

In re Comverse Technology, Inc. Derivative Shareholder Litigation

COURT: United States District Court, Eastern District of New York
CASE NUMBER: 06-cv-1849
JUDGE: Hon. Nicholas Garaufis
CLASS PERIOD: January 1, 1994 to Present
CASE CONTACTS: Mark Lebovitch, Katherine M. Sinderson

Shareholder derivative action filed on behalf of Louisiana Municipal Employees' Retirement System brought for the benefit of Comverse Technology, Inc. ("Comverse"), against certain officers and directors of the Company. This action arises from defendants' obtaining, approving, and/or acquiescing in the issuance of stock options to senior executives and directors that were unlawfully backdated to provide the recipients with windfall compensation at the direct expense of Comverse between January 1, 1994 and the present.

On September 1, 2006, Nominal Defendant Comverse moved to stay the litigation, and on November 2, 2006, the Court denied Comverse's motion. On September 28, 2006, the Court appointed BLB&G Lead Counsel in the action. On October 6, 2006, Plaintiffs filed a Consolidated Amended Derivative Complaint in this Action.

On December 20, 2007, and December 21, 2007, the Defendants in the Federal Derivative Action filed various motions to dismiss and, on December 21, 2007, Federal Lead Plaintiff filed its omnibus opposition to Defendants' motions to dismiss. On April 22, 2008, the Court stayed its decision on Defendants' motions to dismiss pending the resolution of a related state court case. In March 2009, the Court ordered the parties to coordinate discovery with the parties in certain related actions. At that time, BLB&G commenced discovery, including the depositions of several key witnesses. Concurrently, the parties began settlement negotiations under the auspices of the Hon. Judge Weinstein. Ultimately, the parties reached a multi-part settlement with all defendants in May 2009.