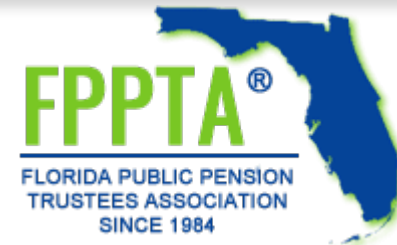


WOLF POPPER

ST
SALEM TRUST
A DIVISION OF ARGENT INSTITUTIONAL TRUST CO.



Roles &
Responsibilities
Related to
Securities Litigation



Winter Trustee
School

Jan. 2025



What Is Securities Litigation?

What is Securities Litigation? (Pt. I)

- Securities fraud
 - Enron
 - Petrobras
 - Madoff Securities
- Corporate mismanagement
 - Wells Fargo fake accounts
 - Opioids



What is Securities Litigation? (Pt. II)

- Corporate transaction / merger & acquisition
 - Majority / Controlling Shareholder cash outs
 - Conflicts of Interest



A row of white chess pieces is arranged on a checkered board. The pieces include a king, queen, rook, knight, and several pawns. The background is a soft, out-of-focus white.

Why Do You Need Portfolio Monitoring?

The Benefits of Portfolio Monitoring

- Keeps Fund and Trustees / Staff Informed
- Ensures \$\$\$ is not left on the table
- Enhances Corporate Governance in Your Portfolio



Role of the Fiduciary and Institutional Investors

- Average settlement amount increases by 26%-48% when institutional investors are lead plaintiffs





How Does My Custodian Fit In?

Custodian Role and Responsibilities (Part I)

- The Custodian records, reports and retains security transactions that are essential to the Securities Litigation industry
 - Transaction records are provided to/accessed by numerous service providers
 - Historical transactional data is required to process settlement claims



Custodian Role and Responsibilities (Part II)

- Custodian should have the ability to support multiple Securities Litigation firms
- If contract specifics, filing claims on behalf of client



Custodian Role and Responsibilities (Part III)

- Data integrity protection is critically important
 - Data transferred should be Read-Only
 - Data should be sent encrypted to the recipient
- The Custodian is intentional & purposeful
 - Data is transferred for a specific narrow purpose and acknowledged
- Changing custodians creates items to consider:
 - Potential breaks in transaction data and data transfer from new custodian
 - Data from prior custodian does not occur automatically



Settlement Claims Management

- Academic studies show a majority of institutional investors did NOT file claims in class action settlements*
- Research has shown that proper claims filing should result in recoveries of 1 to 1.5 basis points every year, on average



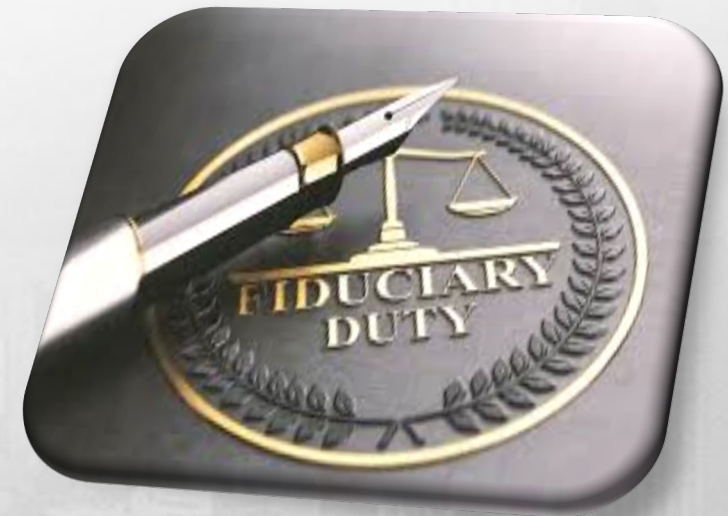
* See, e.g., James D. Cox and Randall S. Thomas, *Letting Billions Slip Through Your Fingers: Empirical Evidence and Legal Implications of the Failure of Financial Institutions to Participate in Securities Class Action Settlements*, 58 Stan L. Rev. 411, 424 (2005)

A photograph of white chess pieces on a checkered board, arranged in a line from left to right. The pieces include a pawn, several pawns, a knight, a bishop, a rook, and a king. The background is a plain, light-colored surface.

What about the General Counsel?

General Counsel Role

- The GC acts as a gatekeeper and trusted sounding board to advise the Board
 - **Potential Case Evaluation**
 - **Review of Class Action Filings/Claims**
 - **Assistance in Lead Plaintiff Actions**
 - **Participation in Settlement**
 - **Report to the Board**



Role of Outside Litigation Counsel



**a/k/a “Monitoring
Counsel”**

Outside Litigation Counsel Role

- Identifies opportunities to recover losses
- Informs clients of issues impacting their holdings
- Recommends course of action
- Represents Fund in litigation



Two bald eagles are perched on a weathered log in a snowy mountain landscape. The eagles have white heads and necks, and dark brown bodies. They are looking towards the camera. The background shows snow-capped mountains and a blue sky.

**Knowledge + Policies +
Trusted Providers =
Fiduciary Duties Fulfilled**

Thank You!

For any questions please contact:

Adam T. Savett, Esq.
Of Counsel
Wolf Popper LLP
P: 212-451-9655
E: asavett@wolfpopper.com

Mark F. Rhein
President
Salem Trust Company
P: 239-293-2845
E: mrhein@tmico.com

Brent J. Chudachek, Esq.
Senior Associate Attorney
Lorium PLLC
P: 954-462-8000
E: bchudachek@loriumlaw.com