

How are damages calculated in a securities class action?

The parties hire damage experts to calculate the amount that the stock was inflated during the class period. This calculation attempts to estimate the amount that you would have paid for your stock if all material facts were known at the beginning of the class period. This figure approaches but does not necessarily match, the total amount that you lost on your investment because the stock price may have dropped during the class period due to factors other than the alleged fraud.