

Bernstein Litowitz Berger & Grossmann LLP Announces Creation of Subprime Litigation Practice Group

NEW YORK--(Market Wire)—December 10, 2007—Bernstein Litowitz Berger & Grossmann LLP (“BLB&G”), the nation’s premier plaintiffs’ contingency litigation firm specializing in complex commercial matters, today announces the establishment of a new practice group to protect the interests of its investor and consumer clients in the wake of the collapse of the subprime mortgage industry and the continuing revelations of misconduct by mortgage lenders, bankers and rating agencies.

“With the recent announcements of major write-downs being taken by leading financial institutions as a result of exposure to subprime and other mortgage-backed investments, and the revelation that respected institutional investment managers were gambling their clients’ retirement savings on investments in exotic instruments, it has become clear that the collapse of numerous subprime lenders earlier this year marked just the tip of the iceberg” said BLB&G Partner Gerald Silk. “Our Subprime Litigation Practice Group will help ensure that the rights of institutional and individual investors, as well as consumers, are fully protected and will advise clients on potential claims against all participants, including lenders, investment banks and ratings agencies,” noted Silk.

The Subprime Litigation Practice Group will handle the full range of litigation matters related to the subprime collapse, including claims on behalf of investors in mortgage lenders, companies in related industries, and financial institutions that have concealed their exposure to losses from mortgage-backed securities, and investors in CDOs and other financial instruments tied to mortgage-backed securities. In addition, the Group is investigating the claims of consumers who were harmed by the predatory and discriminatory practices of mortgage lenders. Along with Mr. Silk, BLB&G’s Subprime Litigation Practice Group is led by partner Salvatore Graziano, and includes attorneys Avi Josefson, Mark Lebovitch and Noam Mandel.

BLB&G is uniquely positioned to prosecute the full breadth of claims arising from the subprime meltdown. Recently recognized as “one of the most successful plaintiffs’ firms in the country” among those prosecuting complex securities frauds (*Benchmark: The Definitive Guide to America’s Leading Litigation Firms and Attorneys*), and ranked for the 4th year in a row as one of the nation’s top plaintiffs’ firms (*The National Law Journal*), BLB&G is currently lead counsel in the securities class actions on behalf of investors in subprime lenders New Century Financial Corporation, Accredited Home Lenders Holding Company and Fremont General Corporation. The Firm is also representing institutional investors asserting claims against American Home Mortgage Investment Corporation. As counsel to the Ohio Public Employees Retirement System and the State Teachers Retirement System of Ohio in *Ohio Public Employees Retirement System v. Freddie Mac*, a lawsuit arising from the Federal Home Loan Mortgage Corporation’s (i.e., “Freddie Mac”) manipulation of earnings through various complex transactions involving the company’s mortgage finance and securitization operations, BLB&G obtained a recovery of \$410 million. BLB&G was also counsel on behalf of two institutional investors in *In re Conseco, Inc. Securities Litigation*, a case related to

mortgage securitizations, which resulted in a \$120 million recovery. BLB&G also has extensive experience prosecuting predatory and discriminatory consumer lending by the nation's largest auto finance companies. Through these matters, the Firm has developed a unique capacity in litigation related to the mortgage and mortgage finance industries. The Firm has developed extensive relationships with the top experts in this area, who are prepared to work with BLB&G to vindicate the rights of the many victims of these events.

The Firm is also prosecuting the first case asserted on behalf of retirees whose retirement savings were improperly – and imprudently – invested in high-risk mortgage-backed securities, in an ERISA class action recently filed against State Street Bank & Trust Company and State Street Global Advisors. BLB&G is also currently advising institutional and high-net-worth investors who invested, directly and indirectly, in mortgage-backed securities such as collateralized debt obligations (“CDOs”).

BLB&G has offices in New York, California, Louisiana and New Jersey and is active in major litigations pending in federal and state courts throughout the United States. Responsible for over \$20 billion dollars in aggregate recoveries on behalf of defrauded investors and consumers, including the more than \$6 billion recovered for investors in the *WorldCom, Inc.* securities litigation and the recent disgorgement of nearly \$1 billion in compensation related to the backdating of stock options from the officers and directors of UnitedHealth Group Inc. The Firm has also prosecuted some of the most significant consumer discrimination and civil rights litigation in U.S. history.

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