

The New York Times Features Jerry Silk Discussing Recovery Options for Mortgage Securities Investors in State Courts

July 10, 2010

The New York Times Pulitzer prize-winning columnist Gretchen Morgenson prominently featured BLB&G partner Jerry Silk in "Mortgage Investors Turn to State Courts for Relief," part of her ongoing analysis of the mortgage crisis and financial collapse. The column examines the rising number of investors harmed by the collapse of the mortgage-securities market, who are forced to take their cases to state court in order to circumvent the limitations they face in bringing securities fraud cases against underwriters and other third parties in federal courts.

Mr. Silk discussed BLB&G's representation of Cambridge Place Investment Management in litigation filed under Massachusetts state law against numerous Wall Street banks, including Morgan Stanley, Citigroup, Goldman Sachs, JP Morgan and Merrill Lynch. Cambridge alleges that these banks misled the firm regarding its purchase of billions of dollars of residential mortgage-backed securities (RMBS) with underlying mortgages originated by a group of now notorious subprime mortgage originators. Representing Cambridge, BLB&G brought the case in Massachusetts under "laws barring those who sell securities from making false statements about them or omitting material facts." According to Mr. Silk, "This case represents yet another example of Wall Street banks' failure to live up to their basic responsibility to investors - to tell the truth about the securities they are selling." In addition, the article notes that BLB&G "has jostled with Wall Street underwriters before," recovering "\$6 billion in a suit against banks that underwrote debt issued by WorldCom, the defunct telecom."

Mr. Silk's practice focuses on representing institutional investors on matters involving federal and state securities laws, accountants' liability and the fiduciary duties of corporate officials. He is one of the partners who oversee the firm's new matter department, in which he counsels institutional clients on potential legal claims. As head of the firm's Subprime Litigation Group, Mr. Silk is leading the efforts to address the substantial shareholder losses resulting from the collapse of the subprime mortgage sector. He is currently advising institutional investors worldwide on their rights with respect to numerous claims involving transactions in RMBS and collateralized debt obligations (CDOs).