



## *Q2 2012 Securities Litigation Review*

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# Securities Litigation Insight

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Management Liability Journal *June 2012*

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## Moderator



**Jim Blinn**, Principal, Advisen Ltd.



## Presenter and Report Author

**John Molka**, Senior Industry Analyst and Editor, Advisen Ltd.

# Today's Panelists



**Kevin LaCroix, Executive Vice President, RT ProExec, a division of RT Specialty**



**Terence Healy, Partner, Reed Smith**

# Today's Panelists



## **Kevin LaCroix, Executive Vice President, RT ProExec, a division of RT Specialty**

Kevin M. LaCroix is an attorney and Executive Vice President, RT ProExec, Beachwood, Ohio, a division of R-T Specialty, LLC. RT ProExec is an insurance intermediary focused exclusively on management liability issues.

Kevin has been involved in directors' and officers' liability insurance issues for over 25 years. He began his career as a coverage attorney and partner at the Washington, D.C law firm of Ross, Dixon and Bell. More recently, Kevin served as President of Genesis Professional Liability Managers, a D & O underwriter and part of the Berkshire Hathaway group of companies.

Kevin is also the author of the Internet weblog, The D & O Diary, <http://www.dandodiary.com>, "a periodic journal containing items of interest from the world of directors' and officers' liability, with occasional commentary." In addition, Kevin is a columnist for the Insurance Journal. Kevin is a graduate of the University of Virginia and of the University of Michigan Law School.

# Today's Panelists



## Terence Healy, Partner, Reed Smith

Terence is a seasoned trial lawyer whose practice focuses on matters related to SEC enforcement, internal investigations, regulatory compliance, and complex litigation. For nearly two decades, Terence has represented clients – both in private practice and with the Securities and Exchange Commission (SEC) and Department of Justice (DOJ) – in complex disputes before trial and appellate courts throughout the country. He has been lead trial counsel in numerous complex matters tried to verdict, including a recent SEC enforcement action against the CEO and CAO of a large public company. He has also led non-public investigations into securities fraud and related issues.

As Senior Assistant Chief Litigation Counsel for the SEC, Terence represented the Commission in cases related to accounting fraud, revenue recognition, options backdating, insider trading, FCPA, structured products, and other issues. He worked closely with the Enforcement Division's investigative staff in determining the course and scope of investigations and in making charging recommendations. He also supervised a team of experienced first-chair SEC trial lawyers.

Prior to joining the SEC, Terence spent nine years as a Trial Attorney for the Department of Justice where he defended the United States in several high-profile cases. At DOJ, Terence was lead counsel for the government in several multidistrict matters consolidated under 28 USC § 1407. He successfully defended the government in multiple cases tried to bench or jury and protected the public fisc from significant monetary claims.

After completing a clerkship, Terence began his career as a litigation associate for a national law firm.



# White Paper: Available on Advisen's Corner Store

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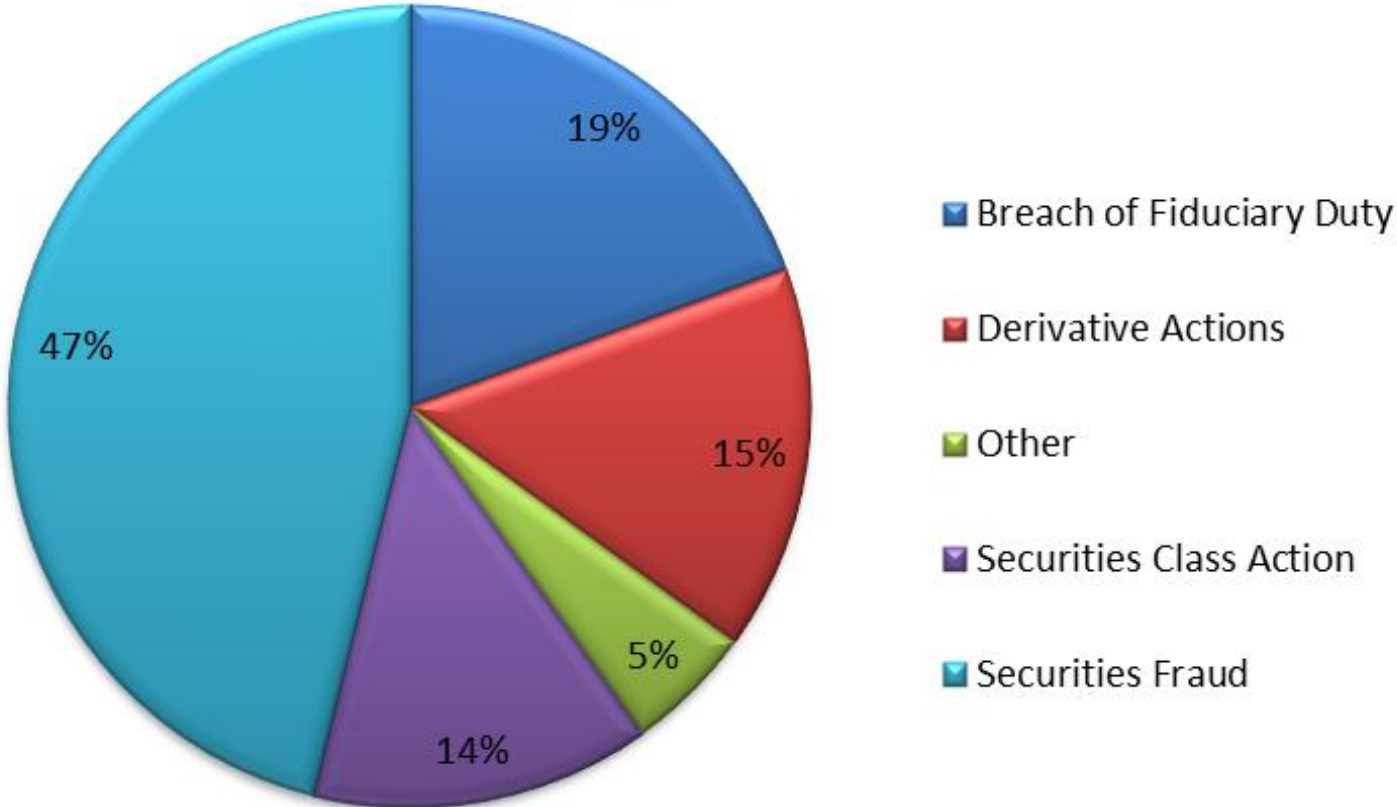
# Securities Litigation – Q2 2012

## Key Developments

- New suits filed dropped 8 percent from Q1.
- Drop in breach of fiduciary duties suits continued due to falloff in merger objection cases.
- Derivative actions remain elevated.
- Securities class actions back to 2011 average.
- Regulatory actions significantly down.
- Suits against non-U.S. companies remain substantial.

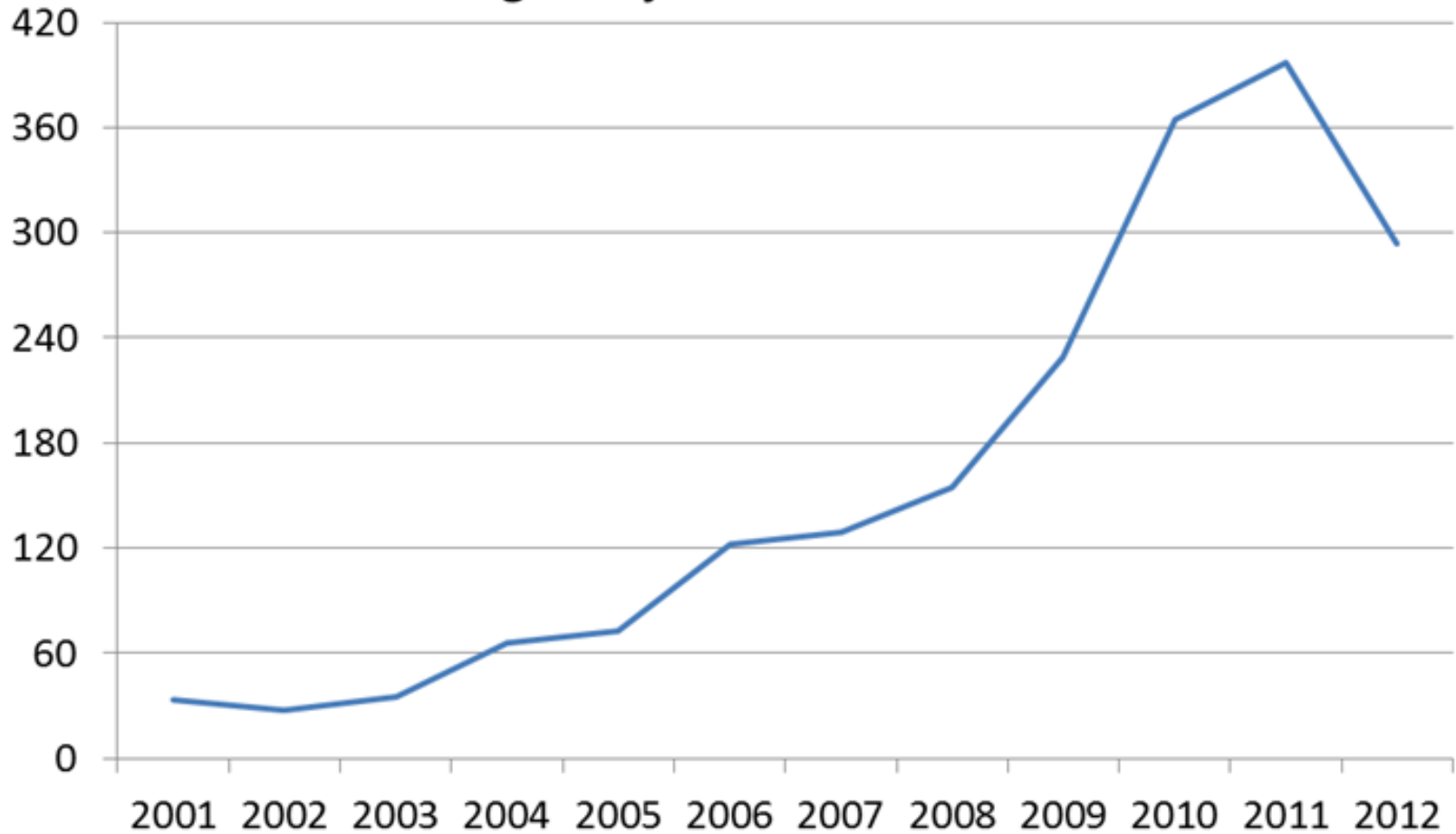
# Case Breakdown

## Suit Type - Q2 2012



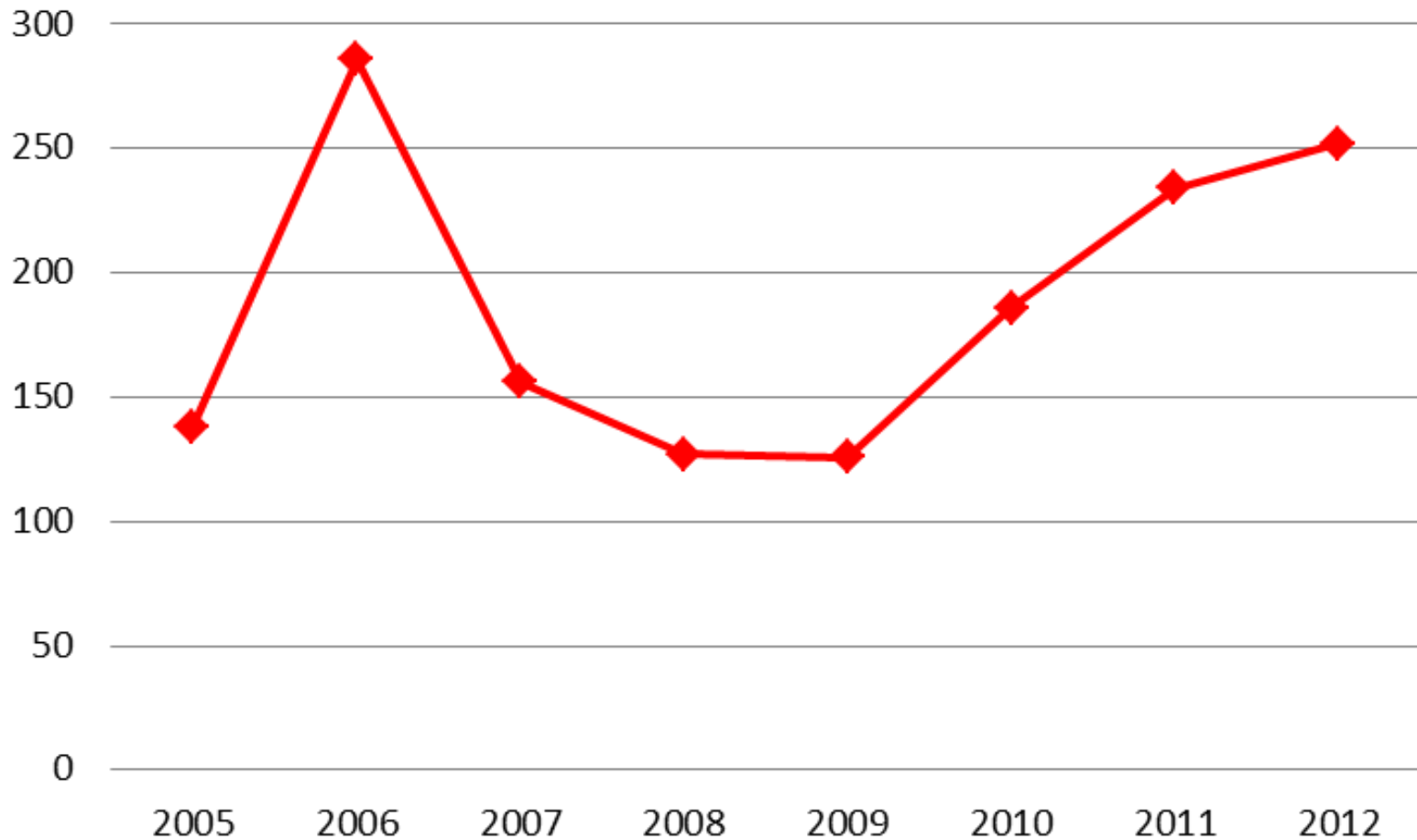
# Merger Objection – Historical View

## Merger Objection Cases Filed



2012 is H1 annualized

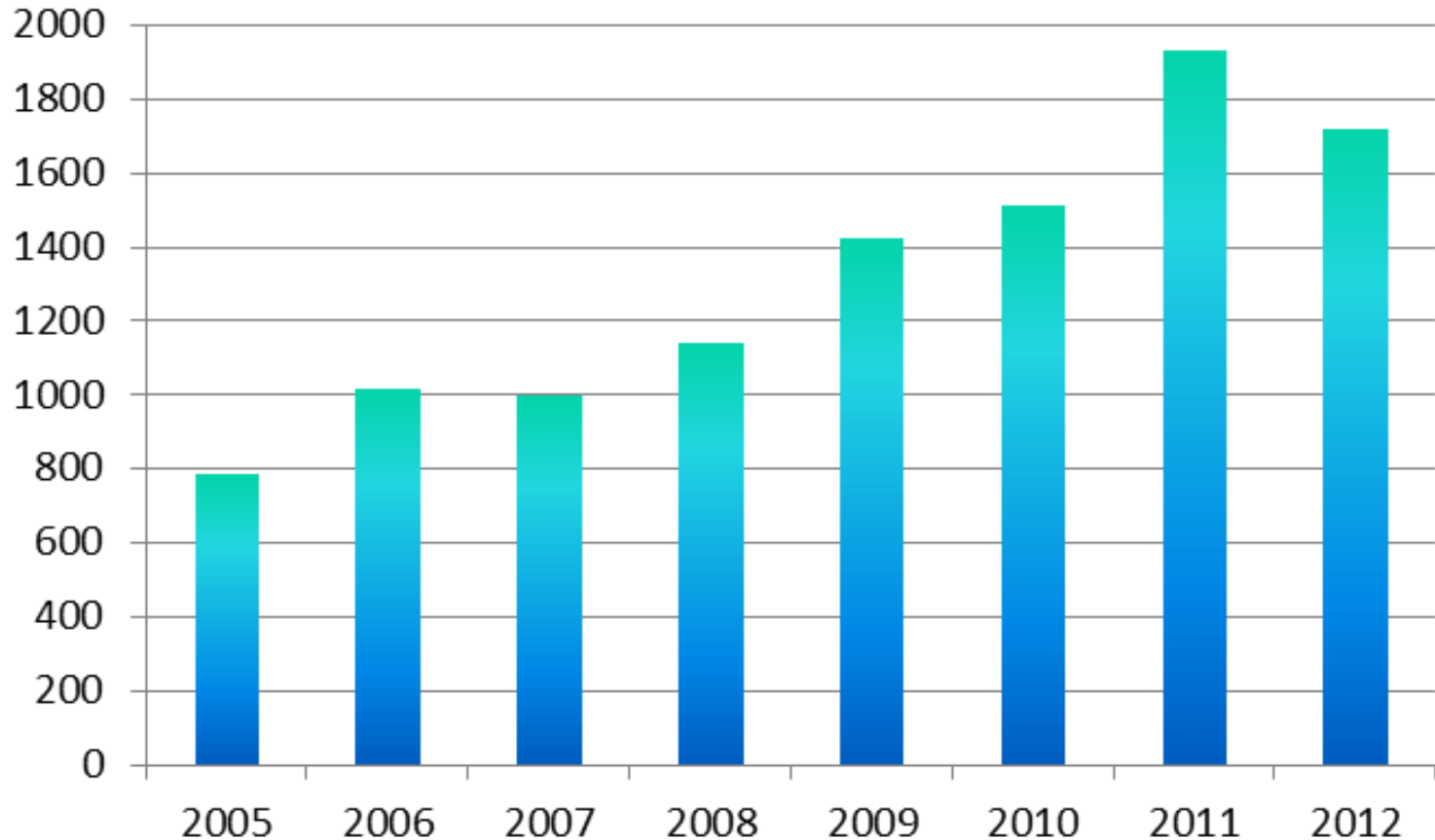
# Derivative Actions



2012 is H1 annualized

# Securities Litigation – Historical View

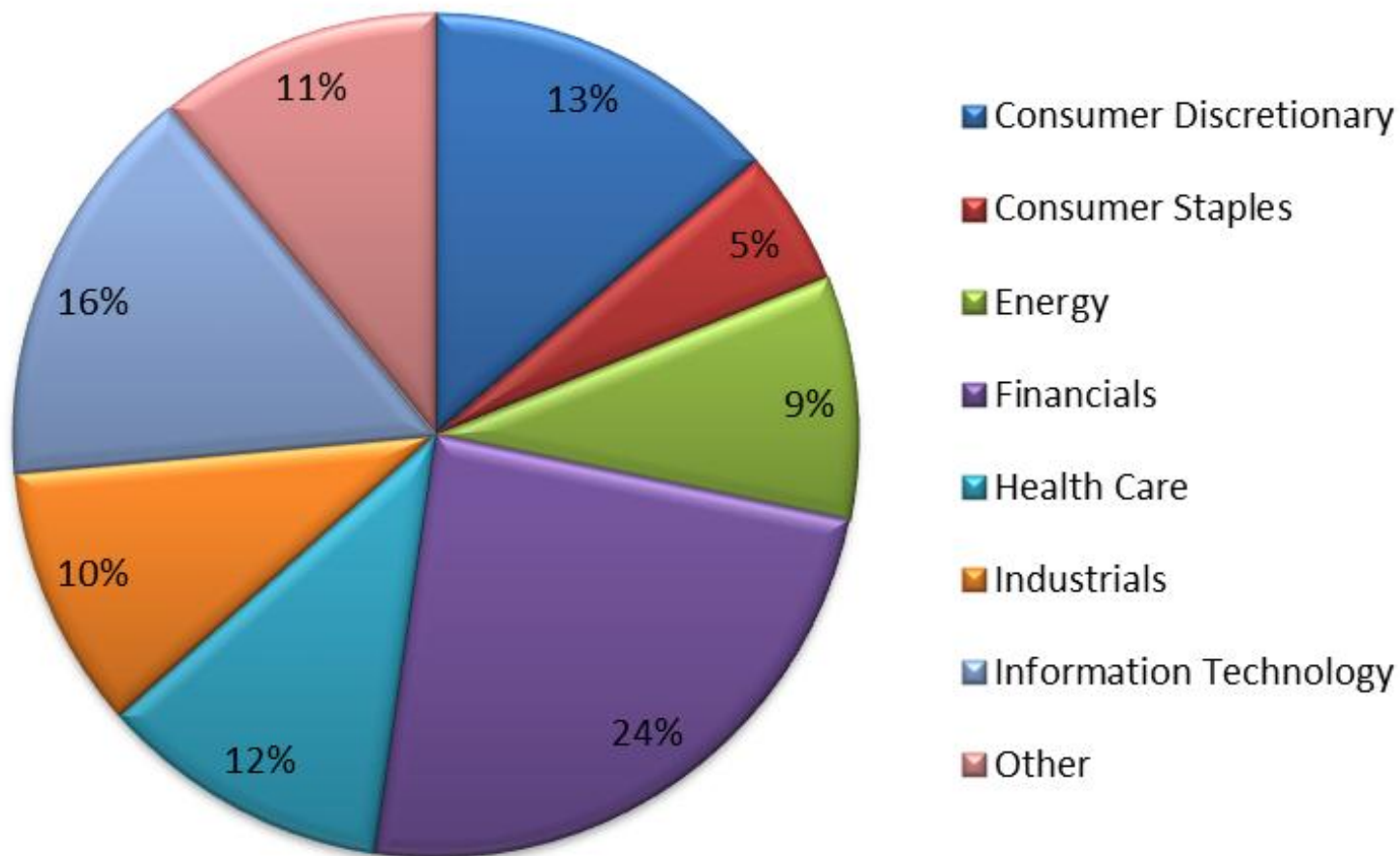
## Securities Suits Filed



2012 is H1 annualized

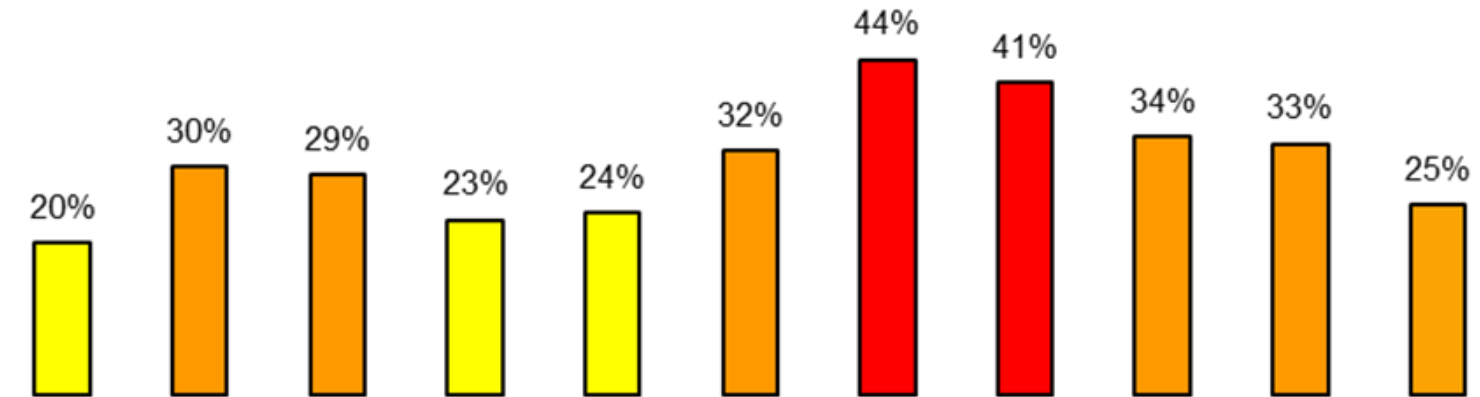
# Case Breakdown

## Suits by Sector - Q2 2012

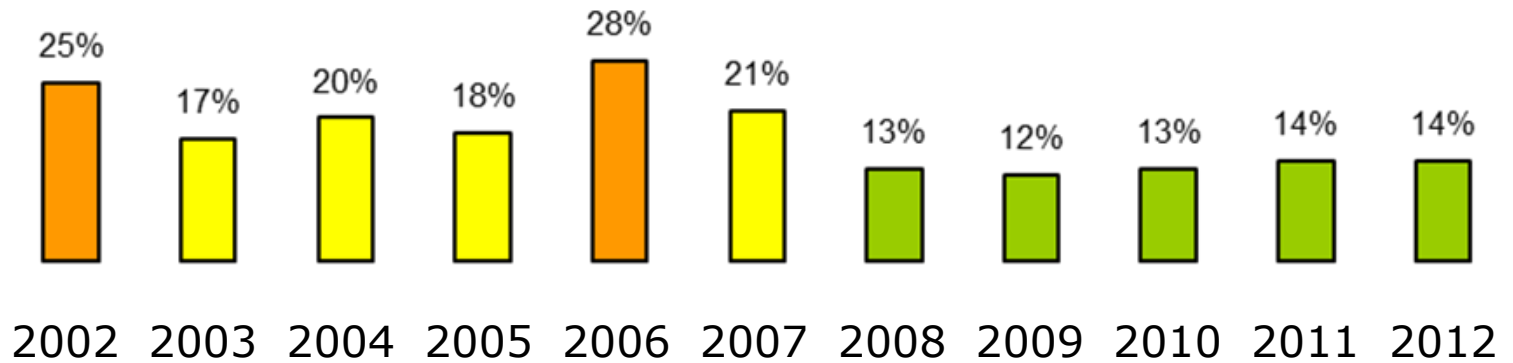


# Sector Impact Metric™

Financials

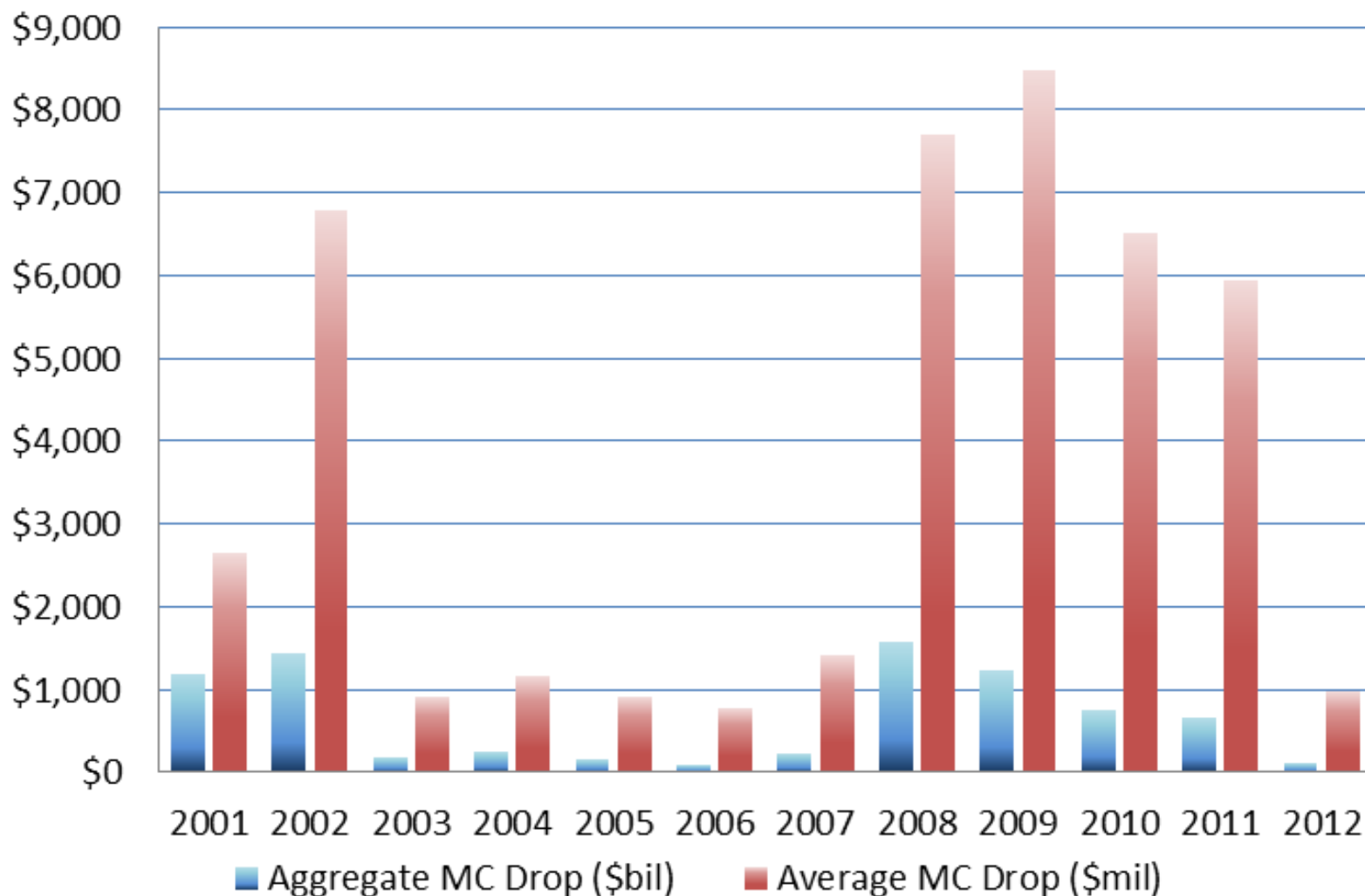


Information Technology



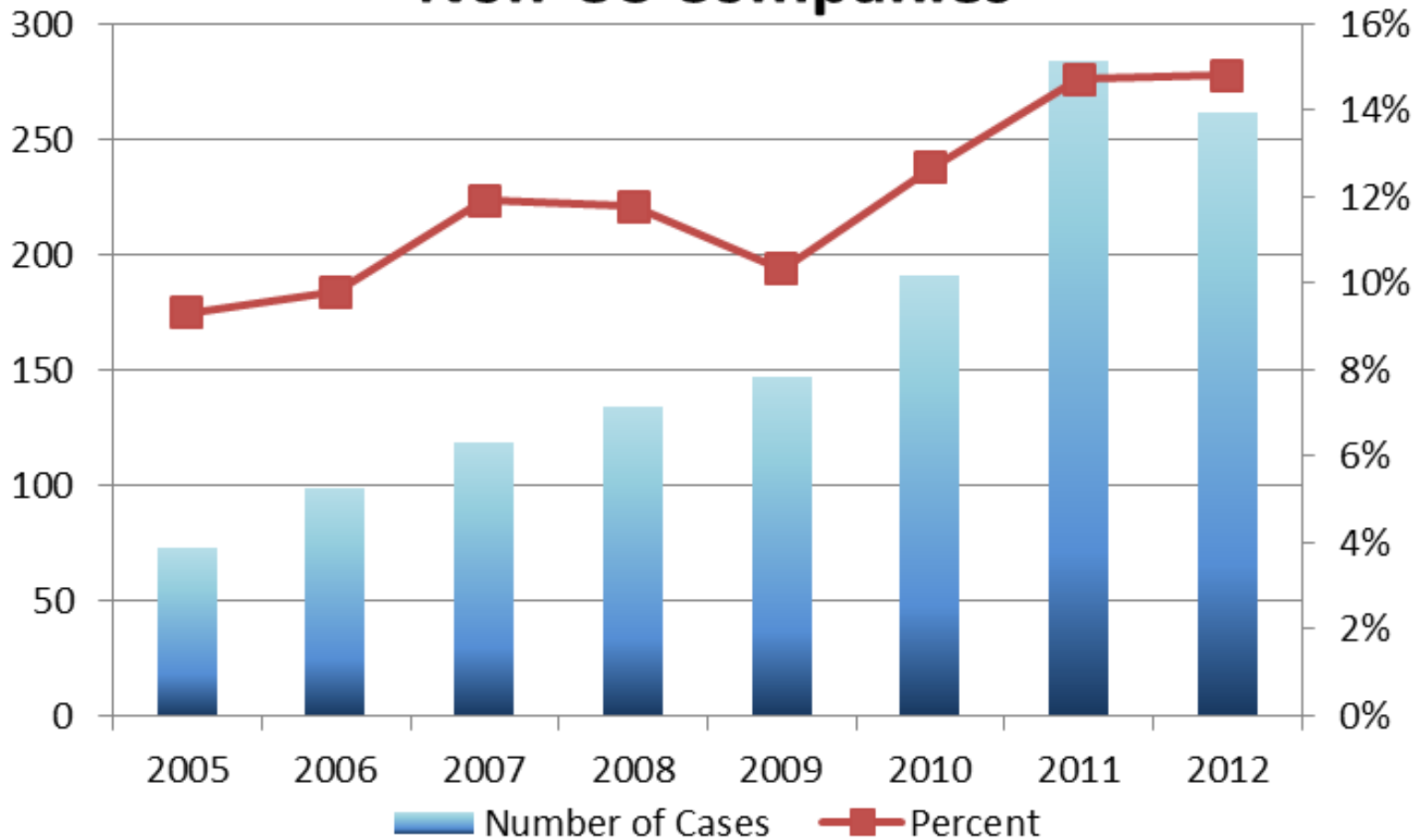


# Market Cap Impact Metric™



2012 Aggregate is H1 annualized

# Globalization Non-US Companies



2012 No. of Cases is H1 annualized

# Securities Litigation



**Jim Blinn, Principal, Advisen Ltd. (Moderator)**



**Kevin LaCroix, Executive Vice President, RT ProExec, a division of RT Specialty (Panelist)**



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Visit [http://corner.advisen.com/advisen\\_webinars.html](http://corner.advisen.com/advisen_webinars.html) for the 2012 Webinar Schedule

- **Reputational Risk**

*Date: Tuesday, September 25, 2012 at 11:00AM EDT*



The screenshot shows the Advisen website's 'Corner Store' section. The top navigation bar includes links for 'ADVISEN's Digital Insurance Platform', 'About Advisen', 'Corner Store', 'Front Page News', 'Alerts', 'Community', 'Login', and 'Contact'. A search bar is located on the right. Below the navigation is a banner for 'ADVISEN's CORNER STORE' with a sub-header 'Productivity & Insight for Insurance Professionals' and a call to action 'See Advisen's new information multiple access approach'. A secondary navigation bar lists categories: 'ADVISEN LTD', 'TOPICAL REPORTS', 'ANALYTICS REPORTS', 'SALES REPORT', 'SOLUTIONS', 'INSURANCE NEWS', 'ADVISEN EVENTS', 'JOB & CAREERS', and 'ADVISEN RESOURCES'. The main content area features a 'Home' link, a 'Industry Profile Report | More' link, and a 'Home' link. The 'Advisen Webinars' section is highlighted, featuring a photo of a man looking at a tablet. A 'WEBINAR ARCHIVE' button is visible. The text describes Advisen Webinars as weekly events produced by The Advisen Conference Programming Board, led by David Bradford and the Editorial Team. It mentions that in 2010, Advisen created and produced over 20 sponsored Webinar events serving more than 10,000 participants, and in 2011, Advisen will offer 30 Webinars with an opportunity for attendees to stay informed and connected to the thought leadership of The Advisen Conference Programming Board. A link is provided for Webinar sponsorship information.

## Upcoming Advisen Conferences:

- **RIMS Benchmark Book... “The Live Event”**

*Thursday, July 26, 2012\* 10AM EDT*

To register: <https://advisen.omnovia.com/register/47081336590422>

- **Management Liability Insights Conference-  
Private Companies**

*Thursday, September 20, 2012\* 8AM EDT*

- **Cyber Liability Insights**

*Wednesday, October 24, 2012\* 8AM EDT*

To register: <https://www.signup4.net/public/ap.aspx?EID=CYBE27E&OID=130>

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