

Securities Litigation FlashSM

Quarterly Update

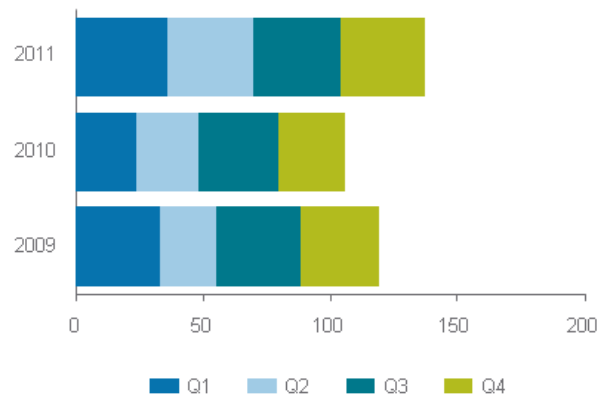
CRA Charles River Associates

October 1–December 31, 2011

Key highlights

- Q4 2011 filings totaled 35, up 30% versus Q4 2010 and up 17% versus Q4 2009
- Total 2011 filings are up 31% versus 2010 and up 20% versus 2009
- Q4 2011 filings included 12 cases filed against companies based outside the US, 6 of which are based in China
- Q4 2011 filings are concentrated in the financial services (six cases), food and beverage (six cases), healthcare equipment and facilities (five cases), technology (five cases), and pharmaceuticals/biotechnology (five cases)

Filing trends—End of Q4 2011



Filing trends. Filings during Q4 2011 totaled 35, an increase of 30% over the 27 cases filed during Q4 2010 and an increase of 17% over the 30 cases filed during Q4 2009. Q4 2011 filings occurred in 14 states with 13 filings occurring in the Southern District of New York, four filings occurring in Northern District of California, three filings in Eastern District of Missouri, and no more than two filings in any other district. As in the previous quarter, six cases were filed against China-based companies with securities trading on a US exchange. Excluding these cases, the 29 remaining filings in Q4 2011 are up 4% versus 28 filings in Q3 2011. Total 2011 filings are up 31% versus 2010 and up 20% versus 2009. Excluding the China-based companies, 2011 filings totaled 102, up 9% versus 2010 (94 cases) and down 11% versus 2009 (114 cases).

Subject companies. Q4 2011 filings cover a wide range of industries but are primarily concentrated in the financial services (six cases), food and beverage (six cases), healthcare equipment and facilities (five cases), technology (five cases), and pharmaceuticals/biotechnology (five cases) sectors. In addition to the filings against China-based companies, six cases were filed against other companies based outside the US with securities trading on a US exchange (Agnico-Eagle Mines, DryShips, GLG Life Tech, Lloyds Banking Group, Olympus, Veolia Environnement).

Complaint allegations. Four Q4 2011 filings against financial services companies reference issues related to global financial crises (Guaranty Financial Group, Lloyds Banking Group, MF Global Holdings, and Suffolk Bancorp). Out of the 35 filings in Q4 2011, 14 filings question some aspect of company accounting. Auditors were not named as defendant in the initial complaints for any Q4 2011 filings. The

number of filings with Section 11 claims in Q3 2011 (seven cases) and Q4 2011 (seven cases) are the highest quarterly levels since early 2009. Investment bank underwriters were named as defendants in all seven filings with Section 11 claims (FriendFinder Networks, Green Mountain Coffee Roasters, HCA Holdings, JinkoSolar Holding, Pacific Biosciences of California, Primo Water, and The Bank of New York Mellon) as well as in the DryShips filing which has no Section 11 claim. Five of the filings with Section 11 claims are related to initial public offerings (IPO) of defendant companies. IPO related Section 11 filings in 2011 totaled 14, an increase of 75% over the eight cases filed in 2010.

Learn more. CRA's case totals include filings from US courts on behalf of public company holders of common stock, preferred stock, or ADRs (Source: RiskMetrics). Filings in multiple jurisdictions involving the same subject company with identical or substantially similar class periods are counted as a single filing. Derivative actions and breach of fiduciary duty filings are not included. To learn more about the cases referenced in this report as well as other securities class actions tracked by CRA, visit CRA's Securities Litigation Flash website at www.crai.com/theflash.

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