

In re Bankrate, Inc. Securities Litigation

COURT: United States District Court, Southern District of New York
CASE NUMBER: 13-CV-7183 (JRS)
JUDGE: Hon. Jed. S. Rakoff
CLASS PERIOD: 6/16/2011 - 10/15/2012
CASE CONTACTS: Salvatore J. Graziano, John Rizio-Hamilton, Lauren McMillen Ormsbee, Rebecca E. Boon

This is a securities class action (“Action”) brought by Lead Plaintiffs, the Arkansas Teacher Retirement System and Fresno County Employees’ Retirement Association, on behalf of investors who purchased or otherwise acquired the common stock of Bankrate, Inc. (“Bankrate”) during the period from June 16, 2011 through October 15, 2012 inclusive (the “Class Period”).

Bankrate is a publisher of personal finance information to consumers on the Internet, including through Bankrate-owned websites. Bankrate generates revenues in part by selling “sales leads,” that is, by connecting consumers to companies that offer financial products such as insurance, credit cards and mortgages. In the Action, Lead Plaintiffs alleged that defendants made false and misleading statements about the quality of Bankrate’s insurance leads.

On January 21, 2014, Lead Plaintiffs filed and served their Amended Class Action Complaint (the “Complaint”). The Complaint asserted claims against Bankrate and Thomas R. Evans (the company's President and Chief Executive Officer during the class period) and Edward J. DiMaria (the company's Chief Financial Officer during the class period) (collectively the "Individual Defendants") under Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder and against the Individual Defendants and Apax Partners L.P., Apax Partners LLP, and Apax Partners Europe Managers Ltd. (collectively, “Apax Partners”) under Section 20(a) of the Exchange Act, alleging that these defendants made, or controlled others who made, allegedly materially false and misleading statements and failed to disclose certain material facts about the quality of Bankrate’s insurance leads during the Settlement Class Period. The Complaint alleged that these statements and omissions caused the price of Bankrate common stock to be artificially inflated during the Class Period and that the price declined when the truth was revealed. [Click here to view the Complaint.](#)

On February 11, 2014, Bankrate, the Individual Defendants and Apax Partners filed and served their motion to dismiss the Complaint. On February 25, 2014, Lead Plaintiffs filed and served their papers in opposition to the motion and, on March 4, 2014, Bankrate, the Individual Defendants and Apax Partners filed and served their reply papers. Oral argument on the motion was held on April 4, 2014. In a “bottom line” order dated April 15, 2014, the Court granted in part, and denied in part, defendants’ motion. The Court dismissed the claims against Apax Partners, but otherwise denied defendants’ motion.

Lead Plaintiffs Reach a Settlement of the Action for \$18 million

On September 17, 2014, Lead Plaintiffs submitted to the Court an Amended Stipulation and Agreement of Settlement setting forth the terms of a proposed settlement (the “Settlement”) that would resolve all claims in the Action in exchange for payment of \$18 million in cash. On September 24, 2014, Judge Rakoff entered the Amended Order Preliminarily Approving Proposed Settlement and Providing for Notice, which preliminarily approved the Settlement and ordered that notice be sent to potential Settlement Class Members. On November 21, 2014, Judge Rakoff held a Settlement Hearing to determine, among other things, whether the proposed Settlement was fair, reasonable, and adequate and should be approved; whether the proposed Plan of Allocation was fair and reasonable and should be approved; and whether Lead Counsel’s motion for an award of attorneys’ fees and reimbursement of litigation expenses should be approved.

On November 25, 2014, the Court entered a Judgment approving the Settlement and entered orders approving the Plan of Allocation and Lead Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses.

An overview of the litigation, the terms of the Settlement, the Court-approved Plan of Allocation, and the definition of the Settlement Class can be found in the Notice of (I) Pendency of Class Action, Certification of Settlement Class, and Proposed Settlement; (II) Settlement Fairness Hearing; and (III) Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses (the Notice). You may obtain copies of the Notice from the Case Documents page on this website or from www.bankratesecuritieslitigation.com.

On September 20, 2015, the Court entered an order approving the distribution plan for the Net Settlement Fund to claimants whose claims were approved by the Court (the "Distribution Order"). **On October 28, 2015, the distribution of the Net Settlement Fund was made to all Authorized Claimants whose claims were approved by the Court and whose distribution amount met the \$10 minimum payment requirement, in accordance with the [Distribution Order](#).**