

# Goldman Sachs Mortgage Pass-Through Litigation

**COURT:** United States District Court for the Southern District of New York  
**CASE NUMBER:** 1:09-cv-01110 (HB)  
**CLASS PERIOD:** 3/30/2006 - 2/6/2009  
**CASE LEADERS:** Lauren A. Ormsbee

Class action arising from Goldman Sachs' sale of mortgage pass-through certificates pursuant to offering documents that contained untrue statements and omissions regarding the underwriting standards used to originate the loans underlying the loan pools at issue. As a result of the misstatements, purchasers of the Certificates were exposed to greater risk than represented with respect to the timing and absolute cash flow to be received from the Certificates. The pools underlying the Certificates have sustained massive downgrades and all Certificates have been downgraded to junk bonds.

On May 6, 2009, the Honorable Harold Baer, Jr. appointed BLB&G client Public Employees' Retirement System of Mississippi ("Mississippi PERS") as Lead Plaintiff and BLB&G as Lead Counsel in the case. On September 18, 2009, Mississippi PERS filed the Second Amended Class Action Complaint For Violation of §§ 11, 12(a)(2) and 15 of The Securities Act of 1933. On November 2, 2009, Defendants moved to dismiss and on December 21, 2009 Lead Plaintiff opposed.

On January 12, 2011, Judge Baer issued an order granting in part and denying in part Defendants' motions to dismiss. Specifically, the Court granted the Rating Agency Defendants' motion to dismiss and granted the Goldman Sachs Defendants' motion to dismiss as to securities in which Plaintiffs did not purchase. The Court sustained, however, Lead Plaintiffs' claims under sections 11, 12(a)(2) and 15 against the Goldman Sachs Defendants related to the systematic disregard of underwriting standards. On February 2, 2012, Judge Baer issued an order granting Lead Plaintiff's motion for class certification and appointed BLB&G as class counsel.

## **BLB&G and Mississippi PERS Obtain a Recovery of \$26.6 Million for the Class**

On July 31, 2012, following extensive mediation, the parties entered into a Stipulation and Agreement of Settlement, settling the securities class action for a total sum of \$26,612,500.00. The settlement amount is subject to a \$1,312,500.00 reduction if a specific class member requests exclusion from the Class. Also, on July 31, 2012, Lead Plaintiff filed a motion seeking approval to send out Notice of the proposed settlement to the Class. On August 13, 2012, Judge Baer approved of the Class Notice, and scheduled a hearing on November 8, 2012, regarding approval of the proposed settlement. On November 8, 2012, following a hearing, the Court approved of the Settlement.

## **Case Documents**

- November 8, 2012 - Order and Final Judgment
- August 13, 2012 - Notice of (I) Pendency of Class Action and Proposed Settlement, (II) Settlement Fairness Hearing, and (III) Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses
- August 13, 2012 - Administrative and Notice Order
- July 31, 2012 - Stipulation and Agreement of Settlement

- July 31, 2012 - Lead Plaintiff's Notice of Motion and Motion for (I) Preliminary Approval of Settlement, (II) Approval of the Form and Manner of Notice to the Class, and (III) Scheduling of a Settlement Hearing
- July 31, 2012 - Memorandum of Law in Support of Lead Plaintiff's Motion for (I) Preliminary Approval of Settlement, (II) Approval of the Form and Manner of Notice to the Class, and (III) Scheduling of a Settlement Hearing
- January 12, 2012 - Opinion and Order on Motion to Dismiss
- February 2, 2012 - Opinion and Order Granting Class Certification
- September 18, 2009 - Second Amended Class Action Complaint