

Securities - Litigation Overview

The Securities Litigation Practice Area, at a very sophisticated level, defends public corporations and their officers and directors in securities class action litigation, shareholder derivative actions, and ERISA actions in state and federal courts throughout Indiana, Ohio and Kentucky. We have represented individuals and corporations as well in investigations by the Securities & Exchange Commission, the Commodity Futures Trading Commission, and various exchanges. We have represented audit committees and other special board committees in investigations and litigation. And, we have had noted success in those endeavors on behalf of our clients -- achieving dismissal of federal and state lawsuits (including recovery of attorneys fees against one set of strike plaintiffs), defeating class certification, and receiving, after our client received a Wells Notice, a letter from the SEC closing the investigation without pursuing enforcement.

For many years, Taft Stettinius & Hollister LLP has represented corporations, their officers and directors and special committees of their boards in connection with shareholder securities class actions, shareholder derivative actions, and other related litigation. This representation has included representation of Dayton Power & Light's Audit Committee in a very publicized investigation of allegations of wrongdoing by the corporation; representation of the officers of the Goodyear Tire & Rubber Company in shareholder, derivative and ERISA litigation; numerous lawsuits involving various entities and individuals affiliated with American Financial Corporation; representation of Cincinnati Gas & Electric Company (now Duke Power) and Georgia Power Company against security claims arising out of cost overruns for the construction of power plants; representation of Gibson Greeting Card Company in various class and derivative cases; representation of Star Bank (now U.S. Bank) in connection with class and derivative suits filed as a result of Star's successful defense against a takeover by Fifth Third Bank and



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numerous other similar lawsuits.

It is worth noting the unusual nature of this type of litigation. There are a limited number of plaintiffs' strike firms who bring the great bulk of these cases; these cases represent the great bulk of the work of those firms; as a result, the cases' prosecution regularly involves business decisions that those firms make. Most of the cases are either won on motions to dismiss or settled. Of settled cases in the last several years, 75% were filed by just five individual law firms, all of whom we have interacted with in work for our clients - in some instances numerous times. In addition, we know and have relationships with a number of the economic consultants who provide damage and class size analyses in connection with these types of litigation, and we have worked extensively with the Directors & Officers Insurance carriers who provide companies the coverage for these claims. Sensitivity to the business interests involved and our extensive experience permits us to help clients evaluate whether their interests and the circumstances of the case suggest positioning for an early settlement or pursuing an adjudication on the merits.

We have had some noted successes on behalf of our clients. We have successfully challenged, more than once, the adequacy of the class representative thereby precluding the certification of a class of securities purchasers and bringing an early end to a case. We have also successfully recovered, from one of the more successful plaintiffs' strike firms, our client's attorneys fees in connection with the filing of a purported class action.

We also regularly represent clients, both corporations and individuals, in SEC enforcement matters. These can range from routine information gathering efforts by corporate finance or enforcement sections of the SEC to full-blown enforcement actions against individuals the SEC believes have violated the securities laws. Here too, we have had noted success. Recently we presented arguments to the SEC as to why our clients should not face an enforcement action after SEC staff had delivered to them a Wells notice; the SEC ultimately determined to close the investigation without recommending the institution of any enforcement action.



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In addition to defending corporations and their officers and directors in the more or less standard securities cases, the firm has acted in a number of unique cases including the representation of Gibson Greetings, Inc. in its lawsuit against Bankers Trust Company in the first major case to question the marketing practices for financial derivative instruments; the representation of Celina Financial Corporation and its officers in securing the largest award of sanctions in Ohio against a plaintiff and its law firm for asserting claims purportedly arising out of a going private tender offer; and the representation of a national accounting firm successfully challenging the constitutionality of a congressional attempt to require the courts to reinstitute certain 10(b)(5) claims. The firm has also represented a number of corporations and individuals in connection with SEC and other regulatory investigations and litigation.