

MVP: Bernstein Litowitz's James A. Harrod

By **Jessica Corso**

Law360 (September 6, 2022, 2:02 PM EDT) -- James A. Harrod of Bernstein Litowitz Berger & Grossmann LLP helped recover more than \$2 billion on behalf of clients over the past year, including in a series of complex cases involving the multibillion-dollar fallout of investment funds overseen by an American subsidiary of Allianz, earning him a spot as one of **Law360's 2022 Securities MVPs**.

HIS BIGGEST ACCOMPLISHMENT THIS YEAR:

Harrod played a key role in recovering nearly \$2 billion on behalf of investors, including pension funds, that lost money when U.S.-based funds managed by Germany's Allianz collapsed at the beginning of the pandemic.

He was one of the members of the Bernstein Litowitz team that filed the first lawsuit over the fund collapse in July 2020, a case that was settled in February for nearly \$642 million.

But it wasn't the last Allianz case Harrod helped settle: Bernstein Litowitz filed **at least six other related suits** and racked up a total of \$2 billion in settlements between February and April of this year.

Harrod helped oversee all those cases and more as liaison counsel, coordinating communications and strategy for more than 20 lawsuits filed on behalf of investors in the so-called Structured Alpha funds in the Southern District of New York.

While the numbers seem staggering, they don't tell the full story, Harrod said.

The lawyers on the case "did a huge amount of work" over a two-year period, he said, in order to figure out why the funds "performed catastrophically."

Unlike most securities litigation, Harrod said, discovery in the Allianz cases started almost right away, meaning there was little downtime for the lawyers and the cases consumed much of his time.

"Our experts all spent what seems like a gratuitous amount of time over that almost two-year period just trying to understand these strategies and trying to unpack exactly what happened with Allianz and where the fall was," Harrod said.

Allianz **entered into a \$6 billion settlement** with the U.S. government in May, with its U.S. asset management unit admitting that the funds "suffered catastrophic losses" during the market downturn in spring 2020, losing billions of dollars.

The asset management unit pled guilty to a federal fraud charge, admitting that it misled investors as to how risky the funds were and tried to cover up its misconduct after the funds' collapse.

"What we came to know — which we didn't know at the very beginning of the case — was exactly why" the funds failed, Harrod said. "It was clear that unpacking that and figuring out how to present it and bringing those claims to conclusion was what made them so significant."

WHY HE'S A SECURITIES LITIGATOR:

It was during a class on corporations at the George Washington University Law School that Harrod said he realized he might enjoy a job where he got to "check" corporate misconduct.

"I always sort of associated myself with the underdog," he said. "I have a lot of respect for my colleagues on the defense side. I love many of them, and they're great lawyers and great people. But it just wasn't something I wanted to do."

He took summer internships at the National Whistleblower Center and the Pension Benefit Guaranty Corp. while in law school, according to his LinkedIn profile. After graduating, he began working at investor-side firm Wolf Popper LLP, an opportunity he called "one of the most fortuitous things that ever happened to me."

"It's not a huge practice. There aren't tens of thousands of people doing what I do," he said. "In every way, the work is so satisfying to me because it's challenging and interesting. I get to have impactful cases that I litigate. And I get to be on the side that I think is generally right."

Harrod has been with Bernstein Litowitz since 2014 and currently leads the firm's global securities and litigation monitoring team.

OTHER NOTABLE CASES HE'S WORKED ON:

Harrod was lead class counsel on a Racketeer Influenced and Corrupt Organizations Act case against Valeant Pharmaceuticals **that ended** in a \$23 million settlement agreement that was approved in February.

The plaintiffs, which included health insurance companies, health maintenance organizations and other third-party payers, said the pharmaceutical company drove up prescription drug prices by stifling generic competition through the creation of a network of specialty pharmacies.

Harrod also spent time during the past year finishing up fact and expert discovery in a case against Perrigo, an over-the-counter drug manufacturer.

Harrod is representing a class of investors who bought shares of Perrigo in Israel and say the company and its executives deceived them into voting against an attempted takeover by Mylan.

Class **certification was granted** in 2019 and a summary judgment motion has been fully briefed in New Jersey federal court, Harrod said. At the time of publication, the motion hadn't yet been ruled on.

He said he was able to get it all done with the help of colleagues inside the firm and, in the case of Allianz, a lot of lawyers working outside the firm, too.

"None of these cases are a one-person thing," he said. "I'm so lucky to have such amazing colleagues."

HIS ADVICE TO JUNIOR ATTORNEYS:

Harrod said he tells the junior attorneys he works with that if they want to be good at something that requires as much commitment as securities litigation, they need to actually be interested in the work. Otherwise, the chance of them being good at it is pretty low.

They should not only be curious about the law and the facts surrounding their cases, they should also keep an open mind about where those facts might lead, he said.

"I encourage them ... to follow the facts of the case and not come in with preconceived notions about what they think the solution is or what they think the facts are," he said. "Allianz is a perfect example of that."

"We knew what the impact was, and we had some ideas about what caused it," he said. "But the full extent of what Allianz eventually admitted — that there was manipulation of documents and reports and things like that — is not something that we knew about in the beginning."

The other piece of advice he often gives to junior attorneys is to show respect to everyone, no matter their relationship to you. He said he tries to set that tone of respect with every case he leads.

"You never know when something will come back to you," he said. "And everybody deserves that no matter how important you think you are relative to them, everybody has the right to be respected."

— *As told to Jessica Corso.*

Law360's MVPs of the Year are attorneys who have distinguished themselves from their peers over the past year through high-stakes litigation, record-breaking deals, and complex global matters. A team of Law360 editors selected the 2022 MVP winners after reviewing more than 900 submissions.