

Reserve Primary Fund Securities Litigation

COURT: United States District Court for the Southern District of New York
CASE NUMBER: 08-CV-8060
CLASS PERIOD: 09/28/2006 - 09/16/2008

This is a securities class action filed on behalf of a class of persons and entities who purchased or acquired securities of the Reserve Primary Fund between September 28, 2006 and September 16, 2008 (the "Class Period"). On August 26, 2009, the Honorable Paul G. Gardephe appointed BLB&G client Third Avenue Institutional International Value Fund, L.P. as Lead Plaintiff and BLB&G as Lead Counsel for the Class.

On September 16, 2008, The Reserve announced that its premier money market fund – the \$62 billion Primary Fund – had "broken the buck," or fallen below the required \$1.00 net asset value ("NAV"). Money market funds are designed to serve as an extremely safe, low-yield alternative to holding cash or investing money in short term instruments. Defendants repeatedly marketed the Primary Fund as the epitome of a "safe" and "conservative" money market fund, and emphasized the Primary Fund's superiority over competitor funds that had purportedly "prostituted" the concept of money market funds "by putting garbage in the funds and reaching for yield." Because of the Primary Fund's exposure to risky commercial paper, including \$785 million in commercial paper issued by Lehman Brothers Holdings, Inc. ("Lehman Brothers"), the Lehman Brothers bankruptcy announcement on September 15, 2008 caused the Primary Fund to suffer losses so severe that it became the first, and to this date only, retail money market fund to face liquidation.

On January 5, 2010, BLB&G filed the Consolidated Class Action Complaint on behalf of Lead Plaintiff and the Class. Defendants moved to dismiss on June 25, 2010, Lead Plaintiff filed its opposition brief on August 13, 2010, and Defendants' filed their reply on September 3, 2010. On September 28, 2012, the Court granted in part and denied in part Defendants' motions to dismiss.

On September 6, 2013, Lead Plaintiff filed a motion for preliminary approval of a proposed settlement. On October 1, 2013, Lead Plaintiff filed a reply to its motion for preliminary approval, noting that no class members had objected to granting preliminary approval. On October 7, 2013, the Court granted preliminary approval of the proposed Settlement and set a final approval hearing for December 16, 2013.

On November 11, 2013, Lead Plaintiff filed a motion for final approval of the settlement, and the award of attorneys' fees and litigation expenses.

On January 31, 2014, the Court entered an order granting 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.

Case Documents

- January 13, 2014 - Order and Final Judgment
- November 11, 2013 - Declaration of John C. Browne in Support of Motion for Final Approval of Settlement and Motion for Approval of Attorneys' Fees and Expenses

- November 11, 2013 - Memorandum of Law in Support of Lead Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses
- November 11, 2013 - Memorandum of Law in Support of Lead Plaintiff's Motion for Final Approval of Class Action Settlement
- October 7, 2013 - Order Preliminarily Approving Settlement and Providing for Notice
- October 1, 2013 - Reply Memorandum and Notice of Non-Opposition in Further Support of Lead Plaintiff's Motion for (I) Preliminary Approval of Settlement, (II) Certification of the Class for Purposes of Settlement, and (III) Approval of Notice to the Class
- September 9, 2013 - Memorandum of Law in Support of Lead Plaintiff's Motion for (I) Preliminary Approval of Settlement, (II) Certification of the Class for Purposes of Settlement, and (III) Approval of Notice to the Class
- October 1, 2013 - Amendment No. 1 to the Stipulation and Agreement of Settlement Dated August 14, 2013
- September 6, 2013 - Stipulation and Agreement of Settlement Dated August 14, 2013
- October 7, 2013 - Notice of Pendecy of Class Action and Proposed Settlement, Final Approval Hearing, and Motion for Attorneys' Fees and Reimbursement of Litigation Expenses
- September 30, 2012 - Order