

# Court Grants Final Approval to Additional Settlements in Refco Securities Litigation; Total Recovery for Investors Over \$407 Million

March 22, 2011

The United States District Court of the Southern District of New York granted final approval to the settlement reached between Lead Plaintiffs and Refco's former auditor, Grant Thornton LLP, and individual defendants Joseph J. Murphy, Dennis A. Klejna and William M. Sexton, providing for a total payment of \$25,300,000 for the benefit of the Settlement Class in *In re Refco, Inc. Securities Litigation*.

On October 27, 2010, the Court granted final approval to multiple settlements obtained by Lead Plaintiffs, including a payment of \$130 million in case from the THL Defendants and the Audit Committee Defendants, plus an amount equal to 50% of any additional amount that THL Entities receive as restitution from the government in connection with their claims against Refco, up to a maximum additional amount of \$10 million. The Court also approved the partial settlement agreement reached by the remaining Underwriter Defendants. According to the terms of the agreement, which settles all claims against the remaining Underwriters, the Defendants agreed to pay \$49.5 million in cash. Subsequent to the Court's final approval, the THL entities deposited an additional \$10 million for the benefit of the class.

These settlements are also in addition to amounts recovered in previously approved settlements, and certain restitution funds obtained by Lead Plaintiffs from the United States government for the benefit of class members, resulting in a recovery for the Class of over \$407 million.

BLB&G is the Court-appointed Co-Lead Counsel for its client, Co-Lead Plaintiff RH Capital Associates LLC.

The lawsuit arises from the collapse of Refco, a once prominent brokerage, following the revelation that the Company had for years secreted hundreds of millions of dollars of uncollectible receivables with a related entity controlled by Phillip Bennett, the Company's Chairman and Chief Executive Officer. This revelation caused the stunning collapse of the Company a mere two months after its August 10, 2005 initial public offering of common stock. As a result, Refco filed the fourth largest bankruptcy in U.S. history.