

Frontier Communications Corp. Securities Litigation

COURT: United States District Court for the District of Connecticut
CASE NUMBER: 1:17-cv-1617
CLASS PERIOD: 04/25/2016 - 10/31/2017
CASE LEADERS: Katherine M. Sinderson

Lead Plaintiffs Have Settled the Action for \$15.5 Million

The Court-appointed lead plaintiffs Arkansas Teacher Retirement System and Carlos Lagomarsino (collectively, "Lead Plaintiffs"), on behalf of themselves and the Settlement Class (as defined below), have reached a settlement of this Action for \$15,500,000 in cash that resolves all claims in the Action (the "Settlement").

On May 10, 2022, the Court held a hearing to consider final approval of the Settlement and related matters. On May 20, 2022, the Court entered an Order granting Lead Plaintiffs' motion for final approval of the Settlement and Plan of Allocation and Lead Counsel's motion for attorneys' fees and expenses. On June 29, 2022, the Clerk of the Court entered a Judgment consistent with the Court's May 20, 2022 Order and closing this case.

The Settlement Class consists of:

all persons and entities who purchased or otherwise acquired shares of publicly traded common stock and Mandatory Convertible Preferred Stock of Frontier Communications Corporation between April 25, 2016 and October 31, 2017, inclusive (the "Class Period"), and who allegedly damaged thereby.

Excluded from the Settlement Class: (i) Defendants and all Former Defendants; (ii) the Immediate Family Members of any Individual Defendant or any Former Defendant; (iii) any person who was an Officer, director, or partner of Frontier or any Former Defendant during the Class Period and any of their Immediate Family Members; (iv) any parent, subsidiary, or affiliate of Frontier or any Former Defendant; (v) any firm, trust, corporation, or other entity in which any Defendant, any Former Defendant, or any other excluded person or entity has, or had during the Class Period, a controlling interest; and (vi) the legal representatives, agents, affiliates, heirs, successors-in-interest, or assigns of any such excluded persons or entities. Also excluded from the Settlement Class are who or which excludes themselves by submitting a request for exclusion.

Please read the Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Hearing; and (III) Motion for an Award of Attorneys' Fees and Litigation Expenses (the "Notice") to fully understand your rights and options. A copy of the Notice is available on the **Case Documents** section of this page.

You may also visit the Settlement website maintained by the Claims Administrator, www.frontiercommunicationssecuritieslitigation.com, for more information about the Settlement.

The Litigation

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.

Lead Plaintiffs Arkansas Teacher Retirement System and Carlos Lagomarsino (collectively, "Lead Plaintiffs"), on behalf of themselves and the Settlement Class (as defined in below), have reached a settlement of the Action for \$15,500,000 in cash.

On May 10, 2022, the Court held a hearing to consider final approval of the Settlement and related matters. On May 20, 2022, the Court entered an Order granting Lead Plaintiffs' motion for final approval of the Settlement and Plan of Allocation and Lead Counsel's motion for attorneys' fees and expenses. On June 29, 2022, the Clerk of the Court entered a Judgment consistent with the Court's May 20, 2022 Order and closing this case.

The claims administration has now concluded. Counsel filed its distribution motion seeking approval of the distribution plan on October 20, 2023 and it was approved on November 21, 2023. The initial distribution of funds took place in January 2024. Subsequent distributions will occur on a rolling basis, provided that net settlement funds are available.

Case Documents

- Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Hearing; and (III) Motion for an Award of Attorneys' Fees and Litigation Expenses
- November 21, 2023 - Order Approving Distribution Plan
- October 20, 2023 - Lead Plaintiffs' Motion for Approval of Distribution Plan
- October 20, 2023 - Declaration of Jack Ewashko in Support of Lead Plaintiffs' Motion
- June 29, 2022 - Judgment
- May 20, 2022 - Order and Final Judgment Approving Class Action Settlement
- May 5, 2022 - Lead Plaintiffs' Memorandum of Law in Opposition to Objector Catherine L. Scott's Motion to Lift Discovery Stay
- May 3, 2022 - Reply Memorandum of Law in Further Support of Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses
- May 3, 2022 - Reply Memorandum of Law in Further Support of Lead Plaintiffs' Motion for Final Approval of Class Action Settlement and Plan of Allocation
- May 3, 2022 - Supplemental Declaration of Jack Ewashko Regarding (A) Mailing of the Notice and Claim Form; and (B) Report on Requests for Exclusion R
- April 5, 2022 - Lead Plaintiffs' Motion for Final Approval of Class Action Settlement and Plan of Allocation
- April 5, 2022 - Memorandum of Law in Support of Lead Plaintiffs' Motion for Final Approval of Class Action Settlement and Plan of Allocation
- April 5, 2022 - Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses
- April 5, 2022 - Memorandum of Law in Support of Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses
- April 5, 2022 - Declaration of Katherine M. Sinderson in Support of: (A) Lead Plaintiffs' Motion for Final Approval of Settlement and Plan of Allocation; and (B) Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses
- May 10, 2019 - Plaintiffs' Memorandum of Law in Support of the Motion for Leave to Amend the Consolidated Class Action Complaint
- May 10, 2019 - [Proposed] Amended Consolidated Class Action Complaint for Violations of the Federal Securities Laws
- April 30, 2018 - Consolidated Class Action Complaint for Violations of the Federal Securities Laws
- January 18, 2018 - Ruling and Order on Motions to Consolidate, Appoint Lead Plaintiff, and Approve Lead Counsel