



NOVEMBER 2010

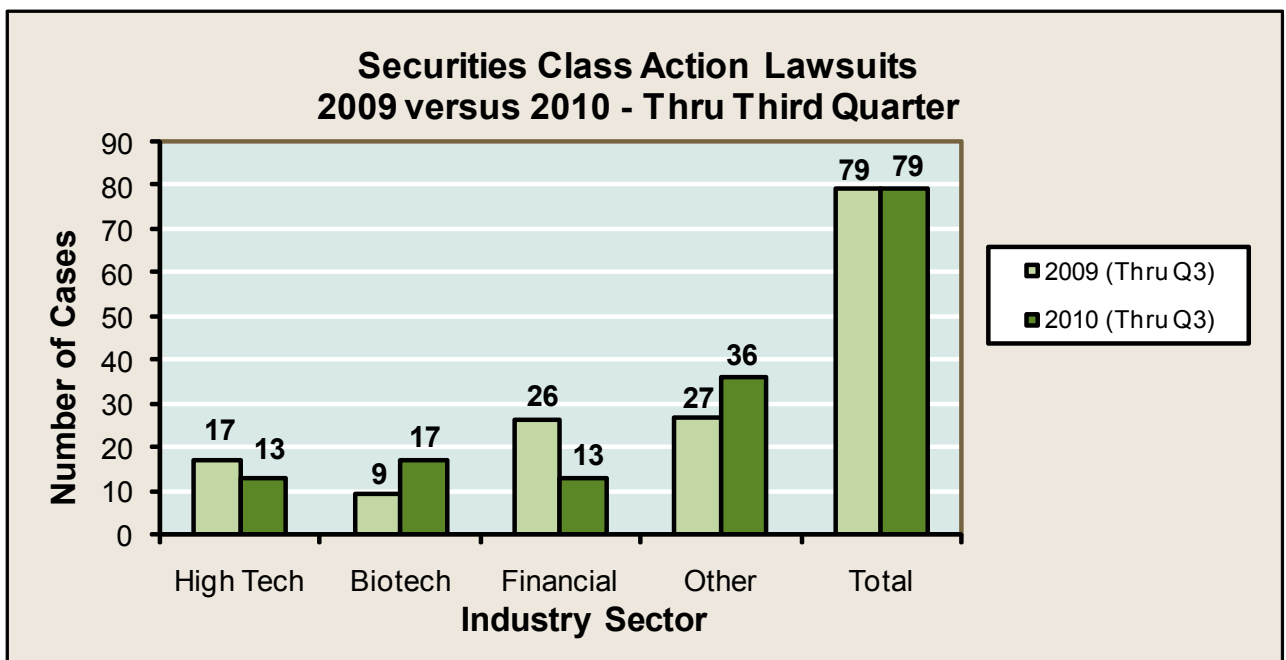
## D&O DATABOX – SECURITIES CLASS ACTION THIRD QUARTER REPORT

(AS OF SEPTEMBER 30, 2010)

Woodruff-Sawyer & Co. is pleased to present the latest information concerning securities litigation filed against public companies in the United States. The information below comes from the D&O Databox as of September 30, 2010. The D&O Databox tracks securities class action litigation filed against public company issuers and their directors and officers.<sup>1</sup> Settlement figures are comprised of amounts paid by issuers, their directors and officers, and their insurance carriers. Settlement figures are exclusive of amounts paid in settlement by third party defendants.

### NEW FILINGS

33 securities class action lawsuits were filed in the third quarter of 2010 for a total of 79 cases filed to date in 2010. The following breakdown of cases by industry sector compares cases filed between January and the end of September in 2009 and 2010:



<sup>1</sup> For purposes of tracking issuer-related securities litigation, the D&O Databox focuses exclusively on securities class action lawsuits filed in federal courts against public companies by holders of common or preferred stock.



There was a 47% increase in cases filed against biotech companies as compared to the third quarter last year. The allegations in these cases were related to negative reports in connection with the Food and Drug Administration's denial of approval for a drug application, alleged non-compliance with a FDA consent decree, product recalls, disappointing clinical trial results, a negative FDA product report and an SEC investigation regarding a foreign company's financial reporting. Both the high technology and financial sectors continue to remain below 2009 levels. We do not anticipate a dramatic rise in cases in the fourth quarter and expect that the final count will be at or near the number of cases filed in 2009 (109 cases).

## SETTLEMENTS

- Fifty-three cases settled thru third quarter 2010 for an aggregate amount of approximately \$1.8 billion.
  - 25 cases settled for \$10M or less (47%)
  - 16 cases settled for > \$10M - \$25M (30%)
  - 5 cases settled for > \$25M - \$50M (9%)
  - 3 cases settled for > \$50M - \$100M (6%)
  - 4 cases settled for > \$100M or more (8%)

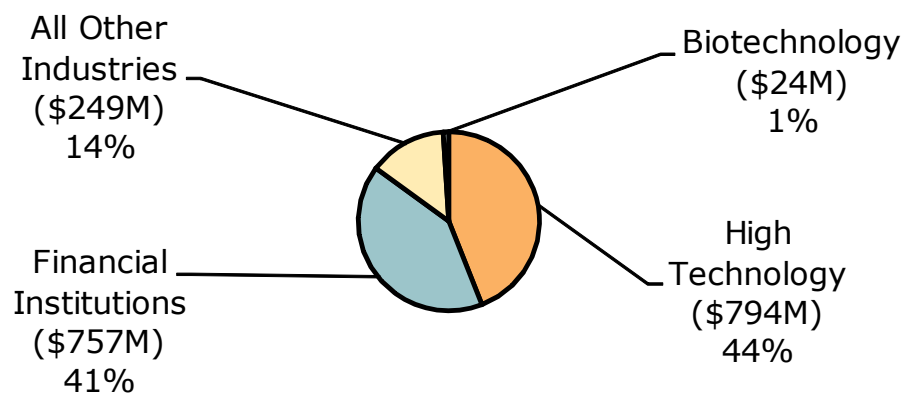
Three of the four largest settlements were for cases related to stock option backdating:

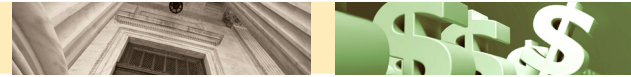
- Broadcom Corporation - \$160.5M
- Juniper Networks Inc. - \$169.0M
- Maxim Integrated Products, Inc. - \$173.0M

The fourth settlement (and largest to date in 2010) is for a case settled by Countrywide Financial Corp. (now a wholly-owned subsidiary of Bank of America) for \$600 million.

- Median settlement: \$10.5M (as compared to a 10-year median of \$6.4M)
- Average settlement: \$35.1M (as compared to a 10-year average of \$25.2M – excluding four cash settlements over \$1.0B)

Breakdown of the settlements by industry sector are as follows:





## DISMISSALS

31 cases were dismissed by court order during January through September 2010. They break down as follows:

By Year Filed	By Industry
<ul style="list-style-type: none"> <li>• 16% cases for 2009 lawsuits</li> <li>• 48% cases for 2008 lawsuits</li> <li>• 16% cases for 2007 lawsuits</li> <li>• 20% cases for lawsuits filed 2004 thru 2006</li> </ul>	<ul style="list-style-type: none"> <li>• 40% - Financial Institutions</li> <li>• 35% - High Technology</li> <li>• 22% - All Other Industries</li> <li>• 3% - Biotechnology</li> </ul>

## About the D&O Databox

D&O Databox is Woodruff-Sawyer & Co.'s proprietary director and officer litigation database. Included within the D&O Databox is information concerning every securities class action lawsuit filed against public company directors and officers since 1988. Woodruff-Sawyer uses the D&O Databox to help its client model their D&O litigation-related risk. For questions about the D&O Databox, please contact Donna Moser (dmoser@wsandco.com or 415.402.6526).

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*Woodruff-Sawyer is one of the largest independent insurance brokerage firms in the nation, and is an active partner of International Benefits Network and Assurex Global. For over 90 years, Woodruff-Sawyer has been partnering with clients to implement and manage cost-effective and innovative insurance, employee benefits and risk management solutions, both nationally and abroad. Headquartered in San Francisco, Woodruff-Sawyer has offices throughout California and in Portland, Oregon.*

*For more information, call 415.391.2141 or visit [www.wsandco.com](http://www.wsandco.com).*