

In re SCANA Corporation Securities Litigation

COURT: United States District Court for the District of South Carolina
CASE NUMBER: 3:17-CV-2616-MBS
CLASS PERIOD: 10/27/2015 - 12/20/2017
CASE LEADERS: Jeroen van Kwawegen
CASE TEAM: Michael Mathai

This case is *In re SCANA Corporation Securities Litigation*, No. 17-cv-2616 (D.S.C.) (the “Action”), a securities class action lawsuit brought against SCANA Corporation (“SCANA” or the “Company”) and certain of the Company’s senior executives. The Court-appointed Lead Plaintiffs are Blue Sky Group and West Virginia Investment Management Board. Bernstein Litowitz represents Blue Sky Group. As described further below, the parties have reached a \$192.5 million settlement in this Action (the “Settlement”), which has been finally approved by the Court.

SCANA provides electricity and natural gas to roughly 1.6 million customers in the Southeastern United States. In 2008, SCANA began constructing two new nuclear reactors at the V.C. Summer site near Jenkinsville, South Carolina. Throughout the class period, SCANA allegedly made false and misleading statements that the construction was progressing well. Lead Plaintiffs also allege SCANA also represented it was acting prudently when working on the nuclear project and, on that basis, successfully sought \$1.7 billion in increased customer rates to offset construction costs.

The Action alleged that while SCANA was touting its progress, the Company and its senior executives knew the project suffered from a host of fundamental problems. In October 2015, defendants received an independent report from expert consultants that detailed formidable obstacles, massive cost overruns, and imprudent management. The 130-page report concluded that “there [were] significant issues facing the project,” including “plans and schedules [that] are not reflective of actual project circumstances” and an engineering design which “is not yet completed” and “not constructible.” However, defendants continued constructing the plants, touting its purported progress, and charging increased rates for well over a year.

In the summer of 2017, following the bankruptcy of its chief contractor due in large part to their work on the nuclear reactors, SCANA announced that it would abandon the construction of the nuclear reactors, after having charged their clients billions of dollars for this failed endeavor. Numerous public investigations were initiated and, numerous internal communications and the initial and final versions of the independent expert report that SCANA received were made public. In addition, the U.S. Attorney’s Office in South Carolina and the FBI initiated a criminal investigation, and SCANA’s CEO and executive vice president left the Company.

Lead Plaintiffs filed a consolidated class action complaint on March 30, 2018 (the “Complaint”), asserting claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, and Rule 10b-5 promulgated thereunder. The Court denied defendants’ motions to dismiss the Complaint on March 29, 2019, and the case proceeded into discovery.

Lead Plaintiffs Have Settled the Action for \$192.5 Million

On October 2, 2019, Lead Plaintiffs, on behalf of the Settlement Class (defined below) reached an agreement-in-principle with defendants to settle the Action for \$192,500,000, with \$160,000,000 being paid in cash and \$32,500,000 being paid in cash or shares of freely-tradable Dominion Energy, Inc. (“Dominion Energy”) common

stock (the "Settlement"), at the option of SCANA Corporation ("SCANA" or the "Company"). On December 20, 2019, the parties entered into the Stipulation and Agreement of Settlement, which sets forth the final terms and conditions of the Settlement.

On February 11, 2020, the Court preliminarily approved the Settlement and authorized notice to be disseminated to potential Settlement Class Members. On June 9, 2020, the Court held a hearing on final approval of the Settlement and related matters. On July 23, 2020, the Court entered an Order and Opinion approving the Settlement, an Order and Opinion approving the proposed Plan of Allocation for the proceeds of the Settlement, and an Order and Opinion awarding attorney's fees and litigation expenses to Plaintiffs' Counsel.

We filed the distribution motion on April 26, 2021. On July 13, 2021 the Court entered the Order Approving the Distribution Plan. The initial distribution occurred on September 7, 2021. The second distribution occurred in November 2022. A third distribution occurred in September 2024. Subsequent distributions will occur on a rolling basis provided that net settlement funds are available.

The Settlement Class consists of:

All persons and entities who or which, purchased or otherwise acquired publicly traded SCANA common stock, during the period from October 27, 2015 through December 20, 2017, inclusive (the "Class Period"), and were damaged thereby, except for certain persons and entities who are excluded from the Settlement Class by definition as set forth in paragraph 27 of the [Notice](#).

Please read the [Notice](#) to fully understand your rights and options. You may also visit the Settlement website, www.scanasecuritieslitigation.com, for more information about the Settlement.

Case Documents

- Notice
- July 14, 2021 - Order Approving Distribution Plan
- April 26, 2021 - Lead Plaintiffs' Motion for Approval of Settlement Distribution Plan
- April 26, 2021 - Memorandum of Points in Support of Motion for Approval of Settlement Distribution Plan
- April 26, 2021 - Proposed Order Approving Settlement Distribution Plan
- April 26, 2021 - Declaration in Support of Lead Plaintiffs' Motion for Approval of Settlement Distribution Plan
- April 26, 2021 - Exhibit A
- April 26, 2021 - Exhibit B
- April 26, 2021 - Exhibit C
- April 26, 2021 - Exhibit D
- April 26, 2021 - Exhibit E
- April 26, 2021 - Exhibit F
- April 26, 2021 - Exhibit G

- April 26, 2021 - Exhibit H
- July 23, 2020 - Order and Opinion Approving Settlement
- July 23, 2020 - Order and Opinion on Plan of Allocation
- July 23, 2020 - Order and Opinion on Attorneys' Fees
- April 23, 2020 - Lead Plaintiffs' Motion for Final Approval of Class Action Settlement and Plan of Allocation
- April 23, 2020 - 2. Memorandum of Points and Authorities in Support of Lead Plaintiffs' Motion for Final Approval of Class Action Settlement and Plan of Allocation
- April 23, 2020 - Lead Counsel's Motion for an Award of Attorneys' Fees and Payment of Litigation Expenses
- April 23, 2020 - Memorandum of Points and Authorities in Support of Lead Counsel's Motion for an Award of Attorneys' Fees and Payment of Litigation Expenses
- April 23, 2020 - Joint Declaration of John C. Browne and James W. Johnson with Exhibits 1-10
- December 20, 2019 - Stipulation and Agreement of Settlement
- February 11, 2020 - Preliminary Approval Order
- March 30, 2018 - Consolidated Class Action Complaint for Violations of the Federal Securities Laws