The Department of the Treasury of the State of New Jersey and its Division of Investment v. Cliffs Natural Resources Inc.

COURT: United States District Court for the Northern District of Ohio
CASE NUMBER: 14-cv-01031
CLASS PERIOD: 03/14/2012 - 03/26/2013
CASE LEADERS: James A. Harrod, Jeremy P. Robinson, Rebecca E. Boon

Background

On May 12, 2014, BLB&G filed a securities class action lawsuit on behalf of the Department of the Treasury of the State of New Jersey and its Division of Investment against Cliffs Natural Resources Inc. ("Cliffs" or the "Company") (NYSE: CLF) and certain of its senior executives. The action, which is captioned *The Department of the Treasury of the State of New Jersey and Its Division of Investment v. Cliffs Natural Resources Inc.*, Case No. 1:14-cv-01031 (N.D. Ohio), asserts claims under the Securities Exchange Act of 1934 on behalf of investors in Cliffs common stock during the period from March 14, 2012 through March 26, 2013, inclusive (the "Class Period").

The Complaint alleges that during the Class Period, Cliffs misrepresented to investors that one of its most important assets, an iron ore mine known as Bloom Lake, was a premium asset and that production at the mine could be increased even as production costs decreased. Defendants also repeatedly misled investors regarding the testing and sustainability of the Company's dividend, which Cliffs dramatically increased by 123% on the first day of the Class Period. Once investors learned the complete truth regarding the massive problems at Bloom Lake and that the Company's dividend was neither adequately tested nor sustainable, the price of Cliffs common stock dropped significantly, damaging plaintiff and the class.

The Department of the Treasury of the State of New Jersey was appointed Lead Plaintiff on July 23, 2014. Lead Plaintiff filed a Second Amended Complaint on March 31, 2015.

On May 15, 2015, Defendants moved to dismiss the Second Amended Complaint. Lead Plaintiff filed a brief in opposition to Defendants' motion to dismiss on June 12, 2015. On November 6, 2015, the Court issued an Opinion and Order denying Defendants' motion to dismiss.

Lead Plaintiff Reaches a Settlement of the Action

On June 30, 2016, the Court granted final approval of the settlement of this Action reached by the Court-appointed Lead Plaintiff, The Department of the Treasury of the State of New Jersey and its Division of Investment, on behalf of itself and the other members of the Settlement Class, with defendants Terrance Paradie, Joseph Carrabba, Laurie Brlas, and David Blake (the "Settlement"). The Settlement provides for a payment of $84,000,000 in cash, and resolves all claims asserted in the Action.

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:

© 2024 Bernstein Litowitz Berger & Grossmann LLP All Rights Reserved.

All persons and entities who or which purchased Cliffs common stock from March 14, 2012 through March 26, 2013, inclusive, and were damaged thereby, except for certain persons and entities who are excluded from the Settlement Class by definition (see paragraph 29 of the Settlement Notice) or pursuant to request.

Please read the Settlement Notice to fully understand your rights and options. Copies of the Settlement Notice and Claim Form (no longer available) can be found on the Case Documents page. You may also visit the Settlement website, http://www.cliffssecuritieslitigation.com, for more information about the Settlement.

Payments to eligible claimants will be made 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.

If you wish to discuss this action or have any questions concerning your rights or interests, please contact James A. Harrod of BLB&G at 212-554-1502, or via e-mail at jim.harrod@blbglaw.com.

IMPORTANT DEADLINE

August 8, 2016	**Claim Filing Deadline.** Claim Forms must be *postmarked no later than August 8, 2016* to be eligible for a payment from the Settlement.

Case Documents

- January 25, 2018 - Order Approving Distribution Plan
- June 30, 2016 – Order Awarding Attorneys' Fees and Reimbursement of Litigation Expenses
- June 30, 2016 – Order Approving Plan of Allocation of Net Settlement Fund
- June 30, 2016 – Order and Final Judgment
- May 26, 2016 - Notice of Lead Counsel's Motion for an Award of Attorney's Fees and Reimbursement of Litigation Expenses
- May 26, 2016 - Notice of Lead Plaintiff's Motion for Final Approval of Class Action Settlement and Plan of Allocation
- May 26, 2016 - Memorandum of Law in Support of Lead Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses
- May 26, 2016 - Memorandum of Law in Support of Lead Plaintif's Motion for Final Approval of Class Action Settlement and Plan of Allocation
- May 26, 2016 - Joint Declaration of James A. Harrod and Michael B. Himmel ISO (A) Lead Plaintiff's Motion for Final Approval of Class Action Settlement and Plan of Allocation, and (B) Lead Counsel's Motion for an Award of Attorneys' Fees and Rei
- March 10, 2016 - Stipulation and Agreement of Settlement with Individual Defendants

© 2024 Bernstein Litowitz Berger & Grossmann LLP All Rights Reserved.

- March 11, 2016 - Order Preliminarily Approving Proposed Settlement with Individual Defendants and Providing for Notice
- Notice of (I) Pendency of Class Action and Certification of Settlement Class; (II) Proposed Settlement with Individual Defendants; (III) Settlement Hearing; and (IV) Motion for an Award of Attorneys Fees and Reimbursement of Litigation Expenses
- December 21, 2015 - Defendants' Answer to Plaintiff's Second Amended Complaint
- November 6, 2015 - Opinion and Order
- October 22, 2015 - Lead Plaintiff's Sur-Reply in Further Opposition to Defendants' Motion to Dismiss the Second Amended Class Action Complaint
- October 5, 2015 - Reply Memorandum in Support of Defendants' Motion to Dismiss the Second Amended Complaint
- June 22, 2015 - Lead Plaintiff's Sur-Reply in Further Opposition to Defendants' Motion Under Rule 12(f) to Strike Certain Allegations from the Second Amended Complaint
- June 12, 2015 - Lead Plaintiff's Memorandum of Law in Opposition to Defendants' Motion to Dismiss the Second Amended Class Action Complaint
- June 11, 2015 - Reply Memorandum in Support of Defendants' Motion Under Rule 12(f) to Strike Certain Allegations from the Second Amended Complaint
- June 1, 2015 - Lead Plaintiff's Memorandum of Law in Opposition to Defendants' Motion to Strike Allegations from the Second Amended Class Action Complaint
- May 15, 2015 - Defendants' Motion Under Rule 12(f) to Strike Certain Allegations from the Second Amended Complaint
- May 15, 2015 - Defendants' Motion to Dismiss the Second Amended Complaint
- March 31, 2015 - Second Amended Complaint for Violations of the Federal Securities Laws
- March 27, 2015 - Motion for Leave to Withdraw and Substitution of Counsel for Defendants Cliffs Natural Resources Inc., Joseph Carrabba, Laurie Brlas, Terrance Paradie and David B. Blake
- February 13, 2015 - Defendants' Reply Memorandum of Law in Further Support of Their Motion Pursuant to Federal Rule of Civil Procedure 12(f) to Strike Certain Allegations from teh Amended Class Action Complaint
- February 6, 2015 - Lead Plaintiff's Memorandum of Law in Opposition to Defendants' Motion Pursuant to Federal Rule of Civil Procedure 12(f) to Strike Certain Allegations from the Amended Class Action Complaint
- January 23, 2015 - Defendants' Motion Pursuant to Federal Rule of Civil Procedure 12(f) to Strick Certain Allegations from the Amended Class Amended Complaint
- December 05, 2014 - Lead Plaintiff's Memorandum of Law in Opposition to Defendants' Motion to Dismiss the Amended Class Action Complaint
- October 21, 2014 - Defendants' Memorandum of Law in Support of Their Motion to Dismiss the Amended Class Action Complaint

© 2024 Bernstein Litowitz Berger & Grossmann LLP All Rights Reserved.

- August 22, 2014 - Amended Complaint for Violations of the Federal Securities Laws
- May 12, 2014 - Complaint for Violations of the Federal Securities Laws

© 2024 Bernstein Litowitz Berger & Grossmann LLP All Rights Reserved.