

News Release

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PricewaterhouseCoopers Securities Litigation Third Quarter Update Shows a Decrease in Federal Securities Class Action Filings

Number of securities litigation class action filings through Q3 2009 has decreased 25% compared to the same time period in 2008; filings in healthcare industries may be showing an upward trend

NEW YORK, November 10, 2009 – According to PricewaterhouseCoopers' Securities Litigation Third Quarter Update released today, the activity of federal securities class action filings is down, with only 113 cases filed through September 30, 2009. The number of cases filed through the third quarter of 2009 decreased 25 percent compared to the same time period in 2008, with an average of 38 cases filed in each quarter this year. According to the report, if a similar trend continues, the total number of cases for 2009 may only reach the number of cases filed through the first three quarters of 2008.

Although the number of financial-crisis-related cases filed has decreased from those filed in 2008, the percentage of these cases compared to the total number of cases filed remains consistent with 2008, with 44 percent in 2009 and 47 percent in 2008. The report shows an increase of financial-crisis-related filings involving Ponzi schemes, representing approximately 28 percent of such filings.

Although a distance behind the financial services industry, which had 52 cases filed, the high-technology and pharmaceutical industries are the two industries following the leader with a combined total of 29 cases filed. During the third quarter there was a sharp increase in the number of cases filed in the health industries; six cases were filed during the first half of the year, 13 cases were filed in the third quarter.

Laura Skrief, director, PricewaterhouseCoopers, said "What is in store for the remainder of 2009 is yet to be known; however, based on filings in the second half of 2009, a trend appears to be emerging with an increasing number of filings against companies in the healthcare industry. Thirteen out of the 19 cases filed over the year against such companies were filed in the third quarter."

The most active circuits were the Second, Ninth and Eleventh Circuits with 40 percent, 24 percent, and seven percent of the cases filed, respectively. The report shows an increase in the number of cases filed in the Ninth Circuit, where 13 percent of cases were filed in 2008.

Approximately, 15 percent of the cases (17 cases) filed in the first three quarters of 2009 were against foreign companies, 65 percent of which were financial-crisis-related. The report states that this is relatively consistent with the number of cases filed against foreign companies in 2008, which was 17 percent of total cases or 27 cases filed.

According to the report, accounting-related cases remained steady. Thirty-eight percent of the 2009 filings contained accounting-related allegations as compared to 40 percent for 2008 and 52 percent in 2007. The top accounting allegations also remained consistent, with violations stemming from the financial-crisis related cases, including estimates, overstatement of assets and internal controls. Financial-crisis-related filings accounted for 44 percent of the accounting-related cases noted.

The first three quarters of 2009 brought in some high dollar settlements, including seven settlements over \$100 million. According to the report, the top settlement was the \$3.6 billion HealthSouth settlement. Other high dollar settlements include Merrill Lynch, Banco Santander and The Mills Corporation.

For more information and to receive a full copy of the study, please visit www.10b5.com.

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