



# Quarterly D&O Claims Trends: Q3 2016

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# Today's Moderator



**Jim Blinn**

EVP & Global Product Manager  
Advisen

# Key Findings

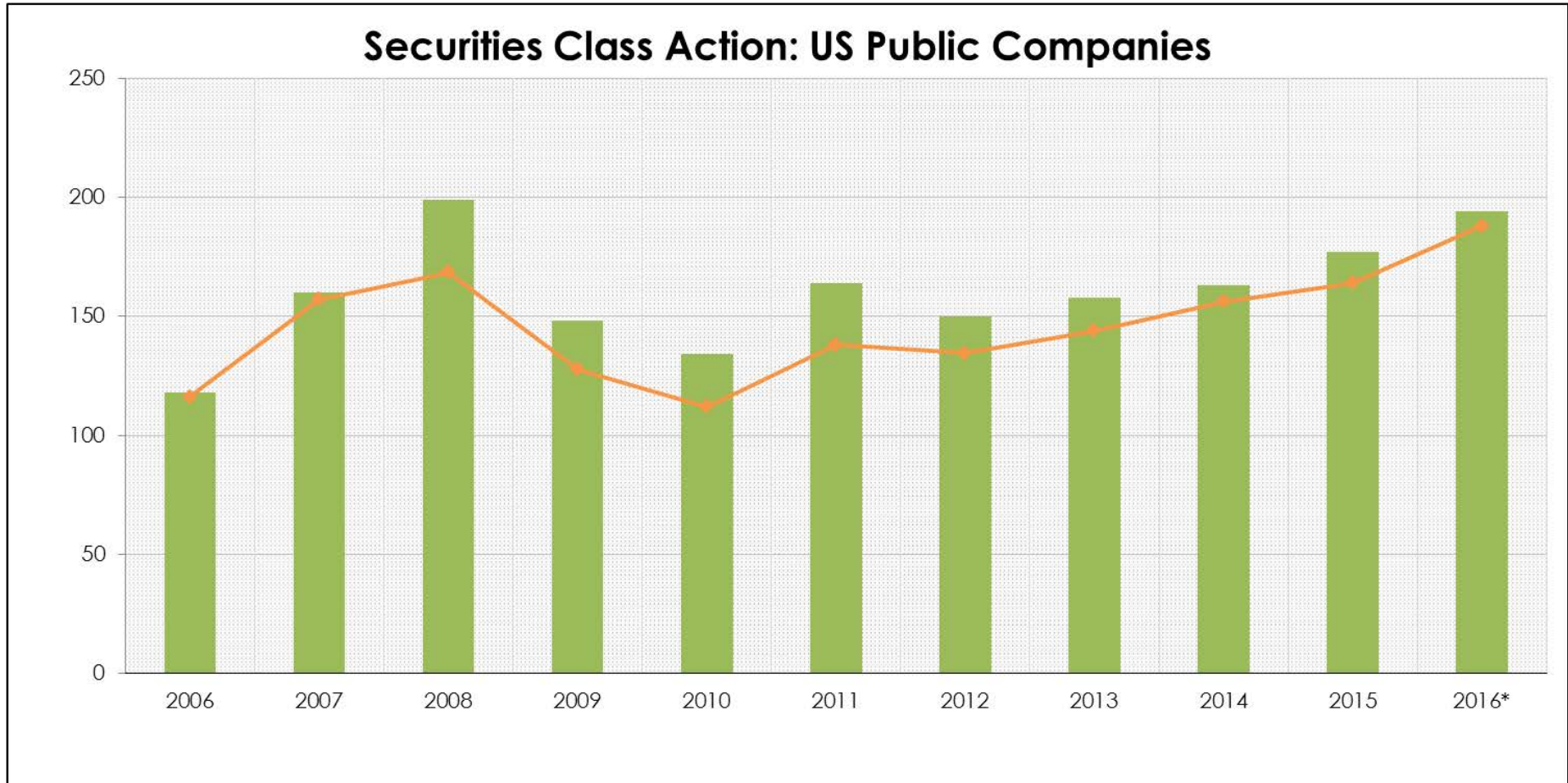
- The third quarter had the fewest filings of any quarter since the start of the financial crisis
- Annualized, filing totals in 2016 are approaching pre-financial crisis levels
- Breach of fiduciary duties – securities, capital regulatory actions, and derivative shareholder actions had the steepest declines in new filings year-over-year
- Securities individual actions was the only major case type with a year-over-year increase
- Year to date, the number of securities class action and merger objection cases are flat compared to the first three quarters of 2015
- The settlement count and average settlement value were both down year-over year
- The financial sector remained the top sector for new securities litigation and enforcement actions



# **SECURITIES CLASS ACTION**

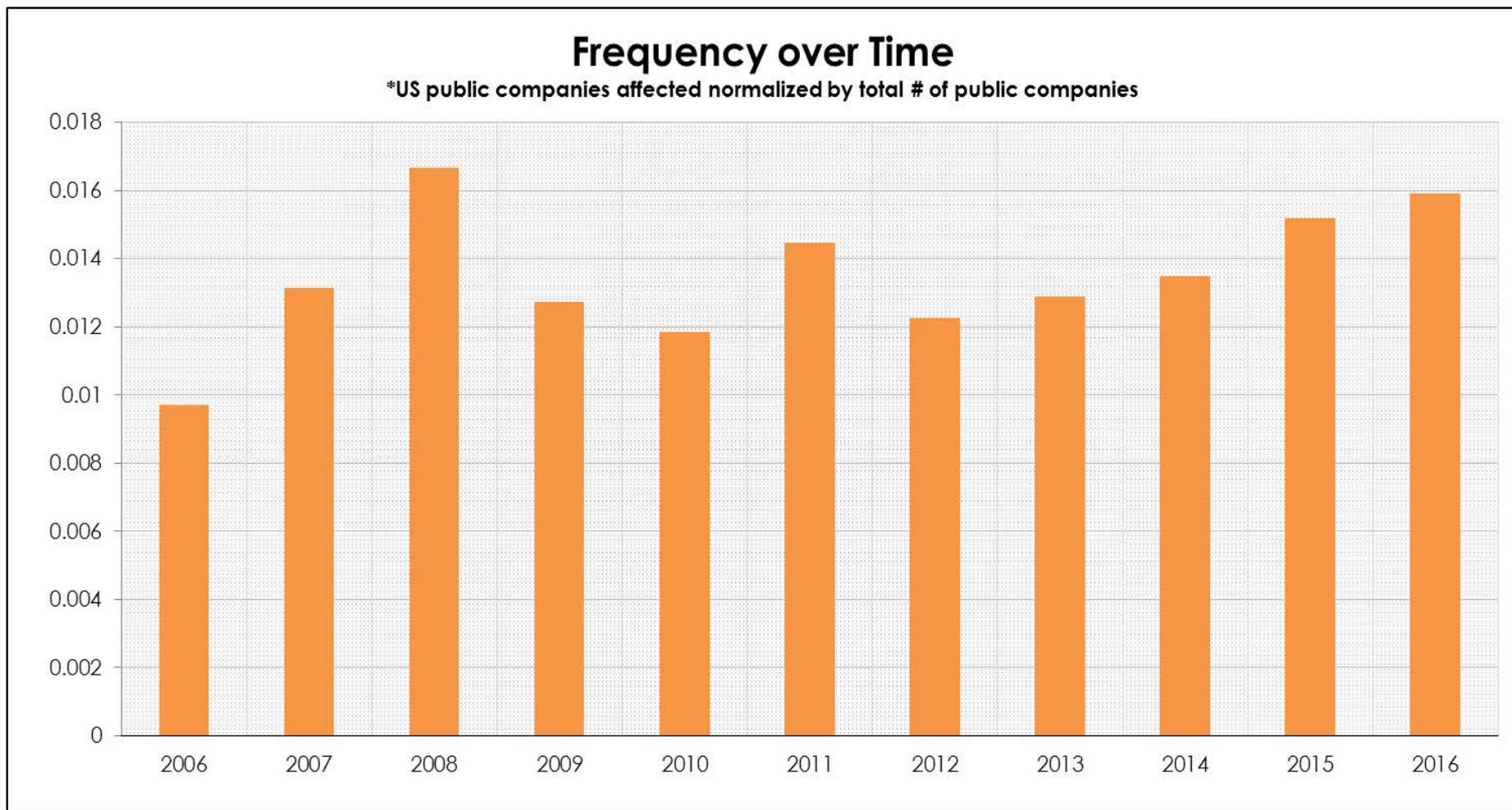


# Securities Class Action: USA



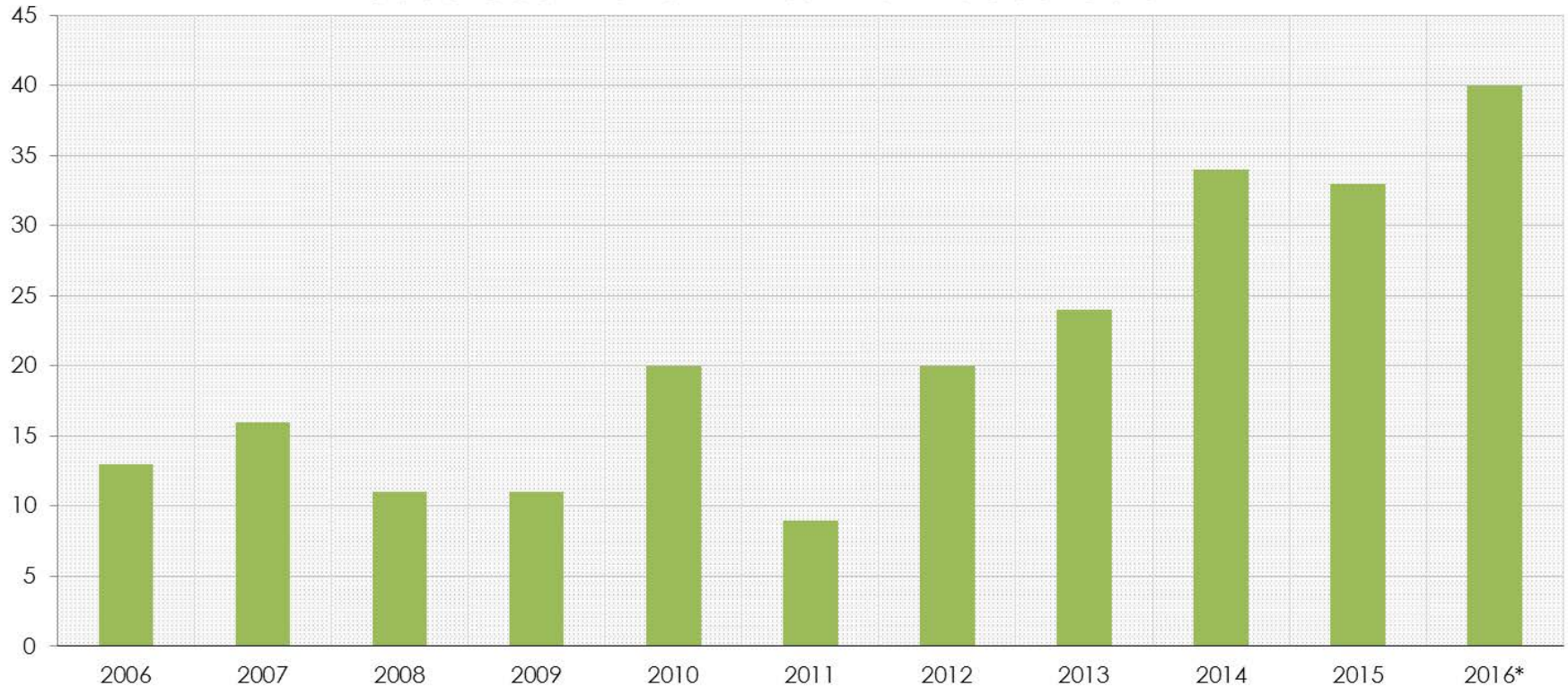


# Frequency



# Pharmaceuticals Frequency

Case Count over Time: Pharmaceuticals



# ● Today's Panelists



**Laura Coppola**

Regional Head of  
Commercial Management  
Liability, North America  
Allianz



**Jim Ilardi**

Regional Head of Financial  
Lines Claims, North America  
Allianz



**Kevin LaCroix**

RT ProExec, a division of RT  
Speciality  
Author of the D&O Diary



**Kim West**

Partner,  
Clyde & Co.



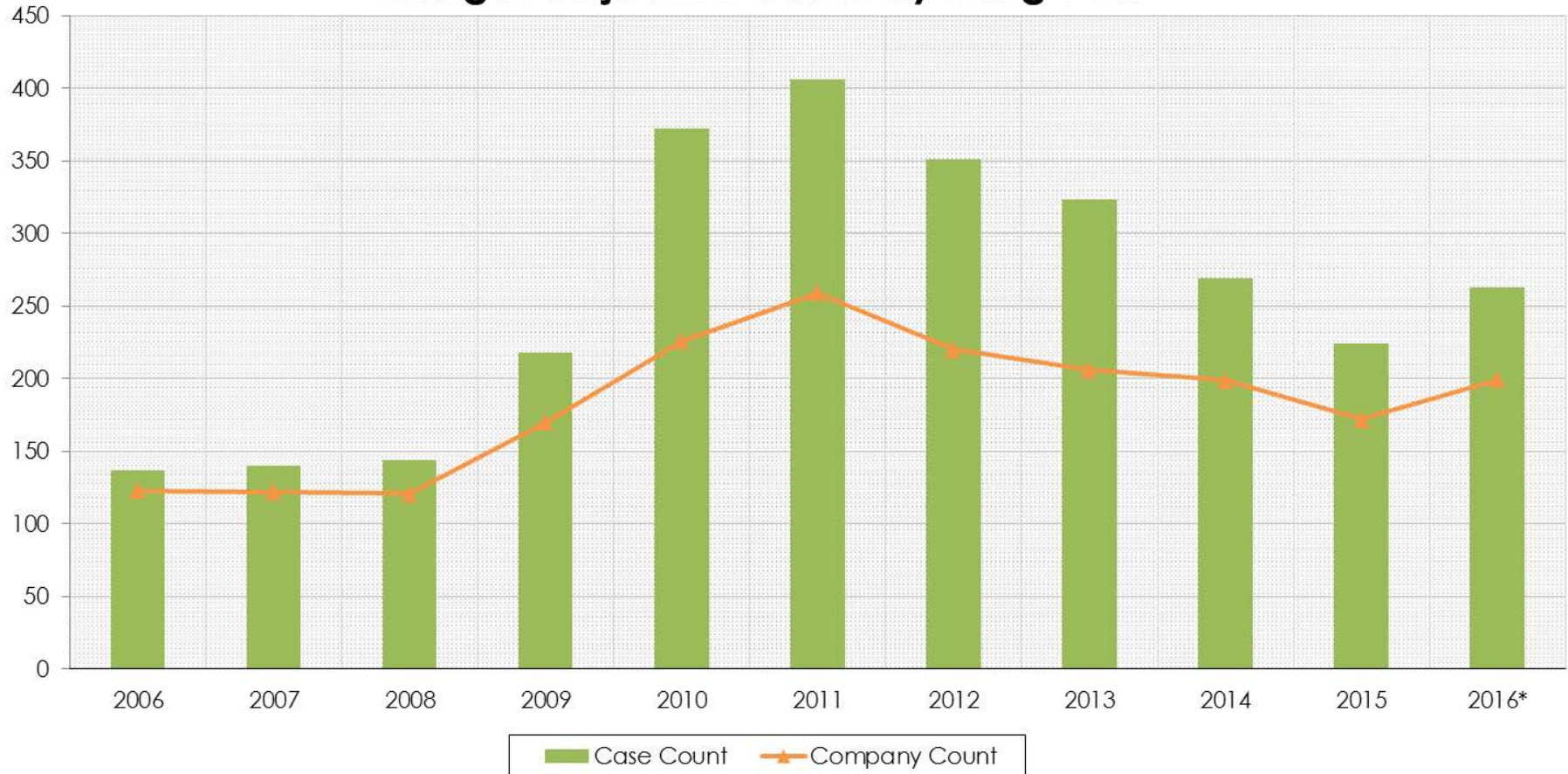
# MERGER OBJECTION



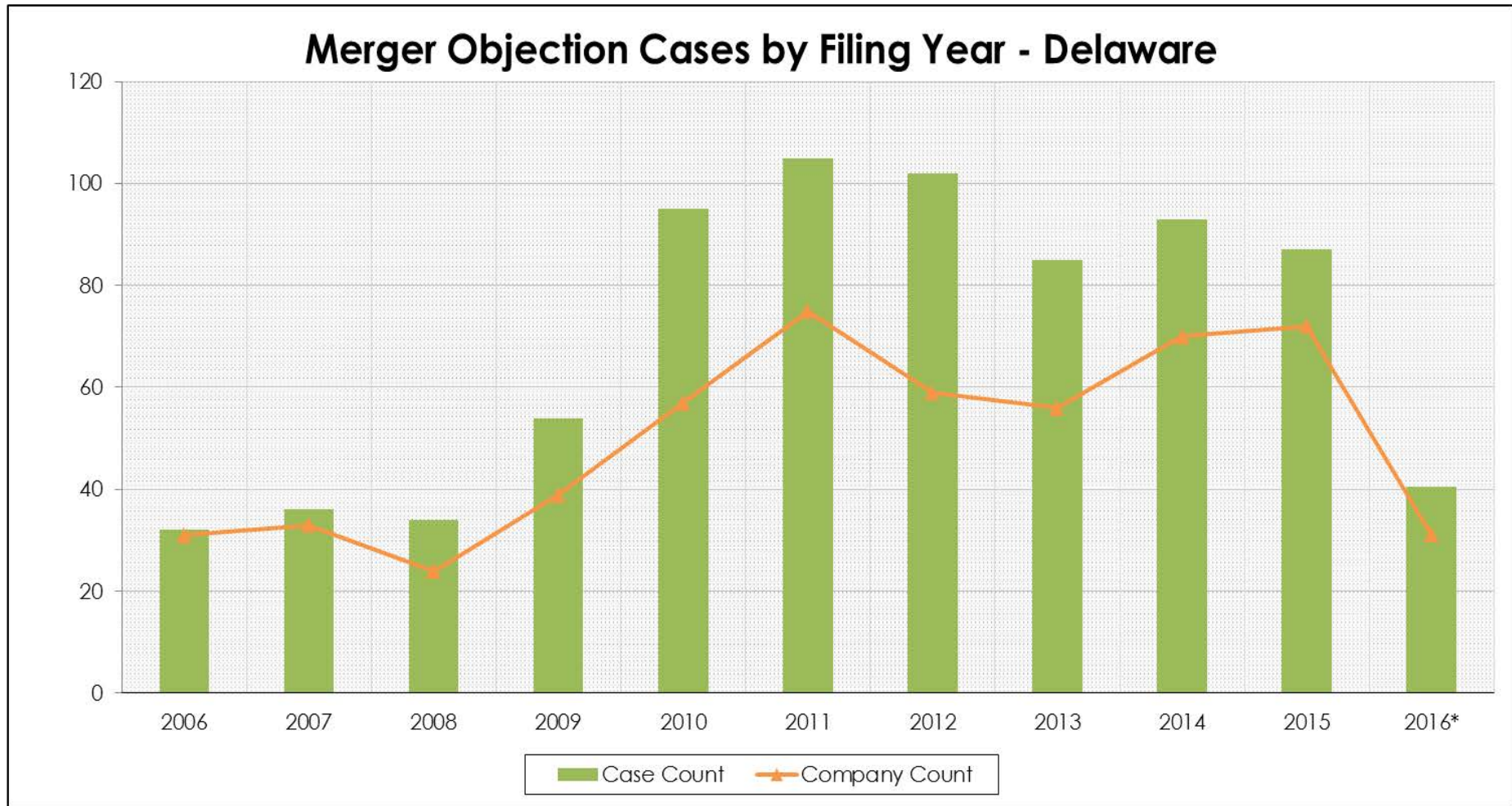


# Merger Objection: USA

Merger Objection Cases by Filing Year

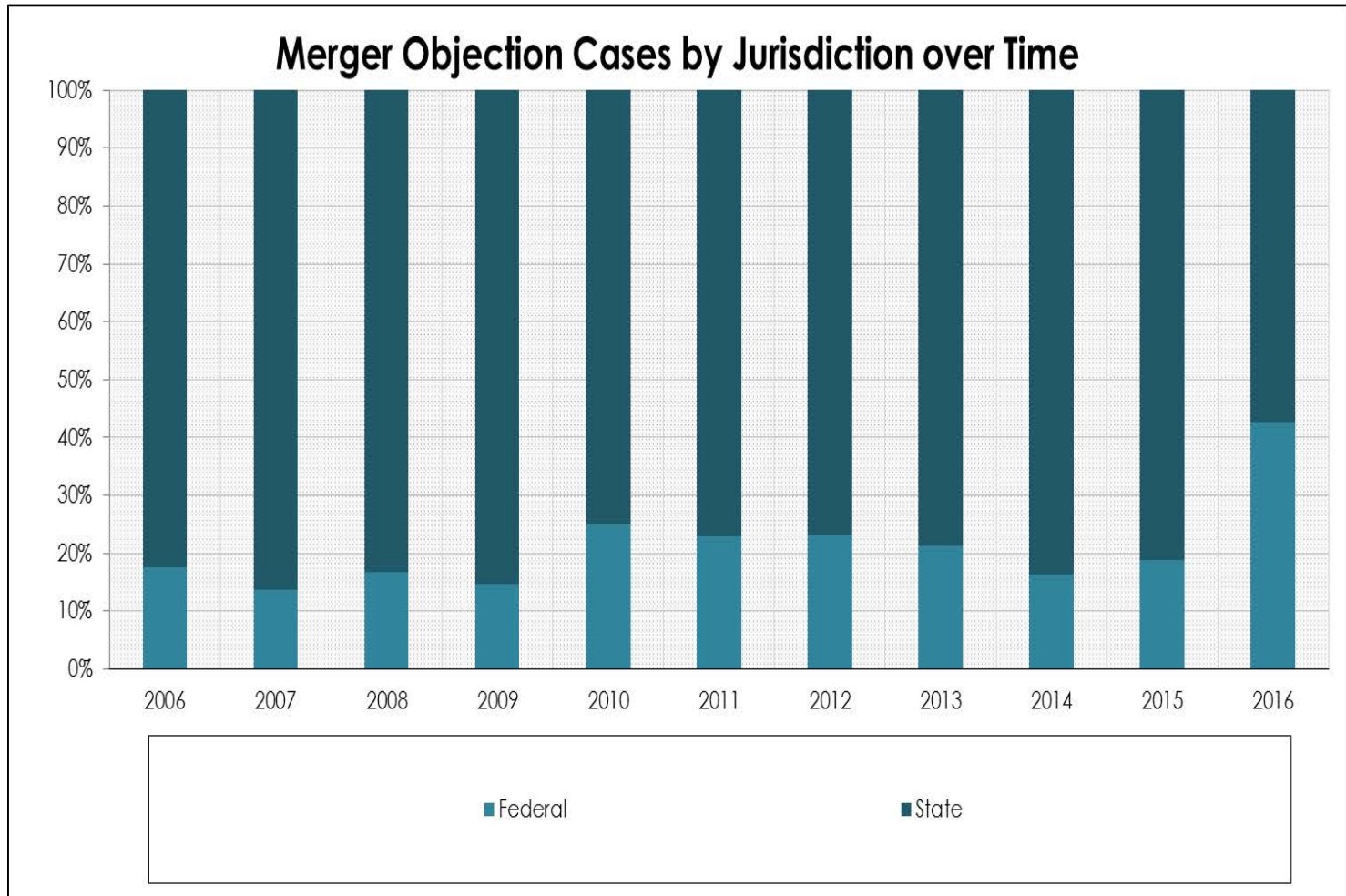


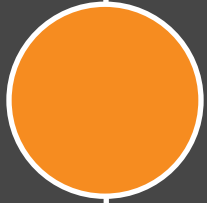
# ● Merger Objection: Delaware





# Jurisdiction: USA



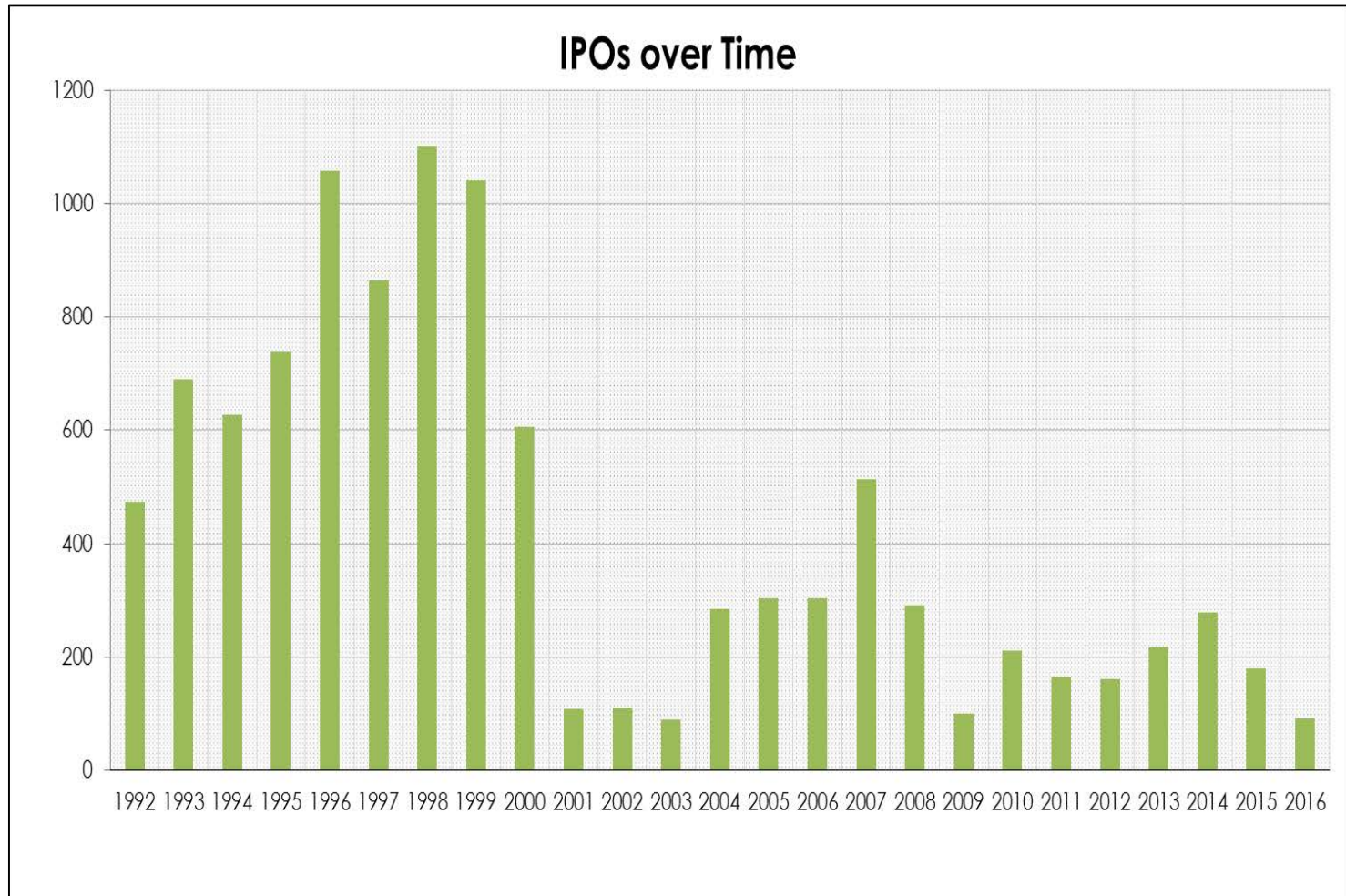


# IPOs

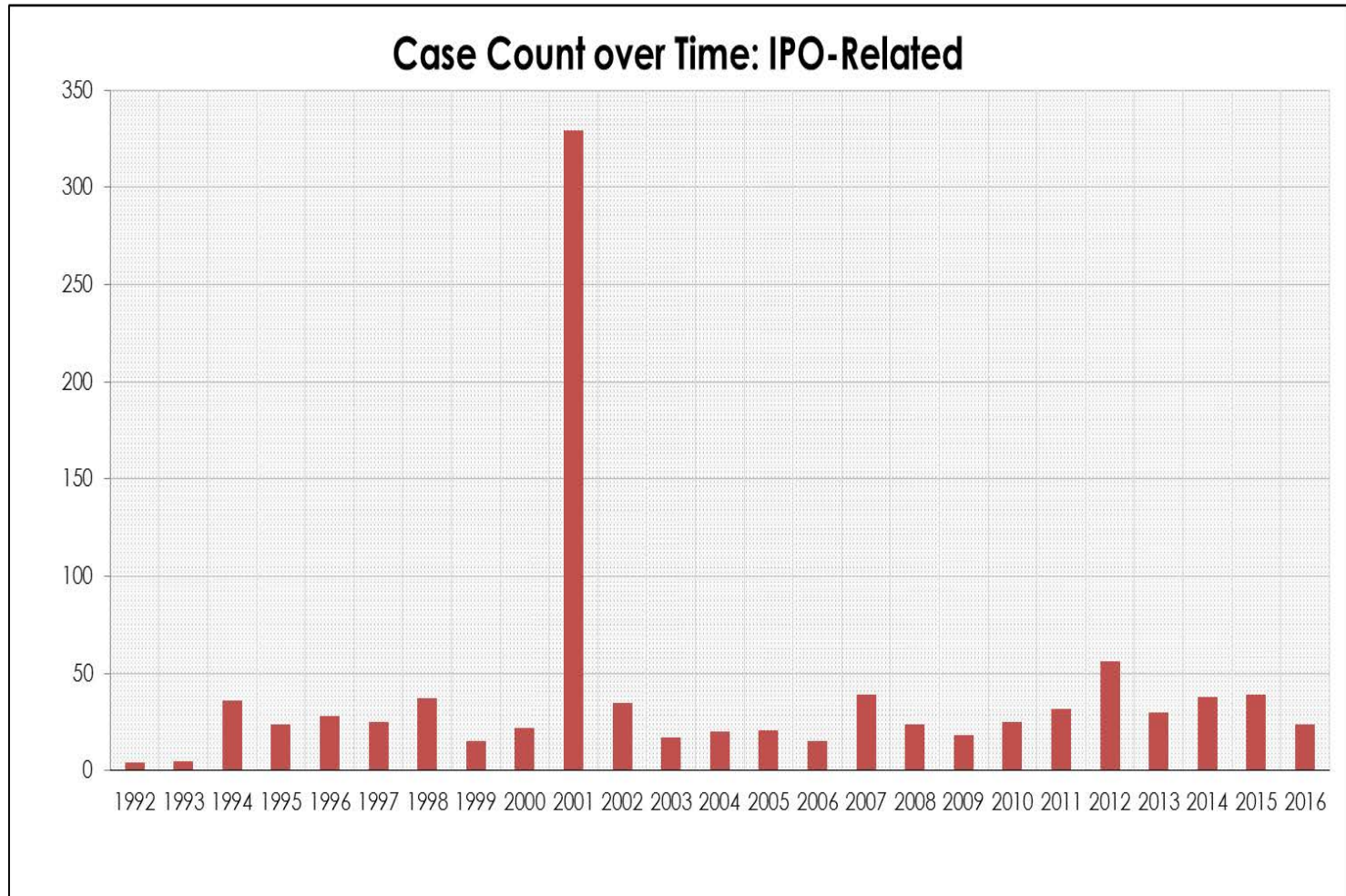




# Count of IPOs over Time

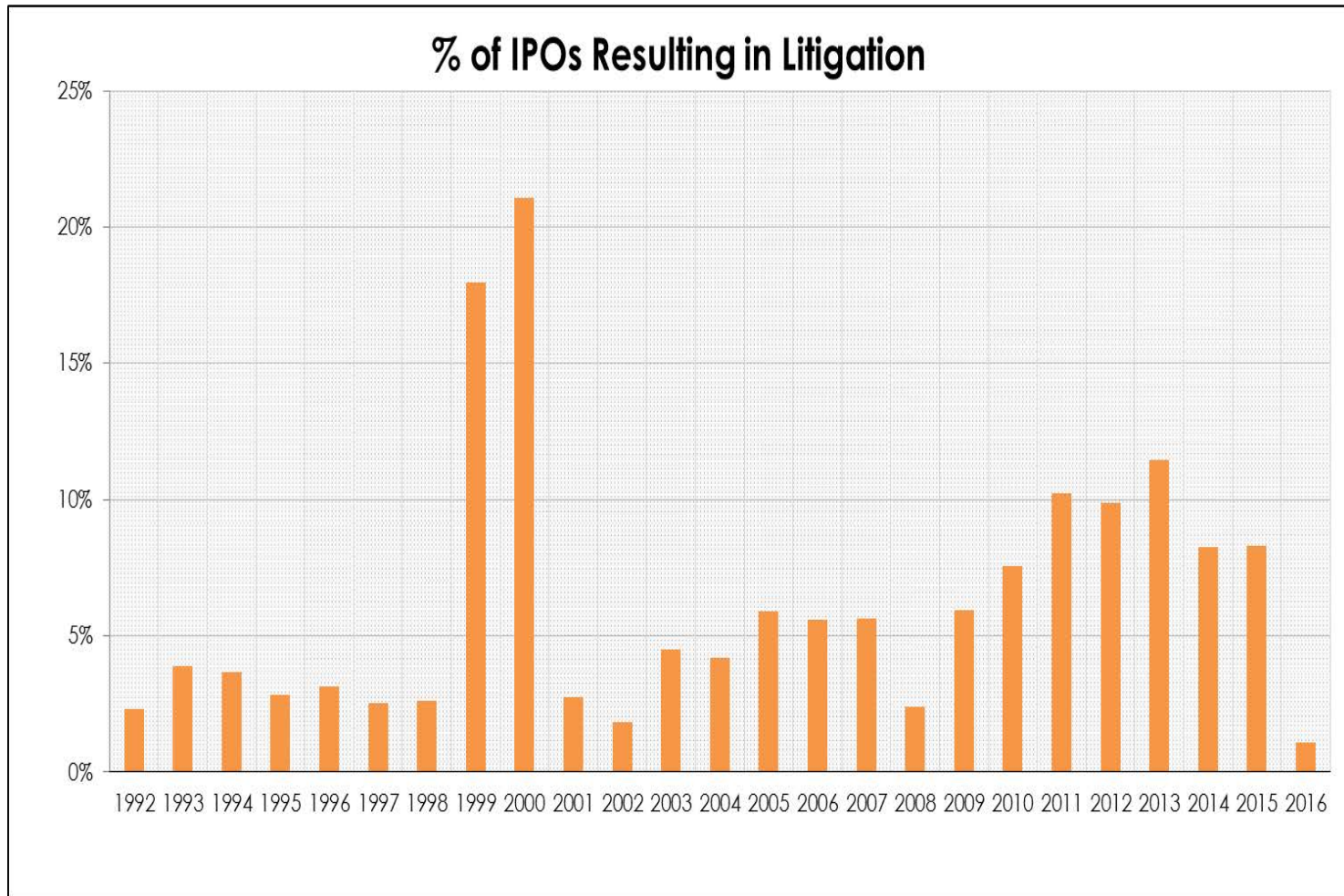


# IPO Litigation

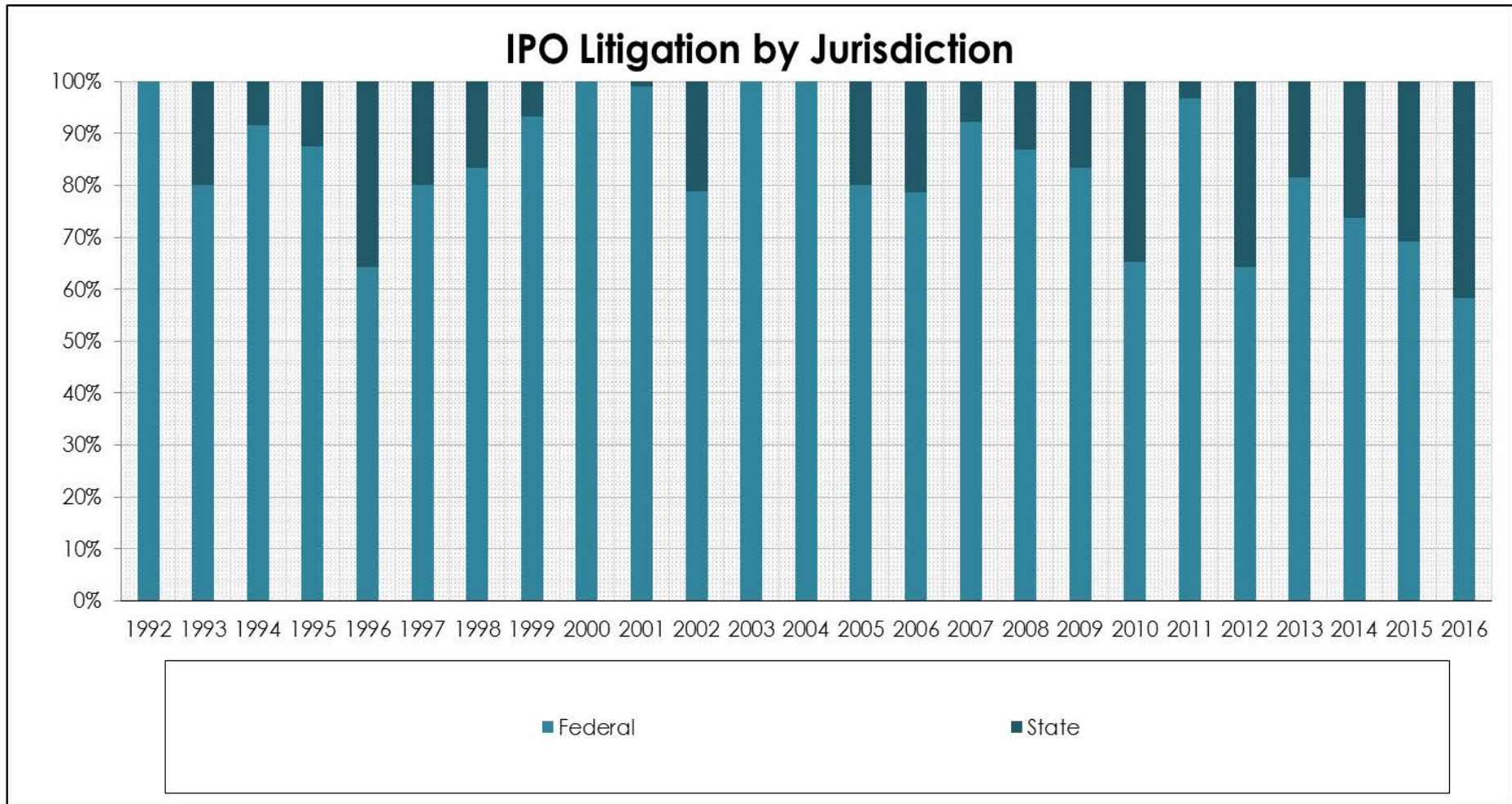




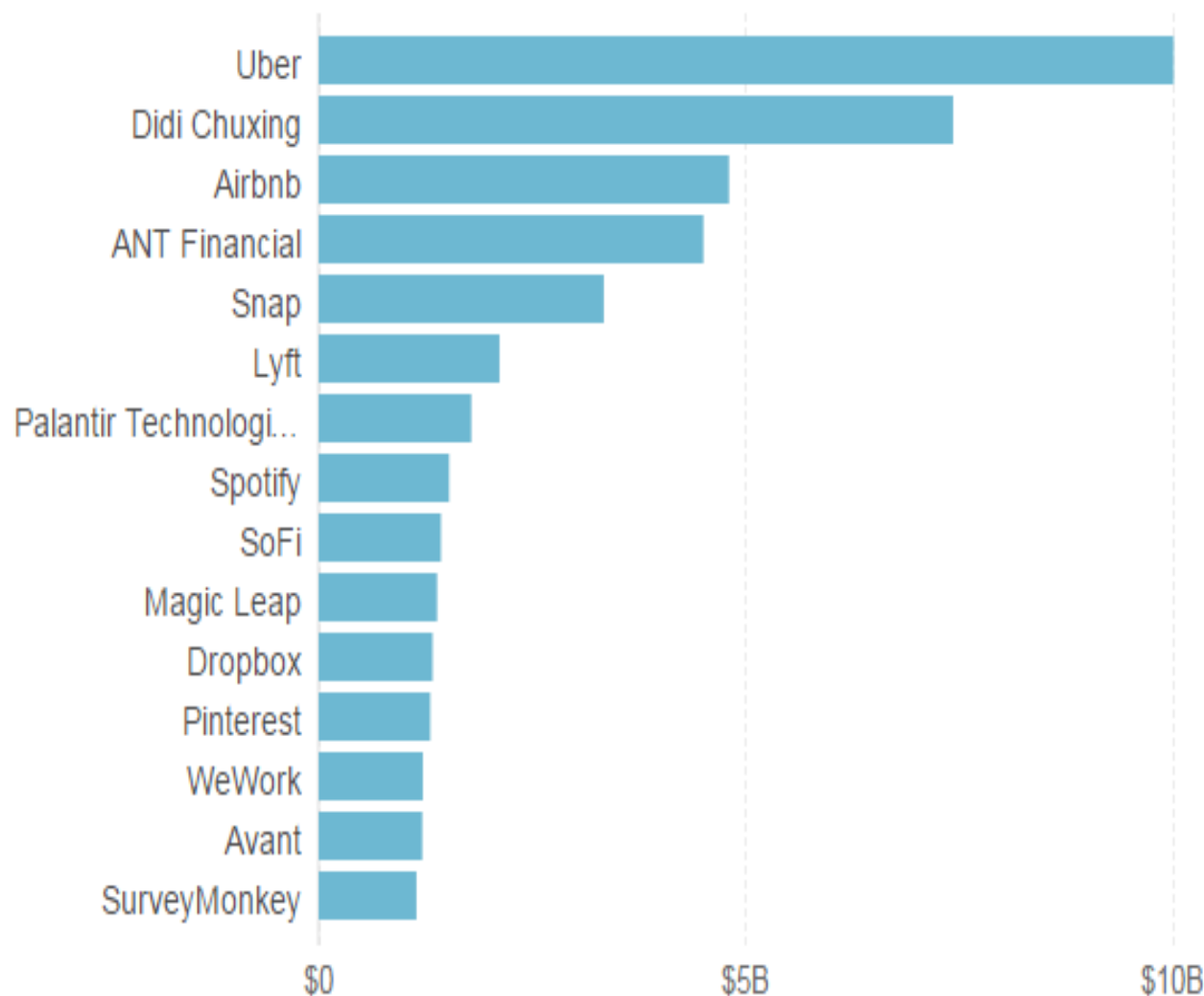
# ● % of IPOs with Follow-on Litigation



# IPO Litigation by Jurisdiction



# VC-Backed Companies with the Most Funding



Source: [VentureDeal](https://venturedeal.com/).



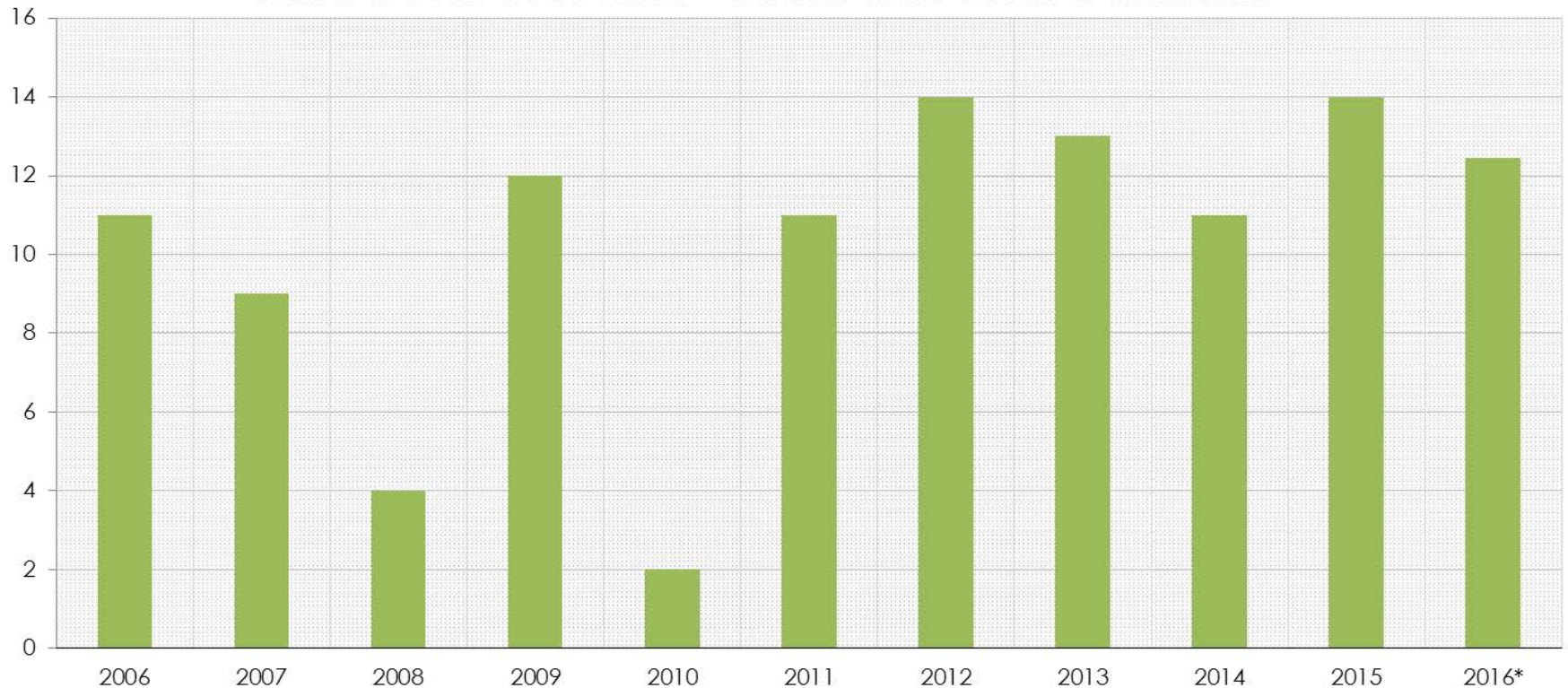
# BOOKS & RECORDS DEMANDS





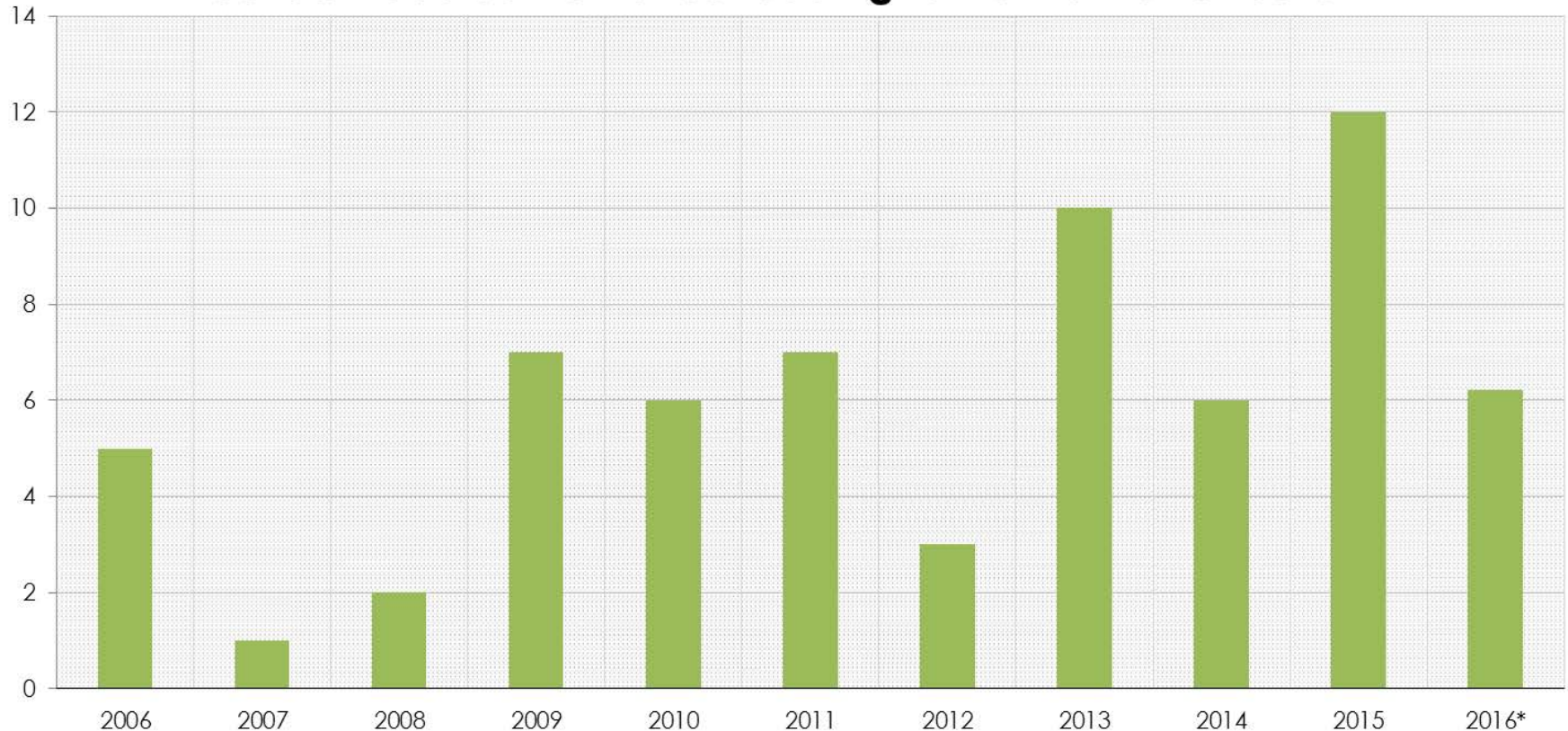
# Books & Records Demands

Case Count over Time - Books & Records Demands



# Books & Records Demands and Derivative Shareholder Actions

**Books & Records Demands Leading to Derivative Lawsuits**





# Defense Cost Issues

## Per Matter Outside Counsel Annual Spending by Risk Level

	Low	25th Percentile	75th Percentile	High
BET-THE-COMPANY	\$2.3 Million	\$5.0 Million	\$10.0 Million	\$26.0 Million
HIGH-RISK	\$1.0 Million	\$1.6 Million	\$4.4 Million	\$5.0 Million
COMPLEX	\$0.2 Million	\$1.0 Million	\$1.9 Million	\$2.5 Million
ROUTINE	\$0.16 Million	\$0.23 Million	\$0.72 Million	\$1.64 Million

# Cyber D&O Cases

Company	Year	Type	Status	Loss
The TJX Companies	2007	Derivative	Settled	\$0.5M
Heartland Payment Systems	2009	SCAS & Derivative	Dismissed	-
News Corporation	2011	SCAS & Derivative	Settled	\$139M
Target Corporation	2014	Derivative	Dismissed	-
Wyndham Corp.	2014	Derivative	Dismissed	-
The Home Depot	2015	Derivative	Pending	
Xoom Corporation	2015	SCAS	Pending	
MobileIron	2015	SCAS	Pending	-
Jaspen Capital Partners	2015	Capital Regulatory Action	Settled	\$30M

# ● Thank you to our panelists!



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Wednesday, April 26<sup>th</sup>, 2017  
at 11 am EDT





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