

Frontier Communications Corp. Securities Litigation

COURT: Federal District Court of the District of Connecticut
CASE NUMBER: 1:17-cv-1617
JUDGE: Hon. Victor A. Bolden
CLASS PERIOD: 04/25/2016 - 10/31/2017
CASE CONTACTS: Katherine M. Sinderson, Jesse L. Jensen, Kate Aufses

The claims arise from Frontier's acquisition of millions of customers from Verizon in April 2016, for over \$10.5 billion. Prior to the acquisition, Frontier consistently represented that it was ready to complete the acquisition as planned, and repeatedly told investors after the acquisition had closed that integration had been successful. Moreover, Frontier represented that the costs to integrate the newly acquired assets would be approximately \$450 million. Contrary to these statements, Frontier knew prior to the acquisition that numerous gaps remained in its integration preparations, and that the cost to properly integrate the newly acquired customers would be far higher.

When defendants ultimately revealed Frontier's failure to integrate the customers acquired from Verizon – including unpaid bills, lost customers and nearly \$1 billion in integration and capital expenditures related to the acquisition – the price of Frontier securities fell precipitously, wiping out over **\$2 billion** in the value of those investments.

Sections 11 and 12 of the Securities Act hold companies, senior executives and directors, and underwriters liable for false statements contained within offering documents issued in connection with public offerings of securities. Frontier garnered approximately \$2.75 billion through multiple securities offerings during the Class Period, but misrepresented its readiness for the CTF integration in its offering documents. Likewise, Frontier's continuing representations concerning the ongoing "success" of its integration progress during the Class Period gives rise to securities fraud claims under Section 10(b) of the Securities Exchange Act.

On January 18, 2018, Judge Victor A. Bolden of the District Court for the District of Connecticut entered an Order appointing the Arkansas Teacher Retirement System and Carlos Lagomarsino as Lead Plaintiffs and BLB&G as Lead Counsel for the investor class.

Pursuant to the court's scheduling order, Lead Plaintiffs filed an Amended Complaint on April 30, 2018. Defendants' motions to dismiss the Complaint were filed on June 29, 2018. Lead Plaintiffs' filed their opposition to Defendants' motions to dismiss on August 28, 2018, and Defendants' filed their reply to Plaintiffs' opposition on October 12, 2018.

By order dated March 8, 2019, the Court granted Defendants' motions to dismiss in their entirety, but afforded Plaintiffs the opportunity to move for leave to amend the Consolidated Amended Complaint. On May 10, 2019, Plaintiffs filed their motion for leave to amend the complaint and their Proposed Amended Complaint, which addresses the deficiencies that the Court identified in its ruling. Defendants filed their opposition to our motion for leave to amend on July 15, 2019. Plaintiffs filed their reply in further support of motion to amend on August 12, 2019. On September 29, 2020, the Second Circuit Court of Appeals denied our motion to lift the automatic bankruptcy stay as to the one remaining individual defendant, Frontier's former CEO, Defendant McCarthy. As a result, our appeal remains stayed pending the completion of Frontier's bankruptcy proceedings