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Corporate & Securities Law BLOG Up-to-date Information on Corporate Securities Law

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2009 Year-End Securities Litigation Reports Are Out; Filings Are Down Following Easing Of The Financial Crisis And Reduced Stock Price Volatility

NERA and Cornerstone Research (in cooperation with Stanford Law School's Securities Class Action Clearinghouse) recently issued their respective assessments of securities litigation for 2009. (Their findings and analyses are summarized in press releases here: <u>NERA</u>, <u>Cornerstone</u>.) Both report that federal securities class action filings decreased from 2008, due to the easing of the financial crisis and reduced stock price volatility since the first quarter of 2009. (We previously reported on mid-year 2009 assessments <u>here</u>.) One notable trend: an increasing number of cases are being filed six months or more after the end of the putative class periods, instead of immediately after a stock price drop, suggesting that plaintiffs' counsel have turned to "clearing out inventory" of potential cases.

For further information, please contact John Stigi at (213) 617-5589.