

Securities Group Of The Year: Bernstein Litowitz

By **Jessica Corso**

Law360 (January 19, 2023, 2:02 PM EST) -- Bernstein Litowitz Berger & Grossmann LLP recovered billions of dollars for investors last year, most prominently through a series of settlements with German financial firm Allianz, earning it a spot as one of Law360's 2022 Securities Groups of the Year.

Between February and April 2022, Bernstein Litowitz litigators negotiated \$2 billion in recoveries on behalf of investors in a series of funds, known as Structured Alpha Funds, that were being overseen by a U.S. subsidiary of Allianz.

Allianz Global Investors U.S. LLC admitted last spring that it defrauded institutional investors, including pension funds for teachers, clergy, bus drivers and engineers, into investing in the funds, which collapsed during a market downturn early in the COVID-19 pandemic.

Because Bernstein Litowitz filed the first lawsuit against Allianz on behalf of a fund investor, its litigators were eventually appointed liaison counsel coordinating communications and strategy for more than 20 lawsuits against the company, the firm said.

"For some of our clients, we were able to achieve a recovery where they did not have to file a case," said Bernstein Litowitz partner Hannah Ross, who worked on the Allianz cases alongside Law360 MVP James Harrod. "It's probably one of the largest investor recoveries in the past decade and by far the largest arising out of a complex investment product."

Ross said 2022 may have been one of the busiest years she had experienced in her 20 years at the firm, with Bernstein attorneys going to trial four times.

And though the Allianz cases took up a significant amount of Ross' time last year, it wasn't the only major case headlined by Bernstein Litowitz's approximately 150 attorneys, all of whom focus on representing investors.

Last summer, the firm finalized a \$175 million settlement on behalf of a class of investors suing Chinese company Luckin Coffee Inc., which once sought to surpass Starbucks as the largest coffee chain in China.

The company admitted in 2020 that some of its employees had inflated sales figures by hundreds of millions of dollars, and its share price plummeted more than 75% in the wake of the news.



The recovery that Bernstein Litowitz received on behalf of Luckin investors was the third-largest securities class action settlement of 2022, according to research firm Institutional Shareholder Services.

Bernstein Litowitz partner Sal Graziano, who worked on the Luckin case, said the case was complicated because it involved a Chinese company, registered in the Cayman Islands, that filed for bankruptcy while the investor suit was ongoing.

"There were multiple jurisdictions we had to deal with," Graziano said. "We had to deal with China, because of their laws concerning how much money could leave the country. We had to deal with the Cayman Islands, because there were joint provisional liquidators in the Cayman Islands who were trying to marshal all the assets."

Bernstein Litowitz also helped Novo Nordisk shareholders finalize a \$100 million settlement last year that ended a lawsuit claiming the company boasted about its finances while concealing a kickback scheme to get its insulin drugs on stores' recommended product lists.

That settlement was also listed on Institutional Shareholder Services' largest U.S.-based securities settlements of 2022.

One of the reasons that the firm has been successful in winning large recoveries is because it rejects around 85% of the cases that its team of lawyers, financial analysts and investigators review, Graziano said.

Ross, who is part of the group that vets new cases, agreed that the firm benefits from its selectivity.

"We're all working together to make sure that we're identifying meritorious cases," that could lead to "meaningful financial recovery" or meaningful corporate reform, she said.

Bernstein Litowitz, which turns 40 this year, already has a lot of cases on its docket for 2023. Whether it takes on even more cases as the year progresses remains to be seen, Graziano said.

"I can tell you, we're really busy, and we're going to be really busy," he said. "But what's going to happen next? I don't know."

--Editing by Peter Rozovsky.