	N/A	September 1, 2006 - October 31, 2008	May 24, 2010
Addus HomeCare Corp.	ADUS	October 27, 2009 - October 27, 2009	May 25, 2010
The Hartford Financial Services Group, Inc. (2010)	HIG	December 10, 2007 - February 5, 2009	June 1, 2010
TheHypo Real Estate Holding AG (2009) (Germany)	HRX	September 27, 2007 - January 15, 2008	June 2, 2010

## 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.

<u>Case Name</u>	<u>Amount</u>	<u>Class Period</u>	<u>Claim Filing Deadline</u>
Parmalat Finanziaria, S.p.A.	\$15,000,000	January 5, 1999 - December 18, 2003	April 9, 2010
Threshold Pharmaceuticals, Inc.	\$10,000,000	February 4, 2005 - July 14, 2006	April 15, 2010
American Dental Partners, Inc.	\$6,000,000	February 25, 2004 - December 13, 2007	April 17, 2010
PETCO Animal Supplies, Inc. (2006)	\$16,000,000	July 13, 2006 - October 26, 2006	April 28, 2010
Isilon Systems, Inc.	\$15,000,000	December 14, 2006 - November 8, 2007	May 1, 2010
Huntsman Corp. (2008) (S.D.N.Y.)	\$18,000,000	May 9, 2008 - June 18, 2008	May 5, 2010
Atlas Mining Company	\$1,250,000	January 19, 2005 - October 8, 2007	May 6, 2010
Sequenom, Inc.	\$43,000,000	June 4, 2008 - April 29, 2009	May 10, 2010
Dell, Inc.	\$40,000,000	May 16, 2002 - September 8, 2006	May 11, 2010
Quest Software, Inc. (2006)	\$29,400,000	November 9, 2001 - July 3, 2006	May 14, 2010
TeleTech Holdings, Inc.	\$11,000,000	October 25, 2006 - July 16, 2008	May 20, 2010
Stone Energy Corp.	\$10,500,000	May 2, 2001 - March 10, 2006	May 22, 2010
Arotech Corp.	\$2,900,000	November 9, 2004 - November 14, 2005	June 1, 2010
Shuffle Master, Inc.	\$13,000,000	February 1, 2006 - March 12, 2007	June 3, 2010
CP Ships Limited (Canada)	\$12,027,380	January 29, 2003 - August 9, 2004	June 7, 2010
Seragen, Inc.	\$4,375,000	November 4, 1997 - August 12, 1998	June 7, 2010
Collins & Aikman Corp. (2005)	\$12,262,500	August 6, 2002 - May 17, 2005	June 8, 2010
Flowserve Corp.	\$55,000,000	February 6, 2001 - September 27, 2002	June 8, 2010
SunOpta, Inc. (U.S. Class)	\$11,250,000	February 23, 2007 - January 27, 2008	June 11, 2010
Montana Power Company (2001)	\$39,280,000	December 17, 1999 - September 21, 2001	June 21, 2010
Montana Power Company (2002)	\$19,000,000	January 30, 2001 - November 14, 2001	June 21, 2010
Able Laboratories, Inc.	\$9,150,000	October 30, 2002 - May 18, 2005	June 30, 2010
Adams Golf, Inc.	\$16,500,000	July 10, 1998 - October 22, 1998	July 3, 2010
General Growth Properties, Inc. (2008)	\$15,500,000	April 30, 2008 - October 24, 2008	July 19, 2010
LDK Solar Co., Ltd.	\$16,000,000	June 1, 2007 - October 7, 2007	August 16, 2010
Adelphia Communications Corp.	\$6,725,000	August 16, 1999 - June 10, 2002	October 8, 2010
Royal Dutch Petroleum Co./Shell Transport & Trading PLC (Netherlands)	\$389,072,515	April 8, 1999 - March 18, 2004	November 5, 2010

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