

In re ICG Communications, Inc. Securities Litigation

COURT: United States District Court for the District of Colorado

CASE NUMBER: 00-cv-1864

CLASS PERIOD: 12/09/1999 - 09/18/2000

Securities fraud class action filed on behalf of all persons and entities who purchased ICG Communications, Inc. stock on the open market during the period December 9, 1999 to September 18, 2000.

The Court appointed BLB&G clients the Retirement Systems of Alabama and the Policemen's Annuity and Benefit Fund, City of Chicago as Co-Lead Plaintiffs and BLB&G was appointed Co-Lead Counsel for the Class.

Background

Plaintiffs allege that throughout the Class Period, ICG fraudulently inflated its publicly-reported communications network "lines" and line-related revenues in order to create the appearance that it was one of the largest and fastest growing telecommunications companies in the United States. In addition, Plaintiffs alleged that ICG intentionally concealed enormous customer complaints, cancellations and service problems. After ICG publicly acknowledged its "major" customer service problems and associated revenue and growth problems, its stock rapidly collapsed, and ICG filed for bankruptcy on November 14, 2000. With ICG having filed for bankruptcy, the defendants are former ICG CEO, J. Shelby Bryan ("Bryan"), and former ICG President and COO, William S. Beans ("Beans") (together, the "Defendants").

In August 2004, the Court denied in part and granted in part the Defendants' motion to dismiss. On July 18, 2005, the Court granted Lead Plaintiffs permission to file a Second Amended Complaint. The Second Amended Complaint identified numerous high level former ICG employees who specifically linked Defendants Bryan and Beans to ICG's fraudulent line count inflation and concealment of ICG's network problems. On February 7, 2006, Defendants' motion to dismiss that complaint was denied as to all claims against Beans and as to all claims against Bryan except the Section 10(b) claim for line count inflation.

Defendants Agree to Settle All Claims for \$18 Million

After over five years of litigation, Co-Lead Plaintiffs announced that they have reached a settlement of all claims against the Defendants for \$18 million in cash. On July 28, 2006, the Court granted preliminary approval of Plaintiffs' settlement with defendants Bryan and Beans.

A settlement fairness hearing was held on January 12, 2007 at 10:00 a.m. before the Honorable Robert E. Blackburn, United States District Judge, at the Alfred A. Arraj United States Courthouse, 901 19th Street, Denver, Colorado 80294-3589 in courtroom A-701. The Court approved the settlement by Order dated January 19, 2007. Lead Plaintiffs' motion for distribution of the settlement fund is pending before the Court.

In order to be eligible to share in the benefits of the settlement, class members must have submitted a completed and signed proof of claim form postmarked no later than December 12, 2006.

Case Documents

- Notice of Pendency and Settlement of Class Action

- February 7, 2006 - Order Denying Defendants' Motion To Dismiss
- July 18, 2005 - Second Amended Class Action Complaint