

In re MasTec, Inc. Securities Litigation

COURT: United States District Court for the Southern District of Florida
CASE NUMBER: 04-cv-20886
CLASS PERIOD: 08/12/2003 - 05/11/2004

Securities fraud class action filed on behalf of all investors who purchased the common stock of MasTec, Inc. ("MasTec" or the "Company") (NYSE: MTZ) between August 12, 2003 and May 11, 2004 (the "Class Period").

BLB&G and Arkansas Teacher Retirement System Obtain \$10 Million Settlement

On April 17, 2006, BLB&G and its client, Court-appointed Co-Lead Plaintiff the Arkansas Teacher Retirement System, announced that MasTec and certain of its current and former officers and directors have agreed to settle all claims asserted against them in this Action for the sum of \$10 million in cash.

The case was set for trial beginning in September of this year and the settlement comes after two years of intense litigation and extensive investigation.

On November 6, 2006, the Honorable Federico A. Moreno at the United States District Court for the Southern District of Florida granted final approval of the settlement. The claims administration process has concluded and the net settlement fund has been fully disbursed. This matter is considered closed.

BACKGROUND

On August 10, 2004, the Honorable Federico A. Moreno of the United States District Court of the Southern District of Florida consolidated all securities class actions against MasTec and appointed BLB&G client, Arkansas Teacher Retirement System, as Co-Lead Plaintiff and BLB&G as Co-Lead Counsel for the Class.

MasTec is a Florida-based construction company that provides communications and energy infrastructure services throughout North America. In late January, 2004, the Company unsuccessfully attempted to complete a secondary public offering, which would have resulted in over \$200 to the Company and its founder Jorge Mas, Jr. After that offering failed, the Company announced that it had to restate its previously filed financials for 2003 because of "intentional overstatements of revenues, inventories, and work in progress" that had occurred at its Canadian subsidiary, PhaseCom, and because of "previously recognized revenues related to work performed on undocumented or unapproved change orders" from several of MasTec's large construction projects.

After an extensive investigation into MasTec's restatement, Lead Plaintiffs filed a Consolidated Second Amended Class Action Complaint on February 22, 2005 that alleged that MasTec and the individual defendants were fraudulently recording revenue from PhaseCom and from the "change orders" in order to meet analyst expectations for the second and third quarters of 2003. Defendants include the Company, Austin Shanfelter (CEO), Donald Weinstein (former CFO) and Jorge Mas, Jr. (Chairman of the Board of Directors and founder).

On September 23, 2005, Judge Moreno denied Defendants' Motion to Dismiss the Complaint in its entirety and Lead Plaintiffs commenced formal discovery.

Case Documents

- Notice of Pendency and Proposed Settlement of Class Action

- February 22, 2005 - Second Amended Consolidated Complaint