



Quarterly D&O Claims Trends: Q3 2017

October 11th, 2017, 11 AM Eastern

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Quarterly D&O Claims Trends: Q3 2017

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Today's Moderator



Jim Blinn

EVP, Client Solutions
Advisen



Today's Panelists



Mike Gorlin

Director of Management Liability,
Zurich North America



Kevin LaCroix

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

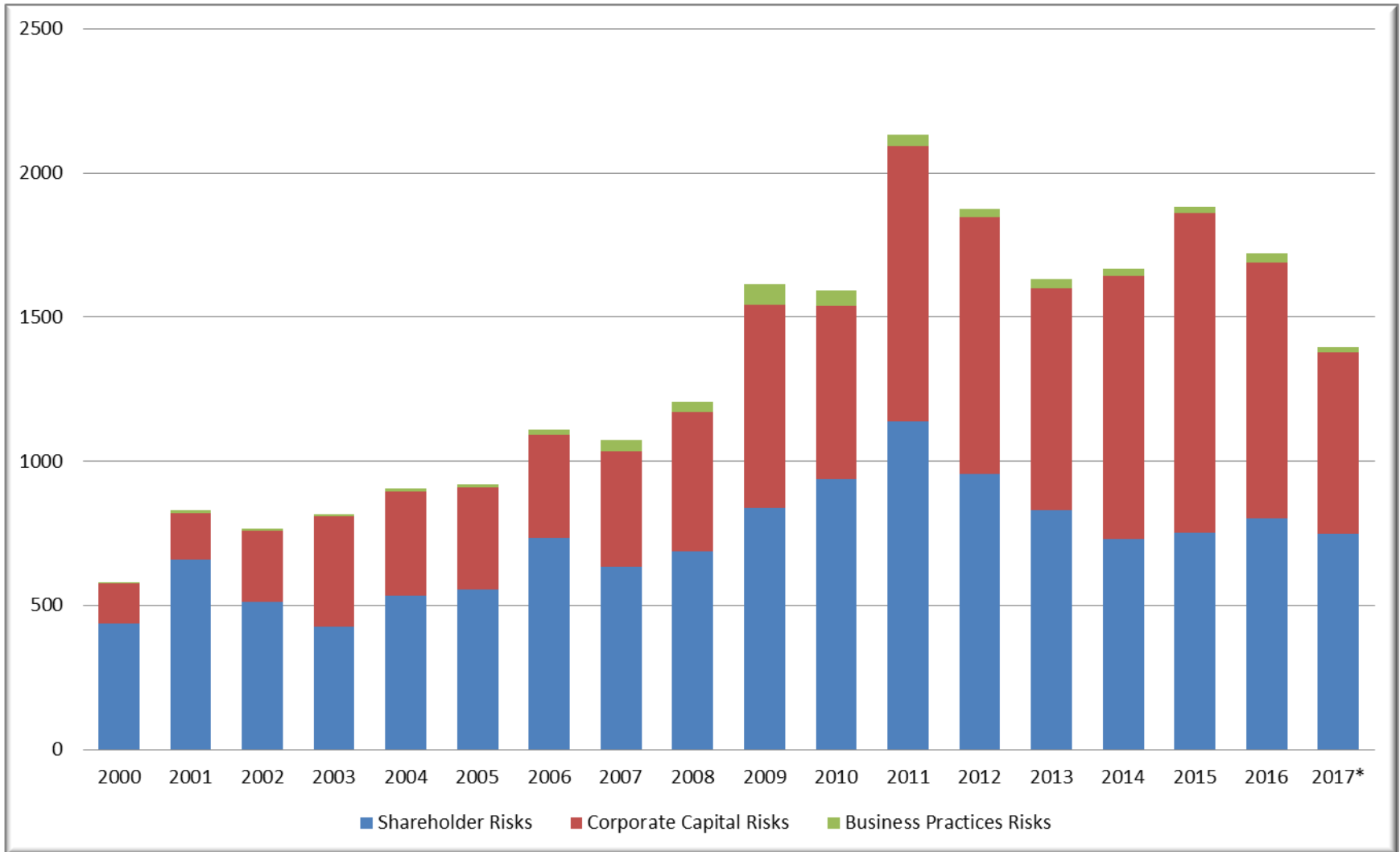


Jeroen van Kwawegen

Partner
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Grossman LLP

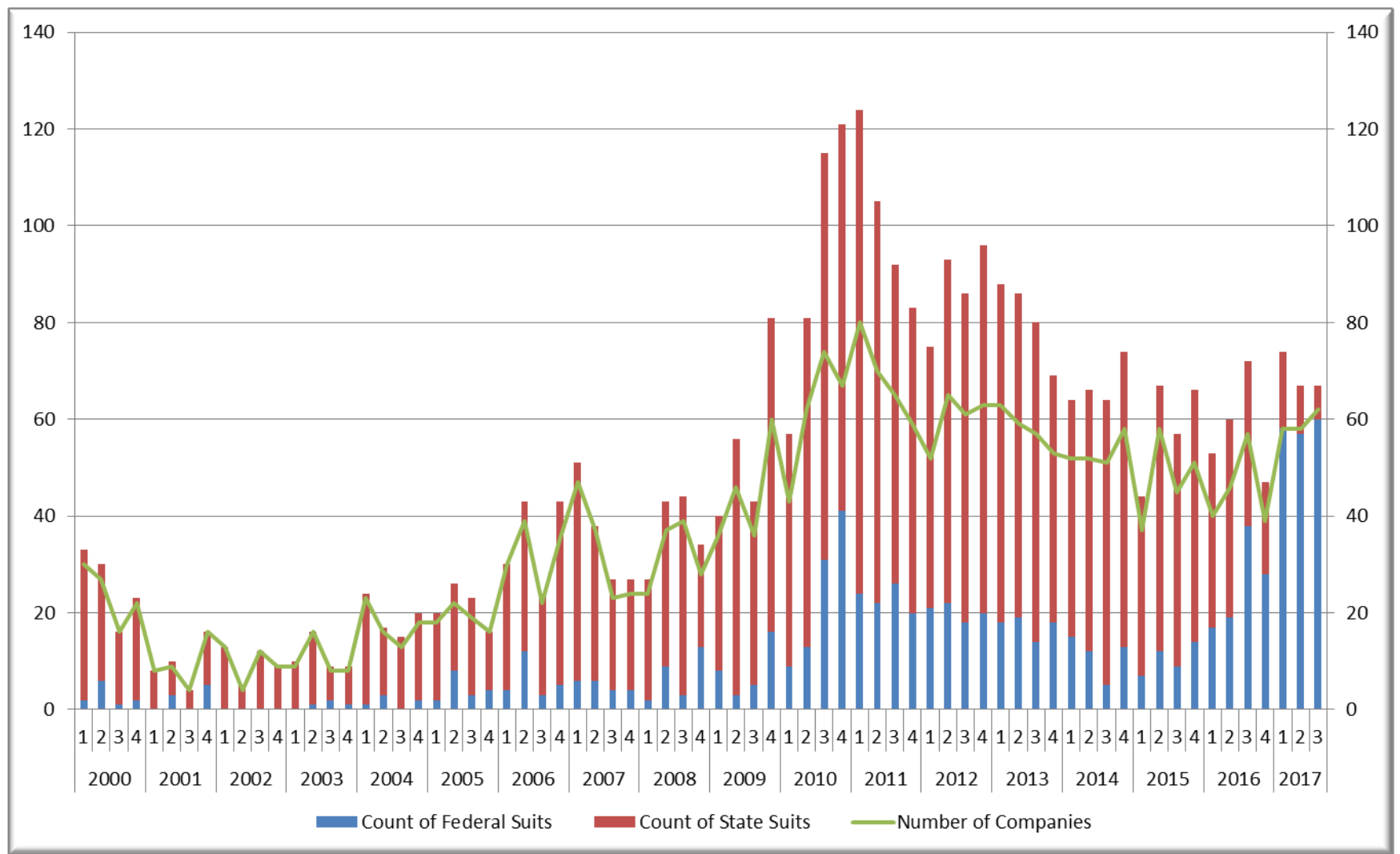


Counts of All Cases

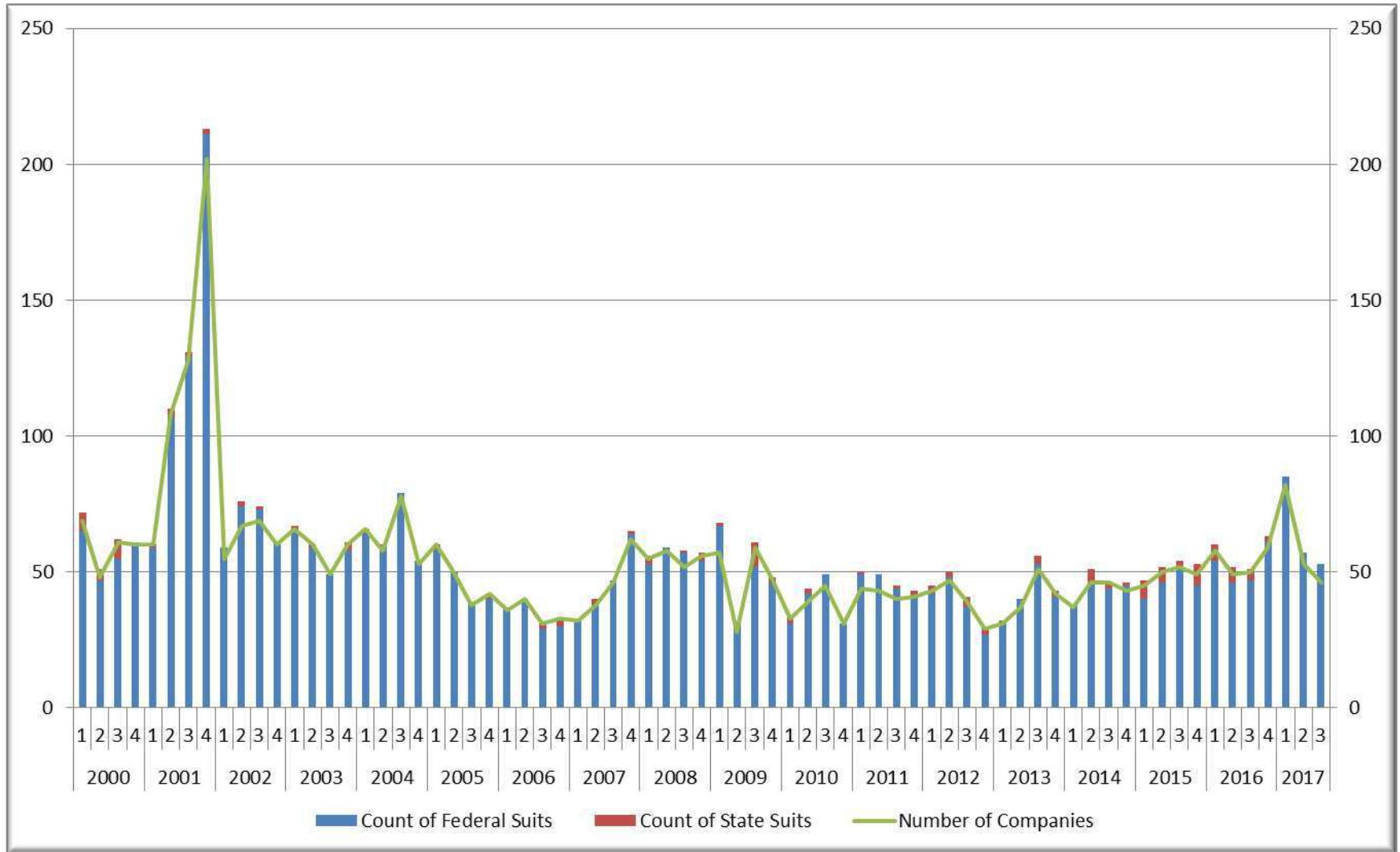


*2017 is annualized

Merger Objection

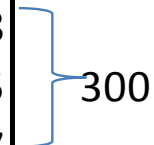
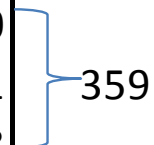


Securities Class Action



● Total Counts – Unique Companies

Filing Date		Federal		State		Total Companies
Year	Quarter	SCAS	Merger Objection	SCAS	Merger Objection	
2016	1	53	16	6	32	98
	2	45	16	6	36	95
	3	46	35	4	32	107
	4	57	26	2	18	98
2017	1	82	49	0	16	140
	2	53	52	0	10	111
	3	48	56	0	7	108

 300
 359

- Q1-3 2017 companies sued in Federal court is 60% higher than Q1-3 2016
- Total companies sued are 20% higher

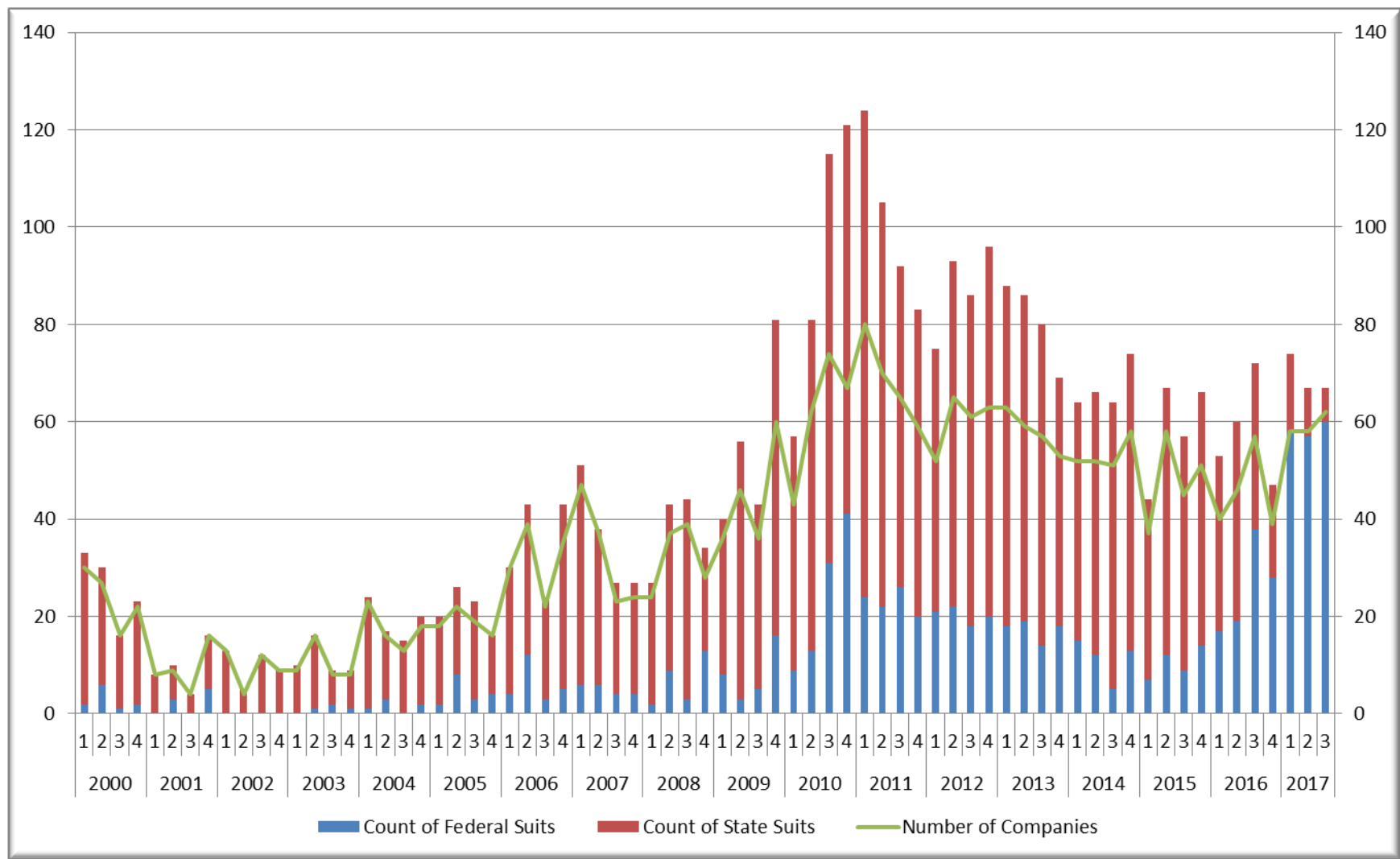
Cyber/Privacy D&O Cases

Company	Year	Type	Status	Total 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	Dismissed	-
Xoom Corporation	2015	SCAS	Pending	-
MobileIron	2015	SCAS	Settled	\$7.5M
Jaspen Capital Partners	2015	Regulatory Action	Settled	\$30M
The Wendy's Company	2016	Derivative	Pending	-
Expedia Inc.	2016	Regulatory Action	Pending	-
Wells Fargo & Company	2016	SCAS & Derivative	Pending	-

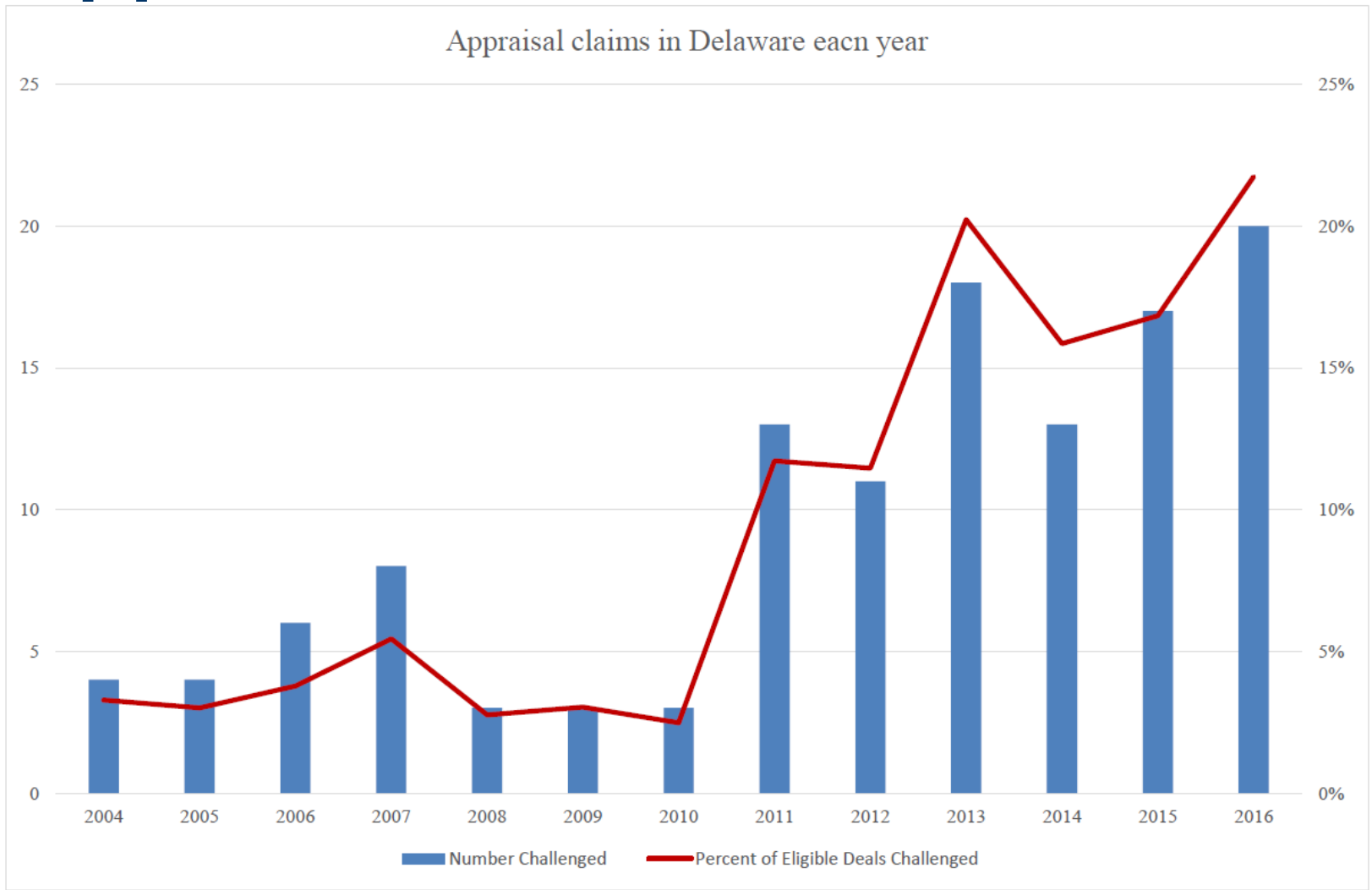
Equifax Chronology

Date	Event
7/29/2017	Equifax discovered unauthorized access
8/1/2017	CFO John Gamble sold shares worth \$946,374
8/1/2017	Pres. U.S. Info Solutions Joseph Loughran exercises options \$584,099
8/2/2017	Pres. Workforce Solutions Rodolfo Ploder sold shares worth \$250,458
9/7/2017	Equifax Announces Cybersecurity Incident
9/8/2017	Kuhns v Equifax SCAS filed in Northern District of Georgia
9/10/2017	At least 25 lawsuits filed in Federal Courts
9/15/2017	Brock v Equifax SCAS filed in Southern District of New York
9/18/2017	U.S. Department of Justice opens criminal investigation
9/26/2017	Equifax CEO Richard Smith Resigns

Merger Objection



Appraisal Claim Counts*



*Source: Merger Negotiations in the Shadow of Judicial Appraisal

Appraisal Events

Date	Event	Award Relative to Deal Price	Classification	Premium over Merger Price Represented by Appraisal Amount	Number of Years from Merger to Appraisal Decision	Merger Consideration (per share)	Court's valuation (per share)
8/1/2007	2007 Amendments to DGCL § 262	N.A.	Positive				
8/17/2007	Highfields v. AXA Financial	-19.00%	Negative	-19.00%	3.1	\$31.00	\$25.00
11/15/2007	Hildreth v. Castle Dental Centers, Inc.	0.00%	Negative	0.00%	3.4	\$0.15	\$0.16
11/1/2008	Transkaryotic Settlement	N.A.	Positive				
3/18/2013	IQ v. Am. Commercial Lines	15.60%	Positive	15.60%	2.2	\$33.00	\$38.16
7/8/2013	Merion v. 3M Cogent	8.50%	Positive	8.50%	2.6	\$10.50	\$10.87
11/1/2013	Huff v. CKx	0.00%	Negative	0.00%	2.4	\$5.50	\$5.50
1/30/2015	In re ancestry.com	0.00%	Negative	0.00%	2.1	\$32.00	\$32.00
4/30/2015	Merlin Partners v. Autinfo	0.00%	Negative	0.00%	2	\$1.05	\$1.05
6/30/2015	Longpath v. Ramtron	-1.00%	Negative	-1.00%	2.6	\$3.10	\$3.07
8/27/2015	In re Dole Food	23.50%	Positive	23.49%	1.8	\$13.50	\$16.24
10/21/2015	Merion v. BMC Software	0.00%	Negative	0.00%	2.1	\$46.25	\$46.25
5/31/2016	In re Appraisal of Dell	28.10%	Positive	28.10%	2.6	\$13.75	\$17.62
7/8/2016	In re Appraisal of DFC Global	7.50%	Positive	7.50%	2.1	\$9.50	\$10.21
8/1/2016	2016 Amendments to DGCL § 262	N.A.	Negative				
12/16/2016	Merion v. Lender Processing	0.00%	Negative	0.00%	3	\$37.14	\$37.14
5/26/2017	In re Appraisal of PetSmart	0.00%	Negative	0.00%	2.2	\$83.00	\$83.00
5/26/2017	In re SWS Group	-8.50%	Negative	-8.46%	2.4	\$6.92	\$6.38

*Source: Merger Negotiations in the Shadow of Judicial Appraisal



Thank you, panelists!



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Director of Management Liability,
Zurich North America



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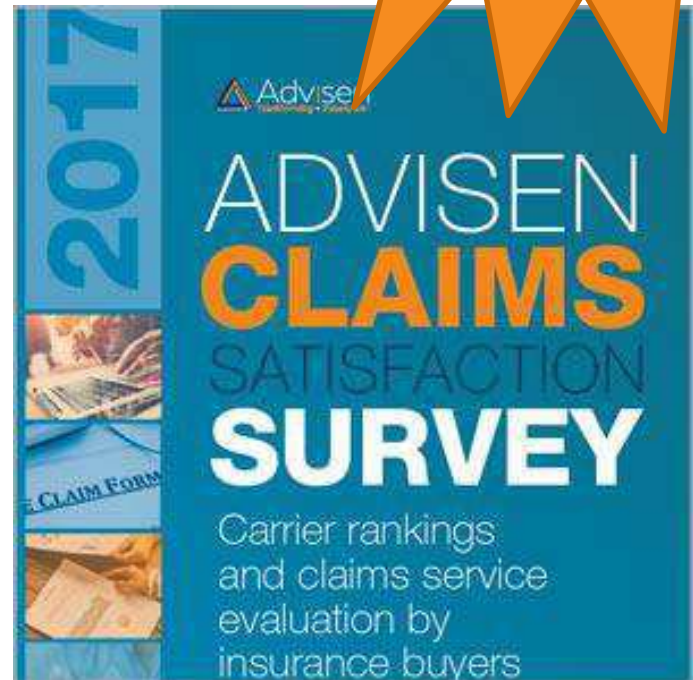
Quarterly D&O Claims Trends: Q1 2018

Tuesday, April 24th, 2018
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