

BLB&G Obtains Over \$100 Million in Subprime Cases Against Monoline Insurers Ambac and MBIA; Profiled by The American Lawyer

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In litigation arising from the fallout of the financial crisis, BLB&G successfully reached settlements in two separate cases against monoline insurers Ambac Financial ("Ambac") and MBIA, Inc. ("MBIA"). On December 15, 2010, BLB&G reached a \$33 million cash settlement in the *In re Ambac Financial Group, Inc. Securities Litigation* on behalf of Lead Plaintiffs the Public School Teachers' Pension and Retirement Fund of Chicago, the Arkansas Teachers' Retirement System, and the Public Employees' Retirement System of Mississippi. On September 6, 2011, BLB&G announced that it obtained a \$68 million cash settlement in the *In re MBIA Inc., Securities Litigation* on behalf of the Teachers' Retirement System of Oklahoma. These settlements, which are subject to Court approval, are considered significant given the "precarious financial state of the defendants." (*American Lawyer*, 2011)

BLB&G filed similar claims against both Ambac and MBIA, alleging that the companies intentionally defrauded investors by making a series of materially false and misleading statements regarding its exposure to collateralized debt obligations ("CDOs") containing residential mortgage-backed securities ("RMBS") - the most toxic and risky securities on the market. The settlement agreements were reached following rulings by The United States District Court of the Southern District of New York sustaining most of the claims filed by BLB&G on behalf of its clients in both cases.