Law360 Profiles BLB&G as "Securities Group of the Year"

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For the second year in a row, BLB&G was named a "Securities Group of the Year" by *Law360*, the only plaintiff firm in the country ever to be selected, along with six elite defense firms, for this prestigious honor. The publication credits BLB&G's "victories in 2014 that delivered real value to investors" as the reason why it "earned a spot" on this exclusive list.

In a detailed profile of the firm, *Law360* highlights several of BLB&G's key successes against "well-heeled corporations" in the "loosely regulated world of equities, where there is no regulator charged with holding boards accountable and enforcing good corporate governance."

Among these victories is BLB&G's successful challenge to a corporate practice known as "dead hand proxy puts" in a litigation against *Healthways, Inc.*, the first challenge of this kind outside of the context of a proxy contest. Dead hand proxy puts are often used to entrench a company's board of directors by allowing a company's lender to claim a default on its debt should the current Board members be replaced in a successful proxy fight by shareholders. Knowing that lenders can punish them, BLB&G argued that "shareholders are effectively deterred from attempting to install their preferred directors." In a landmark bench ruling achieved in the case, the Delaware Chancery Court agreed with BLB&G that the proxy put – regardless of whether it was triggered or not by a proxy contest – breached fiduciary duty.

According to BLB&G partner, Mark Lebovitch, "lenders and boards were put on notice that adopting a dead hand proxy put can mean asking for trouble in the courts. What everyone was understanding was that there was someone pushing back, and that's why I'm so proud of it. It was not lucrative for us as lawyers, but it's good corporate governance and we're fighting for shareholders where no one else ever would."

Law360's profile also highlights BLB&G's recent success in obtaining a unanimous decision in the Fifth Circuit reversing the lower court's ruling to dismiss *Amedisys Inc.*, which held that the plaintiffs failed to establish the cause of their losses. Obtaining this decision involved arguing against a Ninth Circuit decision favoring the defendants, and "convincing the Fifth Circuit – hardly a court known for being friendly to plaintiffs – not to adopt it." Not only did the Fifth Circuit agree with BLB&G, but it also chided the lower court for using an "overly rigid" interpretation of the pleading standard for loss causation. According to BLB&G partner John Browne, who argued the case, "this was a meritorious case. The defendants denied everything, and they're always going to do that, but that doesn't mean that you can't plead a case and then try to prove it in court, which is all we were looking for an opportunity to do."

The profile also discusses BLB&G's work in a case related to the merger between Jefferies Group Inc. and Leucadia National Corp. The action arose from allegations that Jefferies Board's alleged conflicts of interest resulted in a flawed merger approval process, and the $70 million settlement obtained is "one of the highest ever for merger-related fiduciary litigation." In addition, the profile also features the $99 million recovery obtained from Ernst & Young in the case against *Lehman Brothers*; the $95 million in *Morgan Stanley Mortgage Pass-Through Certificates Litigation*; and the $60 million recovery in *State Street*.