

WOLF POPPER

ST
SALEM TRUST
A DIVISION OF ARGENT INSTITUTIONAL TRUST CO.



Roles & Responsibilities Related to Securities Litigation



Winter Trustee School

Feb. 2026



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, receding into the distance. The pieces include a pawn, several pawns, a knight, a bishop, a rook, and a king. The text "Why Do You Need Portfolio Monitoring?" is overlaid in a bold, orange, serif font with a slight shadow effect.

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



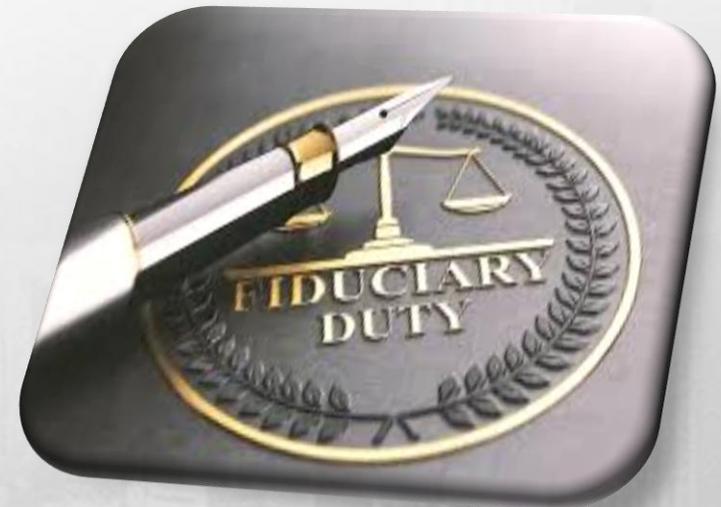
* See, e.g., James D. Cox and Randall S. Thomas, *Letting Billions Slip Through Your Fingers: Empirical Evidence and Legal Implications of the Failure of Financial Institutions to Participate in Securities Class Action Settlements*, 58 Stan L. Rev. 411, 424 (2005)

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 text is overlaid on the center of the image.

What about the General Counsel?

General Counsel Role

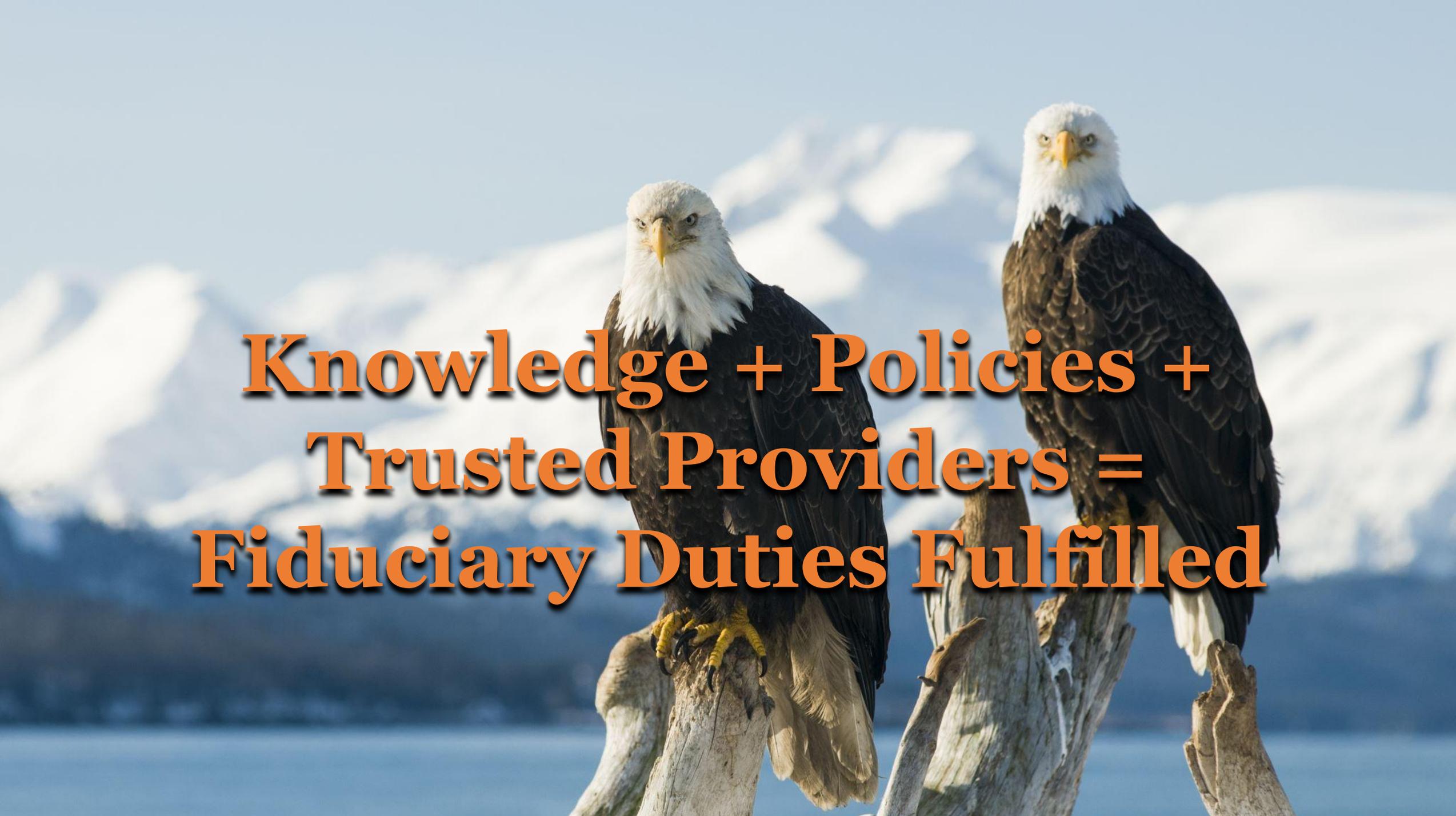
- The GC acts as a gatekeeper and trusted sounding board to advise the Board
 - **Potential Case Evaluation**
 - **Review of Class Action Filings/Claims**
 - **Assistance in Lead Plaintiff Actions**
 - **Participation in Settlement**
 - **Report to the Board**



Role of Outside Litigation Counsel



**a/k/a “Monitoring
Counsel”**

Two bald eagles are perched on a weathered log in the foreground. The eagle on the left is facing forward, while the one on the right is looking slightly to the right. They have white heads and necks with dark brown bodies. The background features a range of snow-capped mountains under a clear blue sky, with a body of water visible at the bottom.

**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@wolfdpopper.com

Mark F. Rhein

President

Salem Trust Company

P: 239-293-2845

E: mrhein@tmico.com

Brent J. Chudachek, Esq.

Partner

Lorium PLLC

P: 954-462-8000

E: bchudachek@loriumlaw.com