

# BLB&G Obtains Largest Settlement Ever from a Third Party - Citigroup Settles WorldCom Securities Litigation for \$2.575 Billion; Extensive Media Coverage

May 10, 2004

On November 5, 2004, Judge Denise Cote of the United States District Court for the Southern District of New York granted final approval of the \$2.575 billion settlement reached with the Citigroup Defendants by BLB&G and the New York State Comptroller, sole trustee of the New York State Common Retirement Fund and Lead Plaintiff in *In re WorldCom, Inc. Securities Litigation*.

*The American Lawyer* detailed the unprecedented Citigroup settlement and BLB&G's role in the case.

Throughout the prosecution of the case, Judge Cote has frequently noted on the record the quality of BLB&G's ongoing representation of the Class. In granting her approval of the Citigroup Settlement and Plaintiffs' plan of allocation, she again praised the efforts of Lead Counsel and Lead Plaintiff:

"The quality of the representation given by Lead Counsel...has been superb...and is unsurpassed in this Court's experience with plaintiffs' counsel in securities litigation. Lead Counsel has been energetic and creative. Its negotiations with the Citigroup Defendants have resulted in a settlement of historic proportions."

"Face-to-face negotiations before Judge Sweet by [the New York State] Comptroller...in the latter stages of the settlement process greatly facilitated the settlement."

"...Staggeringly High Settlement..."

When first announced to a worldwide media audience, the settlement was reported all over the globe including the front pages of both *The Wall Street Journal* and *The New York Times* on May 11, 2004. Bruce Carton, Executive Director of Securities Class Action Services, a firm which monitors and researches shareholder litigation, told the Dow Jones Newswires: "It is a staggeringly high settlement. This has got to be a huge wake-up call for the other banks."

"This is a significant development because we now have, for the first time, a group of defendants who have decided to put this sad chapter behind them and pay a significant amount of money to victimized investors," said BLB&G's Sean Coffey, chief trial counsel for the class through the past two years of intense and fast-paced litigation and discovery, regarding the initial settlement announcement.

BLB&G Partner Max Berger, the senior member of BLB&G's WorldCom litigation team said, " [The New York State

Comptroller] and former Comptroller [Carl] McCall should be applauded for their commitment on behalf of all public investors, to pursue corporate wrongdoing wherever they find it. This settlement represents an important milestone in the two years of extraordinarily hard fought litigation by the Comptroller's office, our firm and our co-lead counsel. We are deeply proud of the result achieved and the message it should convey to those who would seek to profit wrongfully at the expense of innocent investors. Our sincerest hope is that this settlement will, in some way, help to restore confidence in our capital markets and confirm the importance of securities class actions in that process."

Lead Plaintiff and Lead Counsel are continuing to prosecute the actions against 17 other underwriters such as J. P. Morgan Chase & Co., the Bank of America Corporation and Deutsche Bank AG. The New York State Comptroller said, "This settlement, while historic, is only the first step. We will continue to pursue our claims against the others who bear responsibility for the debacle at WorldCom, including the remaining 17 underwriters, WorldCom's auditor, Arthur Andersen, and the former directors and senior officers of WorldCom."

Click [here](#) to view the full text of the Common Retirement Fund's November 5, 2004 press release concerning the Court's granting of final approval of the Citigroup settlement.