

Camelot Event Driven Fund v. Morgan Stanley & Co. LLC, et al.

COURT: New York Supreme Court, New York County
CASE NUMBER: 654959/2021
CASE LEADERS: John Rizio-Hamilton, Rebecca E. Boon
CASE TEAM: Shane Avidan, Alec Coquin, Juan Lossada

This is a securities class action filed on behalf of all persons or entities who purchased or otherwise acquired (1) Viacom common stock issued in Viacom's secondary public offering, which closed on March 26, 2021, and/or (2) Viacom's preferred stock issued in or traceable to Viacom's initial public offering of that stock, which closed on March 26, 2021 (collectively, the "Offerings"), and were damaged thereby. The action alleges violations of the Securities Act of 1933. The Honorable Andrew Borrok is presiding over the case.

Plaintiffs Have Reached a Proposed Settlement of the Action for \$120 Million

Plaintiffs Camelot Event Driven Fund, A Series of Frank Funds Trust and Municipal Police Employees' Retirement System, on behalf of themselves and the Class, have reached a proposed settlement of the Action for **\$120,000,000** in cash that, if approved, will resolve the Action (the "Settlement").

If you are a member of the Class, your rights will be affected and you may be eligible for a payment from the Settlement. The Class consists of:

all persons and entities who purchased or otherwise acquired (i) the Class B Common Stock of Viacom issued in Viacom's secondary public offering, which was announced on March 22, 2021, priced on March 23, 2021, and closed on March 26, 2021; and/or (ii) Viacom's 5.75% Series A Mandatory Convertible Preferred Stock issued in or traceable to Viacom's initial public offering of that Preferred Stock, which was announced on March 22, 2021, priced on March 23, 2021, and closed on March 26, 2021, and were damaged thereby.

Certain persons and entities are excluded from the Class by definition (see paragraph 20 of the Notice) or may request exclusion pursuant to the instructions set forth in the Notice (see paragraphs 34-35 of the Notice).

Please read the Notice to fully understand your rights and options. Copies of the Notice and Claim Form can be found in the Case Documents list on the right of this page.

To be eligible to receive a payment under the proposed Settlement, you must submit a Claim Form postmarked (if mailed) or submitted on-line by no later than **August 22, 2025**.

Payments to eligible claimants will be made only if the Court approves the Settlement and a plan of allocation, and only after any appeals are resolved, and after the completion of all claims processing. Please be patient, as this process will take some time to complete.

IMPORTANT DATES AND DEADLINES

August 22, **Claim Filing Deadline.** Claim Forms must be *postmarked (if mailed) or submitted on-line no later than August 22, 2025.*

- July 15, 2025 **Exclusion Deadline.** To exclude yourself from the Settlement Class, you must submit a written request for exclusion so that it is *received no later than July 15, 2025*, in accordance with the instructions in the Notice.
- July 15, 2025 **Objection Deadline.** Any objections to the proposed Settlement, the proposed Plan of Allocation, or the motion for attorneys' fees and expenses, must be submitted so they are received *no later than July 15, 2025*, in accordance with the instructions in the Notice.
- August 5, 2025 at 10:00 a.m. **Settlement Hearing.** The Settlement Hearing will be held on August 5, 2025 at 10:00 a.m., before the Honorable Andrew Borrok of the Supreme Court of the State of New York, either in person at the New York County Courthouse, 60 Centre Street, Courtroom 238, New York, New York 10007 or by videoconference. The Settlement Hearing will be held by the Court to consider, among other things, whether the proposed Settlement is fair, reasonable, and adequate and should be approved; whether the proposed Plan of Allocation is fair and reasonable and should be approved; and whether Lead Counsel's motion for attorneys' fees and expenses should be approved.

Background

This action arises from alleged misstatements and omissions concerning a material conflict of interest that enabled Viacom and its underwriters to make billions of dollars in the two Viacom Offerings, while causing the investors in those Offerings to suffer massive losses. The lawsuit alleges that several of Viacom's underwriters had a severe conflict of interest that arose from total return swap transactions that they entered into with Archegos Capital Management. The action alleges that through those transactions, Archegos and numerous defendants amassed an exposure to billions of dollars' worth of highly leveraged positions in a few companies, including Viacom, and that when Archegos suffered a liquidity crisis, the underwriters' conflict of interest caused them to execute massive block sales of their own Viacom holdings at fire-sale prices—all of which was not disclosed to investors. The lawsuit further alleges that, as a result of Defendants' undisclosed conflict of interest, the prices of the Viacom securities—which defendants had just sold to investors—cratered to roughly half the offering prices and caused massive losses for investors.

The lawsuit was filed on August 13, 2021 in the Supreme Court of the State of New York. On November 5, 2021, Plaintiffs filed an amended complaint. On November 22, 2021, the Court approved BLB&G, counsel for Plaintiff Municipal Police Employees' Retirement System, to serve as co-lead counsel for the proposed class.

On December 21, 2021, Plaintiffs filed the corrected amended class action complaint (the "Complaint"). On December 22, 2021, defendants filed motions to dismiss the Complaint. After briefing and oral argument, on February 7, 2023, the Court entered a Decision and Order granting the Motions to Dismiss of Viacom and the Individual Defendants and denying the Motions to Dismiss of the Underwriter Defendants (the "Motions to Dismiss Order"). On February 15, 2023, the Underwriter Defendants filed notices of appeal to the New York Supreme Court Appellate Division, First Department from the Motions to Dismiss Order. On March 10, 2023, Plaintiffs filed a notice

of appeal from the Motions to Dismiss Order in so far as it granted the Motions to Dismiss of Viacom and the Individual Defendants.

On April 17, 2023, the Underwriter Defendants filed Answers to the Complaint.

On April 18, 2023, Plaintiffs filed a motion to certify a class. On January 4, 2024, after briefing and oral argument, the Court entered a Decision and Order granting Plaintiffs' motion for class certification, appointing Plaintiffs as Class Representatives, and appointing Plaintiffs' counsel, Bernstein Litowitz Berger & Grossmann LLP and Glancy Prongay & Murray LLP, as co-lead Class counsel. On February 14, 2024, Defendants filed a notice of appeal from the Class Certification Order. That appeal remains pending, but will be dismissed if the Settlement is approved by the Court.

On April 4, 2024, after briefing and oral argument, the First Department entered an Order in connection with the appeals from the Motions to Dismiss Order: (i) affirming the dismissal of Viacom and the Individual Defendants; (ii) affirming in part and reversing in part the non-dismissal of Morgan Stanley, Goldman Sachs, and Wells Fargo, and (iii) reversing the non-dismissal of the other Underwriter Defendants.

During discovery, Defendants and the Former Defendants produced over 1.5 million pages of documents to Plaintiffs. Plaintiffs also received over 270,000 pages of documents from 12 third parties in response to subpoenas. Plaintiffs produced over 22,000 pages documents to Defendants in response to their discovery requests. The Parties also conducted 39 fact depositions. The Parties completed fact discovery on January 24, 2025, and then began expert discovery.

The Parties engaged the Hon. Layn R. Phillips, a former federal court judge, as a mediator. The Parties exchanged more than a dozen mediation briefs, plus *ex parte* submissions, and participated in three in-person mediation sessions with Judge Phillips. These sessions took place on November 7, 2024, January 6, 2025, and February 6, 2025. The sessions ended without an agreement being reached, however, Judge Phillips continued to work with the Parties. Following subsequent negotiations, Judge Phillips made a mediator's recommendation to resolve the Action for \$120,000,000 for the benefit of the Class.

On February 24, 2025, the Parties accepted the mediator's proposal, and on March 5, 2025, the Parties executed a Term Sheet memorializing their agreement-in-principle to settle the Action. After additional negotiations regarding the specific terms of their agreement, the Parties entered into the Stipulation and Agreement of Settlement on March 27, 2025.

On April 3, 2025, the Court preliminarily approved the Settlement, authorized notice to be disseminated to potential Class Members, and scheduled the Settlement Hearing to consider whether to grant final approval of the Settlement for August 5, 2025.

Case Documents

- Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Hearing; and (III) Motion for Attorneys' Fees and Litigation Expenses ("Notice")
- Proof of Claim and Release Form ("Claim Form")
- April 3, 2025 - Order Preliminarily Approving Settlement and Providing for Notice

- March 27, 2025 - Stipulation and Agreement of Settlement
- January 4, 2024 - Decision and Order Granting Motion to Certify Class
- December 21, 2021 - Amended Class Action Complaint