

## Alstom Securities Class Action Ends with a Whimper; Plaintiffs Settle for \$6.95 Million

Posted by David Bario

The series of successful motions by Alstom cut the damages by 95 percent —

“from somewhere in the billions to nothing more than ‘loose change.’”



Kevin Abikoff

It took eight long years, but the multibillion-dollar securities class action facing French infrastructure giant Alstom finally fizzled out this week, with Alstom agreeing Monday to an anemic \$6.95 million dollar settlement.

As we’ve reported, the litigation has been a tough slog for co-lead class counsel from Robbins Geller Rudman & Dowd; Grant & Eisenhofer; and Bernstein Litowitz Berger & Grossman. Alstom’s lawyers, led by Kevin Abikoff of Hughes Hubbard & Reed, systematically eliminated the plaintiffs’ claims, beginning with their initial motions to dismiss. Over the years they erased Alstom’s strict liability for alleged misstatements in securities registration statements, won dismissal for individual defendants, excluded European shareholders and whittled down the class, and carved out one of the plaintiffs’ core fraud claims.

Things even turned worse for the plaintiffs in June 2010, when the U.S. Supreme Court issued its ruling in *Morrison v. National Australia Bank*, stamping out U.S. securities claims for investors who bought shares on foreign exchanges. Despite the plaintiffs’ creative efforts to escape *Morrison* by arguing that their foreign shares

Hughes Hubbard & Reed LLP | One Battery Park Plaza | New York, New York 10004-1482 | 212-837-6000

Ethics rules require this to be labeled attorney advertising. Readers are advised that prior results do not guarantee a similar outcome.

Reprinted with permission from the AMLAW DAILY. All rights reserved. Further duplication without permission is prohibited.

For information, contact 877-257-3382 or reprints@alm.com.

*“Alstom has since the filing of the lawsuit continued to deny any liability or wrongdoing in connection with the allegations and has over the period of the suit consistently succeeded in its motions before the court in reducing the case to a point where we’ve reached a settlement that was economically justified under the circumstances.”*

were listed in the U.S., Manhattan federal district court judge Victor Marrero ruled in September 2010 that plaintiffs who purchased their Alstom shares on a French exchange were barred from bringing claims.

Back in September, Hughes Hubbard’s Abikoff told us that Judge Marrero’s decision cut the potential damages in the case by 95 percent—from somewhere in the billions to nothing more than “loose change.” And as Abikoff was only too happy to point out when we reached him on Wednesday following the settlement, it looks like he was right.

“I think this settlement is a demonstration that that was an accurate statement at the time,” Abikoff said. “Alstom has since the filing of the lawsuit continued to deny any liability or wrongdoing in connection with the allegations and has over the period of the suit consistently succeeded in its motions before the court in reducing the case to a point where we’ve reached a settlement that was economically justified under the circumstances.”

The proposed settlement, which still requires court approval, would resolve all existing shareholder claims against Alstom in the U.S., Abikoff told us.