



JULY 2010

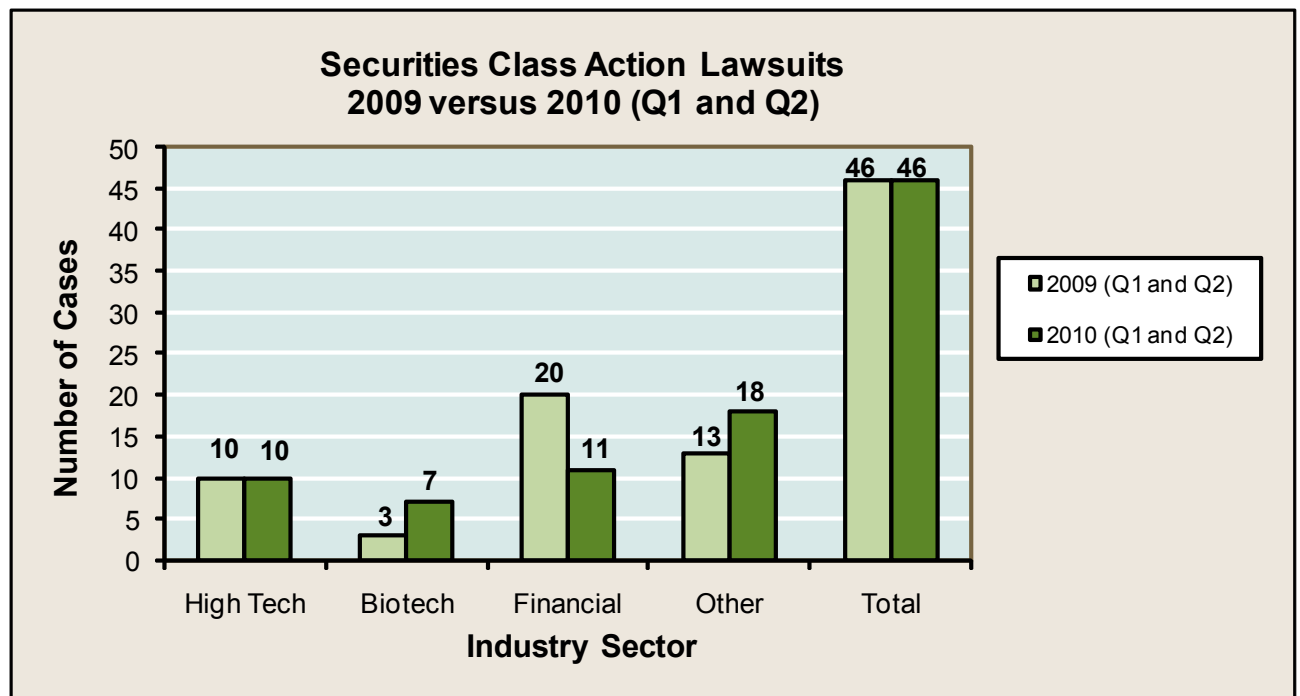
D&O DATABOX – SECURITIES CLASS ACTION SECOND QUARTER/MID-YEAR REPORT

(AS OF JUNE 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 June 30, 2010. The D&O Databox tracks securities class action litigation filed against public company issuers and their directors and officers.¹ 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

A total of 25 securities class action lawsuits were filed in the second quarter of 2010. This brings the mid-year total to 46 cases filed in 2010. The following breakdown of cases by industry sector compares cases filed between January and the end of June in 2009 and 2010:



¹ 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.



The data reflects a steady flow of cases and no increase in the number of cases being filed when compared to last year of the same time period. The financial sector has seen a drop in the number of cases filed since the Fall 2008 financial industry crises and a rise in the number of cases for other industries as headline stories have led to cases related to the Gulf of Mexico oil leak (BP, Andarko and Transocean), the Virginia mining disaster (Massey Energy), and automobile acceleration problems (Toyota). More cases have been filed in the biotech sector for the periods being compared in 2009 versus 2010. The allegations in these cases are the types that are most typically attributed to cases against biotech companies – i.e. issues related to clinical trials or products. We will continue to track cases through the end of the year to see how the filings will distribute over industry sectors and if there will be any dramatic increase in the total number of filings as compared to last year's total of 109 cases (down 25% from the previous year and 33% from the 10-year period of 1999 thru 2008).

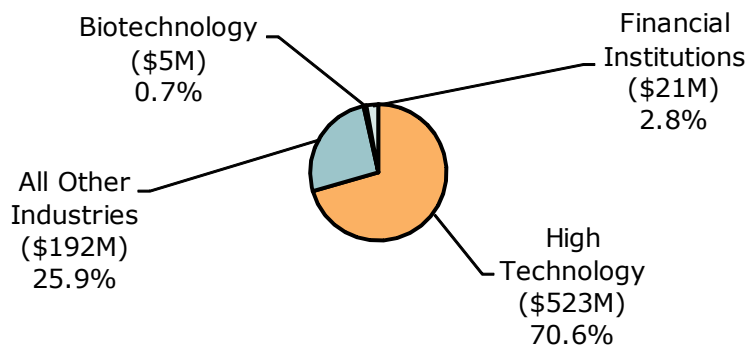
SETTLEMENTS

- Twenty-eight cases settled in the first and second quarters for an aggregate amount of approximately \$740.3M
 - 12 cases settled for \$10M or less (43%)
 - 10 cases settled for > \$10M - \$25M (36%)
 - 2 cases settled for > \$25M - \$50M (7%)
 - 4 cases settled for > \$50M - \$170M (14%)

The top two largest settlements were for cases brought against companies related to allegations of **stock option backdating**: Broadcom settled at \$160.5M and Juniper Networks settled at \$169M. Since 2006, stock option backdating cases have resulted in hundreds of millions of dollars in securities class action settlement payments (approx. \$2.0 billion to date) and untold millions in defense costs. Of particular note is a settlement of \$225M reached in December 2009 between Comverse Technology and the plaintiffs which received final court approval in June and represents approximately **22.5%-80%** of the recoverable damages as calculated by the parties and their damages experts. This case also resulted in one of the largest recoveries ever obtained from an individual defendant – \$60M of the \$225M settlement is coming from the former CEO and founder of Comverse.

- Median settlement: \$10.8M (as compared to a 10-year median of \$6.4M)
- Average settlement: \$26.4M (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

25 cases were dismissed by court order in the first half of 2010. They break down as follows:

By Year Filed	By Industry
<ul style="list-style-type: none"> • 8% cases for 2009 lawsuits • 56% cases for 2008 lawsuits • 20% cases for 2007 lawsuits • 16% cases for lawsuits filed 2004 thru 2006 	<ul style="list-style-type: none"> • 40% - Financial Institutions • 28% - High Technology • 28% - All Other Industries • 4% - Biotechnology

RECENT SUPREME COURT DECISION: *Morrison v. National Australia Bank*, No. 08-1191

We wanted to bring to your attention a recent decision that is a blow to the plaintiffs' bar. The plaintiffs' bar has been attempting to use U.S. courts to litigate 10(b) claims brought by foreign shareholders against foreign companies relating to shares purchased on foreign exchanges (so called "Foreign-Cubed" or "F-Cubed" cases). In *Morrison v. National Australia Bank*, No. 08-1191, the Court ruled that Section 10(b) of the Securities Exchange Act of 1934 does not have extraterritorial application. A Section 10(b) claim may only be asserted if the "purchase or sale is made in the U.S., or involves a security listed on a domestic exchange." This decision effectively puts an end to F-Cubed cases. Of course, ambiguities in the decision and attempts to circumvent the decision will further test U.S. courts, but foreign investors who purchase or sell shares of foreign companies abroad will no longer have the ability to file federal class action securities fraud suits in the United States.

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).

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.