

Louisiana Sheriffs' Pension and Relief Fund, et al. v. Merrill Lynch & Co., Inc., et al.

COURT: United States District Court for the Southern District of New York
CASE NUMBER: 08-cv-09063
CLASS PERIOD: 11/01/2006 - 04/30/2008
CASE LEADERS: Max W. Berger, Mark Lebovitch

Securities class action filed on behalf of a class of persons and entities who purchased or otherwise acquired the debt securities and certain series of preferred stock (collectively, the "Bond Class Securities") in or traceable to Merrill Lynch & Co., Inc.'s ("Merrill Lynch") public offerings between November 2006 and April 2008 (the "Offerings Period").

On October 3, 2008, BLB&G filed suit in New York State Supreme Court on behalf of plaintiffs, Louisiana Sheriffs' Pension and Relief Fund and Louisiana Municipal Police Employees Retirement System, and all other purchasers or acquirers of the Bond Class Securities within the Offering Period. On October 22, 2008, defendant Merrill Lynch and four other defendants filed a notice of removal to the United States District Court for the Southern District of New York (the "Bond Action").

On December 3, 2008, Judge Jed S. Rakoff ordered that the Bond Action be coordinated with In re Merrill Lynch & Co., Inc. Securities, Derivative and ERISA Litigation (No. 07-CV-9633-JSR-DFE) (the "Securities Action"). Under the order, BLB&G continues to represent plaintiffs in the Bond Action under the supervision of Co-Lead Counsel in the Securities Action, Kaplan Fox & Kilsheimer LLP and Berger & Montague, P.C.

The Complaint in the Bond Action asserts claims under the Securities Act of 1933 in connection with the public offerings of five series of Merrill Lynch preferred stock and twelve Merrill Lynch bond issues pursuant to false and misleading prospectuses and registration statements filed with the Securities & Exchange Commission (the "Offering Materials"). Specifically, the Complaint alleges that the Offering Materials contained untrue statements and omissions of material facts about Merrill Lynch's financial condition and failed to disclose billions of dollars in exposure to CDOs and other mortgage-backed securities and auction rate securities. When the Company's massive exposures were finally revealed, it caused material declines in the securities sold through the Offerings, thereby damaging Plaintiffs and the Class.

Even after Merrill Lynch began to acknowledge some of its exposure to toxic mortgage-backed securities in 2007, it continued to misrepresent their value and their impact on the Company's capitalization. In reality, the exposures were so large that they undermined Merrill Lynch's ability to continue as an independent Wall Street bank, and ultimately resulted in the January 2009 acquisition of Merrill Lynch by Bank of America, N.A. Merrill Lynch's exposure to mortgage-backed securities was so enormous that it poisoned what had previously been one of the nation's largest and most stable banks, forcing the United States Government to bail out Bank of America with an infusion of \$138 billion.

On August 12, 2009, the parties entered into a Stipulation and Settlement Agreement proposing a \$150 million settlement to resolve all of Plaintiffs' claims. This agreement is subject to review under Rule 23 of the Federal Rules

of Civil Procedure. On August 24, 2009, the Court entered an order preliminarily approving the settlement and providing for notice to the Class. On November 23, 2009, the Court approved the settlement and plan of allocation.

Case Documents

- Notice of Settlement
- October 3, 2008 - Class Action Complaint