



Shareholder & Securities

Securities litigation and shareholder rights disputes are a bedrock practice at Susman Godfrey and have been since the firm's founding. In state courts, federal courts, and arbitrations, our clients come to us from all corners of the securities world: from institutional shareholder plaintiffs to corporate and institutional defendants; from corporate officers and directors to individual minority shareholders; and from plaintiffs' shareholder class actions to institutional defense of class actions.

We bring the nation's most skilled trial lawyers to prosecute and defend claims of securities fraud, shareholder oppression, breach of fiduciary duty, and all manner of corporate governance disputes. And unlike so many securities practitioners, Susman Godfrey lawyers take securities cases to trial. We prepare every one of our securities cases with the clear goal of seeing the case through to trial if necessary.

Representative Experience

Corporate Governance – Shareholder Rights and Oppression

- ***Brand v. Linton and Promega Corporation.*** Represented a group of minority shareholders against privately held Promega Corporation and its founder, CEO, and majority owner on a claim of shareholder oppression. The team from Susman Godfrey routed the defendants in a four-week bench trial and forced a post-trial settlement and a \$300 million+ buyout in one of the largest shareholder oppression recoveries on record.
- ***Langer v. CME Group and CBOT.*** Serving as co-lead counsel for a proposed class of members of the Chicago Mercantile Exchange (CME) and the Chicago Board of Trade (CBOT). The case alleges the exchanges breached numerous obligations to the Class B shareholders by, among other things: depriving them of their exclusive right to trade as members on the new electronic trading floor at the Aurora Data Center that houses the Globex match engine, requiring them to pay fees for colocation services to access and trade from the electronic trading floor, which allows Electronic Corporate Members and other non-member customers to exercise trading rights and privileges without purchasing or leasing seats

on the exchange, and by providing preferential fees to certain member and non-member customers. The case is pending in Chicago state court.

- **Redstone v. National Amusements.** Represented Brent Redstone in his suit to dissolve the eight-billion-dollar family company controlled by his father, Sumner Redstone. The company, National Amusements, Inc., is the controlling shareholder of Viacom Inc. and CBS Corporation. Susman Godfrey filed suit in state court in Maryland, alleging that the company and Sumner Redstone had oppressed Brent by freezing him out of any meaningful role in management and by denying him his proportionate share of company profits. The case settled for a confidential amount.
- **Casey v. Simmons and NL Industries.** Won a \$178.7 million verdict against NL Industries, Inc. and other corporate and individual defendants, including Dallas billionaire Harold Simmons, for breach of fiduciary duty claims. The firm's clients had been minority investors in an NL subsidiary that they had also run, greatly increasing the subsidiary's value by managing and decreasing its environmental liabilities. The jury awarded the nine-figure verdict, which included \$145 million in punitive damages, after a two-week trial state court in Dallas, Texas. The case settled for a substantial, confidential sum while on appeal.
- **Baks v. Moroun.** Represented Victoria Baks and Florence McBrien in a high-profile dispute against their brother involving the family's trucking empire, Centra Inc.—one of America's largest privately owned trucking companies. The sisters claimed shareholder oppression and breach of fiduciary duty related to alleged use of complex corporate transactions to dilute their interest in Centra. After eleven weeks of trial in Oakland County, Michigan, Centra agreed to pay the sisters a huge confidential settlement that was many times greater than what had been offered before trial.
- **Hussein v. UBS Financial Services.** Won a \$2 million award (\$1.2 million net of fees and expenses) after an eight-day arbitration for Ahmed Hussein over claims that UBS breached its contractual and fiduciary obligations in connection with its liquidation of 2.3 million shares of Hussein's stock in Quality Systems, Inc. pursuant to a margin call.
- **Miller v. Big Ball Sports.** Scored a victory for the founder of apparel company, Big Ball Sports. After being fired, Miller sued the company and its other co-founders for shareholder oppression and breach of fiduciary duty. After a three-week trial in Houston, the jury found for Miller on all of her claims and valued her interest in the business at \$3.3 million, which the judge then ordered the company to pay her for her stock.

Securities Fraud

- **In re Municipal Derivatives Antitrust Litigation.** Serving as co-lead counsel to a class of municipalities suing 10 large banks and brokers for rigging municipal auctions. To date, over \$220 million dollars in settlements have been achieved on behalf of the class.

- **SEC v. Akazoo SA.** After intervening in the SEC's action against digital music streaming service, Akazoo, Susman Godfrey secured \$35 million settlement on behalf of a group of PIPE and SPAC investors over allegations that Akazoo defrauded them and lied about business prospects both before and after its 2019 special purpose acquisition company merger. The group represented by Susman Godfrey in the matter was awarded \$30.1 million of the settlement (\$25.3 million after fees and expenses). [Read more.](#)
- **Titan Management v. Licata.** Representing Ellington Capital, the hedge fund behind the defendants in a case involving a complex series of commercial real estate loans and allegations of chicanery on all sides in New Jersey State Court. The case includes dozens of involved parties, two separate bankruptcy proceedings, numerous counterclaims, and at least two pending trials. The case hinges on whether a group of loans were arms-length transactions between disinterested parties or were part of a fraud to acquire the properties at issue.
- **General Electric Capital Corporation v. Nebraska Investment Finance Authority.** Tried and won a week-long jury trial in SDNY for General Electric against Nebraska Investment Finance Authority related to several Guaranteed Investment Contracts (known as "GICs") and whether interest is owed after the occurrence of different events. After deliberating for two hours, the jury returned with a verdict valued at over \$100 million, and later affirmed by the Second Circuit Court of Appeals—a complete victory for General Electric.
- **Schulein v. Petroleum Development.** Secured a \$37.5 million class action settlement (\$24 million after fees and expenses) on behalf of a class of more than 7,000 limited partners who invested in a dozen oil and gas partnerships sponsored by PDC Energy, Inc. The plaintiffs alleged they were not paid fair value for their limited partnership's interests when they were cashed out of their investments as a result of a series of mergers due to material omissions and misstatement in offering documents concerning the value of the wells.
- **In re Allergan Proxy Violation Derivatives Litigation.** Recovered \$40 million (before fees and expenses)—what is believed to be the largest recovery ever obtained on behalf of derivative securities investors—in an insider trading case. Our team served as co-lead counsel for the plaintiff class, who alleged that Valeant Pharmaceuticals International, Inc. provided non-public information to Pershing Square Capital Management about its impending hostile takeover of Allergan, Inc. so that Pershing Square could secretly buy Allergan stock and commit that stake in support of Valeant's bid. Plaintiffs claimed that Pershing Square then secretly acquired a 10% stake in Allergan and gleaned millions of dollars in profits by selling on the news of the takeover bid. A California federal judge granted final approval of two settlements totaling \$290 million to resolve these insider-trading claims shortly before trial was set to commence in the first of the two actions.

- ***In re GreenSky Securities Litigation.*** Represented the individual, independent directors in a Section 11 securities class action concerning statements made in connection with the initial public offering of GreenSky, Inc. Working with the company's counsel, the state-court lawsuit was dismissed at the motion to dismiss stage of the case.
- ***OppenheimerFunds Litigation.*** Successfully defended Oppenheimer against a multimillion-dollar fraud claim brought by three institutional investors alleging they were fraudulently induced to continue funding a special purpose vehicle intended to enable commercial banks to arbitrage paper interest rates and longer-term AAA bonds. We also successfully represented Oppenheimer mutual funds, along with Pacific Life Funds, as opt-out plaintiffs from a securities fraud class action against American International Group arising from AIG's misstatements and omissions to investors leading up to the 2008 bailout.
- ***Claimants v. Securities America.*** Represented a group of 80 clients who lost millions of dollars they invested in privately placed notes offered by Securities America, in a FINRA arbitration. Using Securities America's brokers, Medical Capital Holdings created a series of special purpose entities that issued more than \$2 billion of the notes before Medical Capital was revealed as a Ponzi scheme. Working closely with other law firms who also filed suits against the company, we litigated and negotiated a hard-fought nationwide settlement of all related arbitrations and class actions in the country.
- ***Texas Instruments v. Citigroup Global Markets.*** Settled a securities fraud case against Citigroup, Bank of New York Mellon, and Morgan Stanley on behalf of Texas Instruments (TI). TI sought rescission and monetary damages for \$523 million of auction rate securities it purchased from the defendants. Susman Godfrey filed suit in Texas state court and defeated the defendants' attempt to remove the case to federal court. We pursued the case aggressively through the end of fact discovery, at which time all defendants entered into confidential settlements.
- ***Van Roden v. Termeer.*** Served as co-lead counsel to a certified class of shareholders in a securities fraud action against Genzyme Corporation, who challenged the propriety under the federal securities laws related to its elimination of the "tracking stock" in one of its divisions. The case settled with Genzyme agreeing to pay \$64 million to the class, which, net of fees and expenses, was \$43.4 million.
- ***In re Bristow Group Inc. Securities Litigation.*** Secured a \$6.25 million settlement (\$4.1 million net of fees and expenses) on behalf of a proposed class of Bristow Group Inc. shareholders, after defeating a Rule 12(b)(6) motion to dismiss under the Private Securities Litigation Reform Act. The plaintiffs alleged Bristow, an aviation services provider focused on the oil and gas sector, made materially false and misleading statements to its investors about its internal controls related to compliance with important covenants in the company's secured financing agreements.

