

In re Washington Public Power Supply System Litigation

COURT: United States District Court, District of Arizona
CASE NUMBER: 88-md-0551
CLASS PERIOD: 02/23/1977 - 06/15/1983

The firm was lead counsel in this celebrated class action litigation, which, after seven years of litigation (commencing in 1983) and three months of jury trial, resulted in the then-largest securities fraud settlement ever achieved. The litigation concerned the sale of \$2.25 billion in municipal bonds to the public to finance the construction of two nuclear power plants in the State of Washington by the Washington Public Power Supply System (WPPSS).

In the offering documents, it was represented that payment of principal and interest on the bonds by WPPSS was guaranteed by the 88 public utilities in the Pacific Northwest which stood to benefit from the construction of the power plants. Due to massive cost overruns and questions about the need for and feasibility of constructing the power plants, construction of the plants was terminated. Faced with the prospect of honoring their guarantees, the 88 public utilities brought court proceedings to invalidate them, which were successful.

By this class action, the firm sought to recover the damages suffered by the purchasers of the WPPSS bonds from, among others, the 88 public utilities, members of WPPSS' board of directors, the engineers on the project, WPPSS' financial advisor, the principal underwriters of the bonds, WPPSS' accountants and the law firms which had represented that the 88 public utilities had given valid guarantees.

BLB&G was appointed Chair of the Executive Committee responsible for litigating the action on behalf of the class. This case involved an estimated 200 million pages of documents produced in discovery, the depositions of 285 fact witnesses and 34 expert witnesses, more than 25,000 introduced exhibits, six published district court opinions, seven appeals or attempted appeals to the Ninth Circuit.

Settled for over \$750 million.