



BDUG Class Actions Focus Group: March 18th, 2010

The Class Actions Focus Group has been created to discuss industry issues through idea sharing and best practices. The goal is to drive change and further educate.

Agenda

Review of McGovern Conference

The following members attended:

Jane Kenyon, Liz Gabb and Liz Vilar (Citi)
Lacey Peterson, Gail Richardson (Wells Fargo)
Pat Krull, Joe Swanson (Northern Trust)
Alyson Grossberg (State Street)
Mary Rinaldi (Huntington Bank)
Rob Epstein (DTCC)

Joe: There seemed to be progress from the last meeting in September 2008, but there is opportunity for more. The next steps are to form sub-groups: Claims Advices; Custodians.

Lacey noted that we need to advocate for the issues of the custodian banks, which are different from those of a 3rd party provider such as RMG.

A review of the discussion topics included:

- Minimums
- The escheatment process – continual struggle between escheating funds or returning to Claims Admin, with general custodial consensus that custodians will always comply when it's dictated in the settlement notice.
- Notices:
 - Delivery – many attorneys seemed surprised that custodians don't always forward out to client base, but seemed ok with it as long as the info was made available to the shareholders and they had "approved" not receiving them.
 - More intricacies are being introduced on the settlement notices
- filing on closed accounts – continuation of previous discussions...who does and doesn't, why custodians aren't consistent, etc.
- Fair funds and mutual funds filings

Some interesting statistics of settled actions between 2000 and 2008 reviewed during the day included:

- Settlements increased in value, along with eligible shares.
- Claims filed increased by 120%
- Between 40-60% of "eligible" shares were filed on.
- 90% of claims are consistently paid to 10% of the claims.

Next meeting:

Topic: International Class Actions

Guest Speaker: Adam Savett, RiskMetrics Group.

Date: April 22nd