In re Bank of New York Mellon Corp. Forex Transactions Litigation

COURT: United States District Court for the Southern District of New York
CASE NUMBER: 12 MD 2335
CLASS PERIOD: 02/28/2008 - 10/04/2011
CASE LEADERS: Jeremy P. Robinson

Lead Plaintiff Achieves $180 Million Settlement

Lead Plaintiff, on behalf of itself and the Settlement Class (defined below), has reached a settlement of this Action for $180,000,000 in cash (the "Settlement") which resolves all claims in the action. In this securities fraud class action, Plaintiffs advanced claims against the Bank of New York Mellon Corp. ("BNYM") and certain of its officers and directors alleging that the Defendants made false and misleading statements concerning BNYM's foreign-exchange currency trading business. On October 20, 2015, following a hearing, the Court approved the Settlement and Plan of Allocation.

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

All persons and entities who or which purchased BNYM common stock during the period beginning on February 28, 2008 through and including October 4, 2011 (the "Settlement Class Period") and were damaged thereby, except for certain persons and entities who are excluded from the Settlement Class by definition (*see* paragraph 26 of the Notice).

Please read the Settlement Notice to fully understand your rights. Copies of the Notice, Claim Form (no longer available), and other relevant documents can be found under the Case Documents page. You may also visit the Settlement website, www.BNYMFXSecuritiesLitigation.com, for more information about the Settlement.

IMPORTANT DEADLINE

December 11, 2015	**Claim Filing Deadline.** Claim Forms must be *postmarked no later than December 11, 2015* to be eligible for a payment from the Settlement, unless otherwise ordered by the Court.

Background

On March 29, 2012, the Honorable Lewis A. Kaplan of the United States District Court for the Southern District of New York appointed the State of Oregon, by and through the Oregon State Treasurer on behalf of the Common School Fund, and together with the Oregon Public Employee Retirement Board, on behalf of the Oregon Public

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Employees Retirement Fund, as Lead Plaintiff and approved its selection of BLB&G as Lead Counsel. On May 11, 2012, Lead Plaintiff filed an Amended Complaint in the action.

Plaintiffs allege that BNYM and certain of its officers and directors failed to disclose that the company illegally rigged the price of its foreign exchange currency services, a practice which a former BNYM currency trader described as "raping the client accounts." Plaintiffs allege that while BNY Mellon offered its custodial clients foreign currency exchange services "free of charge" and at "best execution" spreads, it would actually book its clients' transactions at the most unfavorable daily rate, rather than at the prevailing rate at the time the transaction was consummated. This scheme allowed BNY Mellon to extract hundreds of millions of dollars in illicit gains and misleadingly inflate its reported financial results. Plaintiffs allege that BNYM concealed its fraudulent practices from investors thereby misrepresenting its foreign exchange revenue, the degree and quality of risk attached to its foreign exchange revenue, and the Company's exposure to legal liability when its illicit conduct was inevitably exposed.

Beginning in January 2011, a series of corrective disclosures began to reveal the truth concerning BNY Mellon's FX trading scheme, the profits derived from that misconduct and the Company's true financial condition and business prospects. Specifically, disclosures concerning the unsealing of several whistleblower lawsuits against BNY Mellon, including those in Virginia and Florida, the intervention in those suits by the attorneys general of Florida and Virginia, as well as a series of news articles examining the Company's improper FX trading practices, caused the price of BNY Mellon stock to drop precipitously. As alleged in the Complaint, one news article published in *The Wall Street Journal* on August 12, 2011 quoted internal Company emails from a BNY Mellon executive that admitted that providing "full transparency" into the Company's FX trading practices to its custodial clients would reduce BNY Mellon's profit margins "dramatically." Over this same time period, BNY Mellon's shares fell from $31.95 per share on January 21, 2011 to a closing price of $19.99 per share on August 12, 2011—a decline of over 37%, representing a market capitalization loss of over $14 billion. Since the end of the Class Period, both the New York Attorney General and the U.S. Department of Justice filed actions against BNY Mellon alleging claims arising out of the Company's FX trading practices, which are also reportedly the subject of an investigation by the SEC.

Case Documents

- October 20, 2015 - Order Approving Plan of Allocation of Net Settlement Fund
- October 20, 2015 - Judgment Approving Class Action Settlement
- July 29, 2015 – 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
- May 11, 2012 - Consolidated Class Action Complaint

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