

In re Scottish Re Group Securities Litigation

COURT: United States District Court for the Southern District of New York
CASE NUMBER: 06-CV-05853
CLASS PERIOD: 02/17/2005 - 07/31/2006
CASE LEADERS: Salvatore J. Graziano

Securities fraud class action filed on behalf of a class of persons and entities who purchased or acquired Scottish Re Group Limited Ordinary Shares, Non-Cumulative Perpetual Preferred Shares, and/or Convertible Preferred Shares of Hybrid Capital Units between February 17, 2005 and July 31, 2006 (the "Class Period").

On October 12, 2006, the Honorable Shira A. Scheindlin appointed BLB&G client the State Teachers Retirement System of Ohio as Lead Plaintiff and BLB&G as Lead Counsel for the Class.

Lead Plaintiff alleges violations of both the Securities Act of 1933 and Securities Exchange Act of 1934. Specifically, Lead Plaintiff claims that Scottish Re violated Generally Accepted Accounting Principles ("GAAP") by failing to properly account for its significant deferred tax assets. In addition to the alleged GAAP violations, the Company suffered from numerous undisclosed internal control deficiencies. The Consolidated Class Action Complaint states that when the true facts were revealed, including a material valuation allowance on deferred tax assets and numerous other required financial adjustments (revealing the Company's poor internal controls), the price of Scottish Re securities declined precipitously.

On November 1, 2007 Judge Scheindlin denied the motions to dismiss as to all claims against the defendants except the Securities Exchange Act fraud claims against auditor Ernst & Young, which she dismissed with leave to amend.

The parties settled the action, which was approved by the Court on December 11, 2008.

The claims administration process has concluded and the net settlement fund has been fully disbursed. This matter is considered closed.

Case Documents

- September 26, 2008 - Notice of Proposed Settlement
- December 4, 2006 - Consolidated Class Action Complaint