Exhibit 1

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

GLENN FREEDMAN, individually and on behalf of all similarly situated, Plaintiff, v. WEATHERFORD INTERNATIONAL, LTD., et al., Defendants.	Civil Action No. 12-CV-2121 (LAK)

DECLARATION OF ANCHORAGE POLICE & FIRE RETIREMENT SYSTEM IN SUPPORT OF APPROVAL OF PROPOSED CLASS ACTION SETTLEMENT AND REQUESTS FOR ATTORNEYS' FEES AND EXPENSES

I, Edward A. Jarvis, pursuant to 28 U.S.C. § 1746, declare as follows:

1. I am the Director of Anchorage Police & Fire Retirement System ("Anchorage Police & Fire" or "Anchorage"), a Court-appointed Class Representative in this certified securities class action (the "Action").[1] Anchorage Police & Fire is a public pension fund located in Anchorage, Alaska, which operates for the exclusive benefit of police officers and firefighters and certain other employees of the municipality of Anchorage. Anchorage Police & Fire serves approximately 800 beneficiaries and has more than $350 million in assets under management.

[1] Unless otherwise indicated, capitalized terms have those meanings contained in the Stipulation and Agreement of Settlement, dated June 30, 2015 (the "Stipulation") (ECF No. 191-1), entered into by and among Class Representatives and the Defendants.

2. I submit this Declaration in support of (a) Class Representatives' Motion for Approval of Proposed Class Action Settlement and Plan of Allocation and (b) Class Counsel's Motion for Award of Attorneys' Fees and Payment of Litigation Expenses, which includes our request for payment of certain costs incurred by Anchorage Police & Fire in connection with its representation of the Class. I have personal knowledge of the matters related to Anchorage's request and of the other matters set forth in this Declaration, as I, or others working closely with me or under my direction, have been directly involved in monitoring and overseeing the prosecution of the Action on Anchorage Police & Fire's behalf, and I could and would testify competently thereto.

I. Work Performed by Anchorage Police & Fire on Behalf of the Class

3. In fulfillment of its responsibilities as a Court-appointed lead plaintiff, and later as a Class Representative, Anchorage endeavored to protect the interests of the Class and to vigorously pursue a favorable result in this Action.

4. Since being appointed as a lead plaintiff, Anchorage Police & Fire has monitored and been engaged in all material aspects of the prosecution and resolution of this Action. Specifically, throughout this litigation, I have personally:

- Met and conferred with Class Counsel on the overall strategies for the prosecution of the Action and on developments in the case, including in-person meetings with Class Counsel in Anchorage, Alaska to attend to: (i) Anchorage's collection and production of documents to Defendants; (ii) preparation for Defendants' deposition of Anchorage; (iii) litigation strategy; and (iv) settlement communications and related settlement strategy;

- Traveled to New York, New York on two (2) occasions: (i) to sit for my deposition (as Anchorage's designated representative under Rule 30(b)(6)) in connection with the Class Representatives' motion for class certification; and (ii) to participate in the Parties' mediation session on May 20, 2015;

- Following the unsuccessful May 20, 2015 mediation session, coordinated closely with Class Counsel regarding settlement strategy, including numerous discussions with Class counsel relating to the reasonableness of the mediator's recommended settlement amount and related risks of continued litigation;

- Worked cooperatively with the Class Representative designee from SCERS, including numerous phone calls and emails regarding litigation and settlement strategy;

- Responded to Defendants' discovery requests and assisted with the collection and production of responsive documents on behalf of Anchorage;

II. Anchorage Police & Fire Strongly Endorses Approval of the Settlement by the Court

5. Based on its involvement throughout the prosecution and resolution of the claims, Anchorage believes that the proposed Settlement is fair, reasonable and adequate. We believe that the proposed Settlement represents an excellent recovery for the Class, particularly in light of the substantial risks of continued litigation, including the risks of establishing Defendants' fraudulent knowledge and the Class's alleged damages. Therefore, Anchorage strongly endorses approval of the Settlement by the Court.

III. Anchorage Police & Fire Supports Class Counsel's Motion for an Award of Attorneys' Fees and Payment of Litigation Expenses

6. Class Counsel's request for an award of attorneys' fees in the amount of $27,930,550.00, representing a 1.5 multiplier of the billable time of Class Counsel, has been authorized by Anchorage as fair and reasonable in light of the work they performed on behalf of the Class. Anchorage carefully evaluated the fee request by considering the quality and scope of the work performed by Class Counsel, the substantial recovery obtained, and the obstacles and challenges faced by counsel. Anchorage Police & Fire further believes that the litigation expenses being requested by Class Counsel are also reasonable, and that they represent the costs and expenses necessary for the prosecution and resolution of the claims. Based on the foregoing, and consistent with its obligation to the Class to obtain the best result at the most efficient cost, Anchorage fully supports Class Counsel's motion for an award of attorneys' fees and payment of litigation expenses.

7. Anchorage also understands that a lead plaintiff's reasonable costs and expenses, including lost wages, is authorized under Section 21D(a)(4) of the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4(a)(4). As explained below, rather than request reimbursement for every task performed over the course of this Action, Anchorage only seeks payment for the hours I expended for several tasks that required substantial time and attention away from my duties as Director of Anchorage.

8. As the Director of Anchorage, I am primarily responsible for running the day-to-day operations of the organization, and implementing the mandates and policies of the retirement system's Board of Trustees. I am seeking reimbursement for 71 hours expended on this litigation, representing the subset of time principally out of the office that I clearly would have otherwise devoted to my regular duties for Anchorage Police & Fire but was unable to, and therefore represented a cost to Anchorage; specifically for (i) a half-day meeting with Class Counsel in Anchorage, Alaska to prepare for my Rule 30(b)(6) deposition; (ii) travel for, and participation at, Anchorage's December 13, 2013 deposition in New York, New York; (iii) travel for, and participation at, the parties' May 20, 2015 mediation session in New York, New York. Based on an hourly rate of $50.00, Anchorage seeks reimbursement in the amount of $3,550 for this subset of tasks.[2]

IV. Conclusion

9. In conclusion, Anchorage Police & Fire, a Court-appointed Class Representative that was closely involved throughout the prosecution and settlement of the claims, strongly endorses the Settlement as fair, reasonable and adequate, and believes it represents an outstanding recovery for the Class. We further support Class Counsel's

---

[2] My hourly rate is derived from my annual salary and benefits, divided by the number of hours I am expected to work a year.

attorneys' fee and litigation expense application, and believe that it represents fair and reasonable compensation for counsel in light of the recovery obtained for the Class and the quality of the work conducted. And finally, Anchorage Police & Fire requests reimbursement of certain of its costs, as described above, in the amount of $3,550.

10. Accordingly, we respectfully request that the Court approve the Class Representatives' motion for final approval of the proposed Settlement and Class Counsel's motion for an award of attorneys' fees and payment of expenses.

I declare under penalty of perjury that that the foregoing is true and correct, and that I have authority to execute this Declaration on behalf of Anchorage Police & Fire. Executed this 25th day of September, 2015.

EDWARD A. JARVIS

Exhibit 2

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

GLENN FREEDMAN, individually and on behalf of all others similarly situated, Plaintiff, vs. WEATHERFORD INTERNATIONAL, LTD., et al., Defendants.	Civil Action No. 12-CV-02121-LAK-JCF

DECLARATION OF LAYN R. PHILLIPS

I, LAYN R. PHILLIPS, declare as follows:

1. I submit this Declaration in my capacity as the mediator of the proposed class action settlement in the above-referenced matter, concerning the alleged securities fraud claims asserted by Lead Plaintiffs Anchorage Police & Fire Retirement System and the Sacramento City Employees' Retirement System ("Lead Plaintiffs"), on behalf of the Class, against Weatherford Int'l, Ltd., Andrew P. Becnel and Bernard J. Duroc-Danner (collectively, "Defendants").

Background

2. I am a former District Judge of the U.S. District Court for the District of Oklahoma and a former partner in the law firm of Irell & Manella LLP. I currently serve as a mediator and arbitrator with my own alternative dispute resolution company, Phillips ADR Enterprises ("Phillips ADR"), which is based in Corona Del Mar, California. I am a member of

the bars of Oklahoma, Texas, California and the District of Columbia, as well as the U.S. Courts of Appeals for the Ninth, Tenth and Federal Circuits.

3. I have over twenty years of dispute resolution experience, having conducted thousands of mediations and settlement conferences in all types of litigation, including complex class actions, securities fraud actions, and shareholder derivative actions. I have been nationally recognized as a mediator by the Center for Public Resources Institute for Dispute Resolution, and I am recognized as a Charter Member of the National Academy of Distinguished Neutrals.

4. While serving as a United States Attorney in Oklahoma, I personally tried many cases and oversaw the trials of numerous other cases before I was nominated by President Reagan to serve as a District Judge in the Western District of Oklahoma. During my tenure as a Federal Judge, I presided over more than 140 trials and sat by designation on the United States Court of Appeals for the Tenth Circuit. I also presided over federal cases in the States of Texas, New Mexico and Colorado.

5. In 1991, I left the federal bench and joined Irell & Manella, where for 23 years I specialized in alternative dispute resolution, complex civil litigation and internal investigations. In 2014, I left Irell & Manella to form Phillips ADR.

6. In August 2014, counsel for Lead Plaintiffs and Defendants requested my assistance in mediating this case. After ensuring that no conflicts existed, I agreed to do so, and scheduled a 1-day mediation session on October 7, 2014.

The October 2014 Mediation

7. In advance of the October 7 mediation, I asked counsel to exchange their mediation statements and exhibits on September 14, 2014, and their replies on September 29, 2014. The parties' mediation statements provided a comprehensive discussion of each side's

strengths and weaknesses, and demonstrated that both sides possessed strong, non-frivolous arguments. Because the parties submitted their mediation statements and arguments in the context of Federal Rule of Evidence 408, I cannot reveal their content. I can say, however, that the advocacy presented by both sides was superb, and required a significant undertaking to prepare.

8. On October 5, 2014, after reviewing the parties' submissions, I transmitted a series of probing questions to each side regarding my assessment of their strengths and weaknesses. Neither side was privy to the questions that I posed to their adversary. I advised the parties that I would ask them to respond in private during their separate caucus sessions.

9. On October 7, 2014, I held an in-person mediation session in New York City, which was attended by counsel for Lead Plaintiffs (Labaton Sucharow LLP and Bleichmar Fonti Tountas & Auld LLP), counsel for Defendants (Latham & Watkins LLP), a representative of Lead Plaintiffs, the General Counsel of Weatherford and other in-house counsel, and representatives from Weatherford's directors' and officers' insurance carriers.

10. Throughout the October 7 mediation, each side argued forcefully that the positions advanced by its respective adversary lacked merit, and both provided detailed reasons why they believed that the forthcoming fact depositions would help prove their respective cases. While the parties made some initial progress, by the conclusion of the mediation, there was a very large and significant gap between the parties' settlement positions. Accordingly, the parties ended the October 7 mediation without a settlement. It is my understanding that fact depositions commenced shortly thereafter.

Ongoing Settlement Communications and Negotiation

11. In the months following the October 7 mediation, I continued to engage in frequent settlement communications with both sides. While these discussions resulted in some additional progress, it was not enough to inspire confidence that a more formal setting and intensive process would result in a likely resolution of the parties' differences. Both parties continued to express detailed reasons, based on the law and the then current factual record, for their reluctance to make significant negotiating concessions. Thus, while the parties expressed some flexibility in their initial settlement positions, it became apparent to me that the parties would need to complete most, if not all, of the scheduled fact depositions, so that both sides could meaningfully assess the probative value of the principal witnesses who they intended to rely upon at trial. In addition, it was my impression that the parties' exchange of expert reports could be pivotal, as the theories of liability (or lack thereof) advanced by both sides hinged on difficult loss causation issues and the application of complex accounting principles, both of which would surely be a focus at trial. I can attest that these continued settlement discussions were hard-fought, at arm's length, and conducted in good faith.

12. In March 2015, I scheduled a 1-day mediation session on May 20, 2015, which would have the benefit of occurring shortly after the parties completed fact discovery on May 4, 2015, and exchanged their opening expert reports on May 8, 2015.

The May 20, 2015 Mediation

13. In advance of the May 20 mediation, I asked the parties to exchange supplemental mediation statements and exhibits on May 11, 2015, and replies on May 15, 2015. These supplemental submissions demonstrated that both sides were not only well-versed on the evidence that was developed during fact discovery, but had strong views on whether the expert opinions that were proffered by their adversary would be excluded under *Daubert*.

14. The May 20 mediation was attended by counsel for Lead Plaintiffs, counsel for Defendants, representatives from both of the Lead Plaintiffs, the General Counsel of Weatherford and other in-house counsel, and representatives from Defendants' directors' and officers' insurance carriers. Throughout the May 20 mediation, the parties continued to present their arguments in good faith, and each side argued persuasively that it would ultimately succeed at summary judgment or trial. It was evident that both sides, after a careful review of the then extensive record, had each formulated a detailed litigation strategy based on the perceived merits of their respective cases-in-chief, one that considered how they would deflect the other side's best arguments. As such, it was also evident that, both sides were sincerely committed to litigate through trial, if necessary. As a result, after a full day of extremely hard-fought negotiations, though the parties made very substantial progress, the mediation still ended without resolution. The remaining gap, while in relative terms significantly smaller than what it had been at the beginning of the day, was still materially large.

Mediators' Recommendation

15. Following the May 20 mediation, I continued to engage in private settlement communications with counsel for both sides. While I cannot reveal the substance of those communications, I can attest that they involved numerous lengthy phone calls, were fully at arm's length, and reflected exceptional advocacy. Based on those communications, it became clear to me that, if a settlement could be achieved, it would require a mediator's proposal to bridge the gap. Accordingly, on May 29, 2015, I made a final mediator's recommendation that the parties agree to resolve this action for a cash payment by Weatherford of $120 million. I requested that the parties respond to this recommendation by June 2, 2015 in a "double blind" process through which neither side would know whether or not the other side had accepted.

16. In the days following my settlement recommendation, I continued to engage in private settlement communications with counsel. Based on these conversations, it was evident that Lead Plaintiffs and Defendants were carefully considering my recommendation in view of the risks associated with litigating through summary judgment and trial. In addition, it was clear that both sides were fully attuned to the relative strengths and weaknesses of the evidence that was elicited during discovery, as highlighted throughout the mediation process.

17. On June 2, 2015, I was pleased to announce that the parties accepted my final recommendation and reached an agreement in principle to settle this action for a $120 million cash payment by Weatherford for the benefit of the Class (the "Settlement").

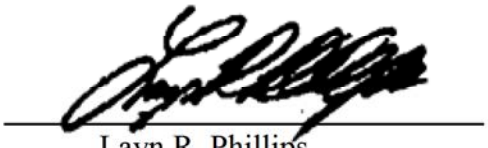
18. Based on my experience as a mediator, litigator, and former U.S. District Judge, I believe the Settlement represents a recovery and outcome that is fair, reasonable and adequate given the risks involved. I further believe that it was in the interests of all parties to avoid the burdens and risks associated with taking a case of this magnitude and complexity to trial.

19. It is also my opinion that this settlement was the result of extensive arm's length negotiation, and highly skilled advocacy on both sides. Prior to this mediation, I had experience mediating other complex cases with Lead Plaintiffs' principal litigators (from the law firms of Bleichmar Fonti Tountas & Auld LLP and Labaton Sucharow LLP) and counsel for Defendants (from Latham & Watkins LLP). I expected that, as was demonstrated here, each of these seasoned litigators would seek to persuade their adversary that they had a mastery of the evidence and could execute a compelling trial strategy, while negotiating skillfully for an optimal settlement value. Throughout the settlement process, all counsel displayed the highest levels of professionalism in carrying out their duties on behalf of their respective clients.

20. It is clear to me that the Settlement could not have been obtained until the parties had an opportunity to fully assess the probative value of their key fact and expert witnesses at trial, and that the Class could not have achieved a settlement of this magnitude unless Lead Counsel had demonstrated it could prosecute this case at trial against top-notch defense counsel.

21. For all of these reasons, I fully support and endorse the Settlement in all respects.

Dated: September 23, 2015



Layn R. Phillips

Exhibit 3

10-Q 1 wft201510-qq2.htm 10-Q SECOND QUARTER 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2015

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 001-36504

Weatherford International public limited company

(Exact Name of Registrant as Specified in Its Charter)

Ireland	**98-0606750**
(State or Other Jurisdiction of Incorporation or Organization)	(IRS Employer Identification No.)
Bahnhofstrasse 1, 6340 Baar, Switzerland	**CH 6340**
(Address of Principal Executive Offices including Zip Code)	(Zip Code)

Registrant's Telephone Number, Including Area Code: +41.22.816.1500

N/A

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of July 13, 2015, there were 775,296,080 shares of Weatherford ordinary shares, $0.001 par value per share, outstanding.

Weatherford International public limited company

Form 10-Q for the Six Months Ended June 30, 2015

TABLE OF CONTENTS **PAGE**

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements. 2

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations. 30

Item 3. Quantitative and Qualitative Disclosures About Market Risk. 46

Item 4. Controls and Procedures. 46

PART II – OTHER INFORMATION

Item 1. Legal Proceedings. 47

Item 1A. Risk Factors. 47

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds. 47

Item 3. Defaults Upon Senior Securities. 47

Item 4. Mine Safety Disclosures. 47

Item 5. Other Information. 47

Item 6. Exhibits. 48

SIGNATURES 49

Table of Contents

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

WEATHERFORD INTERNATIONAL PLC AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

(Dollars and shares in millions, except per share amounts)	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
Revenues:				
Products	$ 891	$ 1,490	$ 1,931	$ 2,936
Services	1,499	2,221	3,253	4,371
Total Revenues	2,390	3,711	5,184	7,307
Costs and Expenses:				
Cost of Products	802	1,101	1,705	2,165
Cost of Services	1,214	1,728	2,513	3,503
Research and Development	59	75	123	144
Selling, General and Administrative Attributable to Segments	339	396	702	810
Corporate General and Administrative	53	59	120	133
Long-Lived Assets Impairment and Other Related Charges	181	143	191	143
Goodwill and Equity Investment Impairment	20	125	20	125
Restructuring Charges	69	59	110	129
Litigation Charges	112	—	112	—
Loss on Sale of Businesses, Net	5	—	2	—
Total Costs and Expenses	2,854	3,686	5,598	7,152
Operating Income (Loss)	(464)	25	(414)	155
Other Income (Expense):				
Interest Expense, Net	(117)	(128)	(237)	(254)
Foreign Exchange Related Charges	(16)	—	(42)	—
Other, Net	(18)	(19)	(29)	(28)
Loss Before Income Taxes	(615)	(122)	(722)	(127)
(Provision) Benefit for Income Taxes	132	(11)	132	(38)
Net Loss	(483)	(133)	(590)	(165)
Net Income Attributable to Noncontrolling Interests	6	12	17	21
Net Loss Attributable to Weatherford	$ (489)	$ (145)	$ (607)	$ (186)
Loss Per Share Attributable to Weatherford:				
Basic and Diluted	$ (0.63)	$ (0.19)	$ (0.78)	$ (0.24)

Weighted Average Shares Outstanding:				
Basic and Diluted	778	777	778	776

The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of Contents

WEATHERFORD INTERNATIONAL PLC AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(UNAUDITED)

(Dollars in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Net Loss	$ (483)	$ (133)	$ (590)	$ (165)
Other Comprehensive Income (Loss), Net of Tax:				
Currency Translation Adjustments	115	166	(230)	(36)
Defined Benefit Pension Activity	(1)	—	21	—
Other Comprehensive Income (Loss)	114	166	(209)	(36)
Comprehensive Income (Loss)	(369)	33	(799)	(201)
Comprehensive Income Attributable to Noncontrolling Interests	6	12	17	21
Comprehensive Income (Loss) Attributable to Weatherford	$ (375)	$ 21	$ (816)	$ (222)

The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of Contents

WEATHERFORD INTERNATIONAL PLC AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars and shares in millions, except par value)	June 30, 2015 (Unaudited)	December 31, 2014
Current Assets:		
Cash and Cash Equivalents	$ 611	$ 474
Accounts Receivable, Net of Allowance for Uncollectible Accounts of $121 in 2015 and $108 in 2014	2,259	3,015
Inventories, Net	2,921	3,087
Deferred Tax Assets	295	303
Other Current Assets	978	1,065
Total Current Assets	7,064	7,944
Property, Plant and Equipment, Net of Accumulated Depreciation of $7,141 and $6,895	6,694	7,123
Goodwill	2,945	3,011
Other Intangible Assets, Net of Accumulated Amortization of $765 and $733	390	440
Equity Investments	81	106
Other Non-Current Assets	460	265
Total Assets	$ 17,634	$ 18,889
Current Liabilities:		
Short-term Borrowings and Current Portion of Long-term Debt	$ 1,556	$ 727
Accounts Payable	1,104	1,736
Accrued Salaries and Benefits	410	425
Income Taxes Payable	105	230
Other Current Liabilities	962	909
Total Current Liabilities	4,137	4,027
Long-term Debt	6,268	6,798
Other Non-Current Liabilities	982	1,031
Total Liabilities	11,387	11,856
Shareholders' Equity:		
Shares - Par Value $0.001; Authorized 1,356 shares, Issued and Outstanding 775 shares at June 30, 2015 and 774 shares at December 31, 2014	1	1
Capital in Excess of Par Value	5,441	5,411
Retained Earnings	1,820	2,427
Accumulated Other Comprehensive Loss	(1,090)	(881)
Weatherford Shareholders' Equity	6,172	6,958
Noncontrolling Interests	75	75
Total Shareholders' Equity	6,247	7,033
Total Liabilities and Shareholders' Equity	$ 17,634	$ 18,889

The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of Contents

WEATHERFORD INTERNATIONAL PLC AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(Dollars in millions)	Six Months Ended June 30, 2015	2014
Cash Flows From Operating Activities:		
Net Loss	$ (590)	$ (165)
Adjustments to Reconcile Net Loss to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	627	706
Employee Share-Based Compensation Expense	34	31
Long-Lived Assets Impairment	124	143
Restructuring and Other Asset Related Charges	122	—
Goodwill and Equity Investment Impairment	20	125
Litigation Charges	112	—
Deferred Income Tax Provision (Benefit)	(191)	16
Foreign Exchange Related Charges	42	—
Other, Net	86	2
Change in Operating Assets and Liabilities, Net of Effect of Businesses Acquired:		
Accounts Receivable	687	32
Inventories	76	(70)
Other Current Assets	27	(73)
Accounts Payable	(616)	(155)
Billings in Excess of Costs and Estimated Earnings	(1)	(127)
Other Current Liabilities	(173)	(342)
Other, Net	(137)	(94)
Net Cash Provided by Operating Activities	249	29
Cash Flows from Investing Activities:		
Capital Expenditures for Property, Plant and Equipment	(411)	(662)
Acquisitions of Businesses	—	17
Acquisition of Intellectual Property	(3)	(3)
Proceeds from Sale of Assets and Businesses, Net	23	26
Net Cash Used in Investing Activities	(391)	(622)
Cash Flows From Financing Activities:		
Repayments of Long-term Debt, Net	(161)	(36)
Borrowings of Short-term Debt, Net	478	738
Excess Tax Benefits from Share-Based Compensation	—	4
Proceeds from Sale of Executive Deferred Compensation Plan Treasury Shares	—	22
Other Financing Activities, Net	(15)	(6)
Net Cash Provided by Financing Activities	302	722
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(23)	7
Net Increase in Cash and Cash Equivalents	137	136

Cash and Cash Equivalents at Beginning of Period	474	435
Cash and Cash Equivalents at End of Period	$ 611	$ 571
Supplemental Cash Flow Information:		
Interest Paid	$ 239	$ 259
Income Taxes Paid, Net of Refunds	$ 180	$ 205

The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of Contents

WEATHERFORD INTERNATIONAL PLC AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General

The accompanying unaudited Condensed Consolidated Financial Statements of Weatherford International plc (the "Company") are prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") and include all adjustments of a normal recurring nature which, in our opinion, are necessary to present fairly our Condensed Consolidated Balance Sheet at June 30, 2015 and December 31, 2014, Condensed Consolidated Statements of Operations and Condensed Consolidated Statements of Comprehensive Income (Loss) for the three and six months ended June 30, 2015 and 2014, and Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2015 and 2014. When referring to "Weatherford" and using phrases such as "we," "us," and "our," the intent is to refer to Weatherford International plc, a public limited company organized under the law of Ireland, and its subsidiaries as a whole or on a regional basis, depending on the context in which the statements are made.

Although we believe the disclosures in these financial statements are adequate, certain information relating to our organization and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted in this Form 10-Q pursuant to U.S. Securities and Exchange Commission ("SEC") rules and regulations. These financial statements should be read in conjunction with the audited Consolidated Financial Statements for the year ended December 31, 2014 included in our Annual Report on Form 10-K. The results of operations for the three and six months ended June 30, 2015 are not necessarily indicative of the results expected for the year ending December 31, 2015.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, the reported amounts of revenues and expenses during the reporting period, and disclosure of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates and assumptions, including those related to uncollectible accounts receivable, lower of cost or market of inventories, equity investments, intangible assets and goodwill, property, plant and equipment, income taxes, percentage-of-completion accounting for long-term contracts, self-insurance, foreign currency exchange rates, pension and post-retirement benefit plans, contingencies and share-based compensation. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates.

Change in Reportable Segments

During the first quarter of 2015, we changed our business structure to better align with management's current view and future growth objectives. This involved separating our Land Drilling Rigs business into a reportable segment resulting in a total of five reportable segments. We have recast prior periods to conform to the current business segment presentation. See "Note 15 – Segment Information" for additional information.

Principles of Consolidation

We consolidate all wholly-owned subsidiaries, controlled joint ventures and variable interest entities where the Company has determined it is the primary beneficiary. Investments in affiliates in which we exercise significant influence over operating and financial policies are accounted for using the equity method. All material intercompany accounts and transactions have been eliminated in consolidation.

Foreign Exchange Related Charges – Devaluation and Other Inflationary Impacts

A new Venezuelan currency exchange system, known as the "Marginal Currency System" (or "SIMADI"), opened for trading February 12, 2015, replacing Venezuela's Supplementary Foreign Currency Administration System auction rate

("SICAD II") mechanism. The SIMADI is intended to provide limited access to a free market rate of exchange. In the first quarter of 2015, we began using the SIMADI rate and recognized remeasurement charges of $26 million and we will continue to monitor the impact on our financial statements of the evolving Venezuela exchange rate. At June 30, 2015 our net monetary asset position denominated in Venezuelan bolivar was approximately $7 million.

Table of Contents

In the second quarter of 2015, the Angolan kwanza devalued approximately 11% and we recognized foreign exchange related charges of $16 million. We will continue to monitor the impact on our financial statements of the evolving Angola exchange rate. At June 30, 2015 our net monetary asset position denominated in Angolan kwanza was approximately $124 million.

2. Business Combinations and Divestitures

Acquisitions

From time to time, we acquire assets and businesses we believe are important to our long-term strategy or dispose of assets and businesses that are no longer a strategic fit within our business. We did not complete any acquisitions or divestitures during the first six months ended June 30, 2015.

In April 2014, we acquired an additional 30% ownership interest in a joint venture in China. We paid $13 million for the incremental interest, thereby increasing our ownership interest from 45% to 75% and gaining control of the joint venture. As a result of this transaction, we adjusted our previously held equity investment to fair value, recognizing a $16 million gain, and we applied the consolidation method of accounting, recognizing $6 million of goodwill and $30 million of cash.

In May 2012, we acquired a company that designs and produces well completion tools. Our purchase consideration included a contingent consideration arrangement valued at approximately $3 million at December 31, 2014. At June 30, 2015, the contingent consideration arrangement was valued at approximately $12 million, and is expected to be settled in 2016.

Divestitures

We completed the sale of our our pipeline and specialty services business in September 2014. As of December 31, 2014, we received consideration of $246 million, ($245 million, net of cash disposed) and recognized a gain of approximately $49 million resulting from this transaction.

In early July 2014, we completed the sale of our land drilling and workover rig operations in Russia and Venezuela. As of December 31, 2014, we received cash consideration of $499 million ($486 million, net of cash disposed). As a result of our commitment to sell, we recognized a $143 million long-lived assets impairment loss and a $121 million goodwill impairment loss. Of the $121 million goodwill impairment, $95 million pertained to goodwill attributable to our divested land drilling and workover rig operations in Russia. See "Note 7 – Goodwill" regarding the impact of the 2014 goodwill impairment.

3. Restructuring Charges

In the fourth quarter of 2014, in response to the significant decline in the price of crude oil and our anticipation of a lower level of exploration and production spending in 2015, we initiated a plan to reduce our overall costs and workforce to better align with anticipated activity levels. This cost reduction plan (the "2015 Plan") included a workforce reduction and other cost reduction measures initiated across our geographic regions. In connection with the 2015 Plan, we recognized restructuring charges of $69 million and $110 million in the three and six months ended June 30, 2015, respectively. For the three and six months ended June 30, 2015, our restructuring charges include termination (severance) benefits of $19 million and $59 million, respectively, and other restructuring charges of $50 million and $51 million, respectively. Other restructuring charges for both the three and six months ended June 30, 2015 includes asset write-offs of $23 million related to Yemen due to the political disruption and $22 million in other regions. Other restructuring charges also include exit charges, contract termination costs, relocation and other associated costs.

In the first quarter of 2014, we announced a cost reduction plan (the "2014 Plan"), which included a worldwide workforce reduction and other cost reduction measures. The 2014 Plan resulted in restructuring charges of $32 million and $98 million related to termination (severance) benefits in the three and six months ended June 30, 2014, respectively. As of December 31, 2014, we completed our planned headcount reductions and closures of underperforming operating locations in

connection with the 2014 Plan.

The following tables present the components of the 2015 Plan and the 2014 Plan restructuring charges by segment for the three and six months ended June 30, 2015 and 2014.

Table of Contents

(Dollars in millions) 2015 Plan	Three Months Ended June 30, 2015 Severance Charges	Other Restructuring Charges	Total Severance and Other Charges
North America	$ 4	$ 17	$ 21
MENA/Asia Pacific	6	23	29
Europe/SSA/Russia	5	9	14
Latin America	3	1	4
Subtotal	18	50	68
Land Drilling Rigs	1	—	1
Corporate and Research and Development	—	—	—
Total	$ 19	$ 50	$ 69

(Dollars in millions) 2014 Plan	Three Months Ended June 30, 2014 Severance Charges	Other Restructuring Charges	Total Severance and Other Charges
North America	$ 4	$ 15	$ 19
MENA/Asia Pacific	6	7	13
Europe/SSA/Russia	6	2	8
Latin America	3	1	4
Subtotal	19	25	44
Land Drilling Rigs	1	—	1
Corporate and Research and Development	12	2	14
Total	$ 32	$ 27	$ 59

(Dollars in millions) 2015 Plan	Six Months Ended June 30, 2015 Severance Charges	Other Restructuring Charges	Total Severance and Other Charges
North America	$ 12	$ 17	$ 29
MENA/Asia Pacific	11	24	35
Europe/SSA/Russia	12	9	21
Latin America	15	1	16
Subtotal	50	51	101
Land Drilling Rigs	6	—	6
Corporate and Research and Development	3	—	3
Total	$ 59	$ 51	$ 110

Table of Contents

(Dollars in millions) 2014 Plan	Six Months Ended June 30, 2014 Severance Charges	Other Restructuring Charges	Total Severance and Other Charges
North America	$ 13	$ 15	$ 28
MENA/Asia Pacific	10	7	17
Europe/SSA/Russia	21	6	27
Latin America	22	1	23
Subtotal	66	29	95
Land Drilling Rigs	4	—	4
Corporate and Research and Development	28	2	30
Total	$ 98	$ 31	$ 129

The severance and other restructuring charges gave rise to certain liabilities, the components of which are summarized below, and largely relate to the severance accrued as part of both plans that will be paid pursuant to the respective arrangements and statutory requirements.

(Dollars in millions)	At June 30, 2015 2015 Plan Severance Liability	2015 Plan Other Restructuring Liability	2014 Plan Severance Liability	2014 Plan Other Restructuring Liability	Total Severance and Other Restructuring Liability
North America	$ 6	$ 4	$ —	$ —	$ 10
MENA/Asia Pacific	5	—	1	5	11
Europe/SSA/Russia	5	3	—	2	10
Latin America	1	—	—	—	1
Subtotal	17	7	1	7	32
Land Drilling Rigs	—	—	—	—	—
Corporate and Research and Development	—	—	5	—	5
Total	$ 17	$ 7	$ 6	$ 7	$ 37

The following table presents the restructuring liability activity for the six months ended June 30, 2015.

(Dollars in millions)	Accrued Balance at December 31, 2014	Six Months Ended June 30, 2015 Charges	Cash Payments	Other	Accrued Balance at June 30, 2015
2015 Plan:					
Severance liability	$ 53	$ 59	$ (93)	$ (2)	$ 17
Other restructuring liability	—	6	(2)	3	7
2014 Plan:					
Severance liability	14	—	(6)	(2)	6
Other restructuring liability	12	—	(3)	(2)	7

Total severance and other restructuring liability	$ 79	$ 65	$ (104)	$ (3)	$ 37

Table of Contents

4. Percentage-of-Completion Contracts

In the three and six months ended June 30, 2015, we recognized estimated project losses of $69 million and $27 million, respectively, related to our long-term early production facility construction contract in Iraq accounted for under the percentage-of-completion method. Total estimated losses on these projects were $406 million at June 30, 2015.

As of June 30, 2015, our percentage-of-completion project estimates include $137 million of claims revenue and $21 million of back charges. Our costs in excess of billings as of June 30, 2015 were $129 million and are included in the "Other Current Assets" line on the balance sheet. We also have a variety of unapproved contract change orders or claims that are not included in our revenues as of June 30, 2015. The amounts associated with these contract change orders or claims are included in revenue only when they can be estimated reliably and their realization is reasonably assured.

In the three and six months ended June 30, 2014, we recognized estimated project losses of $2 million and $28 million, respectively. Total estimated losses on these projects were $335 million at June 30, 2014. As of June 30, 2014, our percentage-of-completion project estimates include $21 million of claims revenue. No claims revenue was recognized during the three months ended June 30, 2014 and $28 million of claims revenue was recognized during the six months ended June 30, 2014.

5. Inventories, Net

Inventories, net of reserves, by category were as follows:

(Dollars in millions)	June 30, 2015	December 31, 2014
Raw materials, components and supplies	$ 170	$ 194
Work in process	102	135
Finished goods	2,649	2,758
	$ 2,921	$ 3,087

6. Long-lived Asset Impairments

In the second quarter of 2015, the continued weakness in crude oil prices contributed to lower exploration and production spending and a decline in the utilization of our pressure pumping assets. The continued weakness in oil prices and its impact on demand represent a significant adverse change in the business climate and an indication that these long-lived assets may not be recoverable. Based on these impairment indicators, we performed an analysis of our pressure pumping assets and recorded long-lived asset impairment charges of $124 million to adjust the assets to fair value in our North America Segment. See "Note 9 – Fair Value of Financial Instruments" for additional information regarding the fair value determination.

We prepared an analysis to determine the fair value of our equity investments in less than majority owned entities. Upon completion of this valuation, we determined that the fair value attributable to an equity investment was significantly below its carrying value. We assessed this decline in value as other than temporary and recognized an impairment loss of $20 million during the second quarter of 2015. See "Note 9 – Fair Value of Financial Instruments" for additional information regarding the fair value determination.

In July 2014, we completed the sale of our rig operations in Russia and Venezuela. We expected the sale would significantly impact the revenues and results of our Russia operations. We considered the associated circumstances and determined that the fair values of our Russia and Latin America rig operations were below their carrying amounts. As a result of our commitment to sell, we recorded a $143 million long-lived assets impairment charge.

Table of Contents

7. Goodwill

We perform an impairment test for goodwill and indefinite-lived intangible assets annually as of October 1, or more frequently if indicators of potential impairment exist. Due to the change in our reporting segments (See "Note 15 – Segment Information"), we now report Land Drilling Rigs as a segment. The goodwill associated with the Land Drilling Rigs reporting unit was previously impaired in 2014. We recognized a goodwill impairment loss of $121 million in 2014 associated with the sale of our land drilling and workover rig operations in Russia and Venezuela.

The changes in the carrying amount of goodwill by reportable segment for the six months ended June 30, 2015 were as follows:

(Dollars in millions)	North America	MENA/ Asia Pacific	Europe/ SSA/ Russia	Latin America	Land Drilling Rigs	Total
Balance at December 31, 2014	$ 1,896	$ 195	$ 623	$ 297	$ —	$ 3,011
Foreign currency translation adjustments	(55)	(3)	(3)	(5)	—	(66)
Balance at June 30, 2015	$ 1,841	$ 192	$ 620	$ 292	$ —	$ 2,945

8. Short-term Borrowings and Current Portion of Long-term Debt

(Dollars in millions)	June 30, 2015	December 31, 2014
Commercial paper program	$ 198	$ 245
Revolving credit agreement	730	—
364-day term loan facility	—	175
Other short-term bank loans	220	257
Total short-term borrowings	1,148	677
Current portion of long-term debt	408	50
Short-term borrowings and current portion of long-term debt	$ 1,556	$ 727

Revolving Credit Agreement

We maintain a $2.25 billion unsecured, revolving credit agreement (the "Credit Agreement"). On June 30, 2015, we entered into an amendment to the Credit Agreement to extend the maturity date to July 13, 2017 and to make certain other changes. The Credit Agreement can be used for a combination of borrowings, support for our $2.25 billion commercial paper program and issuances of letters of credit. This agreement requires that we maintain a debt-to-total capitalization ratio of less than 60%. We were in compliance with this covenant at June 30, 2015. At June 30, 2015, we had $1.3 billion available under the Credit Agreement, and there were $16 million in outstanding letters of credit in addition to the commercial paper and borrowings under the revolving credit facility.

364-Day Term Loan Facility

On April 9, 2015, the maturity date, we repaid the remaining balance of $175 million on our $400 million, 364-day term loan facility.

Other Short-Term Borrowings and Other Debt Activity

We have short-term borrowings with various domestic and international institutions pursuant to uncommitted credit facilities. At June 30, 2015, we had $220 million in short-term borrowings under these arrangements, including $180 million

borrowed under a credit agreement entered into in March 2014 that matures on March 20, 2016 (with respect to $150 million) and June 20, 2016 (with respect to the remaining $30 million), with a LIBOR-based weighted average interest rate of 1.73% as of June 30, 2015. In addition, we had $549 million of letters of credit under various uncommitted facilities and $278 million of surety bonds, primarily performance bonds, issued by financial sureties against an indemnification from us at June 30, 2015.

Table of Contents

The current portion of long-term debt at June 30, 2015 is primarily related to our 5.5% senior notes maturing February 2016 and our capital leases.

In the first three months of 2015, through a series of open market transactions, we repurchased certain of our 4.5% senior notes, 5.95% senior notes, 6.5% senior notes and 6.75% senior notes with a total book value of $160 million. We recognized a cumulative gain of approximately $12 million on these transactions. No repurchases were made during the second quarter of 2015.

9. Fair Value of Financial Instruments, Assets and Equity Investments

Financial Instruments Measured and Recognized at Fair Value

We estimate fair value at a price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market for the asset or liability. Other than the derivative instruments discussed in "Note 10 – Derivative Instruments," we had no other material assets or liabilities measured and recognized at fair value on a recurring basis at June 30, 2015 and December 31, 2014.

Fair Value of Other Financial Instruments

Our other financial instruments include short-term borrowings and long-term debt. The carrying value of our commercial paper and other short-term borrowings approximates their fair value due to the short-term duration of the associated interest rate periods. These short-term borrowings are classified as Level 2 in the fair value hierarchy.

The fair value of our long-term debt fluctuates with changes in applicable interest rates among other factors. Fair value will exceed carrying value when the current market interest rate is lower than the interest rate at which the debt was originally issued. The fair value of our long-term debt is classified as Level 2 in the fair value hierarchy and is established based on observable inputs in less active markets.

The fair value and carrying value of our senior notes were as follows:

(Dollars in millions)	June 30, 2015	December 31, 2014
Fair value	$ 6,642	$ 6,733
Carrying value	6,497	6,660

Non-recurring Fair Value Measurements

During the second quarter of 2015, long-lived pressure pumping assets and an equity investment were impaired and written down to their estimated fair values. The level 3 fair value of the long-lived assets was determined using a combination of the cost approach and the market approach, which used inputs that included replacement costs (unobservable), physical deterioration estimates (unobservable), and market sales data for comparable assets. The equity investment level 3 fair value was determined using an income based approach utilizing estimates of future cash flow, discount rate, long-term growth rate, and marketability discount, all of which were unobservable.

During the second quarter of 2014, long-lived assets in the rig operations in Russia and Venezuela and goodwill for the Russia reporting unit were impaired and written down to their estimated fair values. The level 3 fair value of the long-lived assets in the rig operations was determined using the market approach that considered the estimated sales price of those businesses. The goodwill level 3 fair value was determined using a combination of the income and market approaches with observable inputs that consisted of earnings multiples and unobservable inputs that included estimates of future cash flows, discount rate, long-term growth rate, and control premiums.

Table of Contents

10. Derivative Instruments

We are exposed to market risk from changes in foreign currency and changes in interest rates. From time to time, we may enter into derivative financial instrument transactions to manage or reduce our market risk. We manage our debt portfolio to achieve an overall desired position of fixed and floating rates, and we may employ interest rate swaps as a tool to achieve that goal. The major risks from interest rate derivatives include changes in the interest rates affecting the fair value of such instruments, potential increases in interest expense due to market increases in floating interest rates and the creditworthiness of the counterparties in such transactions. In light of events in the global credit markets and the potential impact of these events on the liquidity of the banking industry, we continue to monitor the creditworthiness of our counterparties, which are multinational commercial banks. The fair values of all our outstanding derivative instruments are determined using a model with Level 2 inputs including quoted market prices for contracts with similar terms and maturity dates. Level 2 values for financial assets and liabilities are based on quoted prices in inactive markets, or whose values are based on models using observable inputs other than quoted prices. Level 2 inputs to those models are observable either directly or indirectly for substantially the full term of the asset or liability.

Fair Value Hedges

We may use interest rate swaps to help mitigate exposures related to changes in the fair values of the associated debt. Amounts paid or received upon termination of interest rate swaps accounted for as fair value hedges represent the fair value of the agreements at the time of termination and are amortized as a reduction, in the case of gains, or as an increase, in the case of losses, of interest expense over the remaining term of the debt. As of June 30, 2015, we had net unamortized gains of $28 million associated with interest rate swap terminations. These gains are being amortized over the remaining term of the originally hedged debt as a reduction in interest expense.

Other Derivative Instruments

We enter into foreign currency forward contracts and cross-currency swap contracts to hedge our exposure to fluctuations in various foreign currencies. At June 30, 2015 and December 31, 2014, we had outstanding foreign currency forward contracts with notional amounts aggregating $1.4 billion and $1.6 billion, respectively. The notional amounts of our foreign currency forward contracts do not generally represent amounts exchanged by the parties and thus are not a measure of the cash requirements related to these contracts or of any possible loss exposure. The amounts actually exchanged at maturity are calculated by reference to the notional amounts and by other terms of the derivative contracts, such as exchange rates.

At December 31, 2014, to hedge our exposure to the Canadian dollar, we held cross-currency swaps between the U.S. dollar and the Canadian dollar with a notional amount of $168 million. We settled the cross-currency swap arrangements in the three months ended March 31, 2015 after recognizing a mark-to-market gain of $13 million in the first quarter of 2015. We collected $8 million in proceeds upon settlement.

Our foreign currency forward contracts and cross-currency swaps were not designated as hedges, and the changes in fair value of the contracts are recorded each period in current earnings in the line captioned "Other, Net" on the accompanying Condensed Consolidated Statements of Operations.

The total estimated fair values of these foreign currency forward contracts and amounts receivable or owed associated with closed foreign currency contracts and the total estimated fair values of our cross-currency contracts are as follows:

(Dollars in millions)	June 30, 2015	December 31, 2014	Classification
Derivative assets not designated as hedges:			
Foreign currency forward contracts	$ 10	$ 12	*Other Current Assets*
Derivative liabilities not designated as hedges:			
Foreign currency forward contracts	(11)	(17)	*Other Current Liabilities*

Cross-currency swap contracts	—	(5) *Other Liabilities*

Table of Contents

The effect of derivative instruments designated as fair value hedges and those not designated as hedges on the Condensed Consolidated Statements of Operations was as follows:

	Gain (Loss) Recognized in Income				
	Three Months Ended June 30,		Six Months Ended June 30,		
(Dollars in millions)	2015	2014	2015	2014	Classification
Interest rate swaps	$ 3	$ 2	$ 5	$ 4	*Interest Expense, Net*
Derivatives not designated as hedges:					
Foreign currency forward contracts	10	4	(56)	(7)	*Other, Net*
Cross-currency swap contracts	—	(8)	13	1	*Other, Net*

11. Income Taxes

We estimate our annual effective tax rate based on year-to-date operating results and our forecast of operating results for the remainder of the year, by jurisdiction, and apply this rate to the year-to-date operating results. If our actual results, by jurisdiction, differ from the forecasted operating results, our effective tax rate can change, affecting the tax expense for both successive interim results as well as the annual tax results. For both the three and six months ended June 30, 2015, we had a $132 million tax benefit on a loss before income taxes of $615 million and $722 million, respectively. Our results for the three months ended June 30, 2015 includes $112 million of litigation settlements, $69 million of project losses, $16 million of devaluation of the Angolan kwanza currency, $20 million of equity investment impairment and $69 million of restructuring charges with no significant tax benefit. Our results for the six months ended June 30, 2015 includes $112 million of litigation settlements, $27 million of project losses, $42 million of currency devaluation, $20 million of equity investment impairment and $110 million of restructuring charges with no significant tax benefit.

We are continuously under tax examination in various jurisdictions. We cannot predict the timing or outcome regarding resolution of these tax examinations or if they will have a material impact on our financial statements. We continue to anticipate a possible reduction in the balance of uncertain tax positions by approximately $19 million in the next twelve months due to expiration of statutes of limitations, settlements and/or conclusions of tax examinations.

For the three and six months ended June 30, 2014, we had a tax provision of $11 million and $38 million on a loss before income taxes of $122 million and $127 million, respectively. Our results for the three and six months ended June 30, 2014 include a $143 million impairment loss ($121 million, net of tax) to record the land drilling and workover rig operations in Russia and Venezuela at fair value. We also recorded a $125 million non-cash impairment charge to goodwill based on our analysis triggered by the planned sale of our land drilling and workover rig operations in Russia and Venezuela, which was non-deductible for income tax purposes. Our results for the six months ended June 30, 2014 were also impacted by discrete income before tax items, including restructuring charges and project losses of approximately $177 million, with no significant tax benefit.

Table of Contents

12. Shareholders' Equity

The following summarizes our shareholders' equity activity for the six months ended June 30, 2015 and 2014:

(Dollars in millions)	Par Value of Issued Shares	Capital In Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Shares	Non-controlling Interests	Total Shareholders' Equity
Balance at December 31, 2013	$ 775	$ 4,600	$ 3,011	$ (187)	$ (37)	$ 41	$ 8,203
Net Income (Loss)	—	—	(186)	—	—	21	(165)
Other Comprehensive Loss	—	—	—	(36)	—	—	(36)
Consolidation of Joint Venture	—	—	—	—	—	26	26
Dividends Paid to Noncontrolling Interests	—	—	—	—	—	(15)	(15)
Change in Common Shares, Treasury Shares and Paid in Capital Associated with Redomestication	(778)	750	—	—	39	—	11
Equity Awards Granted, Vested and Exercised	4	24	—	—	(2)	—	26
Balance at June 30, 2014	$ 1	$ 5,374	$ 2,825	$ (223)	$ —	$ 73	$ 8,050
Balance at December 31, 2014	$ 1	$ 5,411	$ 2,427	$ (881)	$ —	$ 75	$ 7,033
Net Income (Loss)	—	—	(607)	—	—	17	(590)
Other Comprehensive Loss	—	—	—	(209)	—	—	(209)
Dividends Paid to Noncontrolling Interests	—	—	—	—	—	(18)	(18)
Equity Awards Granted, Vested and Exercised	—	30	—	—	—	—	30
Other	—	—	—	—	—	1	1
Balance at June 30, 2015	$ 1	$ 5,441	$ 1,820	$ (1,090)	$ —	$ 75	$ 6,247

The following table presents the changes in our accumulated other comprehensive income (loss) by component for the six months ended June 30, 2015 and 2014:

(Dollars in millions)	Currency Translation Adjustment	Defined Benefit Pension	Deferred Loss on Derivatives	Total
Balance at December 31, 2013	$ (140)	$ (38)	$ (9)	$ (187)
Other comprehensive loss	(36)	—	—	(36)
Balance at June 30, 2014	$ (176)	$ (38)	$ (9)	$ (223)
Balance at December 31, 2014	$ (813)	$ (57)	$ (11)	$ (881)
Other comprehensive income (loss) before reclassifications	(230)	20	—	(210)

Reclassifications	—	1	—	1
Net activity	(230)	21	—	(209)
Balance at June 30, 2015	$ (1,043)	$ (36)	$ (11)	$ (1,090)

The other comprehensive income before reclassifications from the defined benefit pension component of other comprehensive income relates to the conversion of one of our international pension plans from a defined benefit plan to a defined contribution plan.

Table of Contents

13. Earnings per Share

Basic earnings per share for all periods presented equals net income divided by the weighted average number of our shares outstanding during the period including participating securities. Diluted earnings per share is computed by dividing net income by the weighted average number of our shares outstanding during the period including participating securities, adjusted for the dilutive effect of our stock options, restricted shares and performance units.

The following discloses basic and diluted weighted average shares outstanding:

	Three Months Ended June 30,		Six Months Ended June 30,	
(Shares in millions)	**2015**	**2014**	**2015**	**2014**
Basic and diluted weighted average shares outstanding	778	777	778	776

Our basic and diluted weighted average shares outstanding for the periods presented are equivalent due to the net loss attributable to shareholders. Diluted weighted average shares outstanding for the three and six months ended June 30, 2015 and 2014 exclude potential shares for stock options, restricted shares and performance units outstanding as we have net losses for that period and their inclusion would be anti-dilutive.

The following table discloses the number of anti-dilutive shares excluded:

	Three Months Ended June 30,		Six Months Ended June 30,	
(Shares in millions)	**2015**	**2014**	**2015**	**2014**
Anti-dilutive potential shares due to net loss	3	5	3	5

14. Share-Based Compensation

We recognized the following employee share-based compensation expense during the three and six months ended June 30, 2015 and 2014:

	Three Months Ended June 30,		Six Months Ended June 30,	
(Dollars in millions)	**2015**	**2014**	**2015**	**2014**
Share-based compensation	$ 19	$ 16	$ 34	$ 31
Related tax benefit	4	3	7	6

During the six months ended June 30, 2015, we granted approximately 1.6 million performance units, which will vest with continued employment, if the Company meets certain market-based performance goals. The performance units have a weighted average grant date fair value of $10.45 per share based on the Monte Carlo simulation method. The assumptions used in the Monte Carlo simulation included a risk-free rate of 0.51%, volatility of 46.1% and a zero dividend yield. As of June 30, 2015, there was $20 million of unrecognized compensation related to our performance units. This cost is expected to be recognized over a weighted average period of 2 years.

During the six months ended June 30, 2015, we also granted 6.3 million restricted shares at a weighted average grant date fair value of $12.90 per share. As of June 30, 2015, there was $120 million of unrecognized compensation related to our unvested restricted share grants. This cost is expected to be recognized over a weighted average period of 2 years.

Table of Contents

15. Segment Information

In the first quarter of 2015, we changed our business structure to better align with management's current view and future growth objectives. This involved separating our Land Drilling Rigs business into a reportable segment resulting in a total of five reportable segments which are North America, MENA/Asia Pacific, Europe/SSA/Russia, Latin America and Land Drilling Rigs. The operational performance of our segments is reviewed and managed primarily on a geographic basis, and we report the regional segments as separate, distinct reporting segments. In addition, the operations we intend to divest, in the case of our Land Drilling Rigs business, is reviewed and managed apart from our regional segments. Our corporate and other expenses that do not individually meet the criteria for segment reporting continue to be reported separately as Corporate and Research and Development. Each business reflects a reportable segment led by separate business segment management that reports directly or indirectly to our chief operating decision maker ("CODM"). Our CODM assesses performance and allocates resources on the basis of the five reportable segments. We have revised our business segment reporting to reflect our current management approach and recast prior periods to conform to the current business segment presentation.

Financial information by segment is summarized below. Revenues are attributable to countries based on the ultimate destination of the sale of products or performance of services. The accounting policies of the segments are the same as those described in the summary of significant accounting policies as presented in our Form 10-K.

	Three Months Ended June 30, 2015		
(Dollars in millions)	Net Operating Revenues	Income from Operations	Depreciation and Amortization
North America	$ 808	$ (92)	$ 97
MENA/Asia Pacific	516	(17)	66
Europe/SSA/Russia	418	65	53
Latin America	463	76	62
Subtotal	2,205	32	278
Land Drilling Rigs	185	4	27
	2,390	36	305
Corporate and Research and Development		(105)	6
Long-Lived Assets Impairment and Other Related Charges [a]		(181)	
Equity Investment Impairment		(20)	
Restructuring Charges [b]		(69)	
Litigation Charges		(112)	
Loss on Sale of Businesses, Net		(5)	
Other Items [c]		(8)	
Total	$ 2,390	$ (464)	$ 311

(a) For the three months ended June 30, 2015 includes asset impairment charges of $124 million, pressure pumping business related charges of $37 million and supply agreement charges related to a non-core business divestiture of $20 million.
(b) For the three months ended June 30, 2015, we recognized restructuring charges of $69 million: $21 million in North America, $29 million in MENA/Asia Pacific, $14 million in Europe/SSA/Russia, $4 million in Latin America, and $1 million in Land Drilling Rigs.
(c) The three months ended June 30, 2015 includes professional fees of $3 million related to the divestiture of non-core businesses, facility closure fees of $3 million, restatement related litigation, post-settlement monitor and auditor expenses and other charges of $2 million.

Certain leased equipment of our Land Drilling Rigs and North America pressure pumping business includes contractual residual value guarantees at June 30, 2015. We maintain a liability of $80 million related to these guarantees, of which $46 million is recorded as "Other Current Liabilities" and $34 million as "Other Non-Current Liabilities" on our Condensed

Consolidated Balance Sheets. Certain of our supply agreements contain minimum purchase commitments and we maintain a liability at June 30, 2015, of $63 million, of which $50 million is recorded as "Other Current Liabilities" and $13 million as "Other Non-Current Liabilities" on our Condensed Consolidated Balance Sheets.

Table of Contents

(Dollars in millions)	Three Months Ended June 30, 2014		
	Net Operating Revenues	Income from Operations	Depreciation and Amortization
North America	$ 1,659	$ 244	$ 107
MENA/Asia Pacific	579	61	71
Europe/SSA/Russia	561	105	57
Latin America	518	76	61
Subtotal	3,317	486	296
Land Drilling Rigs	394	4	54
	3,711	490	350
Corporate and Research and Development		(120)	5
Long-Lived Assets Impairment		(143)	
Goodwill Impairment		(125)	
Restructuring Charges [(d)]		(59)	
Other Items [(e)]		(18)	
Total	$ 3,711	$ 25	$ 355

(d) For the three months ended June 30, 2014, we recognized restructuring charges of $59 million: $19 million in North America, $13 million in MENA/Asia Pacific, $8 million in Europe/SSA/Russia, $4 million in Latin America, $1 million in Land Drilling Rigs and $14 million in Corporate and Research and Development.

(e) The three months ended June 30, 2014 includes professional fees related to the divestiture of our non-core businesses, restatement related litigation, the settlement of the U.S. government investigations and our redomestication from Switzerland to Ireland.

(Dollars in millions)	Six Months Ended June 30, 2015		
	Net Operating Revenues	Income from Operations	Depreciation and Amortization
North America	$ 1,971	$ (102)	$ 202
MENA/Asia Pacific	1,049	43	131
Europe/SSA/Russia	835	136	103
Latin America	949	174	123
Subtotal	4,804	251	559
Land Drilling Rigs	380	14	56
	5,184	265	615
Corporate and Research and Development		(225)	12
Long-Lived Assets Impairment and Other Related Charges [(a)]		(191)	
Equity Investment Impairment		(20)	
Restructuring Charges [(b)]		(110)	
Litigation Charges		(112)	
Loss on Sale of Businesses, Net		(2)	
Other Items [(c)]		(19)	
Total	$ 5,184	$ (414)	$ 627

(a) The six months ended June 30, 2015 includes asset impairment charges of $124 million, pressure pumping business related charges of $37 million and supply agreement charges related to a non-core business divestiture of $30 million.

(b) For the six months ended June 30, 2015, we recognized restructuring charges of $110 million: $29 million in North America, $35 million in MENA/Asia Pacific, $21 million in Europe/SSA/Russia, $16 million in Latin America, $6 million in Land Drilling Rigs and $3 million in Corporate and Research and Development.

(c) The six months ended June 30, 2015 includes professional fees of $5 million related to the divestiture of our non-core businesses, facility closure fees of $3 million, restatement related litigation, post-settlement monitor and auditor expenses and other charges of $11 million.

Table of Contents

(Dollars in millions)	Six Months Ended June 30, 2014 Net Operating Revenues	Income from Operations	Depreciation and Amortization
North America	$ 3,269	$ 440	$ 214
MENA/Asia Pacific	1,198	66	143
Europe/SSA/Russia	1,077	183	111
Latin America	1,027	166	119
Subtotal	6,571	855	587
Land Drilling Rigs	736	(23)	108
	7,307	832	695
Corporate and Research and Development		(236)	11
Long-Lived Assets Impairment		(143)	
Goodwill Impairment		(125)	
Restructuring Charges [(d)]		(129)	
Other Items [(e)]		(44)	
Total	$ 7,307	$ 155	$ 706

(d) For the six months ended June 30, 2014, we recognized restructuring charges of $129 million: $28 million in North America, $17 million in MENA/Asia Pacific, $27 million in Europe/SSA/Russia, $23 million in Latin America, $4 million in Land Drilling Rigs and $30 million in Corporate and Research and Development.

(e) The six months ended June 30, 2014 included professional fees of $40 million related to the divestiture of our non-core businesses, restatement related litigation, the settlement of the U.S. government investigations, the remediation of our material weakness related to income taxes and our recently completed redomestication from Switzerland to Ireland and other charges of $4 million.

16. Disputes, Litigation and Contingencies

Shareholder Litigation

In 2010, three shareholder derivative actions were filed, purportedly on behalf of the Company, asserting breach of duty and other claims against certain current and former officers and directors of the Company related to the United Nations oil-for-food program governing sales of goods into Iraq, the FCPA and trade sanctions related to the U.S. government investigations disclosed above and in our U.S. Securities and Exchange Commission (the "SEC") filings since 2007. Those shareholder derivative cases, captioned *Neff v. Brady, et al.*, No. 201040764, *Rosner v. Brady, et al.*, No. 201047343, and *Hess v. Duroc-Danner, et al.*, No. 201040765, were filed in Harris County, Texas state court and consolidated (collectively referred to as the "Neff Case"). In 2014, one of the three cases, *Hess v. Duroc-Danner, et al.*, No. 201040765, was voluntarily dismissed from the Neff Case. Other shareholder demand letters covering the same subject matter were received by the Company in early 2014, and a fourth shareholder derivative action was filed, purportedly on behalf of the Company, also asserting breach of duty and other claims against certain current and former officers and directors of the Company related to the same subject matter as the Neff Case. That case, captioned *Erste-Sparinvest KAG v. Duroc-Danner, et al.*, No. 201420933 (Harris County, Texas) was consolidated into the Neff Case in September 2014. A motion to dismiss was granted May 15, 2015 and an appeal was filed on June 15, 2015.

We cannot reliably predict the outcome of these cases including the amount of any possible loss. If one or more negative outcomes were to occur relative to these cases, the aggregate impact to our financial condition could be material.

In March 2012, a purported securities class action captioned *Freedman v. Weatherford International Ltd., et al.*, No. 1:12-cv-02121-LAK (SDNY) was filed in the Southern District of New York against us and certain current and former officers. That case alleges violation of the federal securities laws related to the restatement of our historical financial

statements announced on February 21, 2012, and later added claims related to the announcement of a subsequent restatement on July 24, 2012. In the three months ended December 31, 2014, we advanced settlement negotiations such that settlement was deemed probable, and we maintained an accrual of the estimated probable loss. As a result of ongoing negotiations in the second quarter of 2015, a settlement agreement was reached on June 30, 2015, subject to notice to the class, approval by the U.S. District Court for the Southern District of New York and other conditions. The settlement agreement requires payments totaling $120 million in exchange for the dismissal with prejudice of the litigation and the unconditional release of all claims, of which $95 million was accrued during the second quarter of 2015.

Table of Contents

In March 2011, a shareholder derivative action, *Iron Workers Mid-South Pension Fund v. Duroc-Danner, et al.*, No. 201119822, was filed in Harris County, Texas, civil court purportedly on behalf of the Company against certain current and former officers and directors, alleging breaches of duty related to the material weakness and restatement announcements. In February 2012, a second substantially similar shareholder derivative action, *Wandel v. Duroc-Danner, et al.*, No. 1:12-cv-01305-LAK (SDNY), was filed in federal court in the Southern District of New York. In June 2014, the parties signed a term sheet resolving the action for an agreed upon set of revised corporate procedures, no monetary payment by the defendants, and an award of attorneys' fees for the plantiff's counsel. In March 2015, the court approved notice to the class of the proposed settlement and set the final hearing for June 24, 2015. On June 24, 2015, the court approved the settlement. We maintain an immaterial accrual for the attorney's fees included in the settlement, which was subsequently paid in July 2015.

In March 2011, a purported shareholder class action captioned *Dobina v. Weatherford International Ltd., et al.*, No. 1:11-cv-01646-LAK (SDNY), was filed in the U.S. District Court for the Southern District of New York, following our announcement on March 1, 2011 of a material weakness in our internal controls over financial reporting for income taxes, and restatement of our historical financial statements (the "2011 Class Action"). The lawsuit alleged violation of the federal securities laws by us and certain current and former officers. During the three months ended December 31, 2013, we entered into negotiations to settle the 2011 Class Action. As a result of these negotiations, settlement became probable and a settlement agreement was signed on January 29, 2014. The settlement was approved by the U.S. District Court for the Southern District of New York on January 5, 2015, and final judgment entered on January 30, 2015. The settlement agreement required payments totaling $53 million which was entirely funded by our insurers.

U.S. Government and Internal Investigations

On January 17, 2014, the U.S. District Court for the Southern District of Texas approved the settlement agreements between us and certain of our subsidiaries and the U.S. Department of Justice ("DOJ"). On November 26, 2013, we announced that we and our subsidiaries also entered into settlement agreements with the U.S. Departments of Treasury and Commerce and with the SEC, which the U.S. District Court for the Southern District of Texas entered on December 20, 2013. These agreements collectively resolved investigations of prior alleged violations by us and certain of our subsidiaries relating to certain trade sanctions laws, participation in the United Nations oil-for-food program governing sales of goods into Iraq and non-compliance with FCPA matters.

The $253 million payable by us and our subsidiaries was paid in January and February 2014 pursuant to the terms of the settlement agreements. These agreements include a requirement to retain, for a period of at least 18 months, an independent monitor responsible for assessing our compliance with the terms of the agreement so as to address and reduce the risk of recurrence of alleged misconduct, after which we would continue to evaluate our own compliance program and make periodic reports to the DOJ and SEC and maintain agreed compliance monitoring and reporting systems. In April 2014, the independent monitor was retained and the compliance assessment period began. These agreements also require us to retain an independent third party to retroactively audit our compliance with U.S. export control laws during the years 2012, 2013 and 2014. This audit is on-going.

The SEC and DOJ are also investigating the circumstances surrounding the material weakness in our internal controls over financial reporting for income taxes that was disclosed in a notification of late filing on Form 12b-25 filed on March 1, 2011 and in current reports on Form 8-K filed on February 21, 2012 and on July 24, 2012 and the subsequent restatements of our historical financial statements. We are cooperating fully with these investigations. We are unable to predict the outcome of these matters due to the inherent uncertainties presented by such investigations, and we are unable to predict potential outcomes or estimate the range of potential loss contingencies, if any. The government, generally, has a broad range of civil and criminal penalties available for these types of matters under applicable law and regulation, including injunctive relief, fines, penalties and modifications to business practices, some of which, if imposed on us, could be material to our business, financial condition or results of operations.

Additionally, we are aware of various disputes and potential claims and are a party in various litigation involving claims against us, some of which are covered by insurance. For claims, disputes and pending litigation in which we believe a negative outcome is probable and a loss can be reasonably estimated, we have recorded a liability for the expected loss.

These liabilities are immaterial to our financial condition and results of operations. In addition we have certain claims, disputes and pending litigation which we do not believe a negative outcome is probable or for which we can only estimate a range of liability. It is possible, however, that an unexpected judgment could be rendered against us, or we could decide to resolve a case or cases, that would result in liability that could be uninsured and beyond the amounts we currently have reserved and in some cases those losses could be material. If one or more negative outcomes were to occur relative to these matters, the aggregate impact to our financial condition could be material.

Table of Contents

17. New Accounting Pronouncements

In July 2015, the Financial Accounting Standards Board ("FASB") issued new guidance that requires inventory not measured using either the last in, first out (LIFO) or the retail inventory method to be measured at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable cost of completion, disposal, and transportation. The new standard will be effective January 1, 2017 and will be applied prospectively. Early adoption is permitted. We are evaluating the impact that this new guidance will have on our Consolidated Financial Statements and related Note disclosures.

In April 2015, the FASB issued new guidance related to accounting for fees paid in a cloud computing arrangement. The new standard provides guidance to customers about whether a cloud computing arrangement includes a software license. If a cloud computing arrangement includes a software license, then the customer should account for the software license element of the arrangement consistent with the acquisition of other software licenses. If a cloud computing arrangement does not include a software license, the customer should account for the arrangement as a service contract. The new standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted. We are evaluating the impact, if any, of adopting this new accounting guidance on our Consolidated Financial Statements and related Note disclosures.

In April 2015, the FASB issued new guidance related to presentation of debt issue costs. The new standard requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability. The new standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted. We are currently evaluating the impact this guidance will have on our Consolidated Financial Statements and related Note disclosures.

In February 2015, the FASB issued new guidance related to consolidations. The new standard amends the guidelines for determining whether certain legal entities should be consolidated and reduces the number of consolidation models. The new standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted. We are currently evaluating the impact this guidance will have on our Consolidated Financial Statements and related Note disclosures.

In May 2014, the FASB issued new guidance intended to change the criteria for recognition of revenue. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This guidance is effective beginning with the first quarter of 2017 and early adoption is not permitted. In April 2015, the FASB proposed a one year deferral of the effective date of the new revenue standard for public and non-public entities reporting under U.S. GAAP and on July 9, 2015, the FASB approved the one year deferral. The effective date of the amended standard will begin in the first quarter of 2018 and the FASB plans to submit its amendment to defer the effective date by the end of the third quarter 2015. We are currently evaluating the impact the adoption of this guidance would have on our Consolidated Financial Statements and related Note disclosures.

Table of Contents

18. Condensed Consolidating Financial Statements

Weatherford International plc ("Weatherford Ireland"), a public limited company organized under the laws of Ireland, a Swiss tax resident, and the ultimate parent of the Weatherford group, guarantees the obligations of our subsidiaries – Weatherford International Ltd., a Bermuda exempted company ("Weatherford Bermuda"), and Weatherford International, LLC, a Delaware limited liability company ("Weatherford Delaware"), including the notes and credit facilities listed below.

The following obligations of Weatherford Delaware were guaranteed by Weatherford Bermuda at June 30, 2015 and December 31, 2014: (1) 6.35% senior notes and (2) 6.80% senior notes.

The following obligations of Weatherford Bermuda were guaranteed by Weatherford Delaware at June 30, 2015 and December 31, 2014: (1) revolving credit facility, (2) 5.50% senior notes, (3) 6.50% senior notes, (4) 6.00% senior notes, (5) 7.00% senior notes, (6) 9.625% senior notes, (7) 9.875% senior notes, (8) 5.125% senior notes, (9) 6.75% senior notes, (10) 4.50% senior notes and (11) 5.95% senior notes. At December 31, 2014, we had a 364-day term loan facility which was an obligation of Weatherford Bermuda guaranteed by Weatherford Delaware.

As a result of certain of these guarantee arrangements, we are required to present the following condensed consolidating financial information. The accompanying guarantor financial information is presented on the equity method of accounting for all periods presented. Under this method, investments in subsidiaries are recorded at cost and adjusted for our share in the subsidiaries' cumulative results of operations, capital contributions and distributions and other changes in equity. Elimination entries relate primarily to the elimination of investments in subsidiaries and associated intercompany balances and transactions.

Condensed Consolidating Statement of Operations and Comprehensive Income (Loss)
Three Months Ended June 30, 2015
(Unaudited)

(Dollars in millions)	Weatherford Ireland	Weatherford Bermuda	Weatherford Delaware	Other Subsidiaries	Eliminations	Consolidation
Revenues	$ —	$ —	$ —	$ 2,390	$ —	$ 2,390
Costs and Expenses	(100)	(4)	—	(2,750)	—	(2,854)
Operating Income (Loss)	(100)	(4)	—	(360)	—	(464)
Other Income (Expense):						
Interest Expense, Net	—	(98)	(15)	(4)	—	(117)
Intercompany Charges, Net	(26)	(28)	(68)	122	—	—
Equity in Subsidiary Income	(363)	366	874	—	(877)	—
Other, Net	—	1	—	(35)	—	(34)
Income (Loss) Before Income Taxes	(489)	237	791	(277)	(877)	(615)
(Provision) Benefit for Income Taxes	—	—	29	103	—	132
Net Income (Loss)	(489)	237	820	(174)	(877)	(483)
Noncontrolling Interests	—	—	—	6	—	6
Net Income (Loss) Attributable to Weatherford	$ (489)	$ 237	$ 820	$ (180)	$ (877)	$ (489)
Comprehensive Income (Loss) Attributable to Weatherford	$ (375)	$ 263	$ 843	$ (66)	$ (1,040)	$ (375)

Table of Contents

Condensed Consolidating Statement of Operations and Comprehensive Income (Loss)
Three Months Ended June 30, 2014
(Unaudited)

(Dollars in millions)	Weatherford Ireland	Weatherford Bermuda	Weatherford Delaware	Other Subsidiaries	Eliminations	Consolidation
Revenues	$ —	$ —	$ —	$ 3,711	$ —	$ 3,711
Costs and Expenses	(9)	(1)	—	(3,676)	—	(3,686)
Operating Income (Loss)	(9)	(1)	—	35	—	25
Other Income (Expense):						
Interest Expense, Net	—	(106)	(14)	(8)	—	(128)
Intercompany Charges, Net	(12)	(22)	(77)	(1,709)	1,820	—
Equity in Subsidiary Income	(123)	(192)	(175)	—	490	—
Other, Net	—	(11)	(1)	(7)	—	(19)
Income (Loss) Before Income Taxes	(144)	(332)	(267)	(1,689)	2,310	(122)
(Provision) Benefit for Income Taxes	(1)	—	31	(41)	—	(11)
Net Income (Loss)	(145)	(332)	(236)	(1,730)	2,310	(133)
Noncontrolling Interests	—	—	—	12	—	12
Net Income (Loss) Attributable to Weatherford	$ (145)	$ (332)	$ (236)	$ (1,742)	$ 2,310	$ (145)
Comprehensive Income (Loss) Attributable to Weatherford	$ 21	$ (182)	$ (100)	$ (1,539)	$ 1,821	$ 21

Table of Contents

Condensed Consolidating Statement of Operations and Comprehensive Income (Loss)
Six Months Ended June 30, 2015
(Unaudited)

(Dollars in millions)	Weatherford Ireland	Weatherford Bermuda	Weatherford Delaware	Other Subsidiaries	Eliminations	Consolidation
Revenues	$ —	$ —	$ —	$ 5,184	$ —	$ 5,184
Costs and Expenses	(107)	(4)	—	(5,487)	—	(5,598)
Operating Income (Loss)	(107)	(4)	—	(303)	—	(414)
Other Income (Expense):						
Interest Expense, Net	—	(202)	(28)	(7)	—	(237)
Intercompany Charges, Net	(26)	(43)	(68)	137	—	—
Equity in Subsidiary Income	(474)	441	849	—	(816)	—
Other, Net	—	(19)	—	(52)	—	(71)
Income (Loss) Before Income Taxes	(607)	173	753	(225)	(816)	(722)
(Provision) Benefit for Income Taxes	—	—	34	98	—	132
Net Income (Loss)	(607)	173	787	(127)	(816)	(590)
Noncontrolling Interests	—	—	—	17	—	17
Net Income (Loss) Attributable to Weatherford	$ (607)	$ 173	$ 787	$ (144)	$ (816)	$ (607)
Comprehensive Income (Loss) Attributable to Weatherford	$ (816)	$ 107	$ 774	$ (352)	$ (529)	$ (816)

Table of Contents

Condensed Consolidating Statement of Operations and Comprehensive Income (Loss)
Six Months Ended June 30, 2014
(Unaudited)

(Dollars in millions)	Weatherford Ireland	Weatherford Bermuda	Weatherford Delaware	Other Subsidiaries	Eliminations	Consolidation
Revenues	$ —	$ —	$ —	$ 7,307	$ —	$ 7,307
Costs and Expenses	(28)	(1)	(1)	(7,122)	—	(7,152)
Operating Income (Loss)	(28)	(1)	(1)	185	—	155
Other Income (Expense):						
Interest Expense, Net	—	(211)	(29)	(14)	—	(254)
Intercompany Charges, Net	(12)	7,326	(77)	(9,057)	1,820	—
Equity in Subsidiary Income	(144)	(112)	(164)	—	420	—
Other, Net	(1)	(15)	(1)	(11)	—	(28)
Income (Loss) Before Income Taxes	(185)	6,987	(272)	(8,897)	2,240	(127)
(Provision) Benefit for Income Taxes	(1)	—	37	(74)	—	(38)
Net Income (Loss)	(186)	6,987	(235)	(8,971)	2,240	(165)
Noncontrolling Interests	—	—	—	21	—	21
Net Income (Loss) Attributable to Weatherford	$ (186)	$ 6,987	$ (235)	$ (8,992)	$ 2,240	$ (186)
Comprehensive Income (Loss) Attributable to Weatherford	$ (222)	$ 6,987	$ (235)	$ (8,992)	$ 2,240	$ (222)

Table of Contents

Condensed Consolidating Balance Sheet
June 30, 2015
(Unaudited)

(Dollars in millions)	Weatherford Ireland	Weatherford Bermuda	Weatherford Delaware	Other Subsidiaries	Eliminations	Consolidation
Current Assets:						
Cash and Cash Equivalents	$ —	$ 1	$ 22	$ 588	$ —	$ 611
Other Current Assets	5	—	543	6,509	(604)	6,453
Total Current Assets	5	1	565	7,097	(604)	7,064
Equity Investments in Affiliates	8,011	11,057	10,528	3,868	(33,464)	—
Intercompany Receivables, Net	—	—	—	10,356	(10,356)	—
Other Assets	4	33	49	10,484	—	10,570
Total Assets	$ 8,020	$ 11,091	$ 11,142	$ 31,805	$ (44,424)	$ 17,634
Current Liabilities:						
Short-term Borrowings and Current Portion of Long-Term Debt	$ —	$ 1,464	$ 6	$ 86	$ —	$ 1,556
Accounts Payable and Other Current Liabilities	137	236	—	2,812	(604)	2,581
Total Current Liabilities	137	1,700	6	2,898	(604)	4,137
Long-term Debt	—	5,238	908	122	—	6,268
Intercompany Payables, Net	1,699	5,962	2,695	—	(10,356)	—
Other Long-term Liabilities	12	77	5	888	—	982
Total Liabilities	1,848	12,977	3,614	3,908	(10,960)	11,387
Weatherford Shareholders' Equity	6,172	(1,886)	7,528	27,822	(33,464)	6,172
Noncontrolling Interests	—	—	—	75	—	75
Total Liabilities and Shareholders' Equity	$ 8,020	$ 11,091	$ 11,142	$ 31,805	$ (44,424)	$ 17,634

Table of Contents

Condensed Consolidating Balance Sheet
December 31, 2014

(Dollars in millions)	Weatherford Ireland	Weatherford Bermuda	Weatherford Delaware	Other Subsidiaries	Eliminations	Consolidation
Current Assets:						
Cash and Cash Equivalents	$ 1	$ —	$ 22	$ 451	$ —	$ 474
Other Current Assets	4	12	544	7,524	(614)	7,470
Total Current Assets	5	12	566	7,975	(614)	7,944
Equity Investments in Affiliates	8,662	10,490	9,730	3,974	(32,856)	—
Intercompany Receivables, Net	—	—	—	10,490	(10,490)	—
Other Assets	5	35	16	10,889	—	10,945
Total Assets	$ 8,672	$ 10,537	$ 10,312	$ 33,328	$ (43,960)	$ 18,889
Current Liabilities:						
Short-term Borrowings and Current Portion of Long-Term Debt	$ —	$ 618	$ 6	$ 103	$ —	$ 727
Accounts Payable and Other Current Liabilities	43	256	—	3,615	(614)	3,300
Total Current Liabilities	43	874	6	3,718	(614)	4,027
Long-term Debt	—	5,749	911	137	1	6,798
Intercompany Payables, Net	1,666	6,202	2,622	—	(10,490)	—
Other Long-term Liabilities	5	82	5	939	—	1,031
Total Liabilities	1,714	12,907	3,544	4,794	(11,103)	11,856
Weatherford Shareholders' Equity	6,958	(2,370)	6,768	28,459	(32,857)	6,958
Noncontrolling Interests	—	—	—	75	—	75
Total Liabilities and Shareholders' Equity	$ 8,672	$ 10,537	$ 10,312	$ 33,328	$ (43,960)	$ 18,889

Table of Contents

Condensed Consolidating Statement of Cash Flows
Six Months Ended June 30, 2015
(Unaudited)

(Dollars in millions)	Weatherford Ireland	Weatherford Bermuda	Weatherford Delaware	Other Subsidiaries	Eliminations	Consolidation
Cash Flows from Operating Activities:						
Net Income (Loss)	$ (607)	$ 173	$ 787	$ (127)	$ (816)	$ (590)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Charges from Parent or Subsidiary	26	43	68	(137)	—	—
Equity in (Earnings) Loss of Affiliates	474	(441)	(849)	—	816	—
Deferred Income Tax Provision (Benefit)	—	—	(34)	(157)	—	(191)
Other Adjustments	84	74	8	864	—	1,030
Net Cash Provided (Used) by Operating Activities	(23)	(151)	(20)	443	—	249
Cash Flows from Investing Activities:						
Capital Expenditures for Property, Plant and Equipment	—	—	—	(411)	—	(411)
Acquisition of Intellectual Property	—	—	—	(3)	—	(3)
Proceeds from Sale of Assets and Businesses, Net	—	—	—	23	—	23
Net Cash Provided (Used) by Investing Activities	—	—	—	(391)	—	(391)
Cash Flows from Financing Activities:						
Borrowings (Repayments) Short-term Debt, Net	—	496	—	(18)	—	478
Borrowings (Repayments) Long-term Debt, Net	—	(147)	(1)	(13)	—	(161)
Borrowings (Repayments) Between Subsidiaries, Net	22	(197)	21	154	—	—
Other, Net	—	—	—	(15)	—	(15)
Net Cash Provided (Used) by Financing Activities	22	152	20	108	—	302
Effect of Exchange Rate Changes On Cash and Cash Equivalents	—	—	—	(23)	—	(23)
Net Increase in Cash and Cash Equivalents	(1)	1	—	137	—	137
Cash and Cash Equivalents at Beginning of Period	1	—	22	451	—	474
Cash and Cash Equivalents at						

End of Period	$	—	$	1	$	22	$	588	$	—	$	611

Table of Contents

Condensed Consolidating Statement of Cash Flows
Six Months Ended June 30, 2014
(Unaudited)

(Dollars in millions)	Weatherford Ireland	Weatherford Bermuda	Weatherford Delaware	Other Subsidiaries	Eliminations	Consolidation
Cash Flows from Operating Activities:						
Net Income (Loss)	$ (186)	$ 6,987	$ (235)	$ (8,971)	$ 2,240	$ (165)
Adjustments to Reconcile Net Income(Loss) to Net Cash Provided (Used) by Operating Activities:						
Charges from Parent or Subsidiary	12	(7,326)	77	9,057	(1,820)	—
Equity in (Earnings) Loss of Affiliates	144	112	164	—	(420)	—
Deferred Income Tax Provision (Benefit)	—	—	—	16	—	16
Other Adjustments	8	(260)	10	420	—	178
Net Cash Provided (Used) by Operating Activities	(22)	(487)	16	522	—	29
Cash Flows from Investing Activities:						
Capital Expenditures for Property, Plant and Equipment	—	—	—	(662)	—	(662)
Acquisitions of Businesses, Net of Cash Acquired	—	—	—	17	—	17
Acquisition of Intellectual Property	—	—	—	(3)	—	(3)
Proceeds from Sale of Assets and Businesses, Net	—	—	—	26	—	26
Net Cash Provided (Used) by Investing Activities	—	—	—	(622)	—	(622)
Cash Flows from Financing Activities:						
Borrowings (Repayments) Short-term Debt, Net	—	775	—	(37)	—	738
Borrowings (Repayments) Long-term Debt, Net	—	—	(8)	(28)	—	(36)
Borrowings (Repayments) Between Subsidiaries, Net	22	(287)	14	251	—	—
Proceeds from Capital Contributions	—	—	—	22	—	22
Other, Net	—	—	—	(2)	—	(2)
Net Cash Provided (Used) by Financing Activities	22	488	6	206	—	722
Effect of Exchange Rate Changes On Cash and Cash Equivalents	—	—	—	7	—	7

Net Increase in Cash and Cash Equivalents	—	1	22	113	—	136
Cash and Cash Equivalents at Beginning of Period	—	—	—	435	—	435
Cash and Cash Equivalents at End of Period	$ —	$ 1	$ 22	$ 548	$ —	$ 571

Table of Contents

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

As used herein, the "Company," "we," "us" and "our" refer to Weatherford International plc ("Weatherford Ireland"), a public limited company organized under the laws of Ireland, and its subsidiaries on a consolidated basis, or for periods prior to June 17, 2014, to our predecessor, Weatherford International Ltd. ("Weatherford Switzerland"), a Swiss joint-stock corporation and its subsidiaries on a consolidated basis.

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with the Condensed Consolidated Financial Statements and Notes included with this report and our Consolidated Financial Statements, Notes and related MD&A for the year ended December 31, 2014 included in our Annual Report on Form 10-K. Our discussion includes various forward-looking statements about our markets, the demand for our products and services and our future results. These statements are based on certain assumptions we consider reasonable. For information about these assumptions, please review the section entitled "Forward-Looking Statements" and the section entitled "Item 1A. - Risk Factors."

Overview

Change in Reportable Segments

In the first quarter of 2015, we changed our business structure to better align with management's current view and future growth objectives. This involved separating our Land Drilling Rigs business into a reportable segment resulting in a total of five reportable segments which are North America, MENA/Asia Pacific, Europe/SSA/Russia, Latin America and Land Drilling Rigs. We have recast prior periods to conform to the current business segment presentation. See "Note 15 – Segment Information" for additional information.

General

We conduct operations in over 100 countries and have service and sales locations in nearly all of the oil and natural gas producing regions in the world. Our operational performance is reviewed on a geographic basis, and we report the following regions as separate, distinct reporting segments mentioned previously.

We principally provide equipment and services to the oil and natural gas exploration and production industry, both on land and offshore, through our product service line groups: (1) Formation Evaluation and Well Construction, (2) Completion and Production, and (3) Land Drilling Rigs, which together comprise a total of 14 service lines.

- ***Formation Evaluation and Well Construction*** service lines include Managed-Pressure Drilling, Drilling Services,Tubular Running Services, Drilling Tools, Wireline Services, Testing and Production Services, Re-entry and Fishing, Cementing, Liner Systems, Integrated Laboratory Services and Surface Logging.
- ***Completion and Production*** service lines include Artificial Lift Systems, Stimulation and Completion Systems.
- ***Land Drilling Rigs*** encompasses our land drilling rigs business, including the products and services ancillary thereto.

We may sell our products and services separately or may bundle them together to provide integrated solutions, up to and including integrated well construction where we are responsible for the entire process of drilling, constructing and completing a well. Our customers include both exploration and production companies and other oilfield service companies. Depending on the service line, customer and location, our contracts vary in their terms, provisions and indemnities. We earn revenues under our contracts when products and services are delivered. Typically, we provide products and services at a well site where our personnel and equipment may be located together with personnel and equipment of our customer and third parties, such as other service providers. Our services are usually short-term in nature, day-rate based, and cancellable should our customer wish to alter the scope of work. Consequently, our backlog of firm orders is not material to the Company.

Table of Contents

Divestitures

Throughout 2014, we successfully sold several of our non-core businesses and investments. We received cash proceeds totaling over $1.7 billion from these dispositions and used $1.2 billion of the proceeds to reduce debt. For the year ended December 31, 2014, we recognized a gain on these dispositions of $349 million.

Long-lived Asset Impairments and Other Related Charges

In the second quarter of 2015, the continued weakness in crude oil prices contributed to lower exploration and production spending and a decline in the utilization of our pressure pumping assets. Based on these impairment indicators, we performed an analysis of our pressure pumping business and recorded charges of $161 million, including long-lived impairment charges of $124 million to adjust the assets to fair value in our North America segment and $37 million of other pressure pumping business related charges. In the three and six months ended June 30, 2015, we also incurred supply agreement charges of $20 million and $30 million, respectively, related to the divestiture of a non-core business. In connection with our long-lived asset impairment in the second quarter of 2015, we prepared an analysis to determine the fair value of our equity investments in less than majority owned entities. We assessed these declines in value as other than temporary and recognized an impairment loss of $20 million during the second quarter of 2015. In July 2014, we completed the sale of our rig operations in Russia and Venezuela. As a result of our commitment to sell, we recorded a $143 million long-lived assets impairment charge. See "Note 6 – Long-Lived Asset Impairments" for additional information.

Litigation Settlement

In March 2012, a purported securities class action captioned *Freedman v. Weatherford International Ltd., et al.*, was filed in the Southern District of New York against us and certain current and former officers. As a result of ongoing negotiations, a settlement agreement was reached on June 30, 2015, subject to notice to the class, approval by the U.S. District Court for the Southern District of New York and other conditions. The settlement agreement requires payments totaling $120 million in exchange for the dismissal with prejudice of the litigation and the unconditional release of all claims. See "Note 16 – Disputes, Litigation and Contingencies" for additional information.

Industry Trends

The level of spending in the energy industry is heavily influenced by changes in the current and expected future prices of oil and natural gas. Changes in expenditures result in an increased or decreased demand for our products and services. Rig count is an indicator of the level of spending for the exploration for and production of oil and natural gas reserves. The following chart sets forth certain statistics that reflect historical market conditions:

	WTI Oil [a]	Henry Hub Gas [b]	North American Rig Count [c]	International Rig Count [c]
June 30, 2015	$ 59.47	$ 2.84	995	1,169
December 31, 2014	53.27	2.90	2,294	1,315
June 30, 2014	105.37	4.44	2,061	1,348

(a) Price per barrel of West Texas Intermediate ("WTI") crude oil of the date indicated at Cushing, Oklahoma – *Source:* Thomson Reuters
(b) Price per MM/BTU as of the date indicated at Henry Hub Louisiana – *Source:* Thomson Reuters
(c) Average rig count for the period indicated – *Source:* Baker Hughes Rig Count

During the first six months of 2015, oil prices ranged from a high of $61.82 per barrel in mid-June to a low of $44.45 per barrel in late January. Natural gas ranged from a high of $3.21 MM/BTU in mid January to a low of $2.51 MM/BTU in mid-April. Factors influencing oil and natural gas prices during the period include hydrocarbon inventory levels, realized and expected global economic growth, realized and expected levels of hydrocarbon demand, level of production capacity within

the Organization of Petroleum Exporting Countries ("OPEC"), weather and geopolitical uncertainty.

Outlook

We entered into 2015 challenged by the recent steep decline in oil prices. This decline has materially reduced capital spending by our customers and reduced our revenue, both through lower activity levels and pricing. Our response to this environment will be to continue to focus on developing our core businesses while reducing cost and improving cash flow. In the fourth quarter of 2014, responsive to these changing market conditions, we commenced a reduction in force exercise initially targeting 8,000 positions, and in the first quarter we increased the target by 2,000 to a total of 10,000 positions. We have completed approximately 97% of the reduction in force target of 10,000 positions as of June 30, 2015, with realized annualized savings of $686 million. This headcount reduction target has now been revised upward to 11,000 with the increase principally in the U.S with a focus on support positions. We have also closed over 60 operating facilities across North America through the first half of 2015 and plan to close 30 more by the end of the year. In addition to our headcount and operating facility reductions, this quarter, we closed three of our seven planned closures for the year in manufacturing and service facilities.

In the second quarter of 2015, North America continued to be severely impacted by both lower volume and pricing pressure as our customers reduce spending due to the decline in commodity prices. For the remainder of the year, we expect North America to continue to be impacted by the curtailment of activity and show only modest activity improvements, which will be partially offset by our efforts to rationalize our cost structure. Internationally, we expect to show resilient year-on-year performance through the 2015 market decline with the second half remaining relatively flat compared to second quarter levels. The Middle East will play an important role with incremental business in the Gulf markets, offset by activity declines in Asia Pacific.

Over the longer term, we believe the outlook for our core businesses is favorable. As well production decline rates accelerate and reservoir productivity complexities increase, our clients will continue to face challenges associated with decreasing the cost of extraction activities and securing desired rates of production. These challenges increase our customers' requirements for technologies that improve productivity and efficiency and increase demand for our products and services. These factors provide us with a positive outlook for our core businesses over the longer term. However, the level of improvement in our core businesses in the future will depend heavily on pricing, volume of work and our ability to offer solutions to more efficiently extract hydrocarbons, control costs and penetrate new and existing markets with our newly developed technologies.

We continually seek opportunities to maximize efficiency and value through various transactions, including purchases or dispositions of assets, businesses, investments or joint ventures. We evaluate our disposition candidates based on the strategic fit within our business and objectives. It is also our intention to divest our remaining land drilling rigs. Upon completion, the cash proceeds from any divestitures are expected to be used to repay or repurchase debt. Debt reduction from divestiture proceeds or otherwise may include the repurchase of our outstanding senior notes prior to their maturity in open market, either privately negotiated transaction or otherwise.

Table of Contents

Results of Operations

The following table contains selected financial data comparing our consolidated and segment results from operations for the three months ended June 30, 2015 and 2014:

(Dollars and shares in millions, except per share data)	Three Months Ended June 30, 2015	2014	Favorable (Unfavorable)	Percentage Change
Revenues:				
North America	$ 808	$ 1,659	$ (851)	(51)%
MENA/Asia Pacific	516	579	(63)	(11)%
Europe/SSA/Russia	418	561	(143)	(25)%
Latin America	463	518	(55)	(11)%
Subtotal	2,205	3,317	(1,112)	(34)%
Land Drilling Rigs	185	394	(209)	(53)%
Total Revenues	2,390	3,711	(1,321)	(36)%
Operating Income (Expense):				
North America	(92)	244	(336)	(138)%
MENA/Asia Pacific	(17)	61	(78)	(128)%
Europe/SSA/Russia	65	105	(40)	(38)%
Latin America	76	76	—	—%
Subtotal	32	486	(454)	(93)%
Land Drilling Rigs	4	4	—	—%
Total Segment Operating Income	36	490	(454)	(93)%
Research and Development	(59)	(75)	16	21 %
Corporate Expenses	(46)	(45)	(1)	(2)%
Long-Lived Assets Impairment and Other Related Charges	(181)	(143)	(38)	(27)%
Goodwill and Equity Investment Impairment	(20)	(125)	105	84 %
Restructuring Charges	(69)	(59)	(10)	(17)%
Litigation Charges	(112)	—	(112)	—%
Loss on Sale of Businesses, Net	(5)	—	(5)	—%
Other Items	(8)	(18)	10	56 %
Total Operating Income	(464)	25	(489)	(1,956)%
Interest Expense, Net	(117)	(128)	11	9 %
Foreign Exchange Related Charges	(16)	—	(16)	—%
Other, Net	(18)	(19)	1	5 %
Income Tax Benefit (Provision)	132	(11)	143	1,300 %
Net Loss per Diluted Share	$ (0.63)	$ (0.19)	$ (0.44)	(232)%
Weighted Average Diluted Shares Outstanding	778	777	(1)	—%

Depreciation and Amortization	$ 311	$ 355	$ 44	12 %

Table of Contents

The following table contains selected financial data comparing our consolidated and segment results from operations for the six months ended June 30, 2015 and 2014:

	Six Months Ended June 30,			
(Dollars and shares in millions, except per share data)	**2015**	**2014**	**Favorable (Unfavorable)**	**Percentage Change**
Revenues:				
North America	$ 1,971	$ 3,269	$ (1,298)	(40)%
MENA/Asia Pacific	1,049	1,198	(149)	(12)%
Europe/SSA/Russia	835	1,077	(242)	(22)%
Latin America	949	1,027	(78)	(8)%
Subtotal	4,804	6,571	(1,767)	(27)%
Land Drilling Rigs	380	736	(356)	(48)%
Total Revenues	5,184	7,307	(2,123)	(29)%
Operating Income (Expense):				
North America	(102)	440	(542)	(123)%
MENA/Asia Pacific	43	66	(23)	(35)%
Europe/SSA/Russia	136	183	(47)	(26)%
Latin America	174	166	8	5 %
Subtotal	251	855	(604)	(71)%
Land Drilling Rigs	14	(23)	37	161 %
Total Segment Operating Income	265	832	(567)	(68)%
Research and Development	(123)	(144)	21	15 %
Corporate Expenses	(102)	(92)	(10)	(11)%
Long-Lived Assets Impairment and Other Related Charges	(191)	(143)	(48)	(34)%
Goodwill and Equity Investment Impairment	(20)	(125)	105	84 %
Restructuring Charges	(110)	(129)	19	15 %
Litigation Charges	(112)	—	(112)	—%
Loss on Sale of Businesses, Net	(2)	—	(2)	—%
Other Items	(19)	(44)	25	57 %
Operating Income	(414)	155	(569)	(367)%
Interest Expense, Net	(237)	(254)	17	7 %
Foreign Exchange Related Charges	(42)	—	(42)	—%
Other, Net	(29)	(28)	(1)	(4)%
Income Tax Benefit (Provision)	132	(38)	170	447 %
Net Loss per Diluted Share	$ (0.78)	$ (0.24)	$ (0.54)	(225)%
Weighted Average Diluted Shares Outstanding	778	776	(2)	—%
Depreciation and Amortization	$ 627	$ 706	$ 79	11 %

Table of Contents

Revenue Percentage by Product Service Line Group

The following chart contains the percentage distribution of our consolidated revenues by product service line group for the three and six months ended June 30, 2015 and 2014:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	**2014**	**2015**	**2014**
Formation Evaluation and Well Construction	56%	50%	57%	51%
Completion and Production	36	39	36	39
Land Drilling Rigs	8	11	7	10
Total	100%	100%	100%	100%

Consolidated Revenues

Consolidated revenues decreased $1.3 billion, or 36%, and decreased $2.1 billion, or 29%, in the three and six months ended June 30, 2015 compared to the three and six months of 2014, respectively. Revenues decreased in the three and six months of 2015 across all our segments with declines of $851 million, or 51%, and $1.3 billion, or 40%, in North America, $261 million, or 16%, and $469 million, or 14%, in our International segments and $209 million, or 53%, and $356 million, or 48%, in Land Drilling Rigs, respectively. International revenues represent revenues of our regional segments other than North America and the Land Drilling Rigs segments. The decline in North American revenue is consistent with the 52% decrease in North American rig count since the second quarter of 2014 with significant declines across product lines in the United States and Canada, particularly pressure pumping, artificial lift, intervention services and drilling services. The decline in the North America segment was driven by a combination of lower activity and customer pricing pressure.

The decline in revenues in our International segments is in line with the decrease in international rig count of 13% since the second quarter of 2014 as well as declines in revenue from our Europe/Russia/SSA and MENA/Asia Pacific due to pricing pressure and reduced activity across our product lines. Partially offsetting the revenue decline in the MENA/Asia Pacific segment was improved demand for services for our well construction, completion and drilling services product lines in Saudi Arabia and Australia. Lastly, our Latin America segment showed improvement in our managed pressure drilling product line in Brazil due to increase in demand, as well as increased demand for various other services in Argentina.

The decline in our Land Drilling Rigs revenue is primarily attributable to the decline in drilling activity consistent with the rig count declines, decreases in new drilling activity and the 2014 disposal of our land drilling and workover rig operations in Russia and Venezuela.

Operating Income

Segment operating income decreased $454 million, or 93%, and $567 million, or 68%, in the three and six months ended June 30, 2015, compared to the three and six months ended June 30, 2014. The decline in operating income is consistent with the reduction in activity resulting from the significant decline in both the price of oil and rig counts, which has put pressure on our pricing and has resulted in lower volume of work.

Operating income for the three months ended June 30, 2015 and 2014 includes legacy contract and other related charges of $69 million and $2 million, respectively, and restructuring charges of $69 million and $59 million, respectively. Additionally, consolidated operating income for the six months ended June 30, 2015 and 2014 includes legacy contract and other related charges of $78 million and $48 million, respectively, and restructuring charges of $110 million and $129 million, respectively. For additional information regarding charges by segment, see the subsection entitled "Segment Results" and "Restructuring Charges" below.

Other items impacting our results for the three months ended June 30, 2015 and 2014 included expenses of $8 million and $18 million, respectively, and for the six months ended June 30, 2015 and 2014 included expenses of $19 million and

$44 million, respectively. These expenses were primarily incurred in conjunction with the divestiture of non-core businesses, restatement related litigation and our previously settled U.S. government investigations.

Table of Contents

Segment Results

North America

Revenues in our North America segment decreased $851 million, or 51%, in the second quarter of 2015 and $1.3 billion, or 40%, during the six months ended June 30, 2015 compared to the second quarter and six months ended June 30, 2014, respectively. North America average rig count decreased 52% since June 30, 2014. The decline in revenue in the three and six months ended June 30, 2015 was due to lower activity and pricing pressure that broadly impacted all product lines, particularly pressure pumping, artificial lift, intervention services and drilling services. The disposition of our engineered chemistry business on December 31, 2014 also negatively impacted revenues when compared to the same period in the prior year.

Total revenues in the United States were $693 million and $1.4 billion for the three months ended June 30, 2015 and 2014, respectively and $1.6 billion and $2.6 billion for the six months ended June 30, 2015 and 2014, respectively. The remaining revenues of our North America segment of $115 million and $248 million for the three months ended June 30, 2015 and 2014, and $333 million and $630 million for the six months ended June 30, 2015 and 2014, respectively, were derived from our operations in Canada.

Operating income in our North America segment decreased $336 million, or 138%, in the second quarter of 2015 and $542 million, or 123% during the six months ended June 30, 2015 compared to the second quarter and six months of 2014. Contributing to the decline was the rig count decrease of 52% since June 30, 2014, increased pricing pressure and reduced activity associated with the significant decline in oil prices. Due to these factors operating income decreased in the United States and Canada across all product lines, particularly artificial lift, drilling services and pressure pumping.

In the three months ended June 30, 2015 and 2014, we recognized "Restructuring Charges" on our Condensed Consolidated Statements of Operations of $21 million and $19 million, respectively, related to operations in North America. In the six months ended June 30, 2015 and 2014, we recognized "Restructuring Charges" of $29 million and $28 million, respectively, related to operations in North America. In addition, we recorded asset impairment charges of $124 million, pressure pumping business related charges for contract obligation of $37 million and supply agreement charges related to a non-core business divestiture of $20 million as "Long-Lived Assets Impairment and Other Related Charges" on our Condensed Consolidated Statements of Operations.

MENA/Asia Pacific

Revenues in our MENA/Asia Pacific segment decreased $63 million, or 11%, in the second quarter of 2015, and $149 million or 12%, during the six months ended June 30, 2015 compared to the second quarter and six months ended June 30, 2014, respectively. The revenue decline was mainly due to reduced volume of work primarily in the intervention services, wireline, testing and production services, and secure drilling services product lines, as well as the lost revenues following the sale of the pipeline and specialty services product lines in September 2014. The decline in revenue was also impacted by lower progress from our ongoing legacy contract in Iraq, lower activity in Yemen from the political disruption and lower demand in the Asia Pacific region, primarily Indonesia and China. Partially offsetting the revenue decline in the MENA/Asia Pacific segment was improved demand for services for our well construction, completion and drilling services product lines in Saudi Arabia and Australia.

Operating income decreased $78 million, or 128%, in the second quarter of 2015, and $23 million, or 35%, during the six months ended June 30, 2015 compared to the second quarter and six months ended June 30, 2014. The decrease in operating income is primarily attributable to project losses on legacy contracts in Iraq and lower activity across most product lines offset by a gain recognized from a sale of a joint venture investment in China in the six months ended June 30, 2014. This decline was partially offset by improved profitability for completion services product line in Australia and higher profitability resulting from the closure of unprofitable locations in 2014.

In the three months ended June 30, 2015 and 2014, we recognized "Restructuring Charges" on our Condensed Consolidated Statements of Operations of $29 million and $13 million, respectively, related to operations in MENA/Asia

Pacific. In the six months ended June 30, 2015 and 2014, we recognized "Restructuring Charges" of $35 million and $17 million, respectively, related to operations in MENA/Asia Pacific.

Table of Contents

Europe/SSA/Russia

Revenues in our Europe/SSA/Russia segment decreased $143 million, or 25%, in the second quarter of 2015 compared to the second quarter of 2014 and $242 million, or 22%, during the six months ended June 30, 2015 compared to the six months ended June 30, 2014. The decline in activity directly impacted the decline in revenues due to lower demand and pricing pressure in our well construction and completion product lines in the North Sea and wireline and pressure pumping services in the Black Sea. There was also a decreased demand and pricing pressure for services in Gabon and drilling services in Russia. Additionally, the sale of the pipeline and specialty services and engineered chemistry product lines in the third and fourth quarters of 2014, respectively, contributed to the decline in the Europe/SSA/Russia segment. Revenue for six months ended June 30, 2015 was also negatively impacted by weaker Russian ruble and euro.

Operating income decreased $40 million, or 38% , in the second quarter of 2015 compared to the second quarter of 2014 and $47 million, or 26%, during the six months ended June 30, 2015 compared to the second quarter and six months ended of 2014. The decline was consistent with the decline in revenue and with the incremental profits attributable to our cost reduction exercise.

In the three months ended June 30, 2015 and 2014, we recognized "Restructuring Charges" on our Condensed Consolidated Statements of Operations of $14 million and $8 million, respectively, related to operations in Europe/SSA/Russia. In the six months ended June 30, 2015 and 2014, we recognized "Restructuring Charges" of $21 million and $27 million, respectively, related to operations in Europe/SSA/Russia.

Latin America

Revenues in our Latin America segment decreased $55 million, or 11%, in the second quarter of 2015 compared to the second quarter of 2014 and $78 million, or 8%, during the six months ended June 30, 2015 compared to the six months ended June 30, 2014. The reduced demand for drilling services in Mexico, Colombia, and Ecuador lead the decline in revenues for the Latin America segment, offset by an increase in sales in our managed pressure drilling product line in Brazil and increased demand for services in Argentina.

Operating income was flat in the second quarter of 2015 compared to the second quarter of 2014 and increased $8 million, or 5%, during the six months ended June 30, 2015 compared to the six months ended June 30, 2014 due to cost reduction initiatives in Mexico and a continued focus on higher margin activity in Argentina and Brazil.

In the three months ended June 30, 2015 and 2014, we recognized "Restructuring Charges" on our Condensed Consolidated Statements of Operations of $4 million in both quarters related to operations in Latin America. In the six months ended June 30, 2015 and 2014, we recognized "Restructuring Charges" of $16 million and $23 million, respectively, related to operations in Latin America.

Land Drilling Rigs

Revenues in our Land Drilling Rigs segment decreased $209 million, or 53%, in the second quarter of 2015 and $356 million, or 48%, during the six months ended 2015 compared to the second quarter and six months ended June 30, 2014, respectively. The decrease is due to the sale of the Russia Rigs business in July 2014 in addition to the overall decrease in the international rig count and drilling activity.

Operating income was flat in the second quarter of 2015 and increased $37 million or 161%, during six months ended June 30, 2015, compared to the second quarter and six months ended June 30, 2014, respectively. The increase in the six months ended June 30, 2015 is primarily a result improved drilling efficiencies in Iraq, Oman and Latin America. In addition, six months ended June 30, 2014 included facility closure costs that did not reoccur in 2015.

In the three months ended June 30, 2015 and 2014, we recognized "Restructuring Charges" on our Condensed Consolidated Statements of Operations of $1 million in both quarters related to our Land Drilling Rigs operations. In the six months ended June 30, 2015 and 2014, we recognized "Restructuring Charges" of $6 million and $4 million, respectively,

related to our Land Drilling Rigs operations.

Table of Contents

Foreign Exchange Related Charges – Devaluation and Other Inflationary Impacts

A new Venezuelan currency exchange system, known as the "Marginal Currency System" (or "SIMADI"), opened for trading February 12, 2015, replacing Venezuela's Supplementary Foreign Currency Administration System auction rate ("SICAD II") mechanism. The SIMADI is intended to provide limited access to a free market rate of exchange. In the first quarter of 2015, we began using the SIMADI rate and recognized remeasurement charges of $26 million and we will continue to monitor the impact on our financial statements of the evolving Venezuela exchange rate. At June 30, 2015 our net monetary asset position denominated in Venezuelan bolivar was approximately $7 million.

In the second quarter of 2015, the Angolan kwanza devalued approximately 11% and we recognized foreign exchange related charges of $16 million. We will continue to monitor the impact on our financial statements of the evolving Angola exchange rate. At June 30, 2015 our net monetary asset position denominated in Angolan kwanza was approximately $124 million.

Potential Highly Inflationary Country

The Company has noted the concerns raised by the International Monetary Fund ("IMF") relating to the accuracy of Argentina's officially reported consumer price index. Given the lack of verifiable information, objective sources have not observed data that would support designating Argentina as "Highly Inflationary." The Company is closely monitoring the work of the IMF and the price index information that becomes available. As of June 30, 2015, we had a net monetary asset position denominated in Argentine pesos of $119 million, comprised primarily of accounts receivable and current liabilities.

Interest Expense, Net

Net interest expense was $117 million and $237 million for the three and six months ended June 30, 2015, respectively, compared to $128 million and $254 million for the three and six months ended June 30, 2014, respectively. Interest expense for the three and six months ended June 30, 2015 decreased primarily due to a decrease in our debt balance and the redemption of certain senior notes in the first quarter of 2015.

Income Taxes

We estimate our annual effective tax rate based on year-to-date operating results and our forecast of operating results for the remainder of the year, by jurisdiction, and apply this rate to the year-to-date operating results. If our actual results, by jurisdiction, differ from the forecasted operating results, our effective tax rate can change affecting the tax expense for both successive interim results as well as the annual tax results. For both the three and six months ended June 30, 2015, we had a $132 million tax benefit on a loss before income taxes of $615 million and $722 million, respectively. Our results for the three months ended June 30, 2015 includes $112 million of litigation settlements, $69 million of project losses, $16 million of devaluation of the Angolan kwanza currency, $20 million of equity investment impairment and $69 million of restructuring charges with no significant tax benefit. Our results for the six months ended June 30, 2015 includes $112 million of litigation settlements, $27 million of project losses, $42 million of currency devaluation, $20 million of equity investment impairment and $110 million of restructuring charges with no significant tax benefit.

We are continuously under tax examination in various jurisdictions. We cannot predict the timing or outcome regarding resolution of these tax examinations or if they will have a material impact on our financial statements. We continue to anticipate a possible reduction in the balance of uncertain tax positions by approximately $19 million in the next twelve months due to expiration of statutes of limitations, settlements and/or conclusions of tax examinations.

For the three and six months ended June 30, 2014, we had a tax provision of $11 million and $38 million on a loss before income taxes of $122 million and $127 million, respectively. Our results for the three and six months ended June 30, 2014 include a $143 million impairment loss ($121 million, net of tax) to record the land drilling and workover rig operations in Russia and Venezuela at fair value. We also recorded a $125 million non-cash impairment charge to goodwill based on our analysis triggered by the planned sale of our land drilling and workover rig operations in Russia and Venezuela, which was non-deductible for income tax purposes. Our results for the six months ended June 30, 2014 were also

impacted by discrete income before tax items, including restructuring charges and project losses of approximately $177 million, with no significant tax benefit.

Table of Contents

Restructuring Charges

In the fourth quarter of 2014, in response to the significant decline in the price of crude oil and our anticipation of a lower level of exploration and production spending in 2015, we initiated a plan to reduce our overall costs and workforce to better align with anticipated activity levels. This cost reduction plan (the "2015 Plan") includes a workforce reduction and other cost reduction measures initiated across our geographic regions. In connection with the 2015 Plan, we recognized restructuring charges of $69 million and $110 million in the three and six months ended June 30, 2015, respectively. For the three and six months ended June 30, 2015, our restructuring charges include termination (severance) benefits of $19 million and $59 million, respectively, and other restructuring charges of $50 million and $51 million. Other restructuring charges for both the three and six months ended June 30, 2015 includes asset write-offs of $23 million related to Yemen due to the political disruption and $22 million in other regions. We have also closed over 60 operating facilities across North America through the first half of 2015 and plan to close 30 more by the end of the year.

In the first quarter of 2014, we announced a cost reduction plan (the "2014 Plan"), which included a worldwide workforce reduction and other cost reduction measures. The 2014 Plan resulted in restructuring charges of $32 million and $98 million related to termination (severance) benefits in the three and six months ended June 30, 2014, respectively. As of December 31, 2014, we completed our planned headcount reductions and closures of underperforming operating locations in connection with the 2014 Plan.

The following tables present the components of the 2015 Plan and the 2014 Plan restructuring charges by segment for the three and six months ended June 30, 2015 and 2014.

	Three Months Ended June 30, 2015		
(Dollars in millions)	Severance	Other Restructuring	Total Severance and
2015 Plan	**Charges**	**Charges**	**Other Charges**
North America	$ 4	$ 17	$ 21
MENA/Asia Pacific	6	23	29
Europe/SSA/Russia	5	9	14
Latin America	3	1	4
Subtotal	18	50	68
Land Drilling Rigs	1	—	1
Corporate and Research and Development	—	—	—
Total	$ 19	$ 50	$ 69

	For the Three Months Ended June 30, 2014		
(Dollars in millions)	Severance	Other Restructuring	Total Severance and
2014 Plan	**Charges**	**Charges**	**Other Charges**
North America	$ 4	$ 15	$ 19
MENA/Asia Pacific	6	7	13
Europe/SSA/Russia	6	2	8
Latin America	3	1	4
Subtotal	19	25	44
Land Drilling Rigs	1	—	1
Corporate and Research and Development	12	2	14

Total	$ 32	$ 27	$ 59

Table of Contents

	Six Months Ended June 30, 2015		
(Dollars in millions)		Other	Total
2015 Plan	**Severance Charges**	**Restructuring Charges**	**Severance and Other Charges**
North America	$ 12	$ 17	$ 29
MENA/Asia Pacific	11	24	35
Europe/SSA/Russia	12	9	21
Latin America	15	1	16
Subtotal	50	51	101
Land Drilling Rigs	6	—	6
Corporate and Research and Development	3	—	3
Total	$ 59	$ 51	$ 110

	Six Months Ended June 30, 2014		
(Dollars in millions)		Other	Total
2014 Plan	**Severance Charges**	**Restructuring Charges**	**Severance and Other Charges**
North America	$ 13	$ 15	$ 28
MENA/Asia Pacific	10	7	17
Europe/SSA/Russia	21	6	27
Latin America	22	1	23
Subtotal	66	29	95
Land Drilling Rigs	4	—	4
Corporate and Research and Development	28	2	30
Total	$ 98	$ 31	$ 129

The severance and other restructuring charges gave rise to certain liabilities, the components of which are summarized below, and largely relate to the severance accrued as part of both plans that will be paid pursuant to the respective arrangements and statutory requirements.

	At June 30, 2015				
	2015 Plan		2014 Plan		Total Severance
		Other		Other	and Other
	Severance	Restructuring	Severance	Restructuring	Restructuring
(Dollars in millions)	Liability	Liability	Liability	Liability	Liability
North America	$ 6	$ 4	$ —	$ —	$ 10
MENA/Asia Pacific	5	—	1	5	11
Europe/SSA/Russia	5	3	—	2	10
Latin America	1	—	—	—	1
Subtotal	17	7	1	7	32
Land Drilling Rigs	—	—	—	—	—
Corporate and Research and Development	—	—	5	—	5

Total	$ 17	$ 7	$ 6	$ 7	$ 37

Table of Contents

The following table presents the restructuring liability activity for the six months ended June 30, 2015.

	Six Months Ended June 30, 2015				
(Dollars in millions)	Accrued Balance at December 31, 2014	Charges	Cash Payments	Other	Accrued Balance at June 30, 2015
2015 Plan:					
Severance liability	$ 53	$ 59	$ (93)	$ (2)	$ 17
Other restructuring liability	—	6	(2)	3	7
2014 Plan:					
Severance liability	14	—	(6)	(2)	6
Other restructuring liability	12	—	(3)	(2)	7
Total severance and other restructuring liability	$ 79	$ 65	$ (104)	$ (3)	$ 37

Liquidity and Capital Resources

At June 30, 2015, we had cash and cash equivalents of $611 million compared to $474 million at December 31, 2014. At June 30, 2015, cash and cash equivalents reflected a negative impact of $12 million due to the devaluation of the Venezuelan bolivar in the first quarter of 2015 related to the adoption of the new Venezuelan currency exchange system called the SIMADI, which replaced the SICAD II exchange. In the second quarter of 2015 the Angolan kwanza devalued approximately 11% and we recognized a negative impact of $16 million due to the devaluation. The following table summarizes cash flows provided by (used in) each type of activity, for the six months ended June 30, 2015 and 2014:

	Six Months Ended June 30,	
(Dollars in millions)	2015	2014
Net Cash Provided by Operating Activities	$ 249	$ 29
Net Cash Used in Investing Activities	(391)	(622)
Net Cash Provided by Financing Activities	302	722

Operating Activities

For the six months ended June 30, 2015, cash provided by operating activities was $249 million compared to $29 million in the six months ended June 30, 2014. The improvement in operating cash flow in 2015 compared to 2014 was attributable to improved cash flow from working capital and the absence of $253 million in government settlement payments made in 2014. These improvements were partially offset by a decline of income associated with the significant decline in oil prices and drilling activity.

Investing Activities

The primary driver of our investing cash flow activities is capital expenditures for property, plant and equipment. Capital expenditures were $411 million for the six months ended June 30, 2015 and $662 million for the six months ended June 30, 2014. The amount we spend for capital expenditures varies each year based on the type of contracts in which we enter, our asset availability and our expectations with respect to industry activity levels in the following year.

Table of Contents

We did not complete any dispositions or acquisitions in the six months ended June 30, 2015. Cash proceeds received from dispositions were $23 million and $26 million in the six months ended June 30, 2015 and June 30, 2014, respectively. In the six months ended June 30, 2015, cash proceeds were primarily from the working capital adjustment related to the sale of our pipeline and specialty services business from the prior year and from a combination of various other asset sales. In the six months ended June 30, 2014, we acquired, via a step acquisition, an additional 30% ownership interest in a joint venture in China. We paid $13 million for the incremental interest, thereby increasing our ownership interest from 45% to 75%. As a result of this transaction, we acquired $30 million of cash. Therefore, in the six months ended June 30, 2014, we had a cash inflow from acquired businesses of $17 million. While we expect to continue to make business acquisitions when strategically advantageous, our current focus is on disposition of businesses or capital assets that are no longer core to our long-term strategy.

Financing Activities

Our financing activities primarily consisted of the borrowing and repayment of short-term and long-term debt. Our short-term borrowings, net of repayments were $478 million in the six months ended June 30, 2015 and $738 million in the six months ended June 30, 2014. Total net long-term debt repayments were $161 million in the six months ended June 30, 2015 compared to total net long-term debt repayments of $36 million in six months ended June 30, 2014. In the first three months of 2015, through a series of open market transactions, we repurchased certain of our 4.5% senior notes, 5.95% senior notes, 6.5% senior notes and 6.75% senior notes with a total book value of $160 million. We recognized a cumulative gain of approximately $12 million on these transactions.

Sources of Liquidity

Our sources of available liquidity include cash and cash equivalent balances, cash generated from operations, dispositions, commercial paper and availabilities under committed lines of credit. We also historically have accessed banks for short-term loans from uncommitted borrowing arrangements and have accessed the capital markets with debt, equity and convertible bond offerings. From time to time we may enter into transactions to factor accounts receivable or dispose of businesses or capital assets that are no longer core to our long-term strategy.

Revolving Credit Agreement

We maintain a $2.25 billion unsecured, revolving credit agreement (the "Credit Agreement"). On June 30, 2015, we entered into an amendment to the Credit Agreement to extend the maturity date to July 13, 2017 and to make certain other changes. The Credit Agreement can be used for a combination of borrowings, support for our $2.25 billion commercial paper program and issuances of letters of credit. This agreement requires that we maintain a debt-to-total capitalization ratio of less than 60%. We were in compliance with this covenant at June 30, 2015.

The following summarizes our availability under the Credit Agreement at June 30, 2015 (dollars in millions):

Facility	$	2,250
Less uses of facility:		
Revolving credit facility		730
Commercial paper		198
Letters of credit		16
Availability	$	1,306

364-Day Term Loan Facility

On April 9, 2015, the maturity date, we repaid the remaining balance of $175 million on our $400 million, 364-day term loan facility.

Table of Contents

Other Short-Term Borrowings and Other Debt Activity

We have short-term borrowings with various domestic and international institutions pursuant to uncommitted credit facilities. At June 30, 2015, we had $220 million in short-term borrowings under these arrangements, including $180 million borrowed under a credit agreement entered into in March 2014 that matures on March 20, 2016 (with respect to $150 million) and June 20, 2015 (with respect to the remaining $30 million), with a LIBOR-based weighted average interest rate of 1.73% as of June 30, 2015. In the first three months of 2015, through a series of open market transactions, we repurchased certain of our 4.5% senior notes, 5.95% senior notes, 6.5% senior notes and 6.75% senior notes with a total book value of $160 million. We recognized a cumulative gain of approximately $12 million on these transactions. No repurchases were made during the second quarter of 2015.

Ratings Services' Credit Rating

Our Standard & Poor's Ratings Services' credit rating on our senior unsecured debt is currently BBB- and our short-term rating is A-3. On March 11, 2015, S&P removed us from Credit Watch with negative implications and changed our outlook to negative. Our Moody's Investors Ratings Services' credit rating on our unsecured debt is currently Baa3 and our short-term rating is P-3. On March 24, 2015, Moody Investors changed our outlook from stable to negative. On April 15, 2015, Fitch Ratings has assigned credit rating on our senior unsecured debt of BBB- and our short-term rating of F3, and a negative outlook. We have access and expect we will continue to have access to credit markets, including the U.S. commercial paper market, although the commercial paper amounts outstanding may be reduced as a result of a negative rating change. We expect to utilize the Credit Agreement or other facilities to supplement commercial paper borrowings as needed.

Cash Requirements

For the remainder of 2015, we anticipate our cash requirements will include payments for capital expenditures, repayment of debt, interest payments on our outstanding debt and payments for short-term working capital needs. Our cash requirements may also include opportunistic debt repurchases, business acquisitions and amounts to settle litigation related matters. We anticipate funding these requirements from cash generated from operations, availability under our existing or additional credit facilities, the issuance of commercial paper and, if completed, proceeds from disposals of businesses or capital assets that are no longer closely aligned with our core long-term growth strategy. We anticipate that cash generated from operations will be augmented by working capital improvements driven by capital discipline and the collection of receivables. Capital expenditures for 2015 are currently projected to be approximately $750 million. The amounts we ultimately spend will depend on a number of factors including the type of contracts we enter into, asset availability and our expectations with respect to industry activity levels in 2015. Expenditures are expected to be used primarily to support anticipated near-term growth of our core businesses and our sources of liquidity are anticipated to be sufficient to meet our needs. Capital expenditures were $411 million for the six months ended June 30, 2015. Cash and cash equivalents of $611 million at June 30, 2015, are held by subsidiaries outside of Ireland. Based on the nature of our structure, we are generally able to redeploy cash with no incremental tax.

Off Balance Sheet Arrangements

Guarantees

Weatherford Ireland guarantees the obligations of our subsidiaries Weatherford Bermuda and Weatherford Delaware, including the notes and credit facilities listed below.

The following obligations of Weatherford Delaware were guaranteed by Weatherford Bermuda at June 30, 2015 and December 31, 2014: (1) 6.35% senior notes and (2) 6.80% senior notes.

The following obligations of Weatherford Bermuda were guaranteed by Weatherford Delaware at June 30, 2015 and December 31, 2014: (1) revolving credit facility, (2) 5.50% senior notes, (3) 6.50% senior notes, (4) 6.00% senior notes, (5) 7.00% senior notes, (6) 9.625% senior notes, (7) 9.875% senior notes, (8) 5.125% senior notes, (9) 6.75% senior notes, (10) 4.50% senior notes and (11) 5.95% senior notes. At December 31, 2014, we had a 364-day term loan facility which was an

obligation of Weatherford Bermuda guaranteed by Weatherford Delaware.

As a result of certain of these guarantee arrangements, we are required to present condensed consolidating financial information. See guarantor financial information presented in "Note 18 – Condensed Consolidating Financial Statements."

Table of Contents

Letters of Credit and Performance and Bid Bonds

We use letters of credit and performance and bid bonds in the normal course of our business. As of June 30, 2015, we had $843 million of letters of credit and performance and bid bonds outstanding, consisting of $549 million outstanding under various uncommitted credit facilities, $16 million of letters of credit outstanding under our Credit Agreement and $278 million of surety bonds, primarily performance bonds, issued by financial sureties against an indemnification from us. These obligations could be called by the beneficiaries should we breach certain contractual or performance obligations. If the beneficiaries were to call the letters of credit under our committed facilities, our available liquidity would be reduced by the amount called.

Derivative Instruments

Fair Value Hedges

We may use interest rate swaps to help mitigate exposures related to changes in the fair values of the associated debt. As of June 30, 2015, we had net unamortized gains of $28 million associated with interest rate swap terminations. These gains are being amortized over the remaining term of the originally hedged debt as a reduction in interest expense. See "Note 10 – Derivative Instruments" to our Condensed Consolidated Financial Statements for additional details.

Other Derivative Instruments

We enter into contracts to hedge our exposure to currency fluctuations in various foreign currencies. At June 30, 2015 and December 31, 2014, we had outstanding foreign currency forward contracts with notional amounts aggregating $1.4 billion and $1.6 billion, respectively. The notional amounts of our foreign currency forward contracts do not generally represent amounts exchanged by the parties and, thus are not a measure of the cash requirements related to these contracts or of any possible loss exposure. The amounts actually exchanged at maturity are calculated by reference to the notional amounts and by other terms of the derivative contracts, such as exchange rates.

We had cross-currency swaps between the U.S. dollar and Canadian dollar to hedge certain exposures to the Canadian dollar. At December 31, 2014, to hedge our exposure to the Canadian dollar, we held cross-currency swaps between the U.S. dollar and Canadian dollar with a notional amount of $168 million. We settled the cross-currency swap arrangements in the three months ended March 31, 2015 after recognizing a mark-to-market gain of $13 million in the first quarter of 2015. We collected $8 million in proceeds upon settlement.

Our foreign currency forward contracts and cross-currency swaps were not designated as hedges, and the changes in fair value of the contracts are recorded each period in current earnings in the line captioned "Other, Net" on the accompanying Condensed Consolidated Statements of Operations.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operation is based upon our Consolidated Financial Statements. We prepare these financial statements in conformity with U.S. generally accepted accounting principles. As such, we are required to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. We base our estimates on historical experience, available information and various other assumptions we believe to be reasonable under the circumstances. On an on-going basis, we evaluate our estimates; however, actual results may differ from these estimates under different assumptions or conditions. There have been no material changes or developments in our evaluation of the accounting estimates and the underlying assumptions or methodologies that we believe to be critical accounting policies and estimates as disclosed in our Form 10-K for the year ended December 31, 2014.

New Accounting Pronouncements

See "Note 17 – New Accounting Pronouncements" to our Condensed Consolidated Financial Statements, included

elsewhere in this report.

Table of Contents

Forward-Looking Statements

This report contains various statements relating to future financial performance and results, including certain projections, business trends and other statements that are not historical facts. These statements constitute "Forward-Looking Statements" as defined in the Securities Act of 1933, as amended (the "Securities Act") and the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "budget," "strategy," "plan," "guidance," "outlook," "may," "should," "could," "will," "would," "will be," "will continue," "will likely result," and similar expressions, although not all forward-looking statements contain these identifying words.

Forward-looking statements reflect our beliefs and expectations based on current estimates and projections. While we believe these expectations, and the estimates and projections on which they are based, are reasonable and were made in good faith, these statements are subject to numerous risks and uncertainties. Accordingly, our actual outcomes and results may differ materially from what we have expressed or forecasted in the forward-looking statements. Furthermore, from time to time, we update the various factors we consider in making our forward-looking statements and the assumptions we use in those statements. However, we undertake no obligation to correct, update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except to the extent required under federal securities laws. The following sets forth various assumptions we use in our forward-looking statements, as well as risks and uncertainties relating to those statements. Certain of these risks and uncertainties may cause actual results to be materially different from projected results contained in forward-looking statements in this report and in our other disclosures. These risks and uncertainties include, but are not limited to, those described below under "Item 1A. – Risk Factors" and the following:

- the price volatility of oil, natural gas and natural gas liquids, including the impact of the recent and significant decline in the price of crude oil;
- global political, economic and market conditions, political disturbances, war, terrorist attacks, changes in global trade policies, and international currency fluctuations;
- nonrealization of expected benefits from our acquisitions or business dispositions and our ability to execute such acquisitions and dispositions;
- our ability to realize expected revenues and profitability levels from current and future contracts;
- our ability to manage our workforce, supply chain and business processes, information technology systems and technological innovation and commercialization, including the impact of our 2014 and 2015 cost reduction plans;
- our high level of indebtedness;
- increases in the prices and availability of our raw materials;
- potential non-cash asset impairment charges for long-lived assets, goodwill, intangible assets or other assets;
- changes to our effective tax rate;
- nonrealization of potential earnouts associated with business dispositions;
- downturns in our industry which could affect the carrying value of our goodwill;
- member-country quota compliance within OPEC;
- adverse weather conditions in certain regions of our operations;
- our ability to realize the expected benefits from our redomestication from Switzerland to Ireland and to maintain our Swiss tax residency;
- failure to ensure on-going compliance with current and future laws and government regulations, including but not limited to environmental and tax and accounting laws, rules and regulations; and
- limited access to capital or significantly higher cost of capital related to liquidity or uncertainty in the domestic or international financial markets.

Finally, our future results will depend upon various other risks and uncertainties, including, but not limited to, those detailed in our other filings with the SEC under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the Securities Act. For additional information regarding risks and uncertainties, see our other filings with the SEC. Our

annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act are made available free of charge on our web site www.weatherford.com under "Investor Relations" as soon as reasonably practicable after we have electronically filed the material with, or furnished it to, the SEC.

Table of Contents

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

For quantitative and qualitative disclosures about market risk, see "Part II – Item 7A.– Quantitative and Qualitative Disclosures about Market Risk," in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014. Our exposure to market risk has not changed materially since December 31, 2014, except as described below.

Foreign Exchange Related Charges – Devaluation and Other Inflationary Impacts

A new Venezuelan currency exchange system, known as the "Marginal Currency System" (or "SIMADI"), opened for trading February 12, 2015, replacing the Venezuela's Supplementary Foreign Currency Administration System auction rate ("SICAD II") mechanism. The SIMADI is intended to provide limited access to a free market rate of exchange. In the first quarter of 2015, we began using the SIMADI rate and recognized remeasurement charges of $26 million and we will continue to monitor the impact on our financial statements of the evolving Venezuela exchange rate. At June 30, 2015 our net monetary asset position denominated in Venezuelan bolivar was approximately $7 million.

In the second quarter of 2015, the Angolan kwanza devalued approximately 11% and we recognized foreign exchange related charges of $16 million. We will continue to monitor the impact on our financial statements of the evolving Angola exchange rate. At June 30, 2015 our net monetary asset position denominated in Angolan kwanza was approximately $124 million.

Potential Highly Inflationary Country

The Company has noted the concerns raised by the International Monetary Fund ("IMF") relating to the accuracy of Argentina's officially reported consumer price index. Given the lack of verifiable information, objective sources have not observed data that would support designating Argentina as "Highly Inflationary." The Company is closely monitoring the work of the IMF and the price index information that becomes available. As of June 30, 2015, we had a net monetary asset position denominated in Argentine pesos of $119 million, comprised primarily of accounts receivable and current liabilities.

Item 4. Controls and Procedures.

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. This information is collected and communicated to management, including our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), as appropriate, to allow timely decisions regarding required disclosures. Our management, under the supervision and with the participation of our CEO and CFO, evaluated the effectiveness of the design and operation of our disclosure controls and procedures at June 30, 2015. Based on that evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of June 30, 2015.

Our management identified no change in our internal control over financial reporting that occurred during the second quarter ended June 30, 2015 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Table of Contents

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

See "Note 16 – Disputes, Litigation and Contingencies" to our Condensed Consolidated Financial Statements included elsewhere in this report.

Item 1A. Risk Factors.

An investment in our securities involves various risks. You should consider carefully all of the risk factors described in our most recent Annual Report on Form 10-K, Part I, under the heading "Item 1A. – Risk Factors" and other information included and incorporated by reference in this report. There have been no material changes in our assessment of our risk factors from those set forth in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Table of Contents

Item 6. Exhibits.

Exhibit Number	Description	Original Filed Exhibit	File Number
10.1	Amendment No. 3 to Credit Agreement, dated June 30, 2015, with Weatherford International Ltd. (Bermuda), Weatherford International plc (Ireland), Weatherford International, LLC (Delaware), Weatherford Liquidity Management Hungary Limited Liability Company (Hungary), Weatherford Capital Management Services Limited Liability Company (Hungary), the lenders and issuing banks party thereto and JPMorgan Chase Bank, N.A., as administrative agent.	Exhibit 10.1 of the Company's Current Report on Form 8-K filed July 1, 2015	File No. 1-36504
†*10.2	Weatherford International plc 2006 Omnibus Incentive Plan (as Amended and Restated, conformed as of June 16, 2015).		
*10.3	First Amendment to Weatherford International plc 2010 Omnibus Incentive Plan.	Annex A of the Company's Definitive Proxy Statement on Schedule 14A filed April 29, 2015	File No. 1-36504
†*10.4	Form of Restricted Share Units Award Agreement (CIC - Officer) pursuant to the Weatherford International plc 2010 Omnibus Incentive Plan.		
†*10.5	Form of Restricted Share Units Award Agreement (CIC - Director) pursuant to the Weatherford International plc 2010 Omnibus Incentive Plan.		
†*10.6	Form of Performance Units Award Agreement (CIC) pursuant to the Weatherford International plc 2010 Omnibus Incentive Plan.		
†*10.7	Form of Change of Control Agreement, entered into by Christina Ibrahim on May 4, 2015.		
†31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.		
†31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.		
††32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.		
††32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.		
**101	The following materials from Weatherford International plc's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015, formatted in XBRL (eXtensible Business Reporting Language): (1) the unaudited Condensed Consolidated Balance Sheets, (2) the unaudited Condensed Consolidated Statements of Operations, (3) the unaudited Condensed Consolidated Statements of Comprehensive Income (Loss), (4) the unaudited Condensed Consolidated Statements of Cash Flows, and (5) the related notes to the unaudited Condensed Consolidated Financial Statements.		

* *Management contract or compensatory plan or arrangement.*

** *Submitted pursuant to Rule 405 and 406T of Regulation S-T.*

† *Filed herewith.*

†† *Furnished herewith.*

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Weatherford International plc

Date: July 24, 2015

By: /s/ Bernard J. Duroc-Danner
Bernard J. Duroc-Danner
Chief Executive Officer
(Principal Executive Officer)

Date: July 24, 2015

By: /s/ Krishna Shivram
Krishna Shivram
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

Exhibit 4

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

GLENN FREEDMAN, Individually and on Behalf of All Others Similarly Situated, Plaintiff, v. WEATHERFORD INTERNATIONAL LTD., et al., Defendants.	Civil Action No.: 12-CV-02121-LAK-JCF

AFFIDAVIT REGARDING (A) MAILING OF THE SETTLEMENT NOTICE AND PROOF OF CLAIM FORM; (B) PUBLICATION OF SUMMARY SETTLEMENT NOTICE; (C) WEBSITE AND TELEPHONE HELPLINE; AND (D) REPORT ON REQUESTS FOR EXCLUSION AND OPT-INS RECEIVED TO DATE

STATE OF NEW YORK)
) ss.:
COUNTY OF NASSAU)

JOSE C. FRAGA, being duly sworn, deposes and says:

1. I am a Senior Director of Operations for Garden City Group, LLC ("GCG") located at 1985 Marcus Avenue, Suite 200, Lake Success, New York 11042. Pursuant to the Court's Order Concerning Proposed Settlement ("Notice Order") entered on July 24, 2015, GCG was authorized to act as the Claims Administrator in connection with the above-captioned action (the "Action").

2. As more fully described in my Affidavit Regarding Mailing of the Notice of Pendency of Class Action and Receipt of Requests for Exclusion, filed with the Court on July 27, 2015, GCG previously conducted a mailing campaign in which it mailed the Notice of Pendency

of Class Action (the "Class Notice"), to potential Class Members.[1] The Class Notice notified potential Class Members that the Action was pending and provided them with the opportunity to request exclusion from the Class.

MAILING OF THE SETTLEMENT NOTICE AND PROOF OF CLAIM

3. Pursuant to the Notice Order, GCG disseminated the Notice of Proposed Class Action Settlement and Motion for Attorneys' Fees and Expenses (the "Settlement Notice") and the Proof of Claim and Release form (the "Proof of Claim" and, collectively with the Settlement Notice, the "Claim Packet") to potential Class Members. A copy of the Claim Packet is attached hereto as Exhibit A.

4. GCG created a mailing file consisting of 324,911 names and addresses compiled as a result of the May 2015 mailing of the Class Notice. On August 11, 2015, Claim Packets were disseminated to those 324,911 potential Class Members by first-class mail. In addition, 11,018 Notice Packets were sent to two Nominees who had made requests for that number of Class Notices to be sent to them in bulk for forwarding to their beneficial owner clients, with letters instructing those Nominees to mail the Claim Packets to their clients.

5. On August 11, 2015, Claim Packets were also mailed to 1,975 Nominees listed in GCG's proprietary Nominee Database.[2] These 1,975 Claim Packets included letters explaining that if the Nominees had previously submitted names and addresses in connection with the May 2015 mailing, they need not provide that information again unless they have additional names and addresses of potential Class Members to provide to GCG. As indicated above in paragraph

[1] Capitalized terms used and not otherwise defined herein shall have the meaning given to them in the Notice Order.

[2] While this Nominee Database was substantially the same as the database used for the May 2015 mailing, GCG continuously updates its Nominee Database with new addresses when they are received, and eliminates duplicate or obsolete addresses when identified (as brokers merge or go out of business).

4, the letters also explained that Nominees who previously elected to mail the Class Notice directly to Class Members now had to mail Claim Packets provided by GCG to those Class Members.

6. Since August 11, 2015, GCG has received an additional 26,828 names and addresses of potential Class Members from individuals or Nominees. GCG promptly sent a Claim Packet to each such name and address. In addition, during this same time period, GCG received requests from Nominees for 4,654 Claim Packets to be forwarded directly by the Nominees to potential Class Members. GCG promptly provided the requested Claim Packets to the Nominees.

7. In the aggregate, to date, GCG has mailed 370,248 Claim Packets to Nominees and potential Class Members. This includes 862 Claim Packets that were re-mailed to updated addresses provided by the U.S. Postal Service.

PUBLICATION OF THE SUMMARY SETTLEMENT NOTICE

8. Pursuant to the Notice Order, GCG Communications, the media division of GCG, caused the Summary Notice of Pendency of Class Action (the "Summary Settlement Notice") to be published on August 21, 2015 in *The Wall Street Journal*. Attached hereto as Exhibit B is the affidavit of Jeff Aldridge, attesting to publication of the Summary Settlement Notice in *The Wall Street Journal*. On August 21, 2015, the Summary Settlement Notice was also issued over the *PR Newswire*. Attached hereto as Exhibit C is a Confirmation Report from *PR Newswire*, attesting to that issuance.

WEBSITE AND TELEPHONE HELPLINE

9. In coordination with Class Counsel, GCG designed, implemented, and maintains a website dedicated to this Action. The website is located at

www.weatherford2012securitieslitigation.com. The homepage of the website contains a general overview of the Action. The website also contains links to the Settlement Notice, Summary Settlement Notice, Proof of Claim, Stipulation and Agreement of Settlement, Consolidated Amended Class Action Complaint and the Notice Order. The website is accessible 24 hours a day, seven days a week.

10. GCG established a toll-free Interactive Voice Response ("IVR") system to accommodate potential Class Members. This system became operational on May 5, 2015 and was updated on August 11, 2015 with information detailed in the Settlement Notice. As of September 25, 2015, GCG has received a total of 850 calls.

11. GCG also established an email address, info@Weatherford2012SecuritiesLitigation.com, to allow potential Class Members to obtain information about the Action and/or request a Notice Packet.

REPORT ON REQUESTS FOR EXCLUSIONS AND OPT-INS RECEIVED

12. As described in the Settlement Notice, potential Class Members were notified that they could elect to exclude themselves from the Class (under certain circumstances described in Section E of the Settlement Notice) or Opt-Back into the Class (if they previously submitted a request for exclusion in connection with the Class Notice, as described in Section F of the Settlement Notice). Written requests must be received by October 13, 2015 and submitted to *Freedman v. Weatherford International Ltd., et al.*, c/o GCG, P.O. Box 10177, Dublin, Ohio 43017-3177. As of September 25, 2015, GCG has received five requests for exclusion. A list containing the exclusion identification number, name, city, and state accompanied by a redacted copy of each request is attached hereto as Exhibit D.

13. To date, GCG has not processed any requests to Opt-Back into the Class from potential Class Members who had previously submitted a request for exclusion.

Jose Fraga

Sworn to before me this
28th day of September, 2015

Notary Public

VANESSA M VIGILANTE
Notary Public, State of New York
No. 01VI6143817
Qualified in Nassau County
Commission Expires April 17, 2016

Exhibit A

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

GLENN FREEDMAN, individually and on behalf of all similarly situated, Plaintiff, v. WEATHERFORD INTERNATIONAL LTD., et al., Defendants.	Civil Action No. 12-CV-2121 (LAK)

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND
MOTION FOR ATTORNEYS' FEES AND EXPENSES

If you purchased or acquired Weatherford International Ltd. common stock in the United States between March 2, 2011 and July 24, 2012, inclusive (the "Class Period"), and were damaged thereby, you may be entitled to a payment from a class action settlement.

A federal court authorized this notice. This is not a solicitation from a lawyer.

- This Settlement Notice is to inform you of the proposed Settlement of the Action, and a hearing to be held by the Court to consider: (i) whether the Settlement should be approved; (ii) the application of Class Counsel for attorneys' fees and expenses (*see* pages 2 and 7 below); and (iii) whether the proposed Plan of Allocation for the Settlement proceeds should be approved (the "Settlement Hearing").[1] This Settlement Notice describes important rights you may have and what steps you must take if you wish to participate in the Settlement, wish to object, wish to opt-back into the Class (if you previously sought exclusion), or wish to be excluded from the Class.

- If approved by the Court, the Settlement will create a $120 million (in U.S. dollars) cash settlement fund for the benefit of eligible Class Members, less any attorneys' fees and litigation expenses awarded by the Court and less Notice and Administration Expenses.

- The Settlement resolves claims by Anchorage Police & Fire Retirement System ("Anchorage Police & Fire") and Sacramento City Employees' Retirement System ("SCERS") (collectively, "Class Representatives" or "Co-Lead Plaintiffs") that have been asserted on behalf of themselves and the certified Class (defined below) against Weatherford International Ltd. ("Weatherford" or the "Company") (n/k/a Weatherford International plc), Andrew P. Becnel ("Becnel") and Bernard J. Duroc-Danner ("Duroc-Danner") (collectively, "Individual Defendants" and, together with Weatherford, "Defendants"). It avoids the costs and risks of continuing the litigation; pays money to investors like you; and releases the Released Defendant Parties (defined below) from liability.

- If you are a Class Member, your legal rights are affected whether you act or do not act. Read this Settlement Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
SUBMIT A CLAIM FORM BY DECEMBER 9, 2015	The only way to get a payment. *See* Section D for details.
OPT-BACK INTO THE CLASS BY SUBMITTING AN OPT-BACK IN REQUEST BY OCTOBER 13, 2015	If you previously submitted a request for exclusion from the Class in connection with the previously mailed Class Notice and now want to be part of the Class in order to receive a payment from the Net Settlement Fund (defined below), you must follow the steps for "Opting-Back Into the Class" set forth in Section F below.
EXCLUDE YOURSELF FROM THE CLASS BY OCTOBER 13, 2015	Get no payment. This is the only option that, assuming your claim is timely brought, might enable you to ever bring or be part of any other lawsuit about the Released Claims (defined below) against Defendants and the other Released Defendant Parties. If you previously submitted a request for exclusion from the Class in connection with the Class Notice and wish to remain excluded from the Class, no further action is necessary. *See* Section E for details.
OBJECT BY OCTOBER 13, 2015	Write to the Court about why you do not like the Settlement, the proposed Plan of Allocation, and/or the request for attorneys' fees and expenses. You will still be a member of the Class. *See* Section H for details.
GO TO A HEARING ON NOVEMBER 3, 2015	Ask to speak in Court about the Settlement at the Settlement Hearing.
DO NOTHING	Get no payment. Give up rights.

[1] All capitalized terms used in this Settlement Notice are defined in the Stipulation and Agreement of Settlement (the "Stipulation"), dated as of June 30, 2015.

- These rights and options—and the deadlines to exercise them—are explained in this Settlement Notice.
- The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made if the Court approves the Settlement and after appeals, if any, are resolved. Please be patient.

SUMMARY OF THIS NOTICE

(a) Statement of Plaintiffs' Recovery

Pursuant to this proposed Settlement, a Settlement Fund consisting of $120 million in cash, including any accrued interest, has been established. Based on Class Representatives' expert's estimate of the number of shares of common stock entitled to participate in the Settlement, and assuming that all such shares entitled to participate do so, Class Representatives' expert estimates that the average recovery per allegedly damaged share of Weatherford common stock would be approximately $0.20 per share (before deduction of Court-approved expenses, such as attorneys' fees and expenses and claims administration costs), and approximately $0.14 per share after the deduction of the attorneys' fees and expenses discussed below.[2] A Class Member's actual recovery will be a portion of the Net Settlement Fund, determined by comparing his, her, or its "Recognized Claim" to the total Recognized Claims of all Class Members who submit acceptable Proofs of Claim. An individual Class Member's actual recovery will depend on, for example: (i) the total number of claims submitted; (ii) when the Class Member purchased or acquired the common stock of Weatherford during the Class Period; (iii) the purchase price paid; and (iv) whether the shares were held at the end of the Class Period or sold (and, if sold, when they were sold and the amount received). *See* the Plan of Allocation beginning on page 9 for information on the calculation of your Recognized Claim.

(b) Statement of Potential Outcome if the Action Continued to Be Litigated

The Parties disagree on both liability and damages and do not agree on the amount of damages, if any, that would be recoverable if Class Representatives were to prevail on each claim alleged. The issues on which the Parties disagree include, but are not limited to: (i) whether Defendants made any material misstatements or omissions; (ii) whether any Defendant acted with the required state of mind; (iii) the extent to which the various matters that Class Representatives alleged were false and misleading inflated (if at all) the trading price of Weatherford common stock at various times during the Class Period; (iv) whether any purchaser or acquirer of Weatherford common stock has suffered damages as a result of the alleged misstatements and omissions in Weatherford's public statements; (v) the extent of such damages, assuming they exist, including the appropriate economic models and methodologies for measuring damages; and (vi) the extent to which confounding news and/or external factors, such as general market and industry conditions, and company-specific factors unrelated to Defendants' alleged violations of the federal securities laws, influenced the trading price of Weatherford common stock at various times during the Class Period.

(c) Statement of Attorneys' Fees and Litigation Expenses Sought

Labaton Sucharow LLP and Bleichmar Fonti Tountas & Auld LLP (collectively, "Class Counsel") will make a motion asking the Court to award attorneys' fees of no more than 25% of the Settlement Fund, which will include accrued interest, and to approve the payment of litigation expenses incurred in prosecuting the Action in an amount not to exceed $5,600,000, plus any interest on such amount at the same rate and for the same period as earned by the Settlement Fund ("Fee and Expense Application"). Class Counsel's Fee and Expense Application may include a request for an award to Class Representatives for reimbursement of their reasonable costs and expenses, including lost wages, directly related to their representation of the Class, pursuant to the Private Securities Litigation Reform Act of 1995 (the "PSLRA") in a total amount not to exceed $30,000. A copy of the Fee and Expense Application will be posted on www.Weatherford2012SecuritiesLitigation.com after it has been filed with the Court.

If the Court approves the Fee and Expense Application, the average cost per allegedly damaged share of Weatherford common stock for such fees and expenses would be approximately $0.06 per share. The average cost per damaged share will vary depending on the number of acceptable claims submitted. Class Counsel has expended considerable time and effort in the prosecution of this litigation without receiving any payment, and has advanced the expenses of the litigation, such as the cost of experts, in the expectation that if it were successful in obtaining a recovery for the Class it would be paid from such recovery. In this type of litigation it is customary for counsel to be awarded a percentage of the common fund recovered as attorneys' fees.

(d) Further Information

Further information regarding this Action and this Settlement Notice may be obtained by contacting the Claims Administrator: *Freedman v. Weatherford International Ltd.*, c/o GCG, P.O. Box 10177, Dublin, OH 43017-3177, (855) 382-6459, www.Weatherford2012SecuritiesLitigation.com; or Class Counsel: Labaton Sucharow LLP, (888) 219-6877, www.labaton.com, settlementquestions@labaton.com and Bleichmar Fonti Tountas & Auld LLP, (888) 879-9418, www.bftalaw.com.

DO NOT CALL THE COURT WITH QUESTIONS ABOUT THE SETTLEMENT

[2] An allegedly damaged share might have been traded more than once during the Class Period, and the indicated average recovery is calculated based on the damage allegedly incurred for each purchase of such share.

(e) Reasons for the Settlement

For Class Representatives, the principal reason for the Settlement is the immediate benefit to the Class. This benefit must be compared to the risk that no recovery might be achieved after a contested trial and likely appeals, possibly years into the future.

For Defendants, who deny and continue to deny all allegations of wrongdoing or liability whatsoever, the principal reason for the Settlement is to eliminate the burden, expense, uncertainty, and distraction of further litigation.

[END OF PSLRA COVER PAGE]

A. BASIC INFORMATION

1. Why did I get this Settlement Notice?

You or someone in your family may have purchased or acquired the common stock of Weatherford in the United States between March 2, 2011 and July 24, 2012, inclusive.

The Court in charge of the case is the United States District Court for the Southern District of New York. The lawsuit is known as *Freedman v. Weatherford International Ltd., et al.*, Civil Action No. 12-CV-2121 (LAK) and is assigned to the Honorable Lewis A. Kaplan. The people who have sued are called plaintiffs and the companies and persons they have sued are called defendants. Class Representatives in the Action, Anchorage Police & Fire and SCERS, represent the Class. Defendants are Weatherford, Becnel, and Duroc-Danner.

The Court directed that this Settlement Notice be sent to Class Members because they have a right to know about the proposed Settlement of this class action lawsuit, and about all of their options, before the Court decides whether to approve the Settlement. The Court will review the Settlement at a Settlement Hearing on **November 3, 2015**, at the United States District Court for the Southern District of New York in the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, Courtroom 21B, New York, NY 10007 at 4:00 p.m. If the Court approves the Settlement, and after any objections and appeals are resolved, a claims administrator appointed by the Court will make the payments that the Settlement allows.

This Settlement Notice and the Proof of Claim and Release ("Proof of Claim") explain the Action, the Settlement, Class Members' legal rights, what benefits are available, who is eligible for them, and how to get them.

2. What is this lawsuit about and what has happened so far?

This Action was commenced in March of 2012 by the filing of a securities class action complaint alleging that Defendants violated the federal securities laws. On May 22, 2012, Anchorage Police & Fire and SCERS filed their joint motion for appointment as lead plaintiffs, pursuant to the PSLRA. On the same day, four other plaintiffs filed motions for appointment as lead plaintiff.

On July 10, 2012, the Court entered an Order appointing Anchorage Police & Fire and SCERS as Co-Lead Plaintiffs and approving their selection of Labaton Sucharow LLP as lead counsel for the proposed class.

On September 14, 2012, Co-Lead Plaintiffs filed the Consolidated Amended Class Action Complaint (the "Consolidated Complaint") asserting claims under Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Securities and Exchange Commission ("SEC") Rule 10b-5, promulgated thereunder against all Defendants, and claims under Section 20(a) of the Exchange Act against the Individual Defendants. The claims relate to the Company's restatements of certain financial information (the "Restatements") and a disclosed material weakness in the Company's internal control over financial reporting for income tax accounting. The Consolidated Complaint further alleges that Defendants made false and misleading statements in connection with (i) the accuracy and reliability of the Restatements and the Company's financial statements, and (ii) Defendants' assertions that the Company's financial statements were prepared in conformity with U.S. Generally Accepted Accounting Principles.

On October 29, 2012, Defendants moved to dismiss the Consolidated Complaint, which Co-Lead Plaintiffs opposed on December 21, 2012. On January 17, 2013, Defendants filed their reply in further support of their motion to dismiss.

On September 20, 2013, the Court issued an Opinion and entered an Order denying Defendants' motion to dismiss in its entirety. On October 30, 2013, Defendants filed their answer to the Consolidated Complaint.

On November 19, 2013, Anchorage Police & Fire and SCERS filed an initial motion for class certification, appointment as class representatives, and appointment of Labaton Sucharow LLP as class counsel. By order entered February 3, 2014, the Court denied the motion for class certification without prejudice and directed Co-Lead Plaintiffs to re-file the motion within thirty days following the United States Supreme Court's decision in *Halliburton Co. v. Erica P. John Fund, Inc.*, 134 S. Ct. 2398 (2014) ("*Halliburton II*").

Following the Supreme Court's June 23, 2014 decision in *Halliburton II*, on July 22, 2014, Co-Lead Plaintiffs renewed their motion for class certification.

By Order entered on September 29, 2014, pursuant to motion, Bleichmar Fonti Tountas & Auld LLP was appointed as co-lead counsel for the proposed class, along with Labaton Sucharow LLP. Also on September 29, 2014, the Court issued an Order granting the motion

for certification of the Class, appointing Anchorage Police & Fire and SCERS as Class Representatives, and appointing Labaton Sucharow LLP and Bleichmar Fonti Tountas & Auld LLP as Class Counsel.

A Notice of Pendency of Class Action ("Class Notice") was mailed to Class Members on or about May 5, 2015 informing them of the class action, their right to be excluded from the Class, the requirements for requesting exclusion, and of a July 6, 2015 deadline by which requests for exclusion must be received.

Class Counsel have conducted an extensive investigation into the events and transactions underlying the claims alleged in the Consolidated Complaint; completed extensive fact discovery, which included the review of more than 1.3 million documents and taking 22 depositions; and filed four expert reports.

On October 7, 2014, former United States Attorney and Federal District Court Judge Layn R. Phillips ("Judge Phillips") facilitated a mediation between the Parties in New York, New York. The mediation did not result in a resolution of the Action. Following the end of fact discovery and the submission of initial expert reports, the Parties participated in a second mediation session with Judge Phillips in New York, New York on May 20, 2015. Though substantial progress toward a resolution was made, the Parties did not reach an agreement to settle at that time. Arm's-length negotiations between the Parties continued, with the assistance of Judge Phillips, and on June 2, 2015 the Parties reached an oral agreement regarding a settlement framework. On June 5, 2015, the Parties executed a Term Sheet that set forth their agreement-in-principle to settle the Action.

3. Why is this a class action?

In a class action, one or more people called plaintiffs sue on behalf of people who have similar claims. The Court must certify the action to proceed as a class action and appoint the "class representatives." All of the individuals and entities on whose behalf the class representatives are suing are known as "class members." Bringing a case as a class action allows the adjudication of many similar claims that might be economically too small to bring individually. One court resolves the issues in the case for all class members, except for those who choose to exclude themselves from the class (*see* Question 12 below). In this Action, the Court has appointed Anchorage Police & Fire and SCERS to serve as the Class Representatives and has appointed Labaton Sucharow LLP and Bleichmar, Fonti, Tountas & Auld LLP to serve as Class Counsel.

4. What are the reasons for the Settlement?

The Court did not finally decide in favor of Class Representatives or Defendants. Instead, both sides agreed to a settlement. Class Representatives agreed to the Settlement because of the certain, substantial, and immediate monetary benefit it will provide to the Class, compared to the risk that a lesser or no recovery might be achieved after a contested trial and likely appeals, possibly years into the future. Class Representatives and Class Counsel have considered the uncertain outcome and the risk of any litigation, especially in complex lawsuits like this one, as well as the difficulties and delays inherent in such litigation. For example, Defendants have raised a number of arguments and defenses (which they would raise at summary judgment and trial) that Class Representatives would not be able to establish that Defendants acted with the requisite fraudulent intent. Even assuming Class Representatives could establish liability, Defendants also maintained that any potential investment losses suffered by Class Representatives and Class Members were caused by known risks or external, independent factors, or company-specific factors unrelated to Defendants' alleged violations of the federal securities laws, rather than such alleged misconduct. In the absence of a settlement, the Parties would present factual and expert testimony on each of these issues, and there is considerable risk that the Court or jury would resolve these issues unfavorably against Class Representatives and the Class. In light of the amount of the Settlement and the immediate recovery to the Class, Class Representatives and Class Counsel believe that the proposed Settlement is fair, reasonable and adequate, and in the best interests of the Class. The Settlement, which totals $120 million in cash (less the various deductions described in this Settlement Notice), provides substantial benefits now as compared to the risk that a similar or smaller recovery would be achieved after trial and appeal, possibly years in the future, or that no recovery would be achieved at all.

Defendants have denied and continue to deny each and every one of the claims alleged by Class Representatives in the Action. Defendants have taken into account the burden, expense, uncertainty, distraction, and risks inherent in any litigation, and have concluded that it is desirable that the Action be fully and finally settled upon the terms and conditions set forth in the Stipulation.

B. WHO IS IN THE SETTLEMENT

To see if you will get money from this Settlement, you first have to determine if you are a Class Member.

5. How do I know if I am part of the Class? Are there exceptions to being included in the Class?

The Court has certified the following Class, subject to certain exceptions identified below:

> ***All persons and entities that purchased or acquired Weatherford common stock in the United States between March 2, 2011 and July 24, 2012, inclusive, and who were damaged thereby.***

6. Are there exceptions to being included in the Class?

Excluded from the Class are: (a) Defendants; (b) members of the immediate family of any Defendant; (c) any person who was an officer or director of Weatherford during the Class Period; (d) any firm, trust, corporation, officer, or other entity in which any Defendant has or had a controlling interest; (e) Defendants' directors' and officers' liability insurance carriers, and any affiliates or subsidiaries thereof; (f)

the Company's employee retirement and benefit plan(s); (g) the legal representatives, agents, affiliates, heirs, successors-in-interest, or assigns of any such excluded party; and (h) any person or entity that submits a timely and valid request for exclusion pursuant to the Class Notice approved by the Court on April 20, 2015 and that does not opt back into the Class. Also excluded from the Class shall be any person or entity that seeks exclusion by timely submitting a valid request for exclusion in accordance with the requirements explained in Question 12 below.

If one of your mutual funds purchased Weatherford common stock in the United States during the Class Period, that does not make *you* a Class Member, although your mutual fund may be. You are eligible to be a Class Member if you individually purchased or acquired Weatherford common stock in the United States during the Class Period. Check your investment records or contact your broker to see if you have any eligible purchases or acquisitions.

If you only sold Weatherford common stock during the Class Period, your sale alone does not make you a Class Member. You are eligible to be a Class Member only if you **purchased or acquired** Weatherford common stock in the United States during the Class Period.

If you are still not sure whether you are included, you can ask for free help. You can call (855) 382-6459 or visit **www.Weatherford2012SecuritiesLitigation.com** for more information. Or you can fill out and return the Proof of Claim described in Question 9, to see if you qualify.

C. THE SETTLEMENT BENEFITS

7. What does the Settlement provide?

In exchange for the Settlement and the release of the Released Claims against the Released Defendant Parties, Defendants have agreed to create a $120 million cash fund, which will earn interest, to be divided, after deduction of Court-awarded attorneys' fees and expenses, settlement administration costs, and any applicable Taxes (the "Net Settlement Fund"), among all Class Members who send in valid and timely Proofs of Claim.

8. How much will my payment be?

Your share of the Net Settlement Fund will depend on several things, including: (i) the total amount of Recognized Claims of other Class Members; (ii) the number of shares of Weatherford common stock you purchased or acquired; (iii) how much you paid for your shares; (iv) when you bought your shares; and (v) whether or when you sold your shares, and, if so, for how much.

Your Recognized Claim will be calculated according to the formulas shown below in the Plan of Allocation. It is unlikely that you will get a payment for your entire Recognized Claim, given the number of potential Class Members. After all Class Members have sent in their Proofs of Claim, the payment you get will be a portion of the Net Settlement Fund based on your Recognized Claim divided by the total of everyone's Recognized Claims. *See* the Plan of Allocation in Question 25 for more information on your Recognized Claim.

D. HOW TO RECEIVE A PAYMENT — SUBMITTING A PROOF OF CLAIM

9. How can I get a payment?

To qualify for a payment, you must be a member of the Class and must submit a timely and valid Proof of Claim. A Proof of Claim is being circulated with this Settlement Notice. You may also get a Proof of Claim on the Internet at the websites for the Claims Administrator or Class Counsel: www.Weatherford2012SecuritiesLitigation.com or www.labaton.com and www.bftalaw.com. The Claims Administrator can also help you if you have questions about the Proof of Claim form. Please read the instructions carefully, fill out the Proof of Claim, include all the documents the form asks for, sign it, and submit it so that it is **postmarked or received no later than December 9, 2015**.

10. When will I receive my payment?

The Court will hold a Settlement Hearing on **November 3, 2015**, to decide whether to approve the Settlement. Even if the Court approves the Settlement, there may still be appeals, which can take time to resolve, perhaps more than a year. It also takes time for all the Proofs of Claim to be processed. All Proofs of Claim need to be submitted by **December 9, 2015**.

Once all the Proofs of Claim are processed and claims are calculated, Class Counsel, without further notice to the Class, will apply to the Court for an order distributing the Net Settlement Fund to Class Members. Please be patient.

11. What am I giving up to get a payment and by staying in the Class?

Unless you exclude yourself, you will stay in the Class, which means that upon the "Effective Date" you will release all "Released Claims" against the "Released Defendant Parties".

"Released Claims" means any and all claims, rights, remedies, demands, liabilities and causes of action of every nature and description (including but not limited to any claims for damages, punitive damages, compensation, restitution, disgorgement, rescission, interest, injunctive relief, attorneys' fees, expert or consulting fees, obligations, debts, losses, and any other costs, expenses, or liabilities of any kind or nature whatsoever), whether legal, statutory or equitable in nature to the fullest extent that the law permits their

release in this Action, whether known claims or Unknown Claims (as defined below), whether arising under federal, state, common or foreign law, whether class or individual in nature, that Class Representatives or any other Class Member: (i) asserted in this litigation, including any complaint filed or submitted to the Court in this Action; or (ii) could have asserted in any forum or proceeding that arise out of or are based upon or are related to the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Consolidated Complaint that arise out of the purchase or acquisition of Weatherford common stock during the Class Period. Released Claims do not include claims relating to the enforcement of the Settlement.

"Released Defendant Party(ies)" means the Defendants and their current or former trustees, officers, directors, principals, employees, agents, partners, insurers, re-insurers, auditors, heirs, attorneys, legal representatives, predecessors, successors or assigns, parents, subsidiaries, divisions, affiliates, managers, executors, administrators, joint ventures, general or limited partnerships, limited liability companies, immediate family members of the Individual Defendants, and any trust of which any Individual Defendant is the settlor or which is for the benefit of their immediate family members.

"Unknown Claims" means any and all Released Claims, which the Class Representatives or any other Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Defendant Parties, and any Released Defendants' Claims that the Defendants or any other Released Defendant Party does not know or suspect to exist in his, her or its favor at the time of the release of the Released Plaintiff Parties, which if known by him, her or it might have affected his, her or its decision(s) with respect to the Settlement. With respect to any and all Released Claims and Released Defendants' Claims, the Parties stipulate and agree that, upon the Effective Date, Class Representatives and the Defendants shall expressly, and each other Class Member and each other Released Defendant Party shall be deemed to have, and by operation of the Judgment or Alternative Judgment shall have, expressly waived and relinquished any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

> **A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.**

Class Representatives, the other Class Members, the Defendants or the other Released Defendant Parties may hereafter discover facts in addition to or different from those which he, she, or it now knows or believes to be true with respect to the subject matter of the Released Claims and the Released Defendants' Claims, but Class Representatives and the Defendants shall expressly, fully, finally and forever settle and release, and each other Class Member and each other Released Defendant Party shall be deemed to have settled and released, and upon the Effective Date and by operation of the Judgment or Alternative Judgment shall have settled and released, fully, finally, and forever, any and all Released Claims and Released Defendants' Claims as applicable, without regard to the subsequent discovery or existence of such different or additional facts. Class Representatives and the Defendants acknowledge, and other Class Members and each other Released Defendant Party by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Released Claims and Released Defendants' Claims was separately bargained for and was a key element of the Settlement.

The **"Effective Date"** will occur when an Order by the Court approving the Settlement becomes Final and is not subject to appeal, as set out more fully in the Stipulation on file with the Court and available at www.Weatherford2012SecuritiesLitigation.com or www.labaton.com and www.bftalaw.com.

If you remain a member of the Class, all of the Court's orders about the Settlement and in the Action will apply to you and legally bind you.

E. EXCLUDING YOURSELF FROM THE CLASS

If you already submitted a valid and timely request for exclusion in connection with the Class Notice, you do not need to do so again.

If you did not previously submit a request for exclusion and do not want a payment from this Settlement, but you want to keep any right you may have to sue or continue to sue Defendants and the other Released Defendant Parties on your own about the Released Claims, then you must take steps to exclude yourself from the Class. This is called "opting out" of the Class. **Please note:** If you decide to exclude yourself, there is a risk that any lawsuit you may thereafter file to pursue claims alleged in the Action may be dismissed, including if such suit is not filed within the applicable time periods required for filing suit. Also, Defendants may withdraw from and terminate the Settlement if Class Members who have in excess of a certain number of shares exclude themselves from the Class.

12. How do I "opt out" (exclude myself) from the Class?

To exclude yourself from the Class, you must send a signed letter by mail stating that you "request to be excluded from the Class in *Freedman v. Weatherford International Ltd., et al.*, Civil Action No. 12-CV-2121." Your letter must include (i) your name, address, and telephone number; (ii) the number(s) of shares of all your purchases, acquisitions, and/or sales of Weatherford common stock during the Class Period as well as the date(s) and price(s) of each such purchase, acquisitions, and/or sale; (iii) whether the shares were purchased or acquired in the United States; and (iv) your signature. You must mail your exclusion request so that it is **received no later than October 13, 2015**, to:

Freedman v. Weatherford International Ltd., et al.
c/o GCG
P.O. Box 10177
Dublin, OH 43017-3177

You cannot exclude yourself by telephone or by email. Your exclusion request must comply with these requirements in order to be valid. If you request to be excluded in accordance with these requirements, you will not get any payment from the Net Settlement Fund, and you cannot object to the Settlement. You will not be legally bound by anything that happens in this Action, and you may be able to sue Defendants and the other Released Defendant Parties in the future.

13. If I do not exclude myself, can I sue Defendants or the other Released Defendant Parties for the same thing later?

No. Unless you exclude yourself from the Class, you give up any rights to sue Defendants and the other Released Defendant Parties for any and all Released Claims. If you have a pending lawsuit speak to your lawyer in that case **immediately**. **You must exclude yourself from *this* Class to continue your own lawsuit.** Remember, the exclusion deadline is **October 13, 2015**.

14. If I exclude myself, can I get money from the proposed Settlement?

No. Only Class Members who do not exclude themselves, or who opt-back into the Class, will be eligible to recover money from the Settlement.

F. OPTING-BACK INTO THE CLASS

15. What if I previously requested exclusion in connection with the Class Notice and now want to be eligible to receive a payment from the Net Settlement Fund? How do I opt-back into the Class?

If you previously submitted a request for exclusion from the Class in connection with the Class Notice, you may opt-back into the Class and be eligible to receive a payment from the Settlement. If you are not certain whether you previously submitted a request for exclusion, please contact the Claims Administrator, GCG, at (855) 382-6459 for assistance.

In order to opt-back into the Class, you, individually or through counsel, must submit a written "Request to Opt-Back into the Class" to the Claims Administrator, addressed as follows: *Freedman v. Weatherford International Ltd.*, c/o GCG, Inc., P.O. Box 10177, Dublin, OH 43017-3177. This request must be ***received no later than October 13, 2015***. Your Request to Opt-Back into the Class must (i) state the name, address, and telephone number of the person or entity requesting to opt-back into the Class; (ii) state that such person or entity "requests to opt-back into the Class in *Freedman v. Weatherford International Ltd.*, Civil Action No. 12-CV-2121"; and (iii) be signed by the person or entity requesting to opt-back into the Class or an authorized representative.

Please note: Opting-back into the Class in accordance with the requirements above ***does not mean*** that you will automatically be entitled to receive proceeds from the Settlement. If you wish to be eligible to participate in the distribution of proceeds from the Settlement, you are also required to submit the Proof of Claim form that is being distributed with this Settlement Notice. *See* Question 9, above.

G. THE LAWYERS REPRESENTING YOU

16. Do I have a lawyer in this case?

The Court appointed the law firms of Labaton Sucharow LLP and Bleichmar Fonti Tountas & Auld LLP to represent all Class Members. These lawyers are called Class Counsel. You will not be separately charged for these lawyers. The Court will determine the amount of Class Counsel's fees and expenses, which will be paid from the Settlement Fund. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How will the lawyers be paid?

Class Counsel have not received any payment for their services in pursuing the claims in the Action on behalf of the Class, nor have they been paid for their litigation expenses they advanced in the prosecution of the Action. At the Settlement Hearing, or at such other time as the Court may order, Class Counsel will ask the Court to award them, from the Settlement Fund, attorneys' fees of no more than 25% of the Settlement Fund, which will include any accrued interest. Class Counsel will also apply for payment of litigation expenses (such as the cost of experts) that have been incurred in pursuing the Action. The request for litigation expenses will not exceed $5,600,000, plus interest on the expenses at the same rate as may be earned by the Settlement Fund. Class Counsel's request for payment of litigation expenses may include a request for an award to Class Representatives for reimbursement of their reasonable costs and expenses directly related to their representation of the Class pursuant to the PSLRA in an amount not to exceed a total amount of $30,000.

H. OBJECTING TO THE SETTLEMENT, THE PLAN OF ALLOCATION, AND/OR THE FEE AND EXPENSE APPLICATION

18. How do I tell the Court that I do not like something about the Settlement?

If you are a Class Member you can object to the Settlement or any of its terms, the proposed Plan of Allocation, and/or the Fee and Expense Application. You may write to the Court setting out your objection and you may give reasons why you think the Court should not approve any part or all of the Settlement terms or arrangements. The Court will consider your views only if you file a proper written objection within the deadline and according to the following procedures. To object, you must send a signed letter stating that you object

to the proposed settlement in "*Freedman v. Weatherford International Ltd., et al.*, Civil Action No. 12-CV-2121." Your objection must include (i) your name, address, and telephone number; (ii) a list of and documentation of your transactions involving Weatherford common stock during the Class Period, including brokerage confirmation receipts or other competent documentary evidence of such transactions stating the amount and date of each purchase, acquisition, or sale, the price paid and/or received, and whether the shares were purchased in the United States; (iii) the specific reasons why you are objecting, accompanied by any legal support for the objection; (iv) copies of any papers, briefs, or other documents upon which the objection is based; (v) a list of any persons who will be called to testify in support of the objection; (vi) a statement of whether you intend to appear at the Settlement Hearing; (vii) a list of other cases in which you or your counsel have appeared either as settlement objectors or as counsel for objectors in the preceding five years; and (viii) your signature, even if represented by counsel. **Unless otherwise ordered by the Court, any Class Member who does not object in the manner described herein will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the Plan of Allocation, and/or the Fee and Expense Application.**

Your written objection must be filed with Court and mailed or delivered to all of the following so that it is **received by the Court and counsel no later than October 13, 2015**:

Court	**Class Counsel**	**Defendants' Counsel**
Clerk of the Court United States District Court Southern District of New York Daniel Patrick Moynihan United States Courthouse 500 Pearl Street New York, NY 10007	Ira A. Schochet, Esq. LABATON SUCHAROW LLP 140 Broadway New York, NY 10005 and Javier Bleichmar, Esq. BLEICHMAR FONTI TOUNTAS & AULD LLP 7 Times Square New York, NY 10036	Peter A. Wald, Esq. LATHAM & WATKINS LLP 505 Montgomery Street Suite 2000 San Francisco, CA 94111

19. What is the difference between objecting and seeking exclusion?

Objecting is simply telling the Court that you do not like something about the Settlement, Plan of Allocation, and/or the Fee and Expense Application. You can object only if you are a Class Member. Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the Settlement no longer affects you.

I. THE COURT'S SETTLEMENT HEARING

20. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Settlement Hearing at **4:00 p.m.** on **November 3, 2015**, at the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, Courtroom 21B, New York, NY 10007.

At this hearing, the Honorable Lewis A. Kaplan will consider whether the Settlement is fair, reasonable, and adequate. The Court also will consider the proposed Plan of Allocation for the Net Settlement Fund and the Fee and Expense Application. The Court will take into consideration any written objections filed in accordance with the instructions set out in Question 18 above. The Court also may listen to people who have properly indicated, within the deadline identified above, an intention to speak at the Settlement Hearing, but decisions regarding the conduct of the Settlement Hearing will be made by the Court. *See* Question 22 for more information about speaking at the Settlement Hearing. At or after the Settlement Hearing, the Court will decide whether to approve the Settlement and, if the Settlement is approved, how much attorneys' fees and expenses should be awarded. We do not know how long these decisions will take.

You should be aware that the Court may change the date and time of the Settlement Hearing without another notice being sent. If you want to come to the hearing, you should check with Class Counsel before coming to be sure that the date and/or time has not changed.

21. Do I have to come to the Settlement Hearing?

No. Class Counsel will answer questions the Court may have. But, you are welcome to come at your own expense. Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval. If you submit an objection, you do not have to come to Court to talk about it. As long as you filed and sent your written objection on time, and in the manner set forth in Question 18 above, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

22. May I speak at the Settlement Hearing?

You may ask the Court for permission to speak at the Settlement Hearing. To do so, you must include with your objection (*see* Question 18 above) a statement stating that it is your "Notice of Intention to Appear in *Freedman v. Weatherford International Ltd., et al.*, Civil Action No. 12-CV-2121." Persons who intend to object to the Settlement, the Plan of Allocation, and/or Class Counsel's Fee and Expense Application and desire to present evidence at the Settlement Hearing must also include in their written objections the identity of any witness they may call to testify and exhibits they intend to introduce into evidence at the Settlement Hearing. You cannot speak at the Settlement Hearing if you excluded yourself from the Class or if you have not provided written notice of your objection and intention to speak at the Settlement Hearing in accordance with the procedures described in Questions 18 and 22.

J. IF YOU DO NOTHING

23. What happens if I do nothing at all?

If you do nothing and the Settlement is approved and you are a member of the Class, you will not be eligible to receive money from this Settlement but you will be bound by the Settlement, which means that you will be precluded from starting a lawsuit, continuing with a lawsuit, or being part of any other lawsuit against Defendants and the other Released Defendant Parties about the Released Claims, ever again. To share in the Net Settlement Fund you must submit a Proof of Claim (*see* Question 9). To start or be a part of any ***other*** lawsuit against Defendants and the other Released Defendant Parties about the Released Claims you ***must*** have already excluded yourself from the Class in connection with the Class Notice or you must exclude yourself from the Class in accordance with the requirements set forth in Question 12.

K. GETTING MORE INFORMATION

24. Are there more details about the Settlement?

This Settlement Notice summarizes the proposed Settlement. More details are in the Stipulation, dated as of June 30, 2015. You may review the Stipulation filed with the Court or documents filed in the case during business hours at the Office of the Clerk of the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007.

You also can call the Claims Administrator toll free at **(855) 382-6459**; write to ***Freedman v. Weatherford International Ltd., et al.*, c/o GCG, P.O. Box 10177, Dublin, OH 43017-3177**; or visit the websites of the Claims Administrator or Class Counsel at **www.Weatherford2012SecuritiesLitigation.com** or **www.labaton.com** and **www.bftalaw.com** where you can find answers to common questions about the Settlement, download copies of the Stipulation or Proof of Claim, and locate other information to help you determine whether you are a Class Member and whether you are eligible for a payment. **Please do not call the Court with questions about the Settlement.**

L. PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG CLASS MEMBERS

25. How will my claim be calculated?

The $120 million Settlement Amount, and any interest it earns, is called the "Settlement Fund." The Settlement Fund, minus all Taxes, costs, fees and expenses (the Net Settlement Fund), will be distributed according to the Plan of Allocation described below to members of the Class who timely submit valid Proofs of Claim that show a Recognized Claim that are approved for payment by the Court ("Authorized Claimants"). Class Members who do not timely submit valid Proofs of Claim will not share in the Net Settlement Fund, but will otherwise be bound by the terms of the Settlement and what happens in the Action. The Court may approve the Plan of Allocation or modify it without additional notice to the Class. Any order modifying the Plan of Allocation will be posted on the settlement website at: www.Weatherford2012SecuritiesLitigation.com and at www.labaton.com and www.bftalaw.com.

The objective of the Plan of Allocation explained below is to equitably distribute the Net Settlement Fund to those Class Members who suffered economic losses as a result of the alleged violations of the federal securities laws, as opposed to losses caused by market or industry factors or company-specific factors unrelated to the alleged violations of law. The Plan of Allocation reflects Class Representatives' damages expert's analysis undertaken to that end, including a review of publicly available information regarding Weatherford and statistical analysis of the price movements of Weatherford common stock and the price performance of relevant market and peer indices during the Class Period.

The Plan of Allocation, however, is not a formal damages analysis and it does not estimate how much Class Members might have been awarded had the case proceeded to trial. The calculations made pursuant to the Plan of Allocation are not intended to estimate the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The calculations pursuant to the Plan of Allocation will be made by the Claims Administrator in order to weigh the claims of Authorized Claimants against one another for the purpose of making *pro rata* allocations of the Net Settlement Fund. The Court will be asked to approve the Claims Administrator's determinations before the Net Settlement Fund is distributed to Authorized Claimants. No distribution to Authorized Claimants who would receive less than $10.00 will be made, given the administrative expenses of processing and mailing such checks.

For losses to be compensable damages under the federal securities laws, the disclosure of the allegedly misrepresented information must be the cause of the decline in the price of the security. In this case, Class Representatives allege that Defendants issued false statements and omitted material facts from March 2, 2011 through July 24, 2012, which inflated the price of Weatherford common stock. It is alleged that the corrective information released to the market on February 20, 2012 (a day the market was closed) and after the market closed on July 24, 2012, impacted the market price of Weatherford common stock in a statistically significant manner and removed the alleged artificial inflation from the stock price on February 21, 2012 and July 25, 2012. Accordingly, in order to have a compensable loss, Weatherford common stock must have been purchased or acquired in the United States during the Class Period and held through at least one of the alleged corrective disclosures listed above.

Defendants, their respective counsel, and all other Released Defendant Parties had no involvement in the Plan of Allocation and will have no responsibility or liability whatsoever for the investment of the Settlement Fund, the distribution of the Net Settlement Fund, the Plan of Allocation, or the payment of any claim. Class Representatives and Class Counsel likewise will have no liability for their reasonable efforts to execute, administer, and distribute the Net Settlement Fund.

CALCULATION OF RECOGNIZED LOSS AMOUNTS

1. For each share of Weatherford common stock purchased or acquired in the United States during the Class Period and sold before the close of trading on October 22, 2012, an "Actual Loss" will be calculated. Actual Loss is defined as the purchase price (excluding all fees, taxes, and commissions) minus the sale price (excluding all fees, taxes, and commissions). To the extent that the calculation of the Actual Loss results in a negative number, that number shall be set to zero.

2. A "Recognized Loss Amount" will be calculated as set forth below for each Weatherford common stock share purchased or acquired in the United States during the Class Period from March 2, 2011, through July 24, 2012, that is listed in the Proof of Claim form and for which adequate documentation is provided. To the extent that the calculation of a claimant's Recognized Loss Amount results in a negative number, that number shall be set to zero.

3. For each share of Weatherford common stock purchased or acquired in the United States from March 2, 2011 through and including July 24, 2012, and:

    a. Sold before the opening of trading on March 2, 2011, the Recognized Loss Amount for each such share shall be zero.

    b. Sold after the opening of trading on March 2, 2011 and before the close of trading on July 24, 2012, the Recognized Loss Amount for each such share shall be ***the lesser of***:

        i. the dollar artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in Table 1 below *minus* the dollar artificial inflation applicable to each such share on the date of sale as set forth in Table 1 below; or

        ii. the Actual Loss.

    c. Sold after the close of trading on July 24, 2012 and before the close of trading on October 22, 2012, the Recognized Loss Amount for each such share shall be ***the lesser of***:

        i. the dollar artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in Table 1 below;

        ii. the actual purchase/acquisition price of each such share *minus* the average closing price from July 25, 2012, up to the date of sale as set forth in Table 2 below; or

        iii. the Actual Loss.

    d. Held as of the close of trading on October 22, 2012, the Recognized Loss Amount for each such share shall be ***the lesser of***:

        i. the dollar artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in Table 1 below; or

        ii. the actual purchase/acquisition price of each such share *minus* $12.48.[3]

TABLE 1

Weatherford Common Stock Artificial Inflation for Purposes of Calculating Purchase and Sale Inflation

Purchase or Sale Date	Artificial Inflation
March 2, 2011 to February 20, 2012	$2.51
February 21, 2012 to March 15, 2012	$0.61
March 16, 2012 to July 24, 2012	$1.08

[3] Pursuant to Section 21(D)(e)(1) of the PSLRA, "in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day look-back period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market." Consistent with the requirements of the PSLRA, Recognized Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of Weatherford common stock during the 90-day look-back period, July 25, 2012 through October 22, 2012. The mean (average) closing price for Weatherford common stock during this 90-day look-back period was $12.48.

TABLE 2

Weatherford Common Stock Average Closing Price
July 25, 2012 – October 22, 2012

Date	Average Closing Price Between July 25, 2012 and Date Shown	Date	Average Closing Price Between July 25, 2012 and Date Shown	Date	Average Closing Price Between July 25, 2012 and Date Shown
7/25/2012	$11.67	8/23/2012	$12.43	9/24/2012	$12.56
7/26/2012	$11.74	8/24/2012	$12.44	9/25/2012	$12.56
7/27/2012	$12.03	8/27/2012	$12.45	9/26/2012	$12.56
7/30/2012	$12.18	8/28/2012	$12.45	9/27/2012	$12.56
7/31/2012	$12.15	8/29/2012	$12.43	9/28/2012	$12.57
8/1/2012	$12.14	8/30/2012	$12.40	10/1/2012	$12.57
8/2/2012	$12.07	8/31/2012	$12.38	10/2/2012	$12.56
8/3/2012	$12.05	9/4/2012	$12.35	10/3/2012	$12.55
8/6/2012	$12.07	9/5/2012	$12.34	10/4/2012	$12.54
8/7/2012	$12.13	9/6/2012	$12.33	10/5/2012	$12.53
8/8/2012	$12.18	9/7/2012	$12.35	10/8/2012	$12.52
8/9/2012	$12.26	9/10/2012	$12.36	10/9/2012	$12.52
8/10/2012	$12.31	9/11/2012	$12.37	10/10/2012	$12.51
8/13/2012	$12.32	9/12/2012	$12.39	10/11/2012	$12.50
8/14/2012	$12.33	9/13/2012	$12.41	10/12/2012	$12.50
8/15/2012	$12.32	9/14/2012	$12.45	10/15/2012	$12.49
8/16/2012	$12.32	9/17/2012	$12.48	10/16/2012	$12.49
8/17/2012	$12.35	9/18/2012	$12.50	10/17/2012	$12.49
8/20/2012	$12.37	9/19/2012	$12.52	10/18/2012	$12.49
8/21/2012	$12.39	9/20/2012	$12.53	10/19/2012	$12.48
8/22/2012	$12.41	9/21/2012	$12.55	10/22/2012	$12.48

ADDITIONAL PROVISIONS

If a Class Member has more than one purchase/acquisition or sale of Weatherford common stock in the United States during the Class Period, all purchases/acquisitions and sales shall be matched on a First In, First Out ("FIFO") basis. Class Period sales will be matched first against any holdings at the beginning of the Class Period and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Class Period.

Purchases or acquisitions and sales of Weatherford common stock shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. The receipt or grant by gift, inheritance or operation of law of Weatherford common stock during the Class Period shall not be deemed a purchase, acquisition or sale of these shares of Weatherford common stock for the calculation of an Authorized Claimant's Recognized Claim. Nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of such shares of Weatherford common stock unless (i) the donor or decedent purchased or acquired such shares of Weatherford common stock during the Class Period; (ii) no Proof of Claim form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such shares of Weatherford common stock; and (iii) the instrument of gift or assignment specifically provides that it is intended to transfer such rights.

In accordance with the Plan of Allocation, the Recognized Loss Amount on any portion of a purchase or acquisition that matches against (or "covers") a "short sale" is zero. The Recognized Loss Amount on a "short sale" that is not covered by a purchase or acquisition is also zero. In the event that a claimant has an opening short position in Weatherford common stock at the start of the Class Period, the earliest Class Period purchases or acquisitions shall be matched against such opening short position in accordance with the FIFO matching described above and any portion of such purchases or acquisitions that covers such short sales will not be entitled to a recovery. In the event that a claimant newly establishes a short position during the Class Period, the earliest subsequent Class Period purchase or acquisition shall be matched against such short position on a FIFO basis and will not be entitled to a recovery.

Weatherford common stock purchased or acquired in the United States is the only security eligible for recovery under the Plan of Allocation. Option contracts to purchase or sell Weatherford common stock are not securities eligible to participate in the Settlement. With respect to Weatherford common stock purchased or sold through the exercise of an option, the purchase/sale date of the Weatherford common stock is the exercise date of the option and the purchase/sale price is the exercise price of the option.

The sum of a claimant's Recognized Loss Amounts will be the claimant's "Recognized Claim." An Authorized Claimant's Recognized Claim shall be the amount used to calculate the Authorized Claimant's *pro rata* share of the Net Settlement Fund. If the sum total of Recognized Claims of all Authorized Claimants who are entitled to receive payment out of the Net Settlement Fund is greater than the Net Settlement Fund, each Authorized Claimant shall receive his, her, or its *pro rata* share of the Net Settlement Fund. The *pro rata* share shall be the Authorized Claimant's Recognized Claim divided by the total of Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.

If the Net Settlement Fund exceeds the sum total amount of the Recognized Claims of all Authorized Claimants entitled to receive payment out of the Net Settlement Fund, the excess amount in the Net Settlement Fund shall be distributed *pro rata* to all Authorized Claimants entitled to receive payment.

Distributions to eligible Authorized Claimants will be made after all claims have been processed and after the Court has approved the Claims Administrator's determinations. After an initial distribution of the Net Settlement Fund, if there is any balance remaining in the Net Settlement Fund after at least six (6) months from the date of distribution of the Net Settlement Fund (whether by reason of tax refunds, uncashed checks or otherwise), Class Counsel shall, if feasible and economical, re-distribute such balance among Authorized Claimants who have cashed their checks in an equitable and economic fashion until it is no longer economically feasible to do so. Any balance which still remains in the Net Settlement Fund after redistribution and after payment of any Notice and Administration Expenses and Taxes, if any, shall be contributed to non-sectarian, not-for-profit charitable organization(s) serving the public interest approved by the Court.

Payment in this manner will be deemed conclusive against all Authorized Claimants. A Recognized Claim will be calculated as defined herein and cannot be less than zero. Each claimant is deemed to have submitted to the jurisdiction of the United States District Court for the Southern District of New York with respect to his, her, or its Proof of Claim.

M. SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

In the Class Notice you were advised that, if for the beneficial interest of any person or entity other than yourself, you purchased or acquired Weatherford common stock in the United States between March 2, 2011 and July 24, 2012 inclusive, you must either (a) within seven (7) calendar days of receipt of the Class Notice, request from the Claims Administrator sufficient copies of the Class Notice to forward to all such beneficial owners, and within seven (7) calendar days of receipt of those Class Notices forward them to all such beneficial owners; or (b) within seven (7) calendar days of receipt of the Class Notice, provide a list of the names and addresses of all such beneficial owners to the Claims Administrator in which event the Claims Administrator would mail the Class Notice to such beneficial owners.

If you chose the first option, i.e., you elected to mail the Class Notice directly to beneficial owners, you were advised that you must retain the mailing records for use in connection with any further notices that may be provided in the Action. If you elected this option, the Claims Administrator will forward the same number of Settlement Notices and Proofs of Claim (together, the "Notice Packet") to you to send to the beneficial owners WITHIN SEVEN (7) CALENDAR DAYS of receipt of the Notice Packets. If you require more copies than you previously requested, please contact GCG at (855) 382-6459 and let them know how many additional Notice Packets you require. You must mail the Notice Packets to the beneficial owners WITHIN SEVEN (7) CALENDAR DAYS of your receipt of the packets.

If you chose the second option, the Claims Administrator will send a copy of the Notice Packet to the beneficial owners whose names and addresses you previously supplied. Unless you believe that you purchased or acquired Weatherford common stock for beneficial owners whose names you **did not** previously provide, you need do nothing further at this time. If you believe that you did purchase or acquire Weatherford common stock for beneficial owners whose names you **did not** previously provide to the Claims Administrator, you must either (a) WITHIN SEVEN (7) CALENDAR DAYS of receipt of the Notice Packet, provide a list of the names and addresses of all such beneficial owners to the Claims Administrator at *Freedman v. Weatherford International Ltd., et al.*, c/o GCG, P.O. Box 10177, Dublin, OH 43017-3177; or (b) WITHIN SEVEN (7) CALENDAR DAYS of receipt of the Notice Packet, request from the Claims Administrator sufficient copies of the Notice Packet to forward to all such beneficial owners which you shall, WITHIN SEVEN (7) CALENDAR DAYS of receipt of the Notice Packet from the Claims Administrator, mail to the beneficial owners. If you elect to send the Notice Packet to beneficial owners you shall also send a statement to the Claims Administrator confirming that the mailing was made and shall retain your mailing records for use in connection with any further notices that may be provided in the Action.

Upon full compliance with these directions, you may seek reimbursement of your reasonable expenses actually incurred, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Copies of this Settlement Notice and the Proof of Claim form may also be obtained from the website for this Action, www.Weatherford2012SecuritiesLitigation.com, or by calling the Claims Administrator at (855) 382-6459.

Dated: August 11, 2015

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

Must be Postmarked or Received No Later Than December 9, 2015

Freedman v. Weatherford International Ltd., et al.
c/o GCG
P.O. Box 10177
Dublin, OH 43017-3177
1-855-382-6459

WFR

Claim Number:

Control Number:

PROOF OF CLAIM AND RELEASE

YOU MUST SUBMIT A PROOF OF CLAIM AND RELEASE TO THE ADDRESS ABOVE POSTMARKED OR RECEIVED NO LATER THAN DECEMBER 9, 2015 TO BE ELIGIBLE TO RECEIVE A SHARE OF THE NET SETTLEMENT FUND IN CONNECTION WITH THE SETTLEMENT OBTAINED IN THE ACTION *FREEDMAN V. WEATHERFORD INTERNATIONAL LTD., ET AL.*, NO. 12 CIV. 02121 (LAK).

TABLE OF CONTENTS **PAGE NO.**

SECTION A - CLAIMANT IDENTIFICATION 2
SECTION B - GENERAL INSTRUCTIONS ..... 3 - 4
SECTION C - SCHEDULE OF TRANSACTIONS IN WEATHERFORD COMMON STOCK IN THE UNITED STATES 5
SECTION D - RELEASE OF CLAIMS AND SIGNATURE 6
SECTION E - CERTIFICATION ..... 6 - 7

Important - *This form should be completed IN CAPITAL LETTERS using BLACK or DARK BLUE ballpoint/fountain pen. Characters and marks used should be similar in the style to the following:*

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z 1 2 3 4 5 6 7 0

SECTION A - CLAIMANT IDENTIFICATION

Claimant or Representative Contact Information:

The Claims Administrator will use this information for all communications relevant to this claim (including the check, if eligible for payment). If this information changes, you MUST notify the Claims Administrator in writing at the address above.

Claimant Name(s) (as you would like the name(s) to appear on the check, if eligible for payment):

Street Address:

City:

Last 4 digits of Claimant SSN/TIN:[1]

State: **Zip Code:** **Country (if Other than U.S.):**

Name of the Person you would like the Claims Administrator to Contact Regarding This Claim (if different from the Claimant Name(s) listed above:):

Daytime Telephone Number: - -

Evening Telephone Number: - -

Email Address **(Email address is not required, but if you provide it you authorize the Claims Administrator to use it in providing you with information relevant to this claim.)**

NOTICE REGARDING ELECTRONIC FILES: Certain claimants with large numbers of transactions may request to, or may be requested to, submit information regarding their transactions in electronic files. To obtain the mandatory electronic filing requirements and file layout, please visit the Settlement website at **www.Weatherford2012SecuritiesLitigation.com** or you may e-mail the Claims Administrator's electronic filing department at eClaim@gardencitygroup.com. Any file not in accordance with the required electronic filing format will be subject to rejection. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues an email after processing your file with your claim numbers and respective account information. Do not assume that your file has been received or processed until you receive this email. If you do not receive such an email within 10 days of your submission, you should contact the electronic filing department at eClaim@gardencitygroup.com to inquire about your file and confirm it was received and acceptable.

[1]The last four digits of the taxpayer identification number (TIN), consisting of a valid Social Security Number (SSN) for individuals or Employer Identification Number (EIN) for business entities, trusts, estates, etc., and telephone number of the beneficial owner(s) may be used in verifying this claim.

SECTION B - GENERAL INSTRUCTIONS

A. It is important that you read the Notice of Proposed Class Action Settlement and Motion for Attorneys' Fees and Expenses (the "Settlement Notice") and the Plan of Allocation included in the Settlement Notice. The Settlement Notice and the Plan of Allocation describe (i) the proposed Settlement that will resolve the Action; (ii) how Class Members are affected by the Settlement; and (iii) the manner in which the Net Settlement Fund will be distributed, if the Court approves the Settlement and the Plan of Allocation. The Settlement Notice also contains the definitions of many of the defined terms (which are indicated by initial capital letters) used in this Proof of Claim and Release ("Proof of Claim" or "Claim Form").

B. TO BE ELIGIBLE TO RECEIVE A DISTRIBUTION FROM THE NET SETTLEMENT FUND CREATED BY THE SETTLEMENT, YOU MUST SUBMIT YOUR COMPLETED AND SIGNED CLAIM FORM TO THE CLAIMS ADMINISTRATOR SO THAT IT IS **POSTMARKED OR RECEIVED NO LATER THAN DECEMBER 9, 2015**, ADDRESSED AS FOLLOWS:

Freedman v. Weatherford International Ltd., et al.
c/o GCG
P.O. Box 10177
Dublin, OH 43017-3177

C. The Claim Form is directed to the following Class: All persons and entities that purchased or otherwise acquired the common stock of Weatherford International Ltd. ("Weatherford" or the "Company") (n/k/a Weatherford International plc) in the United States between March 2, 2011 and July 24, 2012, inclusive (the "Class Period"), and who were damaged thereby. Excluded from the Class are: (a) Defendants; (b) members of the immediate family of any Defendant; (c) any person who was an officer or director of Weatherford during the Class Period; (d) any firm, trust, corporation, officer, or other entity in which any Defendant has or had a controlling interest; (e) Defendants' directors' and officers' liability insurance carriers, and any affiliates or subsidiaries thereof; (f) the Company's employee retirement and benefit plan(s); (g) the legal representatives, agents, affiliates, heirs, successors-in-interest, or assigns of any such excluded party; and (h) any person or entity that submits a timely and valid request for exclusion pursuant to the Class Notice approved by the Court on April 20, 2015 and that does not opt back into the Class. Also excluded from the Class is any person or entity that seeks exclusion by timely submitting a valid request for exclusion in accordance with the requirements in the Settlement Notice.

D. If you are NOT a member of the Class described above, or if you, or someone acting on your behalf, submitted a request for exclusion from the Class (and you did not opt-back into the Class), then DO NOT submit a Claim Form. You may not, directly or indirectly, participate in the Settlement if you are not a member of the Class. Thus, if you requested exclusion and are excluded from the Class, any Claim Form that you submit, or that may be submitted on your behalf, will not be accepted with respect to the Settlement.

E. If you are a member of the Class, you are bound by the terms of any judgment entered in the Action, WHETHER OR NOT YOU SUBMIT A CLAIM FORM, unless a valid request for exclusion from the Class was received for you in accordance with the requirements set forth in the Class Notice or Settlement Notice.

F. Submission of this Claim Form, however, does not ensure that you will share in the proceeds of the Settlement Fund created in this Action. Distribution of the Net Settlement Fund will be governed by the Plan of Allocation (as set forth in the Settlement Notice), if it is approved by the Court, or by such other plan of allocation as the Court approves.

G. Use Section C of this Claim Form to supply all required details of your transaction(s) in Weatherford common stock in the United States. On the schedules provided, please provide all of the information requested below with respect to all of your holdings, purchases, acquisitions and sales of Weatherford common stock in the United States, whether such transactions resulted in a profit or a loss. **Failure to report all transactions during the requested periods may result in the rejection of your claim.**

H. You are required to submit genuine and sufficient documentation for all of your transaction(s) in and holdings of Weatherford common stock, as requested in Section C of this Claim Form. Documentation may consist of copies of brokerage confirmations or monthly statements. The Parties and the Claims Administrator do not independently have information about your investments in Weatherford common stock. IF SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN COPIES OR EQUIVALENT CONTEMPORANEOUS DOCUMENTS FROM YOUR BROKER. FAILURE TO SUPPLY THIS DOCUMENTATION COULD DELAY VERIFICATION OF YOUR CLAIM OR COULD RESULT IN REJECTION OF YOUR CLAIM. DO NOT SEND ORIGINAL DOCUMENTS. Please keep a copy of all documents that you send to the Claims Administrator.

SECTION B - GENERAL INSTRUCTIONS (CONTINUED)

I. **Please note:** Only Weatherford common stock purchased or acquired in the United States during the Class Period (i.e., March 2, 2011 and July 24, 2012, inclusive) is eligible to potentially recover under the Settlement. However, because information regarding your sales of Weatherford common stock during the period from July 25, 2012 through October 22, 2012, inclusive (the 90-day look back period), will be used for purposes of calculating your Recognized Claim under the Plan of Allocation contained in the Settlement Notice, information with respect to your purchases and acquisitions of Weatherford common stock during that period is needed in order to balance your claim. While these purchases and acquisitions will not be used for purposes of calculating additional Recognized Losses, the information is necessary in order to process your claim.

J. Separate Claim Forms should be submitted for each such legal entity (e.g., a claim from joint owners should not include separate transactions of just one of the joint owners, and an individual should not combine his or her IRA transactions with transactions made solely in the individual's name). Conversely, a single Claim Form should be submitted on behalf of one legal entity including all transactions made by that entity on one Claim Form, no matter how many separate accounts that entity has (e.g., a corporation with multiple brokerage accounts should include all transactions made in all accounts on one Claim Form).

K. All joint beneficial owners must sign this Claim Form. If you purchased or acquired Weatherford common stock in your name, you are the beneficial owner as well as the record owner. If, however, you purchased or acquired Weatherford common stock and the common stock was registered in the name of a third party, such as a nominee or brokerage firm, you are the beneficial owner of the common stock, but the third party is the record owner.

L. Agents, executors, administrators, guardians, and trustees must complete and sign the Claim Form on behalf of persons represented by them, and they must:

(a) expressly state the capacity in which they are acting;

(b) identify the name, account number, Social Security Number (or taxpayer identification number), address and telephone number of the beneficial owner of (or other person or entity on whose behalf they are acting with respect to) the Weatherford common stock; and

(c) furnish herewith evidence of their authority to bind the person or entity on whose behalf they are acting. (Authority to complete and sign a Claim Form cannot be established by stockbrokers demonstrating only that they have discretionary authority to trade stock in another person's accounts.)

M. By submitting a signed Claim Form, you will be swearing that you:

(a) own(ed) the Weatherford common stock you have listed in the Claim Form; or

(b) are expressly authorized to act on behalf of the owner thereof.

N. If you have questions concerning the Claim Form, or need additional copies of the Claim Form or Settlement Notice, you may contact the Claims Administrator, GCG, at the above address or by toll-free phone at 1-855-382-6459 or you may download the documents from **www.Weatherford2012SecuritiesLitigation.com**.

SECTION C - SCHEDULE OF TRANSACTIONS IN WEATHERFORD COMMON STOCK IN THE UNITED STATES

1. **BEGINNING HOLDINGS:** State the number of shares of Weatherford common stock purchased in the United States that you held as of the close of trading on **March 1, 2011**. If none, write "zero" or "0". (Must be documented.)

Shares

2. **PURCHASES/ACQUISITIONS:** Separately list each and every purchase and/or acquisition of Weatherford common stock in the United States from **March 2, 2011** to **July 24, 2012**, inclusive. (Must be documented.)

Trade Date(s) List Chronologically (Month/Day /Year)	Number of Shares Purchased or Acquired in the United States	Price Per Share	Aggregate Cost (Excluding fees, taxes, and commissions)
/ /		.	.
/ /		.	.
/ /		.	.
/ /		.	.
/ /		.	.

3. **PURCHASES/ACQUISITIONS:** Number of shares of Weatherford common stock purchased and/or acquired in the United States between **July 25, 2012** and **October 22, 2012** inclusive If none, write "zero" or "0". (Must be documented.)

Shares

4. **SALES**: Separately list each and every sale of Weatherford common stock purchased in the United States from **March 2, 2011** to **October 22, 2012**, inclusive (which includes the 90-day look back period). (Must be documented.)

Date(s) of Sale List Chronologically (Month/Day /Year)	Number of Shares Sold	Price Per Share	Amount Received (Excluding fees, taxes, and commissions)
/ /		.	.
/ /		.	.
/ /		.	.
/ /		.	.
/ /		.	.

5. **ENDING HOLDINGS:** State the number of shares of Weatherford common stock purchased in the United States that you held as of the close of trading on **October 22, 2012** (the last day of the 90-day look back period). If none, write "zero" or "0". (Must be documented.)

Shares

IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS YOU **MUST** PHOTOCOPY THIS PAGE AND CHECK THIS BOX ☐
IF YOU DO NOT CHECK THIS BOX THESE ADDITIONAL PAGES WILL **NOT** BE REVIEWED

SECTION D – RELEASE OF CLAIMS AND SIGNATURE

YOU MUST ALSO SIGN ON THE NEXT PAGE

I (we) hereby acknowledge that as of the Effective Date of the Settlement, pursuant to the terms set forth in the Stipulation and Agreement of Settlement, dated as of June 30, 2015, (the "Stipulation"), I (we) shall be deemed to have, and by operation of law and the Judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived, discharged and dismissed each and every Released Claim (as that term is defined in the Stipulation), and shall forever be enjoined from prosecuting any or all of the Released Claims against any of the Released Defendant Parties (as that term is defined in the Stipulation).

SECTION E – CERTIFICATION

By signing and submitting this Claim Form, the claimant(s) or the person(s) who represent(s) the claimant(s) certifies (certify), as follows:

1. that the claimant(s) is (are) a member(s) of the Class, as defined in the Settlement Notice, and is (are) not one of the individuals or entities excluded from the Class (as set forth in the Settlement Notice and above in Section B, paragraph C);

2. that the claimant(s) has (have) not submitted a request for exclusion from the Class;

3. that the claimant(s) owns(ed) the Weatherford common stock identified in the Claim Form and (has) have not assigned the claim against the Released Defendant Parties to another, or that, in signing and submitting this Claim Form, the claimant(s) has (have) the authority to act on behalf of the owner(s) thereof;

4. that the claimant(s) has (have) not submitted any other claim covering the same purchases, acquisitions, sales, or holdings of Weatherford common stock and knows of no other person having done so on his/her/its/their behalf;

5. that the claimant(s) submits (submit) to the jurisdiction of the Court with respect to his/her/its/their claim and for purposes of enforcing the releases set forth herein;

6. that I (we) agree to furnish such additional information with respect to this Claim Form as the Claims Administrator or the Court may require;

7. that I (we) acknowledge that the claimant(s) will be bound by and subject to the terms of any judgment that may be entered in the Action; and

8. that the claimant(s) is (are) NOT subject to backup withholding under the provisions of Section 3406(a)(1)(C) of the Internal Revenue Code because: (i) the claimant(s) is (are) exempt from backup withholding; or (ii) the claimant(s) has (have) not been notified by the IRS that he/she/it/they is (are) subject to backup withholding as a result of a failure to report all interest or dividends; or (iii) the IRS has notified the claimant(s) that he/she/it/they is (are) no longer subject to backup withholding. If the IRS has notified the claimant(s) that he/she/it/they is (are) subject to backup withholding, please strike out the language in the preceding sentence indicating that the Claimant(s) is (are) not subject to backup withholding in the certification above.

SECTION E – CERTIFICATION (CONTINUED)

UNDER THE PENALTIES OF PERJURY, I (WE) CERTIFY THAT ALL OF THE INFORMATION PROVIDED BY ME (US) ON THIS FORM IS TRUE, CORRECT, AND COMPLETE, AND THAT THE DOCUMENTS SUBMITTED HEREWITH ARE TRUE AND CORRECT COPIES OF WHAT THEY PURPORT TO BE.

_____
Signature of Claimant

_____ _____
Print Name of Claimant Date

_____
Signature of Joint Claimant, if any

_____ _____
Print Name of Joint Claimant, if any Date

If claimant is other than an individual, or is not the person completing this form, the following also must be provided:

_____
Signature of Person Completing Form

_____ _____
Print Name of Person Completing Form Date

_____
Capacity of person signing on behalf of claimant, if other than an individual, e.g., executor, president, custodian, etc.

THIS CLAIM FORM MUST BE SUBMITTED TO THE CLAIMS ADMINISTRATOR SO THAT IT IS **POSTMARKED OR RECEIVED NO LATER THAN DECEMBER 9, 2015**, ADDRESSED AS FOLLOWS:

Freedman v. Weatherford International Ltd., et al.
c/o GCG
P.O. Box 10177
Dublin, OH 43017-3177

A Claim Form received by the Claims Administrator shall be deemed to have been submitted when posted, if mailed by December 9, 2015 and if a postmark is indicated on the envelope and it is mailed First-Class, and addressed in accordance with the above instructions. In all other cases, a Claim Form shall be deemed to have been submitted when actually received by the Claims Administrator.

CHECKLIST REGARDING PROOF OF CLAIM FORM

1. Please sign the release and certification on the enclosed Claim Form. If this Claim Form is being made on behalf of joint claimants, then both must sign.

2. Remember to attach only copies of acceptable supporting documentation. **Do not send original stock certificates or documentation**. These items cannot be returned to you by the Claims Administrator.

3. Please do not highlight any portion of the Claim Form or any supporting documents.

4. Keep copies of the completed Claim Form and documentation for your own records.

5. The Claims Administrator will acknowledge receipt of your Claim Form by mail, within 60 days. Your claim is not deemed submitted until you receive an acknowledgement postcard. If you do not receive an acknowledgement postcard within 60 days, please call the Claims Administrator toll free at 1-855-382-6459.

6. If your address changes in the future, or if the Claim Form was sent to an old or incorrect address, please send the Claims Administrator written notification of your new address. If you change your name, please inform the Claims Administrator.

7. If you have any questions or concerns regarding your claim, please contact the Claims Administrator at the below address or at 1-855-382-6459, or visit www.Weatherford2012SecuritiesLitigation.com.

THIS PROOF OF CLAIM MUST BE **POSTMARKED OR RECEIVED NO LATER THAN DECEMBER 9, 2015** AND SUBMITTED TO:

Freedman v. Weatherford International Ltd., et al.
c/o GCG
P.O. Box 10177
Dublin, OH 43017-3177

Exhibit B

AFFIDAVIT

STATE OF TEXAS)
) ss:
CITY AND COUNTY OF DALLAS)

I, Jeff Aldridge, being duly sworn, depose and say that I am the Advertising Clerk of the Publisher of THE WALL STREET JOURNAL, a daily national newspaper of general circulation throughout the United States, and that the notice attached to this Affidavit has been regularly published in THE WALL STREET JOURNAL for National distribution for

1 insertion(s) on the following date(s):

AUG-21-2015;

ADVERTISER: WFR;

and that the foregoing statements are true and correct to the best of my knowledge.

Sworn to before me this
24 day of August 2015

Notary Public

TOBY A. BREITEN
Notary Public
STATE OF TEXAS
My Comm. Exp. April 24, 2018

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

GLENN FREEDMAN, individually and on behalf of all similarly situated, Plaintiff, v. WEATHERFORD INTERNATIONAL LTD., et al., Defendants.	Civil Action No. 12-CV-2121 (LAK)

SUMMARY NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND MOTION FOR ATTORNEYS' FEES AND EXPENSES

TO: ALL PERSONS AND ENTITIES THAT PURCHASED OR ACQUIRED WEATHERFORD INTERNATIONAL LTD. COMMON STOCK IN THE UNITED STATES BETWEEN MARCH 2, 2011 AND JULY 24, 2012 INCLUSIVE (THE "CLASS PERIOD"), AND WERE DAMAGED THEREBY (THE "CLASS")

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the Court, that the Class Representatives in the above-captioned class action (the "Action"), on behalf of themselves and the certified Class, have reached a proposed Settlement of the Action with Weatherford International Ltd. ("Weatherford" or the "Company") (n/k/a Weatherford International plc), Andrew P. Becnel, and Bernard J. Duroc-Danner (collectively, the "Individual Defendants" and, together with Weatherford, the "Defendants"). The Settlement provides for a total payment of $120,000,000 in cash (the "Settlement Amount") for the benefit of the Class that, if approved, will resolve all claims in the Action against Defendants and grant the releases specified and described in the Stipulation and Agreement of Settlement, dated June 30, 2015 (the "Stipulation").

A hearing will be held on November 3, 2015 at 4:00 p.m., before the Honorable Lewis A. Kaplan in Courtroom 21B of the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007, to determine, among other things, whether: (1) the proposed Settlement should be approved by the Court as fair, reasonable, and adequate; (2) the Action should be dismissed with prejudice as set forth in the Stipulation; (3) the proposed Plan of Allocation for the distribution of the Settlement Amount and any interest thereon, less any Court-awarded attorneys' fees, Notice and Administration Expenses, Taxes, and other costs, fees, or expenses approved by the Court (the "Net Settlement Fund") should be approved as fair and reasonable; and (4) Class Counsel's application for an award of attorneys' fees and payment of litigation expenses should be granted. The Court may change the date of the Settlement Hearing without providing another notice. You do NOT need to attend the Settlement Hearing in order to receive a distribution from the Net Settlement Fund.

IF YOU ARE A MEMBER OF THE CLASS DESCRIBED ABOVE, YOUR RIGHTS WILL BE AFFECTED AND YOU MAY BE ENTITLED TO SHARE IN THE NET SETTLEMENT FUND. If you have not yet received the full printed Notice of Proposed Class Action Settlement and Motion for Attorneys' Fees and Expenses (the "Settlement Notice") and a Proof of Claim and Release form ("Proof of Claim"), you may obtain copies of these documents by contacting the Claims Administrator or visiting its website at:

Freedman v. Weatherford International Ltd., et al.
c/o GCG
P.O. Box 10177
Dublin, OH 43017-3177
(855) 382-6459
www.Weatherford2012SecuritiesLitigation.com

If you are a Class Member, in order to be eligible to share in the distribution of the Net Settlement Fund, you must submit a Proof of Claim form ***postmarked or received no later than December 9, 2015***.

If you previously submitted a valid and timely request for exclusion from the Class in connection with the Notice of Pendency of Class Action ("Class Notice") and you wish to remain excluded, no further action is required. However, if you previously submitted such a request for exclusion from the Class in connection with the Class Notice and you want to opt-back into the Class now for the purpose of being eligible to receive a payment from the Net Settlement Fund, you may do so. In order to opt-back into the Class, you must submit a request to opt-back into the Class in writing such that it is ***received no later than October 13, 2015***, in accordance with the instructions set forth in the Settlement Notice. If you previously submitted a request for exclusion from the Class in connection with the Class Notice and do not opt-back into the Class in accordance with the instructions set forth in the Settlement Notice, you will not be bound by any judgments or orders entered by the Court in the Action and you will not be eligible to share in the Net Settlement Fund.

If you did not previously submit a request for exclusion and do not want a payment from the Settlement, you may exclude yourself from the Class now. To exclude yourself from the Class, you must submit a written request for exclusion in accordance with the instructions set forth in the Settlement Notice such that it is ***received no later than October 13, 2015.*** If you are a Class Member and do not exclude yourself from the Class, you will be bound by any judgments or orders entered by the Court in the Action.

Any objections to the proposed Settlement, the proposed Plan of Allocation, or the application for attorneys' fees and payment of expenses must be filed with the Court and mailed to Class Counsel and Defendants' Counsel such that they are ***received no later than October 13, 2015***, in accordance with the instructions set forth in the Settlement Notice.

Inquiries, other than requests for copies of the Settlement Notice and Proof of Claim form, may be directed to Class Counsel:

Ira A. Schochet, Esq.
LABATON SUCHAROW LLP
140 Broadway
New York, NY 10005
www.labaton.com
settlementquestions@labaton.com
(888) 219-6877

Javier Bleichmar, Esq.
BLEICHMAR FONTI TOUNTAS & AULD LLP
7 Times Square
New York, NY 10036
www.bftalaw.com
(888) 879-9418

Dated: August 21, 2015

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

Exhibit C

Tammy Ollivier

From: sfhubs@prnewswire.com
Sent: Friday, August 21, 2015 6:00 AM
To: Tammy Ollivier; GCGBuyers
Subject: PR Newswire: Press Release Clear Time Confirmation for Labaton Sucharow LLP and Bleichmar Fonti Tountas & Auld LLP. ID#1391328-1-1

PR NEWSWIRE EDITORIAL

Hello

Here's the clear time* confirmation for your news release:

Release headline: Announcing Summary Notice of Proposed Class Action Settlement and Motion for Attorneys' Fees and Expenses in Freedman v. Weatherford International Ltd., et al.
Word Count: 982
Product Summary:
US1
Visibility Reports Email
Complimentary Press Release Optimization
PR Newswire's Editorial Order Number: 1391328-1-1

Release clear time: 21-Aug-2015 09:00:00 AM ET

View your release: http://www.prnewswire.com/news-releases/announcing-summary-notice-of-proposed-class-action-settlement-and-motion-for-attorneys-fees-and-expenses-in-freedman-v-weatherford-international-ltd-et-al-300130866.html?tc=eml_cleartime

* Clear time represents the time your news release was distributed to the newswire distribution you selected.

Thank you for choosing PR Newswire!
****
COMPLIMENTARY SERVICES FOR MEMBERS

Get the most out of your PR Newswire membership! In addition to distributing your news through the industry's largest network, as a PR Newswire member you get Visibility Reports detailing release performance, and complimentary educational and training resources. Visit the Online Member Center to learn more.

For more information, please contact our Information Desk at 888-776-0942, or email PRNCS@prnewswire.com

For a list of worldwide offices, please visit http://prnewswire.mediaroom.com/index.php?s=29545

PR Newswire
A UBM plc company

Connect with Us

Member Sign In
For Journalists
For Bloggers
Global Sites

Online Member Center
Not a member? Sign Up!
Login

Search News Releases

Solutions | Knowledge Center | Blog | Browse News Releases | Contact PR Newswire | Send a News Release

See more news releases in Banking & Financial Services | Legal Issues

Announcing Summary Notice of Proposed Class Action Settlement and Motion for Attorneys' Fees and Expenses in Freedman v. Weatherford International Ltd., et al.

Share +1 Pin it

NEW YORK, Aug. 21, 2015 /PRNewswire/ -- The following statement is being issued by Labaton Sucharow LLP and Bleichmar Fonti Tountas & Auld LLP regarding Freedman v. Weatherford International Ltd., et al.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

GLENN FREEDMAN, individually and on behalf of all similarly situated, Plaintiff,
v. WEATHERFORD INTERNATIONAL LTD., et al., Defendants.

Civil Action No. 12-CV-2121 (LAK)

TO: ALL PERSONS AND ENTITIES THAT PURCHASED OR ACQUIRED WEATHERFORD INTERNATIONAL LTD. COMMON STOCK IN THE UNITED STATES BETWEEN MARCH 2, 2011 AND JULY 24, 2012 INCLUSIVE (THE "CLASS PERIOD"), AND WERE DAMAGED THEREBY (THE "CLASS")

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the Court, that the Class Representatives in the above-captioned class action (the "Action"), on behalf of themselves and the certified Class, have reached a proposed Settlement of the Action with Weatherford International Ltd. ("Weatherford" or the "Company") (n/k/a Weatherford International plc), Andrew P. Becnel, and Bernard J. Duroc-Danner (collectively, the "Individual Defendants" and, together with Weatherford, the "Defendants"). The Settlement provides for a total payment of $120,000,000 in cash (the "Settlement Amount") for the benefit of the Class that, if approved, will resolve all claims in the Action against Defendants and grant the releases specified and described in the Stipulation and Agreement of Settlement, dated June 30, 2015 (the "Stipulation").

A hearing will be held on November 3, 2015 at 4:00 p.m., before the Honorable Lewis A. Kaplan in Courtroom 21B of the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007, to determine, among other things, whether: (1) the proposed Settlement should be approved by the Court as fair, reasonable, and adequate; (2) the Action should be dismissed with prejudice as set forth in the Stipulation; (3) the proposed Plan of Allocation for the distribution of the Settlement Amount and any interest thereon, less any Court-awarded attorneys' fees, Notice and Administration Expenses, Taxes, and other costs, fees, or expenses approved by the Court (the "Net Settlement Fund") should be approved as fair and reasonable; and (4) Class Counsel's application for an award of attorneys' fees and payment of litigation expenses should be granted. The Court may change the date of the Settlement

Journalists and Bloggers

Visit PR Newswire for Journalists, our free resources for releases, photos and customized feeds. You can also send a free ProfNet request for experts.

Case 1:12-cv-02121-LAK-JCF Document 202-4 Filed 09/29/15 Page 33 of 47

approved by the Court (the "Net Settlement Fund") should be approved as fair and reasonable; and (4) Class Counsel's application for an award of attorneys' fees and payment of litigation expenses should be granted. The Court may change the date of the Settlement Hearing without providing another notice. You do NOT need to attend the Settlement Hearing in order to receive a distribution from the Net Settlement Fund.

IF YOU ARE A MEMBER OF THE CLASS DESCRIBED ABOVE, YOUR RIGHTS WILL BE AFFECTED AND YOU MAY BE ENTITLED TO SHARE IN THE NET SETTLEMENT FUND. If you have not yet received the full printed Notice of Proposed Class Action Settlement and Motion for Attorneys' Fees and Expenses (the "Settlement Notice") and a Proof of Claim and Release form ("Proof of Claim"), you may obtain copies of these documents by contacting the Claims Administrator or visiting its website at:

Freedman v. Weatherford International Ltd., et al.
c/o GCG
P.O. Box 10177
Dublin, OH 43017-3177
(855) 382-6459
www.Weatherford2012SecuritiesLitigation.com

If you are a Class Member, in order to be eligible to share in the distribution of the Net Settlement Fund, you must submit a Proof of Claim form ***postmarked or received no later than December 9, 2015***.

If you previously submitted a valid and timely request for exclusion from the Class in connection with the Notice of Pendency of Class Action ("Class Notice") and you wish to remain excluded, no further action is required. However, if you previously submitted such a request for exclusion from the Class in connection with the Class Notice and you want to opt-back into the Class now for the purpose of being eligible to receive a payment from the Net Settlement Fund, you may do so. In order to opt-back into the Class, you must submit a request to opt-back into the Class in writing such that it is ***received no later than October 13, 2015***, in accordance with the instructions set forth in the Settlement Notice. If you previously submitted a request for exclusion from the Class in connection with the Class Notice and do not opt-back into the Class in accordance with the instructions set forth in the Settlement Notice, you will not be bound by any judgments or orders entered by the Court in the Action and you will not be eligible to share in the Net Settlement Fund.

If you did not previously submit a request for exclusion and do not want a payment from the Settlement, you may exclude yourself from the Class now. To exclude yourself from the Class, you must submit a written request for exclusion in accordance with the instructions set forth in the Settlement Notice such that it is ***received no later than October 13, 2015.*** If you are a Class Member and do not exclude yourself from the Class, you will be bound by any judgments or orders entered by the Court in the Action.

Any objections to the proposed Settlement, the proposed Plan of Allocation, or the application for attorneys' fees and payment of expenses must be filed with the Court and mailed to Class Counsel and Defendants' Counsel such that they are ***received no later than October 13, 2015***, in accordance with the instructions set forth in the Settlement Notice.

Inquiries, other than requests for copies of the Settlement Notice and Proof of Claim form, may be directed to Class Counsel:

Ira A. Schochet, Esq.
LABATON SUCHAROW LLP
140 Broadway
New York, NY 10005
www.labaton.com
settlementquestions@labaton.com
(888) 219-6877

expenses must be filed with the Court and mailed to Class Counsel and Defendants' Counsel such that they are ***received no later than October 13, 2015***, in accordance with the instructions set forth in the Settlement Notice.

Inquiries, other than requests for copies of the Settlement Notice and Proof of Claim form, may be directed to Class Counsel:

Ira A. Schochet, Esq.
LABATON SUCHAROW LLP
140 Broadway
New York, NY 10005
www.labaton.com
settlementquestions@labaton.com
(888) 219-6877

Javier Bleichmar, Esq.
BLEICHMAR FONTI TOUNTAS & AULD LLP
7 Times Square
New York, NY 10036
www.bftalaw.com
(888) 879-9418

Dated: August 21, 2015

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SOURCE Labaton Sucharow LLP and Bleichmar Fonti Tountas & Auld LLP

RELATED LINKS
http://www.Weatherford2012SecuritiesLitigation.com

Custom Packages
Browse our custom packages or build your own to meet your unique communications needs.
Start today.

PR Newswire Membership
Fill out a PR Newswire membership form or contact us at (888) 776-0942.

Learn about PR Newswire services
Request more information about PR Newswire products and services or call us at (888) 776-0942.

Site Preview | Close Site Preview | View Fullscreen

Exhibit D

Exclusion No.	Name	City, State
1	John M. Sherlock	Darien Center, NY
2	Phoebe A. Dill	Roanoke, TX
3	Michael J. Pascale	Modesto, CA
4	Larry A. Freedman and Diane J. Sansone	Newtown Square, PA
5	Single Select Platform	Senningerberg, Luxembourg

SETTLEMENT EXCLUSION NO. 1 - JOHN M SHERLOCK - L010319961

August 15, 2015

Freedman v. Weatherford Ltd., et al.

c/o GCG

P.O. Box 10177

Dublin, OH 43017-3177

Dear Sir:

Please be advised I request to be excluded from the Class in Freedman v. Weatherford International Ltd., et al. Civil Action No. 12-CV-2121.

Very truly yours,

John M. Sherlock

1. John M. Sherlock
   [redacted]
   Darien Center, New York 14040
   [redacted]

2. 08/11/11 Bought 400 shares (WFT) $16.94
   08/11/11 Sold 400 shares (WFT) $17.15

   08/16/11 Bought 400 shares (WFT) $17.29
   09/30/11 Sold 400 shares (WFT) $12.42

3. All shares were purchased in the United States.

John Sherlock
[redacted]
Darien Center, NY 14040

ROCHESTER NY 144
15 AUG 2015 PM 1 L

Freedman v. Weatherford Ltd., et al.
c/o GCG
P.O. Box 10177
Dublin, OH 43017-3177

43017317777

SETTLEMENT EXCLUSION NO. 2 - PHOEBE A. DILL - L010278784

Garden City Group, LLC
AUG 2 0 2015

August 17, 2015

Freedman v. Weatherford International Ltd, et. Al.
c/o GCG
P.O. Box 10177
Dublin, Ohio 43017-3177

To Whom It May Concern;

Please consider this letter to be my formal request to be excluded from the settlement class of the Freedman v Weatherford International Ltd, et al, Civil Action No. 12-CV2121. Following your specifications, please find below the four items that you require for exclusion from this class action settlement .

With the formal text out of the way, let me add that you have one hell of a nerve using me solely for your financial gain without so much as a notification of your actions. Further, I do not have any formal proof of ownership, but you could check the stockholder list if you wanted to be through. But, that would require you to lift a finger. Do NOT contact me again.

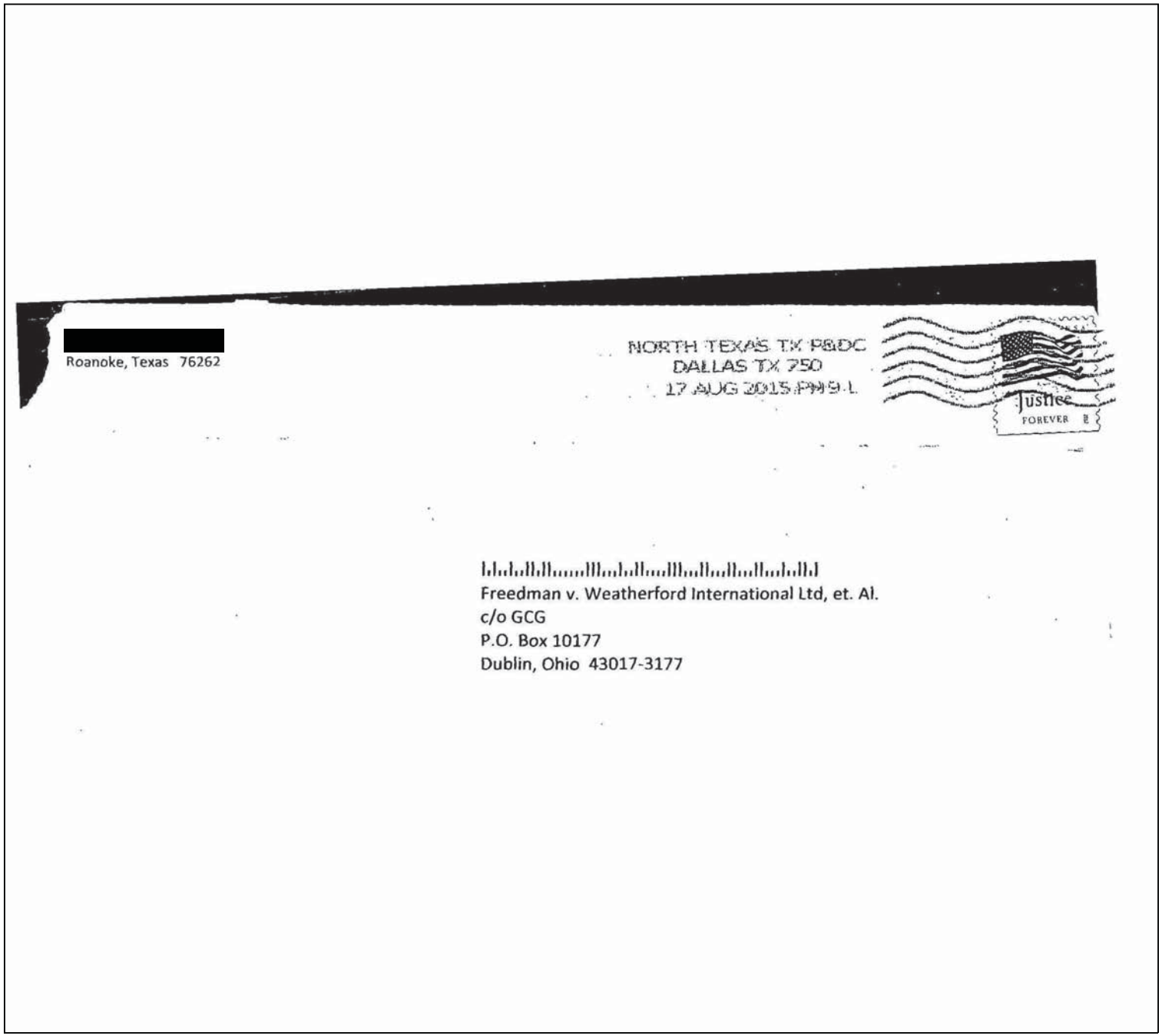
1) Name: Phoebe Dill

2) Address: [redacted]
Roanoke, Texas 76262
[redacted]

3) Purchase/Sale Dates: 03/25/2010 purchase 600 shares @ 15.509
07/09/2013 sale 600 shares @ 14.4949

4) Location of Purchase: United States of America

Phoebe Dill



[redacted]
Roanoke, Texas 76262

NORTH TEXAS TX P&DC
DALLAS TX 750
17 AUG 2015 PM 9 L

Justice
FOREVER

Freedman v. Weatherford International Ltd, et. Al.
c/o GCG
P.O. Box 10177
Dublin, Ohio 43017-3177

SETTLEMENT EXCLUSION NO. 3 - MICHAEL J PASCALE - L010318221

Garden City Group, LLC
AUG 21 2015

DATE: 8/18/2015

FROM: Michael Pascale
[redacted]
Modesto CA 95355
Ph:[redacted]

TO: Freedman v. Weatherford International Ltd., et al.
c/o GCG
P.O. Box 10177
Dublin OH 43017-3177

RE: Class opt-out

As stated in your unsolicited documents, I hereby request to be excluded from the Class in *Freedman v. Weatherford International Ltd., et al.*, Civil Action No. 12-CV-2121.

My contact info as required is listed above. I do not own and to the best of my current knowledge, have never bought or sold any shares or options of or in of Weatherford common stock during the Class period.

I have no idea why you contacted me but I want it to stop. Please refrain from all further communication with me and remove my name from your mailing list. I have better things to do with my valuable time.

Thank you,

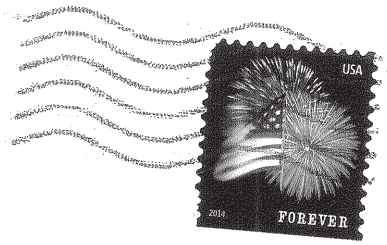
Michael Pascale

Case 1:12-cv-02121-LAK-JCF Document 202-4 Filed 09/29/15 Page 43 of 47

www.cvt.org

Mr. Michael Pascale
[redacted]
Modesto CA, 95355-7814

SACRAMENTO CA 958
18 AUG 2015 PM 7 L



FREEDMAN V. WEATHERFORD INTERNATIONAL LTD, ET. AL
C/O GCG
P.O. B. 10177
DUBLIN OH 43017-3177

43017317777

SETTLEMENT EXCLUSION NO. 4 - LARRY A FREEDMAN AND DIANE J SANSONE - L010104918

August 31, 2015

Freedman v Weatherford Int'l Ltd., et al
c/o GCG
PO Box 10177
Dublin, OH 43017-3177

To Whom it May Concern:

We request to be excluded from the Class in Freedman v Weatherford International Ltd et al., Civil Action No 12-CV-2121.

We purchased the following shares in the United States during the Class Period.

300 shares on April 20, 2012 at $14.56
600 shares on May 18, 2012 at $12.57

Thank You.

Sincerely,

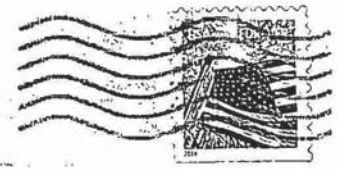
Larry Freedman

Diane Sansone

[redacted]
Newtown Square, PA 19073
[redacted]

Mr. Larry Freedman
[redacted]
Newtown Square, PA 19073

PHILADELPHIA PA 190
08 SEP 2015 PM 9 L



Freedman v Weatherford Int'l Ltd, et al
c/o GCG
PO Box 10177
Dublin, OH 43017-3177

43017-317777

ATTN: Class Actions
TOE JONES

J.P.Morgan | 1
OPT OUT Letter

16th September, 2015

SINGLE SELECT PLATFORM
[redacted] – L 2633 **Senningerberg - LUXEMBOURG**

RE: Opt Out on behalf of **SINGLE SELECT PLATFORM** in the the **WEATHERFORD Intl** Securities Litigation

Dear JPMorgan Class Action Team,

Please be advised that **SINGLE SELECT PLATFORM** wishes to Opt Out of the **WEATHERFORD Intl** Securities Litigation due on **13th October, 2015**

Account details: [redacted] **SSP World Energy**

SINGLE SELECT PLATFORM intent is as follows:

_____ **Opt-Out/JPMorgan** – No claim will be filed on your behalf in the specified litigation only

____X____ **Opt-Out/Exclusion** - No claim will be filed on your behalf in the specified litigation only; we are seeking a separate suit on our own

Any questions or concerns regarding this directive should be directed to **Arnaud HIRSCH/** [redacted]

OFI LUX
[redacted]
L-2450 LUXEMBOURG
[redacted]
Capital [redacted]

16/09/2015 Page : 1 (Dernière page)

Nom local :
Logo entreprise :

Nb total de pages numérisées : 1
Nb total de pages envoyées : 1

Infos transmission

N°	Job	Station à distance	Heure de début	Durée	Pages	Mode	Contenu	Résultat
1	0316	00012126230111	16-09;15:09	53"	1/1	SG3		Terminé

Documents envoyés.

ATTN: Class Actions
TOE JONES

J.P.Morgan | 1
OPT OUT Letter

16th September, 2015

SINGLE SELECT PLATFORM
[redacted] **L 2633 Senningerberg - LUXEMBOURG**

RE: Opt Out on behalf of **SINGLE SELECT PLATFORM** in the the **WEATHERFORD Intl** Securities Litigation

Dear JPMorgan Class Action Team,

Please be advised that **SINGLE SELECT PLATFORM** wishes to Opt Out of the **WEATHERFORD Intl** Securities Litigation due on **13th October, 2015**

Account details: [redacted] **SSP World Energy**

SINGLE SELECT PLATFORM intent is as follows:

_____ **Opt-Out/JPMorgan** – No claim will be filed on your behalf in the specified litigation only

__X__ **Opt-Out/Exclusion** - No claim will be filed on your behalf in the specified litigation only; we are seeking a separate suit on our own

Any questions or concerns regarding this directive should be directed to **Arnaud HIRSCH** / [redacted]

OFI LUX
[redacted]
L-2450 LUXEMBOURG
[redacted]

Exhibit 5

FREEDMAN, et al. v. WEATHERFORD INT'L, et al.
(S.D.N.Y. 12-CV-2121)

SUMMARY OF LODESTARS AND EXPENSES

FIRM	HOURS	LODESTAR	EXPENSES
Labaton Sucharow LLP	18,630.20	$9,048,795.50	$2,730,304.51
Bleichmar Fonti Tountas & Auld LLP	18,854.50	$9,571,571.25	$1,945,120.14
TOTALS	**37,484.70**	**$18,620,366.75**	**$4,675,424.65**

Exhibit 6

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

GLENN FREEDMAN, individually and on behalf of all similarly situated, Plaintiff, v. WEATHERFORD INTERNATIONAL, LTD., et al., Defendants.	:	Civil Action No. 12-CV-2121 (LAK)

DECLARATION OF IRA A. SCHOCHET FILED ON BEHALF OF LABATON SUCHAROW LLP IN SUPPORT OF APPLICATION FOR AWARD OF ATTORNEYS' FEES AND EXPENSES

I, IRA A. SCHOCHET, declare as follows pursuant to 28 U.S.C. §1746:

1. I am a partner of the law firm Labaton Sucharow LLP. I am submitting this declaration in support of my firm's application for an award of attorneys' fees and expenses in connection with services rendered in the above-entitled action (the "Action") from inception through September 18, 2015 (the "Time Period").

2. Labaton Sucharow, as Class Counsel for the certified Class, participated in all aspects of the prosecution of the Action and settlement of the claims, as explained in further detail in the Joint Declaration of Ira A. Schochet and Javier Bleichmar in Support of the Class Representatives' Motion for Approval of Proposed Class Action Settlement and Plan of Allocation and Class Counsel's Motion for Award of Attorneys' Fees and Payment of Litigation Expenses ("Joint Declaration"), submitted herewith.

3. The information in this declaration regarding Labaton Sucharow's time and expenses is taken from time and expense records prepared and maintained by the firm in the ordinary course

of business. These records were reviewed to confirm both the accuracy of the entries as well as the necessity for and reasonableness of the time and expenses committed to the Action. The review also confirmed that the firm's guidelines and policies regarding expenses were followed. As a result of these reviews, I believe that the time reflected in the firm's lodestar calculation and the expenses for which payment is sought are reasonable in amount and were necessary for the effective and efficient prosecution and resolution of the Action. In addition, I believe that the expenses are all of a type that would normally be charged to a fee-paying client in the private legal marketplace.

4. The schedule attached hereto as Exhibit A is a summary indicating the amount of time spent by each attorney and professional support staff member of my firm who was involved in the prosecution of the Action, and the lodestar calculation based on my firm's current billing rates. The schedule was prepared from contemporaneous daily time records regularly prepared and maintained by my firm, which are available at the request of the Court. Time expended in preparing this application for fees and payment of expenses has not been included in this request.

5. The total number of hours spent on this Action by my firm during the Time Period is 18,630.2. The total lodestar amount for attorney/professional staff time based on the firm's current rates is $9,048,795.50.

6. The hourly rates for the attorneys and professional support staff of my firm included in Exhibit A are my firm's usual and customary billing rates, and are consistent with the rates accepted in other securities or shareholder litigations. My firm's lodestar figures are based upon the firm's billing rates, which rates do not include charges for expenses items. Expense items are billed separately and such charges are not duplicated in my firm's billing rates.

7. As detailed in Exhibit B, my firm has incurred a total of $2,730,304.51 in expenses in connection with the prosecution of the Action. These expenses are discussed in more detail in the Joint Declaration. The expenses are reflected on the books and records of my firm. These books

and records are prepared from expense vouchers, check records and other source materials and are an accurate record of the expenses incurred.

8. With respect to the standing of my firm, attached hereto as Exhibit C is a brief biography of my firm as well as biographies of the firm's partners, senior counsel and of counsels.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 29th day of September, 2015.

IRA A. SCHOCHET

Exhibit A

FREEDMAN, et al. v. WEATHERFORD INT'L, et al.

(S.D.N.Y. 12-CV-2121)

LODESTAR REPORT

FIRM: LABATON SUCHAROW LLP
REPORTING PERIOD: INCEPTION THROUGH SEPTEMBER 18, 2015

PROFESSIONAL	STATUS	HOURLY RATE	HOURS TO DATE	LODESTAR TO DATE
Bernstein, J.	P	$975	199.2	$194,220.00
Schochet, I.	P	$925	987.7	$913,622.50
Belfi, E.	P	$850	184.9	$157,165.00
Zeiss, N.	P	$800	127.1	$101,680.00
Fonti, J.*	P	$800	63.3	$50,640.00
Bleichmar, J.*	P	$775	822.2	$637,205.00
Tountas, S.*	P	$775	102.2	$79,205.00
Okun, B.	OC	$800	316.2	$252,960.00
Nguyen, A.	OC	$750	59.5	$44,625.00
Wierzbowski, E.	A	$700	149.9	$104,930.00
Ryan, K.	A	$525	1,005.3	$527,782.50
Meeks, W.*	A	$510	2,222.3	$1,133,373.00
Hanawalt, C.*	A	$510	572.1	$291,771.00
Stampley, D.	A	$460	298.4	$137,264.00
Hane, C.*	A	$390	1,213.2	$473,148.00
Gopie, N.	SA	$440	1,080.3	$475,332.00
Hinga, K.	SA	$425	110.3	$46,877.50
Hirsh, J.	SA	$410	2,858.4	$1,171,944.00
Jenkins, S.	SA	$410	2,004.5	$821,845.00
Davis, O.	SA	$390	143.2	$55,848.00
Da Fonseca, G.	SA	$390	124.3	$48,477.00
Geraci, W.*	SA	$360	1,439.0	$518,040.00
Herring, R.	SA	$360	1,034.5	$372,420.00
Pontrelli, J.	I	$495	175.0	$86,625.00
Mundo, S.	PL	$310	159.4	$49,414.00
Russo, M.*	PL	$300	641.4	$192,420.00
Farber, E.*	PL	$205	536.4	$109,962.00
TOTAL			**18,630.2**	**$9,048,795.50**

***** These timekeepers joined Bleichmar Fonti Tountas & Auld LLP after August 1, 2014.

Partner	(P)	Staff Attorney	(SA)
Of Counsel	(OC)	Investigator	(I)
Associate	(A)	Paralegal	(PL)

Exhibit B

FREEDMAN, et al. v. WEATHERFORD INT'L, et al.
(S.D.N.Y. 12-CV-2121)

EXPENSE REPORT

FIRM: LABATON SUCHAROW LLP
REPORTING PERIOD: INCEPTION THROUGH SEPTEMBER 18, 2015

CATEGORY		TOTAL AMOUNT
Internal Duplicating		$51,473.20
External Duplicating		$2,856.12
Postage / Overnight Delivery Services		$1,783.17
Telephone / Fax		$2,104.77
Messengers		$235.00
Court / Witness / Service Fees		$6,811.25
Court / Deposition Transcripts		$40,446.11
Computer Research Fees		$33,381.68
Document Management/Litigation Support		$697,030.84
Expert / Consultant Fees		$1,675,941.71
Accounting	$1,096,583.50	
Market Efficiency	$55,426.00	
Loss Causation and Damages	$441,592.66	
International Corporate Counsel	$7,527.05	
Legal Ethics	$4,500.00	
Corporate Liquidity	$70,312.50	
Investigation - Outside Counsel for Witnesses and Privilege Review		$83,806.22
Mediation Fees		$41,860.43
Transportation / Working Meals / Lodging		$91,964.31
PSLRA Notice		$609.70
TOTAL		**$2,730,304.51**

Exhibit C

Labaton Sucharow

MORE THAN 50 YEARS OF ADVOCACY

Firm Resume

Securities Class Action Litigation

New York 140 Broadway | New York, NY 10005 | 212-907-0700 main | 212-818-0477 fax | www.labaton.com
Delaware 300 Delaware Avenue, Suite 1340 | Wilmington, DE 19801 | 302-573-2540 main | 302-573-2529 fax

Labaton Sucharow

Table of Contents

About the Firm 1

Notable Successes 2

Lead Counsel Appointments in Ongoing Litigation 6

Innovative Legal Strategy 7

Appellate Advocacy and Trial Experience 8

Our Clients 9

Awards & Accolades 10

Community Involvement 11

Firm Commitments 11

Individual Attorney Commitments 12

Commitment to Diversity 13

Securities Litigation Attorneys 14

Partners 14

Of Counsel 31

Senior Counsel 34

Labaton Sucharow

About the Firm

Founded in 1963, Labaton Sucharow LLP has earned a reputation as one of the leading plaintiffs firms in the United States. We have recovered nearly $10 billion and secured corporate governance reforms on behalf of the nation's largest institutional investors, including public pension and Taft-Hartley funds, hedge funds, investment banks, and other financial institutions. These recoveries include more than $1 billion in *In re American International Group, Inc. Securities Litigation*, $671 million in *In re HealthSouth Securities Litigation*, $624 million in *In re Countrywide Financial Corporation Securities Litigation*, and $473 million in *In re Schering-Plough/ENHANCE Securities Litigation.*

As a leader in the field of complex litigation, the Firm has successfully conducted class, mass, and derivative actions in the following areas: securities; antitrust; financial products and services; corporate governance and shareholder rights; mergers and acquisitions; derivative; REITs and limited partnerships; consumer protection; and whistleblower representation.

Along with securing newsworthy recoveries, the Firm has a track record for successfully prosecuting complex cases from discovery to trial to verdict. In court, as *Law360* has noted, our attorneys are known for "fighting defendants tooth and nail." Our appellate experience includes winning appeals that increased settlement value for clients, and securing a landmark 2013 U.S. Supreme Court victory benefitting all investors by reducing barriers to the certification of securities class action cases.

Our Firm is equipped to deliver results with a robust infrastructure of nearly 60 full-time attorneys, a dynamic professional staff, and innovative technological resources. Labaton Sucharow attorneys are skilled in every stage of business litigation and have challenged corporations from every sector of the financial markets. Our professional staff includes paralegals, financial analysts, e-discovery specialists, a certified public accountant, a certified fraud examiner, and a forensic accountant. With seven investigators, including former members of federal and state law enforcement, we have one of the largest in-house investigative teams in the securities bar. Managed by a law enforcement veteran who spent 12 years with the FBI, our internal investigative group provides us with information that is often key to the success of our cases.

Outside of the courtroom, the Firm is known for its leadership and participation in investor protection organizations, such as the Council for Institutional Investors, World Federation of Investors, National Association of Shareholder and Consumer Attorneys, as well as serving as a patron of the John L. Weinberg Center for Corporate Governance of the University of Delaware. The Firm shares these groups' commitment to a market that operates with greater transparency, fairness, and accountability.

Labaton Sucharow has been consistently ranked as a top-tier firm in leading industry publications such as *Chambers & Partners USA*, *The Legal 500*, and *Benchmark Litigation*. For the past decade, the Firm was listed on *The National Law Journal*'s Plaintiffs' Hot List and was inducted to the Hall of Fame for successive honors. The Firm has also been featured as one of *Law360*'s Most Feared Plaintiffs Firms and Class Action Practice Groups of the Year.

Visit www.labaton.com for more information about our Firm.

Labaton Sucharow

Securities Class Action Litigation

Labaton Sucharow is a leader in securities litigation and a trusted advisor to more than 200 institutional investors. Since the passage of the Private Securities Litigation Reform Act of 1995 (PSLRA), the Firm has recovered more than $7.5 billion in the aggregate for injured investors through securities class actions prosecuted throughout the United States and against numerous public corporations and other corporate wrongdoers.

These notable recoveries would not be possible without our exhaustive case evaluation process. The Firm has developed a proprietary system for portfolio monitoring and reporting on domestic and international securities litigation, and currently provides these services to more than 160 institutional investors, which manage collective assets of more than $2 trillion. The Firm's in-house licensed investigators also gather crucial details to support our cases, whereas other firms rely on outside vendors, or conduct no confidential investigation at all.

As a result of our thorough case evaluation process, our securities litigators can focus solely on cases with strong merits. The benefits of our selective approach are reflected in the low dismissal rate of the securities cases we pursue, which is well below the industry average. In the last five years alone, we have successfully prosecuted headline-making class actions against AIG, Countrywide, Fannie Mae, and Bear Stearns, among others.

Notable Successes

Labaton Sucharow has achieved notable successes in major securities litigations on behalf of investors, including the following:

- ***In re American International Group, Inc. Securities Litigation*, No. 04-cv-8141, (S.D.N.Y.)**

  In one of the most complex and challenging securities cases in history, Labaton Sucharow secured more than $1 billion in recoveries on behalf of lead plaintiff Ohio Public Employees' Retirement System in a case arising from allegations of bid rigging and accounting fraud. To achieve this remarkable recovery, the Firm took over 100 depositions and briefed 22 motions to dismiss. The settlement entailed a $725 million settlement with American International Group (AIG), $97.5 million settlement with AIG's auditors, $115 million settlement with former AIG officers and related defendants, and an additional $72 million settlement with General Reinsurance Corporation, which was approved by the Second Circuit on September 11, 2013.

- ***In re Countrywide Financial Corp. Securities Litigation*, No. 07-cv-05295 (C.D. Cal.)**

  Labaton Sucharow, as lead counsel for the New York State Common Retirement Fund and the five New York City public pension funds, sued one of the nation's largest issuers of mortgage loans for credit risk misrepresentations. The Firm's focused investigation and discovery efforts uncovered incriminating evidence that led to a $624 million settlement for investors. On February 25, 2011, the court granted final approval to the settlement, which is one of the top 20 securities class action settlements in the history of the PSLRA.

- ***In re HealthSouth Corp. Securities Litigation*, No. 03-cv-01500 (N.D. Ala.)**

  Labaton Sucharow served as co-lead counsel to New Mexico State Investment Council in a case stemming from one of the largest frauds ever perpetrated in the healthcare industry. Recovering $671 million for the class, the settlement is one of the top 15 securities class action settlements of all time. In early 2006, lead plaintiffs negotiated a settlement of $445 million with defendant HealthSouth. On June 12, 2009, the court also granted final approval to a $109 million settlement with defendant Ernst & Young LLP. In addition, on July 26, 2010, the court granted final approval to a $117 million partial settlement with the remaining principal defendants in the case, UBS AG, UBS Warburg LLC, Howard Capek, Benjamin Lorello, and William McGahan.

- ***In re Schering-Plough/ENHANCE Securities Litigation*, No. 08-cv-00397 (D. N.J.)**

  As co-lead counsel, Labaton Sucharow obtained a $473 million settlement on behalf of co-lead plaintiff Massachusetts Pension Reserves Investment Management Board. After five years of litigation, and three weeks before trial, the settlement was approved on October 1, 2013. This recovery is the largest securities fraud class action settlement against a pharmaceutical company. The Special Masters' Report noted, "**the outstanding result achieved for the class is the direct product of outstanding skill and perseverance by Co-Lead Counsel…no one else…could have produced the result here—no government agency or corporate litigant to lead the charge and the Settlement Fund is the product solely of the efforts of Plaintiffs' Counsel**."

- ***In re Waste Management, Inc. Securities Litigation*, No. H-99-2183 (S.D. Tex.)**

  In 2002, the court approved an extraordinary settlement that provided for recovery of $457 million in cash, plus an array of far-reaching corporate governance measures. Labaton Sucharow represented lead plaintiff Connecticut Retirement Plans and Trust Funds. At that time, this settlement was the largest common fund settlement of a securities action achieved in any court within the Fifth Circuit and the third largest achieved in any federal court in the nation. Judge Harmon noted, among other things, that Labaton Sucharow "**obtained an outstanding result by virtue of the quality of the work and vigorous representation of the class.**"

- ***In re General Motors Corp. Securities Litigation*, No. 06-cv-1749, (E.D. Mich.)**

  As co-lead counsel in a case against automotive giant, General Motors (GM), and Deloitte & Touche LLP (Deloitte), its auditor, Labaton Sucharow obtained a settlement of $303 million—one of the largest settlements ever secured in the early stages of a securities fraud case. Lead plaintiff Deka Investment GmbH alleged that GM, its officers, and its outside auditor overstated GM's income by billions of dollars, and GM's operating cash flows by tens of billions of dollars, through a series of accounting manipulations. The final settlement, approved on July 21, 2008, consisted of a cash payment of $277 million by GM and $26 million in cash from Deloitte.

- ***Wyatt v. El Paso Corp.*, No. H-02-2717 (S.D. Tex.)**

  Labaton Sucharow secured a $285 million class action settlement against the El Paso Corporation on behalf of co-lead plaintiff, an individual. The case involved a securities fraud stemming from the company's inflated earnings statements, which cost shareholders hundreds of millions of dollars during a four-year span. On March 6, 2007, the court approved the

settlement and also commended the efficiency with which the case had been prosecuted, particularly in light of the complexity of the allegations and the legal issues.

- ***In re Massey Energy Co. Securities Litigation*, No. 10-CV-00689 (S.D. W.Va.)**

  As co-lead counsel representing the Commonwealth of Massachusetts Pension Reserves Investment Trust, Labaton Sucharow achieved a $265 million all-cash settlement in a case arising from one of the most notorious mining disasters in U.S. history. On June 4, 2014, the settlement was reached with Alpha Natural Resources, Massey's parent company. Investors alleged that Massey falsely told investors it had embarked on safety improvement initiatives and presented a new corporate image following a deadly fire at one of its coal mines in 2006. After another devastating explosion which killed 29 miners in 2010, Massey's market capitalization dropped by more than $3 billion. Judge Irene C. Berger noted that "**Class counsel has done an expert job of representing all of the class members to reach an excellent resolution and maximize recovery for the class.**"

- ***Eastwood Enterprises, LLC v. Farha (WellCare Securities Litigation)*, No. 07-cv-1940 (M.D. Fla.)**

  On behalf of The New Mexico State Investment Council and the Public Employees Retirement Association of New Mexico, Labaton Sucharow served as co-lead counsel and negotiated a $200 million settlement over allegations that WellCare Health Plans, Inc., a Florida-based managed healthcare service provider, disguised its profitability by overcharging state Medicaid programs. Under the terms of the settlement approved by the court on May 4, 2011, WellCare agreed to pay an additional $25 million in cash if, at any time in the next three years, WellCare was acquired or otherwise experienced a change in control at a share price of $30 or more after adjustments for dilution or stock splits.

- ***In re Bristol-Myers Squibb Securities Litigation*, No. 00-cv-1990 (D.N.J.)**

  Labaton Sucharow served as lead counsel representing the lead plaintiff, union-owned LongView Collective Investment Fund of the Amalgamated Bank, against drug company Bristol-Myers Squibb (BMS). Lead plaintiff claimed that the company's press release touting its new blood pressure medication, Vanlev, left out critical information, other results from the clinical trials indicated that Vanlev appeared to have life-threatening side effects. The FDA expressed serious concerns about these side effects, and BMS released a statement that it was withdrawing the drug's FDA application, resulting in the company's stock price falling and losing nearly 30 percent of its value in a single day. After a five year battle, we won relief on two critical fronts. First, we secured a $185 million recovery for shareholders, and second, we negotiated major reforms to the company's drug development process that will have a significant impact on consumers and medical professionals across the globe. Due to our advocacy, BMS must now disclose the results of clinical studies on all of its drugs marketed in any country.

- ***In re Fannie Mae 2008 Securities Litigation*, No. 08-cv-7831 (S.D.N.Y.)**

  As co-lead counsel representing co-lead plaintiff Boston Retirement System, Labaton Sucharow secured a $170 million settlement on March 3, 2015 with Fannie Mae. Lead plaintiffs alleged that Fannie Mae and certain of its current and former senior officers violated federal securities laws, by making false and misleading statements concerning the company's internal controls and risk management with respect to Alt-A and subprime mortgages. Lead plaintiffs also alleged that defendants made misstatements with respect to Fannie Mae's core capital, deferred tax assets, other-than-temporary losses, and loss reserves. This settlement is a

significant feat, particularly following the unfavorable result in a similar case for investors of Fannie Mae's sibling company, Freddie Mac.
Labaton Sucharow successfully argued that investors' losses were caused by Fannie Mae's misrepresentations and poor risk management, rather than by the financial crisis.

- ***In re Broadcom Corp. Class Action Litigation*, No. 06-cv-05036 (C.D. Cal.)**

  Labaton Sucharow served as lead counsel on behalf of lead plaintiff New Mexico State Investment Council in a case stemming from Broadcom Corp.'s $2.2 billion restatement of its historic financial statements for 1998 - 2005. In August 2010, the court granted final approval of a $160.5 million settlement with Broadcom and two individual defendants to resolve this matter, the second largest up-front cash settlement ever recovered from a company accused of options backdating. Following a Ninth Circuit ruling confirming that outside auditors are subject to the same pleading standards as all other defendants, the district court denied Broadcom's auditor Ernst & Young's motion to dismiss on the ground of loss causation. This ruling is a major victory for the class and a landmark decision by the court—the first of its kind in a case arising from stock-options backdating. In October 2012, the court approved a $13 million settlement with Ernst & Young.

- ***In re Satyam Computer Services Ltd. Securities Litigation*, No. 09-md-2027 (S.D.N.Y.)**

  Satyam, referred to as "India's Enron," engaged in one of the most egregious frauds on record. In a case that rivals the Enron and Bernie Madoff scandals, the Firm represented lead plaintiff UK-based Mineworkers' Pension Scheme, which alleged that Satyam Computer Services Ltd., related entities, its auditors, and certain directors and officers made materially false and misleading statements to the investing public about the company's earnings and assets, artificially inflating the price of Satyam securities. On September 13, 2011, the court granted final approval to a settlement with Satyam of $125 million and a settlement with the company's auditor, PricewaterhouseCoopers, in the amount of $25.5 million. Judge Barbara S. Jones commended lead counsel during the final approval hearing noting that the "**...quality of representation which I found to be very high...**"

- ***In re Mercury Interactive Corp. Securities Litigation*, No. 05-cv-3395 (N.D. Cal.)**

  Labaton Sucharow served as co-lead counsel on behalf of co-lead plaintiff Steamship Trade Association/International Longshoremen's Association Pension Fund, which alleged Mercury backdated option grants used to compensate employees and officers of the company. Mercury's former CEO, CFO, and General Counsel actively participated in and benefited from the options backdating scheme, which came at the expense of the company's shareholders and the investing public. On September 25, 2008, the court granted final approval of the $117.5 million settlement.

- ***In re Oppenheimer Champion Fund Securities Fraud Class Actions*, No. 09-cv-525 (D. Colo.) and *In re Core Bond Fund*, No. 09-cv-1186 (D. Colo.)**

  Labaton Sucharow served as lead counsel and represented individuals and the proposed class in two related securities class actions brought against OppenheimerFunds, Inc., among others, and certain officers and trustees of two funds—Oppenheimer Core Bond Fund and Oppenheimer Champion Income Fund. The lawsuits alleged that the investment policies followed by the funds resulted in investor losses when the funds suffered drops in net asset value although the funds were presented as safe and conservative investments to consumers. In May 2011, the Firm achieved settlements amounting to $100 million: $52.5 million in *In re*

Oppenheimer Champion Fund Securities Fraud Class Actions, and a $47.5 million settlement in *In re Core Bond Fund*.

- ***In re Computer Sciences Corporation Securities Litigation*, No. 11-cv-610 (E.D. Va.)**

  As lead counsel representing Ontario Teachers' Pension Plan Board, Labaton Sucharow secured a $97.5 million settlement in this "rocket docket" case involving accounting fraud. The settlement was the third largest all cash recovery in a securities class action in the Fourth Circuit and the second largest all cash recovery in such a case in the Eastern District of Virginia. The plaintiffs alleged that IT consulting and outsourcing company Computer Sciences Corporation (CSC) fraudulently inflated its stock price by misrepresenting and omitting the truth about the state of its most visible contract and the state of its internal controls. In particular, the plaintiffs alleged that CSC assured the market that it was performing on a $5.4 billion contract with the UK National Health Services when CSC internally knew that it could not deliver on the contract, departed from the terms of the contract, and as a result, was not properly accounting for the contract. Judge T.S. Ellis, III stated, "**I have no doubt—that the work product I saw was always of the highest quality for both sides.**"

Lead Counsel Appointments in Ongoing Litigation

Labaton Sucharow's institutional investor clients are regularly chosen by federal judges to serve as lead plaintiffs in prominent securities litigations brought under the PSLRA. Dozens of public pension funds and union funds have selected Labaton Sucharow to represent them in federal securities class actions and advise them as securities litigation/investigation counsel. Our recent notable lead and co-lead counsel appointments include the following:

- ***In re Goldman Sachs Group, Inc. Securities Litigation*, No. 10-cv-03461 (S.D.N.Y)**

  Labaton Sucharow represents Arkansas Teacher Retirement System in this high-profile litigation based on the scandals involving Goldman Sachs' sales of the Abacus CDO.

- ***In re Facebook, Inc., IPO Securities and Derivative Litigation*, No. 12-md-02389 (S.D.N.Y.)**

  Labaton Sucharow represents North Carolina Department of State Treasurer and Arkansas Teacher Retirement System in this securities class action that involves one of the largest initial public offerings for a technology company.

- ***City of Providence, Rhode Island v. BATS Global Markets, Inc.*, No. 14-cv-2811 (S.D.N.Y.)**

  Labaton Sucharow represents Boston Retirement System in this cutting-edge securities class action case involving allegations of market manipulation via high frequency trading, misconduct that had repercussions for virtually the entire financial market in the United States.

- ***In re Intuitive Surgical Securities Litigation*, No. 13-cv-01920 (N.D. Cal.)**

  Labaton Sucharow represents the Employees' Retirement System of the State of Hawaii in this securities class action alleging violations of securities fraud laws by concealing FDA regulations violations and a dangerous defect in the company's primary product, the da Vinci Surgical System.

- ***In re KBR, Inc. Securities Litigation*, No. 14-cv-01287 (S.D. Tex.)**

  Labaton Sucharow represents the IBEW Local No. 58 / SMC NECA Funds in this securities class action alleging misrepresentation of certain Canadian construction contracts.

Innovative Legal Strategy

Bringing successful litigation against corporate behemoths during a time of financial turmoil presents many challenges, but Labaton Sucharow has kept pace with the evolving financial markets and with corporate wrongdoer's novel approaches to committing fraud.

Our Firm's innovative litigation strategies on behalf of clients include the following:

- ***Mortgage-Related Litigation***

  In *In re Countrywide Financial Corporation Securities Litigation*, No. 07-cv-5295 (C.D. Cal.), our client's claims involved complex and data-intensive arguments relating to the mortgage securitization process and the market for residential mortgage-backed securities (RMBS) in the United States. To prove that defendants made false and misleading statements concerning Countrywide's business as an issuer of residential mortgages, Labaton Sucharow utilized both in-house and external expert analysis. This included state-of-the-art statistical analysis of loan level data associated with the creditworthiness of individual mortgage loans. The Firm recovered $624 million on behalf of investors.

  Building on its experience in this area, the Firm has pursued claims on behalf of individual purchasers of RMBS against a variety of investment banks for misrepresentations in the offering documents associated with individual RMBS deals.

- ***Options Backdating***

  In 2005, Labaton Sucharow took a pioneering role in identifying options-backdating practices as both damaging to investors and susceptible to securities fraud claims, bringing a case, *In re Mercury Interactive Securities Litigation*, No. 05-cv-3395 (N.D. Cal.), that spawned many other plaintiff recoveries.

  Leveraging its experience, the Firm went on to secure other significant options backdating settlements, in, for example, *In re Broadcom Corp. Class Action Litigation*, No. 06-cv-5036 (C.D. Cal.), and in *In re Take-Two Interactive Securities Litigation*, No. 06-cv-0803 (S.D.N.Y.). Moreover, in *Take-Two*, Labaton Sucharow was able to prompt the SEC to reverse its initial position and agree to distribute a disgorgement fund to investors, including class members. The SEC had originally planned for the fund to be distributed to the U.S. Treasury. As a result, investors received a very significant percentage of their recoverable damages.

- ***Foreign Exchange Transactions Litigation***

  The Firm has pursued or is pursuing claims for state pension funds against BNY Mellon and State Street Bank, the two largest custodian banks in the world. For more than a decade, these banks failed to disclose that they were overcharging their custodial clients for foreign exchange transactions. Given the number of individual transactions this practice affected, the damages caused to our clients and the class were significant. Our claims, involving complex statistical analysis, as well as *qui tam* jurisprudence, were filed ahead of major actions by federal and state authorities related to similar allegations commenced in 2011. Our team

favorably resolved the BNY Mellon matter in 2012. The case against State Street Bank is still ongoing.

Appellate Advocacy and Trial Experience

When it is in the best interest of our clients, Labaton Sucharow repeatedly has demonstrated our willingness and ability to litigate these complex cases all the way to trial, a skill unmatched by many firms in the plaintiffs bar.

Labaton Sucharow is one of the few firms in the plaintiffs securities bar to have prevailed in a case before the U.S. Supreme Court. In *Amgen v. Connecticut Retirement Plans & Trust Funds*, 133 S. Ct. 1184 (Feb. 27, 2013), the Firm persuaded the court to reject efforts to thwart the certification of a class of investors seeking monetary damages in a securities class action. This represents a significant victory for all plaintiffs in securities class actions.

In *In re Real Estate Associates Limited Partnership Litigation*, Labaton Sucharow's advocacy significantly increased the settlement value for shareholders. The defendants were unwilling to settle for an amount the Firm and its clients viewed as fair, which led to a six-week trial. The Firm and co-counsel ultimately obtained a landmark $184 million jury verdict. The jury supported the plaintiffs' position that the defendants knowingly violated the federal securities laws, and that the general partner had breached his fiduciary duties to shareholders. The $184 million award was one of the largest jury verdicts returned in any PSLRA action and one in which the class, consisting of 18,000 investors, recovered 100 percent of their damages.

Labaton Sucharow

Our Clients

Labaton Sucharow represents and advises the following institutional investor clients, among others:

- Arkansas Teacher Retirement System
- Baltimore County Retirement System
- Bristol County Retirement Board
- California Public Employees' Retirement System
- City of New Orleans Employees' Retirement System
- Connecticut Retirement Plans & Trust Funds
- Division of Investment of the New Jersey Department of the Treasury
- Genesee County Employees' Retirement System
- Illinois Municipal Retirement Fund
- Teachers' Retirement System of Louisiana
- Macomb County Employees Retirement System
- Metropolitan Atlanta Rapid Transit Authority
- Michigan Retirement Systems
- Middlesex Retirement Board
- Mississippi Public Employees' Retirement System
- New York City Pension Funds
- New York State Common Retirement Fund
- Norfolk County Retirement System
- Office of the Ohio Attorney General and several of its Retirement Systems
- Oklahoma Firefighters Pension and Retirement System
- Plymouth County Retirement System
- Office of the New Mexico Attorney General and several of its Retirement Systems
- Rhode Island State Investment Commission
- San Francisco Employees' Retirement System
- State of Oregon Public Employees' Retirement System
- State of Wisconsin Investment Board
- Boston Retirement System
- Steamship Trade Association/International Longshoremen's Association
- Virginia Retirement System

Labaton Sucharow

Awards & Accolades

Industry publications and peer rankings consistently recognize the Firm as a respected leader in securities litigation.

Chambers & Partners USA

Band 1, top ranking, in Plaintiffs Securities Litigation (2009-2014)

> "effective and greatly respected…a bench of partners who are highly esteemed by competitors and adversaries alike"

The Legal 500

Tier 1, highest ranking, in Plaintiff Representation: Securities Litigation Law Firm (2007-2014) and also recognized in Antitrust (2010-2014) and M&A Litigation (2013 and 2014)

> "'Superb' and 'at the top of its game.' The Firm's team of 'hard-working lawyers, who push themselves to thoroughly investigate the facts' and conduct 'very diligent research.'"

Benchmark Litigation

Highly Recommended, top recognition, in Securities and Antitrust Litigation (2012-2015)

> "clearly living up to its stated mission 'reputation matters'…consistently earning mention as a respected litigation-focused firm fighting for the rights of institutional investors"

Law360

Most Feared Plaintiffs Firm (2013 and 2014) and Class Action Practice Group of the Year (2012 and 2014)

> "known for thoroughly investigating claims and conducting due diligence before filing suit, and for fighting defendants tooth and nail in court"

The National Law Journal

Hall of Fame Honoree and Top Plaintiffs' Firm (2006-2014)

> "definitely at the top of their field on the plaintiffs' side"

Labaton Sucharow

Community Involvement

To demonstrate our deep commitment to the community, Labaton Sucharow devotes significant resources to pro bono legal work and public and community service.

Firm Commitments

Brooklyn Law School Securities Arbitration Clinic
Mark S. Arisohn, Adjunct Professor and Joel H. Bernstein, Adjunct Professor

Labaton Sucharow has partnered with Brooklyn Law School to establish a securities arbitration clinic. The program serves a dual purpose: to assist defrauded individual investors who cannot otherwise afford to pay for legal counsel; and to provide students with real-world experience in securities arbitration and litigation. Partners Mark S. Arisohn and Joel H. Bernstein lead the program as adjunct professors.

Change for Kids

Labaton Sucharow supports Change for Kids (CFK) as a leading sponsor of P.S. 182 in East Harlem. One school at a time, CFK rallies communities to provide a broad range of essential educational opportunities at under-resourced public elementary schools. By creating inspiring learning environments at our partner schools, CFK enables students to discover their unique strengths and develop the confidence to achieve.

The Lawyers' Committee for Civil Rights Under Law
Edward Labaton, Member, Board of Directors

The Firm is a long-time supporter of The Lawyers' Committee for Civil rights Under Law, a nonpartisan, nonprofit organization formed in 1963 at the request of President John F. Kennedy. The Lawyers' Committee involves the private bar in providing legal services to address racial discrimination.

Labaton Sucharow attorneys have contributed on the federal level to U.S. Supreme Court nominee analyses (analyzing nominees for their views on such topics as ethnic equality, corporate diversity, and gender discrimination) and national voters' rights initiatives.

Sidney Hillman Foundation

Labaton Sucharow supports the Sidney Hillman Foundation. Created in honor of the first president of the Amalgamated Clothing Workers of America, Sidney Hillman, the foundation supports investigative and progressive journalism by awarding monthly and yearly prizes. Partner Thomas A. Dubbs is frequently invited to present these awards.

Individual Attorney Commitments

Labaton Sucharow attorneys have served in a variety of pro bono and community service capacities:

- Pro bono representation of mentally ill tenants facing eviction, appointed as Guardian *ad litem* in several housing court actions.
- Recipient of a Volunteer and Leadership Award from a tenants' advocacy organization for work defending the rights of city residents and preserving their fundamental sense of public safety and home.
- Board Member of the Ovarian Cancer Research Fund—the largest private funding agency of its kind supporting research into a method of early detection and, ultimately, a cure for ovarian cancer.
- Director of the BARKA Foundation, which provides fresh water to villages in Burkina Faso.
- Founder of the Lillian C. Spencer Fund—a charitable organization that provides scholarships to underprivileged American children and emergency dental care to refugee children in Guatemala.

Our attorneys have also contributed to or continue to volunteer with the following charitable organizations, among others:

- American Heart Association
- Big Brothers/Big Sisters of New York City
- Boys and Girls Club of America
- Carter Burden Center for the Aging
- City Harvest
- City Meals-on-Wheels
- Coalition for the Homeless
- Cycle for Survival
- Cystic Fibrosis Foundation
- Dana Farber Cancer Institute
- Food Bank for New York City
- Fresh Air Fund
- Habitat for Humanity
- Lawyers Committee for Civil Rights
- Legal Aid Society
- Mentoring USA
- National Lung Cancer Partnership
- National MS Society
- National Parkinson Foundation
- New York Cares
- New York Common Pantry
- Peggy Browning Fund
- Sanctuary for Families
- Sandy Hook School Support Fund
- Save the Children
- Special Olympics
- Toys for Tots
- Williams Syndrome Association

Labaton Sucharow

Commitment to Diversity

Recognizing that business does not always offer equal opportunities for advancement and collaboration to women, Labaton Sucharow launched its Women's Networking and Mentoring Initiative in 2007.

The Women's Initiative, led by partner and Executive Committee member Martis Alex, reflects our commitment to the advancement of women professionals. The goal of the Initiative is to bring professional women together to collectively advance women's influence in business. Each event showcases a successful woman role model as a guest speaker. We actively discuss our respective business initiatives and hear the guest speaker's strategies for success. Labaton Sucharow mentors young women inside and outside of the firm and promotes their professional achievements. The Firm also is a member of the National Association of Women Lawyers (NAWL). For more information regarding Labaton Sucharow's Women's Initiative, please visit www.labaton.com/en/about/women/Womens-Initiative.cfm.

Further demonstrating our commitment to diversity in the legal profession and within our Firm, in 2006, we established the Labaton Sucharow Minority Scholarship and Internship. The annual award—a grant and a summer associate position—is presented to a first-year minority student who is enrolled at a metropolitan New York law school and who has demonstrated academic excellence, community commitment, and personal integrity.

Labaton Sucharow has also instituted a diversity internship which brings two Hunter College students to work at the Firm each summer. These interns rotate through various departments, shadowing Firm partners and getting a feel for the inner workings of the Firm.

Labaton Sucharow

Securities Litigation Attorneys

Our team of securities class action litigators includes:

Partners

Lawrence A. Sucharow (Chairman)
Martis Alex
Mark S. Arisohn
Christine S. Azar
Eric J. Belfi
Joel H. Bernstein
Thomas A. Dubbs
Jonathan Gardner
David J. Goldsmith
Louis Gottlieb
Serena Hallowell
Thomas G. Hoffman, Jr.
James W. Johnson
Christopher J. Keller
Edward Labaton
Christopher J. McDonald
Michael H. Rogers
Ira A. Schochet
Michael W. Stocker
Nicole M. Zeiss

Of Counsel

Garrett J. Bradley
Joseph H. Einstein
Angelina Nguyen
Barry M. Okun
Carol C. Villegas

Senior Counsel

Richard T. Joffe

Detailed biographies of the team's qualifications and accomplishments follow.

Lawrence A. Sucharow, Chairman
lsucharow@labaton.com

With nearly four decades of experience, the Firm's Chairman, Lawrence A. Sucharow is an internationally recognized trial lawyer and a leader of the class action bar. Under his guidance, the Firm has grown into and earned its position as one of the top plaintiffs securities and antitrust class action firms in the world. As Chairman, Larry focuses on counseling the Firm's large institutional clients, developing creative and compelling strategies to advance and protect clients' interests, and the prosecution and resolution of many of the Firm's leading cases.

Over the course of his career, Larry has prosecuted hundreds of cases and the Firm has recovered billions in groundbreaking securities, antitrust, business transaction, product liability, and other class actions. In fact, a landmark case tried in 2002—*In re Real Estate Associates Limited Partnership Litigation*—was the very first securities action successfully tried to a jury verdict following the enactment of the Private Securities Litigation Reform Act (PSLRA). Experience such as this has made Larry uniquely qualified to evaluate and successfully prosecute class actions.

Other representative matters include: *In re CNL Resorts, Inc. Securities Litigation* ($225 million settlement); *In re Paine Webber Incorporated Limited Partnerships Litigation* ($200 million settlement); *In re Prudential Securities Incorporated Limited Partnerships Litigation* ($110 million partial settlement);

In re Prudential Bache Energy Income Partnerships Securities Litigation ($91 million settlement) and *Shea v. New York Life Insurance Company* (over $92 million settlement).

In recognition of his career accomplishments and standing in the securities bar at the Bar, Larry was selected by *Law360* as one the 10 Most Admired Securities Attorneys in the United States. Further, he is one of a small handful of plaintiffs' securities lawyers in the United States independently selected by each of *Chambers and Partners USA*, *The Legal 500*, *Benchmark Litigation*, and *Lawdragon 500* for their respective highest rankings. Referred to as a "legend" by his peers in *Benchmark Litigation*, *Chambers* describes him as an "an immensely respected plaintiff advocate" and a "renowned figure in the securities plaintiff world…[that] has handled some of the most high-profile litigation in this field." According to *The Legal 500*, clients characterize Larry as a "a strong and passionate advocate with a desire to win." In addition, Brooklyn Law School honored Larry with the 2012 Alumni of the Year Award for his notable achievements in the field.

Larry has served a two-year term as President of the National Association of Shareholder and Consumer Attorneys, a membership organization of approximately 100 law firms that practice complex civil litigation including class actions. A longtime supporter of the Federal Bar Council, Larry serves as a trustee of the Federal Bar Council Foundation. He is a member of the Federal Bar Council's Committee on Second Circuit Courts, and the Federal Courts Committee of the New York County Lawyers' Association. He is also a member of the Securities Law Committee of the New Jersey State Bar Association and was the Founding Chairman of the Class Action Committee of the Commercial and Federal Litigation Section of the New York State Bar Association, a position he held from 1988-1994. In addition, Larry serves on the Advocacy Committee of the World Federation of Investors Corporation, a worldwide umbrella organization of national shareholder associations. In May 2013, Larry was elected Vice Chair of the International Financial Litigation Network, a network of law firms from 15 countries seeking international solutions to cross-border financial problems.

Larry is admitted to practice in the States of New York, New Jersey, and Arizona, as well as before the Supreme Court of the United States, the United States Court of Appeals for the Second Circuit, and the United States District Courts for the Southern and Eastern Districts of New York, the District of New Jersey, and the District of Arizona.

Martis Alex, Partner
malex@labaton.com

Martis Alex prosecutes complex litigation on behalf of consumers as well as domestic and international institutional investors. She has extensive experience litigating mass tort and class action cases nationwide, specifically in the areas of consumer fraud, products liability, and securities fraud. She has successfully represented consumers and investors in cases that achieved cumulative recoveries of hundreds of millions of dollars for plaintiffs.

Named one of *Benchmark Litigation*'s Top 250 Women in Litigation, Martis is an elected member of the Firm's Executive Committee and chairs the Firm's Consumer Protection Practice as well as the Women's Initiative. Martis is also an Executive Council member of Ellevate, a global professional network dedicated to advancing women's leadership across industries.

Martis leads the Firm's team litigating the consumer class action against auto manufacturers over keyless ignition carbon monoxide deaths, as well as the first nationwide consumer class action concerning defective Takata-made airbags.

Martis was a court-appointed member of the Plaintiffs' Steering Committees in national product liability actions against the manufacturers of orthopedic bone screws (*In re Orthopedic Bone Screw Products Liability Litigation*), atrial pacemakers (*In re Telectronics Pacing Systems, Inc. Accufix Atrial "J" Leads Product Liability Litigation*), latex gloves (*In re Latex Gloves Products Liability Litigation*), and

suppliers of defective auto paint (*In re Ford Motor Company Vehicle Paint*). She played a leadership role in the national litigation against the tobacco companies (*Castano v. American Tobacco Co.*) and in the prosecution of the national breast implant litigation (*In re Silicone Gel Breast Implant Products Liability Litigation*).

In her securities practice, Martis represents several foreign financial institutions seeking recoveries of more than a billion dollars in losses in their RMBS investments.

Martis played a key role in litigating *In re American International Group, Inc. Securities Litigation*, recovering more than $1 billion in settlements for investors. She was an integral part of the team that successfully litigated *In re Bristol-Myers Squibb Securities Litigation*, which resulted in a $185 million settlement for investors and secured meaningful corporate governance reforms that will affect future consumers and investors alike.

Martis acted as Lead Trial Counsel and Chair of the Executive Committee in the *Zenith Laboratories Securities Litigation*, a federal securities fraud class action which settled during trial and achieved a significant recovery for investors. In addition, she served as co-lead counsel in several securities class actions that attained substantial awards for investors, including *Cadence Design Securities Litigation*, *Halsey Drug Securities Litigation*, *Slavin v. Morgan Stanley*, *Lubliner v. Maxtor Corp.*, and *Baden v. Northwestern Steel and Wire*.

Martis began her career as a trial lawyer with the Sacramento, California District Attorney's Office, where she tried over 30 cases to verdict. She has spoken on various legal topics at national conferences and is a recipient of the American College of Trial Lawyers' Award for Excellence in Advocacy.

Martis founded the Lillian C. Spencer Fund, a charitable organization that provides scholarships to underprivileged American children and emergency dental care to refugee children in Guatemala. She is a Director of the BARKA Foundation, which provides fresh water to villages in Burkina Faso, West Africa, and she contributes to her local community through her work with Coalition for the Homeless and New York Cares.

Martis is admitted to practice in the States of California and New York as well as before the Supreme Court of the United States, the United States Court of Appeals for the Second Circuit, and the United States District Courts for the Western District of Washington, the Southern, Eastern and Western Districts of New York, and the Central District of California.

Mark S. Arisohn, Partner
marisohn@labaton.com

Mark S. Arisohn concentrates his practice on prosecuting complex securities fraud cases on behalf of institutional investors. Mark is an accomplished litigator, with nearly 40 years of extensive trial experience in jury and non-jury matters in the state and federal courts nationwide. He has also argued in the New York Court of Appeals, the United States Court of Appeals for the Second Circuit and appeared before the United States Supreme Court in the landmark insider trading case of *Chiarella v. United States*.

Mark's wide-ranging practice has included prosecuting and defending individuals and corporations in cases involving securities fraud, mail and wire fraud, bank fraud, and RICO violations. He has represented public officials, individuals, and companies in the construction and securities industries as well as professionals accused of regulatory offenses and professional misconduct. He also has appeared as trial counsel for both plaintiffs and defendants in civil fraud matters and corporate and commercial matters, including shareholder litigation, business torts, unfair competition, and misappropriation of trade secrets.

Mark is one of the few litigators in the plaintiffs' bar to have tried two securities fraud class action cases to a jury verdict.

Mark is an active member of the Association of the Bar of the City of New York and has served on its Judiciary Committee, the Committee on Criminal Courts, Law and Procedure, the Committee on Superior Courts, and the Committee on Professional Discipline. He serves as a mediator for the Complaint Mediation Panel of the Association of the Bar of the City of New York where he mediates attorney client disputes and as a hearing officer for the New York State Commission on Judicial Conduct where he presides over misconduct cases brought against judges.

Mark also co-leads Labaton Sucharow's Securities Arbitration pro bono project in conjunction with Brooklyn Law School where he serves as an adjunct professor. Mark, together with Labaton Sucharow associates and Brooklyn Law School students, represents aggrieved and defrauded individual investors who cannot otherwise afford to pay for legal counsel in financial industry arbitration matters against investment advisors and stockbrokers.

Mark was named to the recommended list in the field of Securities Litigation by *The Legal 500* and recognized by Benchmark Litigation as a Securities Litigation Star. He has also received a rating of AV Preeminent from publishers of the Martindale-Hubbell directory.

Mark is admitted to practice in the State of New York and the District of Columbia as well as before the Supreme Court of the United States, the United States Court of Appeals for the Second Circuit, and the United States District Courts for the Southern, Eastern and Northern Districts of New York, the Northern District of Texas, and the Northern District of California.

Christine S. Azar, Partner
cazar@labaton.com

Christine S. Azar is the Chair of the Firm's Corporate Governance and Shareholder Rights Litigation Practice. A longtime advocate of shareholder rights, Christine prosecutes complex derivative and transactional litigation in the Delaware Court of Chancery and throughout the United States.

In recognition of her accomplishments, Chambers & Partners USA ranked her as a leading lawyer in Delaware, noting she is an "A-team lawyer on the plaintiff's side." She was also featured on *The National Law Journal*'s Plaintiffs' Hot List, recommended by *The Legal 500*, and named a Securities Litigation Star in Delaware by *Benchmark Litigation* as well as one of *Benchmark*'s Top 250 Women in Litigation.

Christine's caseload represents some of the most sophisticated litigation in her field. Currently, she is representing California State Teachers' Retirement System as co-lead counsel in *In re Wal-Mart Derivative Litigation*. The suit alleges that Wal-Mart's board of directors and management breached their fiduciary duties owed to shareholders and the company as well as violated the company's own corporate governance guidelines, anti-corruption policy, and statement of ethics.

Christine has worked on some of the most groundbreaking cases in the field of merger and derivative litigation. In *In re Freeport-McMoRan Copper & Gold Inc. Derivative Litigation*, she achieved the second largest derivative settlement in the Delaware Court of Chancery history, a $153.75 million settlement with an unprecedented provision of direct payments to stockholders by means of a special dividend. As co-lead counsel in *In re El Paso Corporation Shareholder Litigation*, which shareholders alleged that acquisition of El Paso by Kinder Morgan, Inc. was improperly influenced by conflicted financial advisors and management, Christine helped secure a $110 million settlement. Acting as co-lead counsel in In re *J.Crew Shareholder Litigation*, Christine helped secure a settlement that increased the payment to J.Crew's shareholders by $16 million following an allegedly flawed going-private transaction. Christine also assisted in obtaining $29 million in settlements on behalf of Barnes & Noble

investors in *In re Barnes & Noble Stockholders Derivative Litigation* which alleged breaches of fiduciary duties by the Barnes & Noble management and board of directors. In *In re The Student Loan Corporation*, Christine was part of the team that successfully protected the minority shareholders in connection with a complex web of proposed transactions that ran contrary to shareholders' interest by securing a recovery of nearly $10 million for shareholders.

Acting as co-lead counsel in *In re RehabCare Group, Inc. Shareholders Litigation*, Christine was part of the team that structured a settlement that included a cash payment to shareholders as well as key deal reforms such as enhanced disclosures and an amended merger agreement. Representing shareholders in *In re Compellent Technologies, Inc. Shareholder Litigation*, regarding the proposed acquisition of Compellent Technologies Inc. by Dell, Inc., Christine was integral in negotiating a settlement that included key deal improvements including elimination of the "poison pill" and standstill agreement with potential future bidders as well as a reduction of the termination fee amount. In *In re Walgreen Co. Derivative Litigation*, Christine negotiated significant corporate governance reforms on behalf of West Palm Beach Police Pension Fund and the Police Retirement System of St. Louis, requiring Walgreens to extend its Drug Enforcement Agency commitments in this derivative action related to the company's Controlled Substances Act violation.

In addition to her active legal practice, Christine serves as a Volunteer Guardian Ad Litem in the Office of the Child Advocate. In this capacity, she has represented children in foster care in the state of Delaware to ensure the protection of their legal rights. Christine is also a member of the Advisory Committee of the Weinberg Center for Corporate Governance of the University of Delaware.

Christine is admitted to practice in the States of Delaware, New Jersey, and Pennsylvania as well as before the United States Court of Appeals for the Third Circuit and the United States District Courts for the District of Delaware, the District of New Jersey, and the Eastern District of Pennsylvania.

Eric J. Belfi, Partner
ebelfi@labaton.com

Representing many of the world's leading pension funds and other institutional investors, Eric J. Belfi is an accomplished litigator with experience in a broad range of commercial matters. Eric concentrates his practice on domestic and international securities litigation and shareholder litigation. He serves as a member of the Firm's Executive Committee.

As an integral member of the Firm's Case Evaluation group, Eric has brought numerous high-profile domestic securities cases that resulted from the credit crisis, including the prosecution against Goldman Sachs. In *In re Goldman Sachs Group, Inc. Securities Litigation*, he played a significant role in the investigation and drafting of the operative complaint. Eric was also actively involved in securing a combined settlement of $18.4 million in *In re Colonial BancGroup, Inc. Securities Litigation*, regarding material misstatements and omissions in SEC filings by Colonial BancGroup and certain underwriters.

Along with his domestic securities litigation practice, Eric leads the Firm's International Securities Litigation Practice, which is dedicated exclusively to analyzing potential claims in non-U.S. jurisdictions and advising on the risk and benefits of litigation in those forums. The practice, one of the first of its kind, also serves as liaison counsel to institutional investors in such cases, where appropriate. Currently, Eric represents nearly 30 institutional investors in over a dozen non-U.S. cases against companies including SNC-Lavalin Group Inc. in Canada, Vivendi Universal, S.A. in France, OZ Minerals Ltd. in Australia, Lloyds Banking Group in the UK, and Olympus Corporation in Japan.

Eric's international experience also includes securing settlements on behalf of non-U.S. clients including the UK-based Mineworkers' Pension Scheme in *In re Satyam Computer Securities Services Ltd. Securities Litigation*, an action related to one of the largest securities fraud in India which resulted in $150.5 million in collective settlements. Representing two of Europe's leading pension funds, Deka

Investment GmbH and Deka International S.A., Luxembourg, in *In re General Motors Corp. Securities Litigation*, Eric was integral in securing a $303 million settlement in a case regarding multiple accounting manipulations and overstatements by General Motors.

Additionally, Eric oversees the Financial Products & Services Litigation Practice, focusing on individual actions against malfeasant investment bankers, including cases against custodial banks that allegedly committed deceptive practices relating to certain foreign currency transactions. He currently serves as lead counsel to Arkansas Teacher Retirement System in a class action against the State Street Corporation and certain affiliated entities, and he has represented the Commonwealth of Virginia in its False Claims Act case against Bank of New York Mellon, Inc.

Eric's M&A and derivative experience includes noteworthy cases such as *In re Medco Health Solutions Inc. Shareholders Litigation*, in which he was integrally involved in the negotiation of the settlement that included a significant reduction in the termination fee.

Eric's prior experience included serving as an Assistant Attorney General for the State of New York and as an Assistant District Attorney for the County of Westchester. As a prosecutor, Eric investigated and prosecuted white-collar criminal cases, including many securities law violations. He presented hundreds of cases to the grand jury and obtained numerous felony convictions after jury trials.

Eric is a frequent speaker on the topic of shareholder litigation and U.S.-style class actions in European countries. He also has spoken on socially responsible investments for public pension funds.

Eric is admitted to practice in the State of New York as well as before the United States District Courts for the Southern and Eastern Districts of New York, the Eastern District of Michigan, the District of Colorado, the District of Nebraska, and the Eastern District of Wisconsin.

Joel H. Bernstein, Partner
jbernstein@labaton.com

With nearly four decades of experience in complex litigation, Joel H. Bernstein's practice focuses on the protection of investors who have been victimized by securities fraud and breach of fiduciary duty. Joel advises large public pension funds, banks, mutual funds, insurance companies, hedge funds, and other institutional and individual investors with respect to securities-related litigation in the federal and state courts, as well as in arbitration proceedings before the NYSE, FINRA, and other self-regulatory organizations. His experience in the area of shareholder litigation has resulted in the recovery of more than a billion dollars in damages to wronged investors.

Joel leads the Firm's Residential Mortgage-Backed Securities team, representing large domestic and foreign institutional investors in individual litigation involving billions of dollars lost in fraudulently marketed investments at the center of the subprime crisis and has successfully recovered hundreds of millions of dollars on their behalf thus far. He also currently serves as lead counsel in class actions, including a landmark securities class action case involving allegations of market manipulation via high frequency trading, and a class action against Weatherford alleging that the company filed false financial statements.

Joel recently led the team that secured a $265 million all-cash settlement for a class of investors in *In re Massey Energy Co. Securities Litigation*, a matter that stemmed from the 2010 mining disaster at the company's Upper Big Branch coal mine. As lead counsel for one of the most prototypical cases arising from the financial crisis, *In re Countrywide Corporation Securities Litigation*, he obtained a settlement of $624 million for co-lead plaintiffs, New York State Common Retirement Fund and the New York City Pension Funds.

In the past, Joel has played a central role in numerous high profile cases, including *In re Paine Webber Incorporated Limited Partnerships Litigation* ($200 million settlement); *In re Prudential Securities Incorporated Limited Partnerships Litigation* ($130 million settlement); *In re Prudential Bache Energy Income Partnerships Securities Litigation* ($91 million settlement); *Shea v. New York Life Insurance Company* ($92 million settlement); and *Saunders et al. v. Gardner* ($10 million—the largest punitive damage award in the history of NASD Arbitration at that time). In addition, Joel was instrumental in securing a $117.5 million settlement in *In re Mercury Interactive Securities Litigation*, the largest settlement at the time in a securities fraud litigation based upon options backdating. He also has litigated cases which arose out of deceptive practices by custodial banks relating to certain foreign currency transactions.

Joel has been recommended by *The Legal 500* in the field of Securities Litigation, where he was described by sources as a "formidable adversary," and by *Benchmark Litigation* as a Securities Litigation Star. He was also featured in *The AmLaw Litigation Daily* as Litigator of the Week for his work on *In re Countrywide Financial Corporation Securities Litigation*. Joel has received a rating of AV Preeminent from the publishers of the Martindale-Hubbell directory.

In addition to his active legal practice, Joel co-leads Labaton Sucharow's Securities Arbitration pro bono project in collaboration with Brooklyn Law School where he serves as an adjunct professor. Together with Labaton Sucharow partner Mark Arisohn, firm associates, and Brooklyn Law School students, he represents aggrieved and defrauded individual investors who cannot otherwise afford to pay for legal counsel in financial industry arbitration matters against investment advisors and stockbrokers.

As a recognized leader in his field, Joel is frequently sought out by the press to comment on securities law and has also authored numerous articles on related issues. He is a member of the American Bar Association, the Association of the Bar of the City of New York, and the Public Investors Arbitration Bar Association (PIABA).

He is admitted to practice in the State of New York as well as before the United States Courts of Appeals for the First, Second, Third, Fourth, Fifth, and Ninth Circuits and the United States District Courts for the Southern and Eastern Districts of New York. He is a member of the American Bar Association and the New York County Lawyers' Association.

Thomas A. Dubbs, Partner
tdubbs@labaton.com

Thomas A. Dubbs concentrates his practice on the representation of institutional investors in domestic and multinational securities cases. Recognized as a leading securities class action attorney, Tomhas been named as a top litigator by *Chambers & Partners* for six consecutive years.

Tom has served as lead or co-lead counsel in some of the most important federal securities class actions in recent years, including those against American International Group, Goldman Sachs, the Bear Stearns Companies, Facebook, Fannie Mae, Broadcom, and WellCare. Tom has also played an integral role in securing significant settlements in several high-profile cases including: *In re American International Group, Inc. Securities Litigation* (settlements totaling more than $1 billion); *In re Bear Stearns Companies, Inc. Securities Litigation* ($275 million settlement with Bear Stearns Companies, plus a $19.9 million settlement with Deloitte & Touche LLP, Bear Stearns' outside auditor); *In re HealthSouth Securities Litigation* ($671 million settlement); *Eastwood Enterprises LLC v. Farha et al.* (*WellCare Securities Litigation*) (over $200 million settlement); *In re 2008 Fannie Mae Securities Litigation* ($170 million settlement pending final court approval); *In re Broadcom Corp. Securities Litigation* ($160.5 million settlement with Broadcom, plus $13 million settlement with Ernst & Young LLP, Broadcom's outside auditor); *In re St. Paul Travelers Securities Litigation* ($144.5 million settlement); and *In re Vesta Insurance Group, Inc. Securities Litigation* ($79 million settlement).

Representing an affiliate of the Amalgamated Bank, the largest labor-owned bank in the United States, a team led by Tom successfully litigated a class action against Bristol-Myers Squibb, which resulted in a settlement of $185 million as well as major corporate governance reforms. He has argued before the United States Supreme Court and has argued 10 appeals dealing with securities or commodities issues before the United States Courts of Appeals.

Due to his reputation in securities law, Tom frequently lectures to institutional investors and other groups such as the Government Finance Officers Association, the National Conference on Public Employee Retirement Systems, and the Council of Institutional Investors. He is a prolific author of articles related to his field, and he recently penned "Textualism and Transnational Securities Law: A Reappraisal of Justice Scalia's Analysis in *Morrison v. National Australia Bank*," *Southwestern Journal of International Law* (2014). He has also written several columns in UK-wide publications regarding securities class action and corporate governance.

Prior to joining Labaton Sucharow, Tom was Senior Vice President & Senior Litigation Counsel for Kidder, Peabody & Co. Incorporated, where he represented the company in many class actions, including the First Executive and Orange County litigation and was first chair in many securities trials. Before joining Kidder, Tom was head of the litigation department at Hall, McNicol, Hamilton & Clark, where he was the principal partner representing Thomson McKinnon Securities Inc. in many matters, including the Petro Lewis and Baldwin-United class actions.

In addition to his *Chambers & Partners* recognition, Tom was named a Leading Lawyer by *The Legal 500*, an honor presented to only eight U.S. plaintiffs' securities attorneys. *Law360* also named him an "MVP of the Year" for distinction in class action litigation, and he has been recognized by *The National Law Journal*, *Lawdragon 500*, and *Benchmark Litigation* as a Securities Litigation Star. Tom has received a rating of AV Preeminent from the publishers of the Martindale-Hubbell directory.

Tom serves as a FINRA Arbitrator and is an Advisory Board Member for the Institute for Transnational Arbitration. He is a member of the New York State Bar Association, the Association of the Bar of the City of New York, the American Law Institute, and he is a Patron of the American Society of International Law. He also was previously a member of the Members Consultative Group for the Principles of the Law of Aggregate Litigation and the Department of State Advisory Committee on Private International Law.

Tom is admitted to practice in the State of New York as well as before the Supreme Court of the United States, the United States Courts of Appeals for the Second, Ninth and Eleventh Circuits, and the United States District Court for the Southern District of New York.

Jonathan Gardner, Partner
jgardner@labaton.com

Jonathan Gardner's practice focuses on prosecuting complex securities fraud cases on behalf of institutional investors. An experienced litigator, he has played an integral role in securing some of the largest class action recoveries against corporate offenders since the onset of the global financial crisis.

Jonathan has led the Firm's representation of investors in many recent high-profile cases including *Rubin v. MF Global Ltd., et al.*, which involved allegations of material misstatements and omissions in a Registration Statement and Prospectus issued in connection with MF Global's IPO in 2007. In November 2011, the case resulted in a recovery of $90 million for investors. Jonathan also represented lead plaintiff City of Edinburgh Council as Administering Authority of the Lothian Pension Fund in *In re Lehman Brothers Equity/Debt Securities Litigation*, which resulted in settlements totaling exceeding $600 million against Lehman Brothers' former officers and directors, Lehman's former public accounting firm as well as the banks that underwrote Lehman Brothers' offerings. In representing lead plaintiff Massachusetts Bricklayers and Masons Trust Funds in an action against Deutsche Bank,

Jonathan secured a $32.5 million dollar recovery for a class of investors injured by the Bank's conduct in connection with certain residential mortgage-backed securities.

Most recently, Jonathan was the lead attorney in several matters that resulted in significant recoveries for injured class members, including: *In re Hewlett-Packard Company Securities Litigation*, resulting in a $57 million recovery; *In re Carter's Inc. Securities Litigation* resulting in a $23.3 million recovery against Carter's and certain of its officers as well as PricewaterhouseCoopers, its auditing firm; *In re Lender Processing Services Inc.*, involving claims of fraudulent mortgage processing which resulted in a $13.1 million recovery; *In re Aeropostale Inc. Securities Litigation*, resulting in a $15 million recovery; and *In re K-12, Inc. Securities Litigation*, resulting in a $6.75 million recovery.

Jonathan has also been responsible for prosecuting several of the Firm's options backdating cases, including *In re Monster Worldwide, Inc. Securities Litigation* ($47.5 million settlement); *In re SafeNet, Inc. Securities Litigation* ($25 million settlement); *In re Semtech Securities Litigation* ($20 million settlement); and *In re MRV Communications, Inc. Securities Litigation* ($10 million settlement). He also was instrumental in *In re Mercury Interactive Corp. Securities Litigation*, which settled for $117.5 million, one of the largest settlements or judgments in a securities fraud litigation based upon options backdating.

Jonathan also represented the Successor Liquidating Trustee of Lipper Convertibles, a convertible bond hedge fund, in actions against the fund's former independent auditor and a member of the fund's general partner as well as numerous former limited partners who received excess distributions. He successfully recovered over $5.2 million for the Successor Liquidating Trustee from the limited partners and $29.9 million from the former auditor.

He is a member of the New York State Bar Association and the Association of the Bar of the City of New York.

Jonathan is admitted to practice in the State of New York as well as before the United States Court of Appeals for the Ninth and Eleventh Circuits and the United States District Courts for the Southern and Eastern Districts of New York, and the Eastern District of Wisconsin.

David J. Goldsmith, Partner

dgoldsmith@labaton.com

David J. Goldsmith has 15 years of experience representing public and private institutional investors in a wide variety of securities and class action litigations. In recent years, David's work has directly led to record recoveries against corporate offenders in some of the most complex and high-profile securities class actions.

In 2013, David was one of a select number of partners individually "recommended" by *The Legal 500* as part of the Firm's recognition as one of the three top-tier plaintiffs' firms in securities class action litigation.

David was an integral member of the team representing the New York State Common Retirement Fund and New York City pension funds as lead plaintiffs in *In re Countrywide Financial Corporation Securities Litigation*, which settled for $624 million. David successfully represented these clients in an appeal brought by Countrywide's 401(k) plan in the Ninth Circuit concerning complex settlement allocation issues.

Current matters include representations of large German banking institutions and a major Irish special-purpose vehicle in multiple actions alleging fraud in connection with residential mortgage-backed securities issued by an array of investment banks; representation for a state pension fund in a securities class action against NeuStar concerning the bidding and selection process for its key

contract; representation of a state pension fund in a notable action alleging deceptive acts and practices by State Street Bank in connection with foreign currency exchange trades executed for its custodial clients; and representation of a hedge fund and other investors with allegations of harm by the well-publicized collapse of four Regions Morgan Keegan closed-end investment companies.

David has regularly represented the Genesee County (Michigan) Employees' Retirement System in securities and shareholder matters, including settled actions against CBeyond, Compellent Technologies, Merck, Spectranetics, and Transaction Systems Architects, Inc.

During law school, David was Managing Editor of the *Cardozo Arts & Entertainment Law Journal* and served as a judicial intern to the Honorable Michael B. Mukasey, then a United States District Judge for the Southern District of New York.

For many years, David has been a member of AmorArtis, a renowned choral organization with a diverse repertoire.

He is admitted to practice in the States of New York and New Jersey as well as before the United States Courts of Appeals for the First, Second, Fourth, Fifth, Eighth, and Ninth Circuits and the United States District Courts for the Southern and Eastern Districts of New York, the District of New Jersey, the District of Colorado, and the Western District of Michigan.

Louis Gottlieb, Partner
lgottlieb@labaton.com

Louis Gottlieb concentrates his practice on representing institutional and individual investors in complex securities and consumer class action cases. He has played a key role in some of the most high-profile securities class actions in recent history, securing significant recoveries for plaintiffs and ensuring essential corporate governance reforms to protect future investors, consumers, and the general public.

Lou was integral in prosecuting *In re American International Group, Inc. Securities Litigation* (settlements totaling more than $1 billion) and *In re 2008 Fannie Mae Securities Litigation* ($170 million settlement pending final approval). He also helped lead major class action cases against the company and related defendants in *In re Satyam Computer Services, Ltd. Securities Litigation* ($150.5 million settlement). He has led successful litigation teams in securities fraud class action litigations against Metromedia Fiber Networks and Pricesmart, as well as consumer class actions against various life insurance companies.

In the Firm's representation of the Connecticut Retirement Plans and Trust Funds in *In re Waste Management, Inc. Securities Litigation*, Lou's efforts were essential in securing a $457 million settlement. The settlement also included important corporate governance enhancements, including an agreement by management to support a campaign to obtain shareholder approval of a resolution to declassify its board of directors, and a resolution to encourage and safeguard whistleblowers among the company's employees. Acting on behalf of New York City pension funds in *In re Orbital Sciences Corporation Securities Litigation*, Lou helped negotiate the implementation of measures concerning the review of financial results, the composition, role and responsibilities of the Company's Audit and Finance committee, and the adoption of a Board resolution providing guidelines regarding senior executives' exercise and sale of vested stock options.

Lou was a leading member of the team in the *Napp Technologies Litigation* that won substantial recoveries for families and firefighters injured in a chemical plant explosion. Lou has had a major role in national product liability actions against the manufacturers of orthopedic bone screws and atrial pacemakers, and in consumer fraud actions in the national litigation against tobacco companies.

A well-respected litigator, Lou has made presentations on punitive damages at Federal Bar Association meetings and has spoken on securities class actions for institutional investors.

Lou brings a depth of experience to his practice from both within and outside of the legal sphere. He graduated first in his class from St. John's School of Law. Prior to joining Labaton Sucharow, he clerked for the Honorable Leonard B. Wexler of the Eastern District of New York, and he worked as an associate at Skadden Arps Slate Meagher & Flom LLP.

Lou is admitted to practice in the States of New York and Connecticut as well as before the United States Courts of Appeals for the Fifth and Seventh Circuits and the United States District Courts for the Southern and Eastern Districts of New York.

Serena Hallowell, Partner
shallowell@labaton.com

Serena Hallowell concentrates her practice on prosecuting complex securities fraud cases on behalf of institutional investors. Currently, she is actively prosecuting In re Intuitive Surgical Securities Litigation and *In re NII Holdings, Inc. Securities Litigation*.

Recently, Serena played a principal role in prosecuting *In re Computer Sciences Corporation Securities Litigation* (CSC). After litigating the CSC matter in a "rocket docket" jurisdiction, she helped secure a settlement of $97.5 million on behalf of lead plaintiff Ontario Teachers' Pension Plan Board, the third largest all cash settlement in the Fourth Circuit. She was also instrumental in securing a $48 million recovery in *Medoff v. CVS Caremark Corporation et al*.

Serena also has broad appellate and trial experience. Most recently, Serena participated in the successful appeal of the CVS matter before the U.S. Court of Appeals for the First Circuit, and she is currently participating in an appeal pending before the U.S. Court of Appeals for the Tenth Circuit. In addition, she has previously played a key role in securing a favorable jury verdict in one of the few securities fraud class action suits to proceed to trial.

Prior to joining Labaton Sucharow, Serena was an attorney at Ohrenstein & Brown LLP, where she participated in various federal and state commercial litigation matters. During her time there, she also defended financial companies in regulatory proceedings and assisted in high profile coverage litigation matters in connection with mutual funds trading investigations.

Serena received a J.D. from Boston University School of Law, where she served as the Note Editor for the *Journal of Science & Technology Law*. She earned a B.A. in Political Science from Occidental College.

Serena is a member of the Association of the Bar of the City of New York, the Federal Bar Council, and the National Association of Women Lawyers (NAWL), where she serves on the Women's Initiatives Leadership Boot Camp Planning Committee. She also devotes time to pro bono work with the Securities Arbitration Clinic at Brooklyn Law School and is a member of the Firm's Women's Initiative.

She is conversational in Urdu/Hindi.

She is admitted to practice in the State of New York as well as before the United States Court of Appeals for the First and Eleventh Circuits and the United States District Courts for the Southern and Eastern Districts of New York.

Thomas G. Hoffman, Jr., Partner
thoffman@labaton.com

Thomas G. Hoffman, Jr. focuses on representing institutional investors in complex securities actions.

Thomas was instrumental in securing a $1 billion recovery in the eight-year litigation against AIG and related defendants. He also was a key member of the Labaton Sucharow team that recovered $170 million for investors in *In re 2008 Fannie Mae Securities Litigation*. Currently, Thomas is prosecuting cases against BP, Facebook, and Petrobras.

Thomas received a J.D. from UCLA School of Law, where he was Editor-in-Chief of the UCLA *Entertainment Law Review*, and he served as a Moot Court Executive Board Member. In addition, he was a judicial extern to the Honorable William J. Rea, United States District Court for the Central District of California. Thomas earned a B.F.A., with honors, from New York University.

Thomas is admitted to practice in the State of New York as well as before the United States District Courts for the Southern and Eastern Districts of New York.

James W. Johnson, Partner
jjohnson@labaton.com

James W. Johnson focuses on complex securities fraud cases. In representing investors who have been victimized by securities fraud and breaches of fiduciary responsibility, Jim's advocacy has resulted in record recoveries for wronged investors. Currently, he is prosecuting high-profile cases against financial industry leader Goldman Sachs in *In re Goldman Sachs Group, Inc., Securities Litigation,* and the world's most popular social network, in *In re Facebook, Inc., IPO Securities and Derivative Litigation*. In addition to his active caseload, Jim holds a variety of leadership positions within the Firm, including serving on the Firm's Executive Committee and acting as the Firm's Hiring Partner. He also serves as the Firm's Executive Partner overseeing firmwide issues.

A recognized leader in his field, Jim has successfully litigated a number of complex securities and RICO class actions including: *In re Bear Stearns Companies, Inc. Securities Litigation* ($275 million settlement with Bear Stearns Companies, plus a $19.9 million settlement with Deloitte & Touche LLP, Bear Stearns' outside auditor); *In re HealthSouth Corp. Securities Litigation* ($671 million settlement); *Eastwood Enterprises LLC v. Farha et al. (WellCare Securities Litigation)* ($200 million settlement); *In re Vesta Insurance Group, Inc. Securities Litigation* ($79 million settlement); *In re Bristol Myers Squibb Co. Securities Litigation* ($185 million settlement), in which the court also approved significant corporate governance reforms and recognized plaintiff's counsel as "extremely skilled and efficient"; and *In re National Health Laboratories, Inc., Securities Litigation*, which resulted in a recovery of $80 million in the federal action and a related state court derivative action.

In *County of Suffolk v. Long Island Lighting Co.*, Jim represented the plaintiff in a RICO class action, securing a jury verdict after a two-month trial that resulted in a $400 million settlement. The Second Circuit quoted the trial judge, Honorable Jack B. Weinstein, as stating "counsel [has] done a superb job [and] tried this case as well as I have ever seen any case tried." On behalf of the Chugach Native Americans, he also assisted in prosecuting environmental damage claims resulting from the Exxon Valdez oil spill.

Jim is a member of the American Bar Association and the Association of the Bar of the City of New York, where he served on the Federal Courts Committee, and he is a Fellow in the Litigation Council of America.

Jim has received a rating of AV Preeminent from the publishers of the Martindale-Hubbell directory.

He is admitted to practice in the States of New York and Illinois as well as before the Supreme Court of the United States, the United States Courts of Appeals for the Second, Third, Fourth, Fifth, Seventh and Eleventh Circuits, and the United States District Courts for the Southern, Eastern and Northern Districts of New York, and the Northern District of Illinois.

Christopher J. Keller, Partner
ckeller@labaton.com

Christopher J. Keller concentrates his practice in complex securities litigation. His clients are institutional investors, including some of the world's largest public and private pension funds with tens of billions of dollars under management.

Described by *The Legal 500* as a "sharp and tenacious advocate" who "has his pulse on the trends," Chris has been instrumental in the Firm's appointments as lead counsel in some of the largest securities matters arising out of the financial crisis, such as actions against Countrywide ($624 million settlement), Bear Stearns ($275 million settlement with Bear Stearns Companies, plus a $19.9 million settlement with Deloitte & Touche LLP, Bear Stearns' outside auditor), Fannie Mae ($170 million settlement), and Goldman Sachs.

Chris has also been integral in the prosecution of traditional fraud cases such as *In re Schering-Plough Corporation / ENHANCE Securities Litigation*; *In re Massey Energy Co. Securities Litigation*, where the Firm obtained a $265 million all-cash settlement with Alpha Natural Resources, Massey's parent company; as well as *In re Satyam Computer Services, Ltd. Securities Litigation*, where the Firm obtained a settlement of more than $150 million. Chris was also a principal litigator on the trial team of *In re Real Estate Associates Limited Partnership Litigation*. The six-week jury trial resulted in a $184 million plaintiffs' verdict, one of the largest jury verdicts since the passage of the Private Securities Litigation Reform Act.

In addition to his active caseload, Chris holds a variety of leadership positions within the Firm, including serving on the Firm's Executive Committee. In response to the evolving needs of clients, Chris also established, and currently leads, the Case Evaluation Group, which is comprised of attorneys, in-house investigators, financial analysts, and forensic accountants. The group is responsible for evaluating clients' financial losses and analyzing their potential legal claims both in and outside of the U.S. and track trends that are of potential concern to investors.

Educating institutional investors is a significant element of Chris' advocacy efforts for shareholder rights. He is regularly called upon for presentations on developing trends in the law and new case theories at annual meetings and seminars for institutional investors.

He is a member of several professional groups, including the New York State Bar Association and the New York County Lawyers' Association.

He is admitted to practice in the State of New York as well as before the Supreme Court of the United States and the United States District Courts for the Southern and Eastern Districts of New York, the Eastern District of Wisconsin, and the District of Colorado.

Edward Labaton, Partner
elabaton@labaton.com

An accomplished trial lawyer and partner with the Firm, Edward Labaton has devoted 50 years of practice to representing a full range of clients in class action and complex litigation matters in state and federal court. He is the recipient of the Alliance for Justice's 2015 Champion of Justice Award, given to outstanding individuals whose life and work exemplifies the principle of equal justice.

Ed has played a leading role as plaintiffs' class counsel in a number of successfully prosecuted, high-profile cases, involving companies such as PepsiCo, Dun & Bradstreet, Financial Corporation of America, ZZZZ Best, Revlon, GAF Co., American Brands, Petro Lewis and Jim Walter, as well as several Big Eight (now Four) accounting firms. He has also argued appeals in state and federal courts, achieving results with important precedential value.

Ed has been President of the Institute for Law and Economic Policy (ILEP) since its founding in 1996. Each year, ILEP co-sponsors at least one symposium with a major law school dealing with issues relating to the civil justice system. In 2010, he was appointed to the newly formed Advisory Board of George Washington University's Center for Law, Economics, & Finance (C-LEAF), a think tank within the Law School, for the study and debate of major issues in economic and financial law confronting the United States and the globe. Ed is an Honorary Lifetime Member of the Lawyers' Committee for Civil Rights under Law, a member of the American Law Institute, and a life member of the ABA Foundation. In addition, he has served on the Executive Committee and has been an officer of the Ovarian Cancer Research Fund since its inception in 1996.

Ed is the past Chairman of the Federal Courts Committee of the New York County Lawyers Association, and was a member of the Board of Directors of that organization. He is an active member of the Association of the Bar of the City of New York, where he was Chair of the Senior Lawyers' Committee and served on its Task Force on the Role of Lawyers in Corporate Governance. He has also served on its Federal Courts, Federal Legislation, Securities Regulation, International Human Rights, and Corporation Law Committees. He also served as Chair of the Legal Referral Service Committee, a joint committee of the New York County Lawyers' Association and the Association of the Bar of the City of New York. He has been an active member of the American Bar Association, the Federal Bar Council, and the New York State Bar Association, where he has served as a member of the House of Delegates.

For more than 30 years, he has lectured on many topics including federal civil litigation, securities litigation, and corporate governance.

He is admitted to practice in the State of New York as well as before the Supreme Court of the United States, the United States Courts of Appeals for the Second, Fifth, Sixth, Seventh, Ninth, Tenth, and Eleventh Circuits, and the United States District Courts for the Southern and Eastern Districts of New York, and the Central District of Illinois.

Christopher J. McDonald, Partner
cmcdonald@labaton.com

Christopher J. McDonald concentrates his practice on prosecuting complex securities fraud cases. Chris also works with the Firm's Antitrust & Competition Litigation Practice, representing businesses, associations, and individuals injured by anticompetitive activities and unfair business practices.

In the securities field, Chris is currently lead counsel in *In re Amgen Inc. Securities Litigation*. Most recently, he was co-lead counsel in *In re Schering-Plough Corporation / ENHANCE Securities Litigation*, which resulted in a $473 million settlement, one of the largest securities class action settlement ever against a pharmaceutical company and among the ten largest recoveries ever in a securities class action that did not involve a financial reinstatement. He was also an integral part of the team that successfully litigated *In re Bristol-Myers Squibb Securities Litigation*, where Labaton Sucharow secured a $185 million settlement, as well as significant corporate governance reforms, on behalf of Bristol-Myers shareholders.

In the antitrust field, Chris was most recently co-lead counsel in *In re TriCor Indirect Purchaser Antitrust Litigation*, obtaining a $65.7 million settlement on behalf of the class.

Chris began his legal career at Patterson, Belknap, Webb & Tyler LLP, where he gained extensive trial experience in areas ranging from employment contract disputes to false advertising claims. Later, as a senior attorney with a telecommunications company, Chris advocated before government regulatory agencies on a variety of complex legal, economic, and public policy issues. Since joining Labaton Sucharow, Chris' practice has developed a focus on life sciences industries; his cases often involve pharmaceutical, biotechnology, or medical device companies accused of wrongdoing.

During his time at Fordham University School of Law, Chris was a member of the *Law Review*. He is currently a member of the New York State Bar Association and the Association of the Bar of the City of New York.

Chris is admitted to practice in the State of New York as well as before the United States Courts of Appeals for the Second, Third, Ninth, and Federal Circuits and the United States District Courts for the Southern and Eastern Districts of New York, and the Western District of Michigan.

Michael H. Rogers, Partner
mrogers@labaton.com

Michael H. Rogers concentrates his practice on prosecuting complex securities fraud cases on behalf of institutional investors. Currently, Mike is actively involved in prosecuting *In re Goldman Sachs, Inc. Securities Litigation* and *Arkansas Teacher Retirement System v. State Street Corp.*

Since joining Labaton Sucharow, Mike has been a member of the lead or co-lead counsel teams in federal securities class actions against Countrywide Financial Corp. ($624 million settlement), HealthSouth Corp. ($671 million settlement), Mercury Interactive Corp. ($117.5 million settlement), and Computer Sciences Corp. ($97.5 million settlement).

Prior to joining Labaton Sucharow, Mike was an attorney at Kasowitz, Benson, Torres & Friedman LLP, where he practiced securities and antitrust litigation, representing international banking institutions bringing federal securities and other claims against major banks, auditing firms, ratings agencies and individuals in complex multidistrict litigation. He also represented an international chemical shipping firm in arbitration of antitrust and other claims against conspirator ship owners.

Mike began his career as an attorney at Sullivan & Cromwell, where he was part of Microsoft's defense team in the remedies phase of the Department of Justice antitrust action against the company.

Mike received a J.D., *magna cum laude*, from the Benjamin N. Cardozo School of Law, Yeshiva University, where he was a member of the *Cardozo Law Review*. He earned a B.A., *magna cum laude*, in Literature-Writing from Columbia University.

Mike is proficient in Spanish.

He is admitted to practice in the State of New York as well as before the United States District Courts for the Southern and Eastern Districts of New York.

Ira A. Schochet, Partner
ischochet@labaton.com

A seasoned litigator with three decades of experience, Ira A. Schochet concentrates his practice on class actions involving securities fraud. Ira has played a lead role in securing multimillion dollar recoveries and major corporate governance reforms in high-profile cases such as those against Countrywide Financial, Boeing, Massey Energy, Caterpillar, Spectrum Information Technologies, InterMune, and Amkor Technology.

A longtime leader in the securities class action bar, Ira represented one of the first institutional investors acting as a lead plaintiff in a post-Private Securities Litigation Reform Act case and ultimately obtained one of the first rulings interpreting the statute's intent provision in a manner favorable to investors. His efforts are regularly recognized by the courts, including in *Kamarasy v. Coopers & Lybrand*, where the court remarked on "the superior quality of the representation provided to the class." Further, in approving the settlement he achieved in the *InterMune* litigation, the court complimented Ira's ability to secure a significant recovery for the class in a very efficient manner, shielding the class from prolonged litigation and substantial risk.

Ira has also played a key role in groundbreaking cases in the field of merger and derivative litigation. In *In re Freeport-McMoRAn Copper &Gold Inc. Derivative Litigation*, he achieved the second largest derivative settlement in the Delaware Court of Chancery history, a $153.75 million settlement with an unprecedented provision of direct payments to stockholders by means of a special dividend. In another first-of-its-kind case, Ira was featured in *The AmLaw Litigation Daily* as Litigator of the Week for his work in *In re El Paso Corporation Shareholder Litigation*. The action alleged breach of fiduciary duties in connection with a merger transaction, including specific reference to wrongdoing by a conflicted financial advisory consultant, and resulted in a $110 million recovery for a class of shareholders and a waiver by the consultant of its fee.

From 2009-2011, Ira served as President of the National Association of Shareholder and Consumer Attorneys (NASCAT), a membership organization of approximately 100 law firms that practice class action and complex civil litigation. During this time, he represented the plaintiffs' securities bar in meetings with members of Congress, the Administration, and the SEC.

From 1996 through 2012, Ira served as Chairman of the Class Action Committee of the Commercial and Federal Litigation Section of the New York State Bar Association. During his tenure, he has served on the Executive Committee of the Section and authored important papers on issues relating to class action procedure including revisions proposed by both houses of Congress and the Advisory Committee on Civil Procedure of the United States Judicial Conference. Examples include: "Proposed Changes in Federal Class Action Procedure," "Opting Out On Opting In," and "The Interstate Class Action Jurisdiction Act of 1999."

He also has lectured extensively on securities litigation at continuing legal education seminars. He has also been awarded an AV Preeminent rating, the highest distinction, from the publishers of the Martindale-Hubbell directory.

He is admitted to practice in the State of New York as well as before the United States Court of Appeals for the Second, Fifth and Ninth Circuits and the United States District Courts for the Southern and Eastern Districts of New York, the Central District of Illinois, the Northern District of Texas, and the Western District of Michigan.

Michael W. Stocker, Partner
mstocker@labaton.com

As General Counsel to the Firm and a lead strategist on Labaton Sucharow's Case Evaluation Team, Michael W. Stocker is integral to the Firm's investigating and prosecuting securities, antitrust, and consumer class actions.

Mike represents institutional investors in a broad range of class action litigation, corporate governance, and securities matters. In one of the most significant securities class actions of the decade, Mike played an instrumental part of the team that took on American International Group, Inc. and 21 other defendants. The Firm negotiated a recovery of more than $1 billion. He was also key in litigating *In re Bear Stearns Companies, Inc. Securities Litigation*, where the Firm secured a $275 million settlement

with Bear Stearns, plus a $19.9 million settlement with the company's outside auditor, Deloitte & Touche LLP.

In a case against one of the world's largest pharmaceutical companies, *In re Abbott Laboratories Norvir Antitrust Litigation*, Mike played a leadership role in litigating a landmark action arising at the intersection of antitrust and intellectual property law. The novel settlement in the case created a multimillion dollar fund to benefit nonprofit organizations serving individuals with HIV. In recognition of his work on *Norvir*, *The National Law Journal* named the Firm to the prestigious Plaintiffs' Hot List, and he received the 2010 Courage Award from the AIDS Resource Center of Wisconsin. Mike has also been recognized by *The Legal 500* in the field of securities litigation and *Benchmark Litigation* as a Securities Litigation Star.

Earlier in his career, Mike served as a senior staff attorney with the United States Court of Appeals for the Ninth Circuit and completed a legal externship with federal Judge Phyllis J. Hamilton, currently sitting in the U.S. District Court for the Northern District of California. He earned a B.A. from the University of California, Berkeley, a Master of Criminology from the University of Sydney, and a J.D. from University of California's Hastings College of the Law.

He is an active member of the National Association of Public Pension Plan Attorneys (NAPPA), the New York State Bar Association, and the Association of the Bar of the City of New York. Since 2013, Mike has served on *Law360*'s Securities Editorial Advisory Board, advising on timely and interesting topics warranting media coverage. In 2015, the Council of Institutional Investors appointed Mike to the Markets Advisory Council, which provides advice on legal, financial reporting, and investment market trends.

In addition to his litigation practice, Mike mentors youth through participation in Mentoring USA. The program seeks to empower young people with the guidance, skills, and resources necessary to maximize their full potential.

He is admitted to practice in the States of California and New York as well as before the United States Courts of Appeals for the Second, Eighth and Ninth Circuits and the United States District Courts for the Northern and Central Districts of California and the Southern and Eastern Districts of New York.

Nicole M. Zeiss, Partner
nzeiss@labaton.com

A litigator with nearly two decades of experience, Nicole M. Zeiss leads the Settlement Group at Labaton Sucharow, analyzing the fairness and adequacy of the procedures used in class action settlements. Her practice includes negotiating and documenting complex class action settlements and obtaining the required court approval of the settlements, notice procedures, and payments of attorneys' fees.

Over the past year, Nicole was actively involved in finalizing settlements with Massey Energy Company ($265 million), Fannie Mae ($170 million), and Hewlett-Packard Company ($57 million), among others.

Nicole was part of the Labaton Sucharow team that successfully litigated the $185 million settlement in *In re Bristol-Myers Squibb Securities Litigation*, and she played a significant role in *In re Monster Worldwide, Inc. Securities Litigation* ($47.5 million settlement). Nicole also litigated on behalf of investors who have been damaged by fraud in the telecommunications, hedge fund, and banking industries.

Prior to joining Labaton Sucharow, Nicole practiced in the area of poverty law at MFY Legal Services. She also worked at Gaynor & Bass practicing general complex civil litigation, particularly representing the rights of freelance writers seeking copyright enforcement.

Nicole maintains a commitment to pro bono legal services by continuing to assist mentally ill clients in a variety of matters—from eviction proceedings to trust administration.

She received a J.D. from the Benjamin N. Cardozo School of Law, Yeshiva University, and earned a B.A. in Philosophy from Barnard College.

Nicole is a member of the Association of the Bar of the City of New York.

She is admitted to practice in the State of New York as well as before the United States District Courts for the Southern and Eastern Districts of New York.

Garrett J. Bradley, Of Counsel

gbradley@labaton.com

With more than 20 years of experience, Garrett J. Bradley focuses his practice on representing leading pension funds and other institutional investors. Garrett has experience in a broad range of commercial matters, including securities, antitrust and competition, consumer protection, and mass tort litigation.

Prior to Garrett's career in private practice, he worked as an Assistant District Attorney in the Plymouth County District Attorney's office.

Garrett is a member of the Public Justice Foundation and the Million Dollar Advocates Forum, an exclusive group of trial lawyers who have secured multimillion dollar verdicts for clients.

Garrett is admitted to practice in the States of New York and Massachusetts, the United States Court of Appeals for the First Circuit, and the United States District Court of Massachusetts.

Joseph H. Einstein, Of Counsel

jeinstein@labaton.com

A seasoned litigator, Joseph H. Einstein represents clients in complex corporate disputes, employment matters, and general commercial litigation. He has litigated major cases in the state and federal courts and has argued many appeals, including appearing before the United States Supreme Court.

His experience encompasses extensive work in the computer software field including licensing and consulting agreements. Joe also counsels and advises business entities in a broad variety of transactions.

Joe serves as an official mediator for the United States District Court for the Southern District of New York. He is an arbitrator for the American Arbitration Association and FINRA. Joe is a former member of the New York State Bar Association Committee on Civil Practice Law and Rules and the Council on Judicial Administration of the Association of the Bar of the City of New York. He currently is a member of the Arbitration Committee of the Association of the Bar of the City of New York.

During Joe's time at New York University School of Law, he was a Pomeroy and Hirschman Foundation Scholar, and served as an Associate Editor of the *Law Review*.

Joe has been awarded an AV Preeminent rating, the highest distinction, from the publishers of the Martindale-Hubbell directory.

He is admitted to practice in the State of New York as well as before the Supreme Court of the United States, the United States Courts of Appeals for the First and Second Circuits, and the United States District Courts for the Southern and Eastern Districts of New York.

Lara Goldstone, Of Counsel
lgoldstone@labaton.com

Lara Goldstone concentrates her practice on prosecuting complex securities litigations on behalf of institutional investors. Before joining Labaton Sucharow, Lara worked as a legal intern in the Larimer County District Attorney's Office and the Jefferson County District Attorney's Office.

Prior to her legal career, Lara worked at Industrial Labs where she worked closely with Federal Drug Administration standards and regulations. In addition, she was a teacher in Irvine, California.

Lara received a J.D. from University of Denver Sturm College of Law, where she was a Judge, The Providence Foundation of Law & Leadership Mock Trial and Competitor, Daniel S. Hoffman Trial Advocacy Competition. She earned a B.A. from The George Washington University where she was a recipient of a Presidential Scholarship for academic excellence.

Lara is admitted to practice in the State of Colorado.

Angelina Nguyen, Of Counsel
anguyen@labaton.com

Angelina Nguyen concentrates her practice on prosecuting complex securities fraud cases on behalf of institutional investors. Angelina was a key member of the team that prosecuted *In re Hewlett-Packard Company Securities Litigation*, which resulted in a $57 million recovery. Currently, she is litigating *In re: Spectrum Pharmaceuticals Securities Litigation* and *Noppen v. Innerworkings, Inc.*

Prior to joining Labaton Sucharow, Angelina was an associate at Quinn, Emanuel, Urquhart, Oliver & Hedges LLP. She began her career as an associate at Skadden, Arps, Slate, Meagher & Flom LLP, where she worked on the *Worldcom Securities Litigation*.

Angelina received a J.D. from Harvard Law School. She earned a B.S. in Chemistry and Mathematics with first class honors from the University of London, Queen Mary and Westfield College.

Angelina is a member of the American Bar Association.

Angelina is admitted to practice in the State of New York as well as before the United States Court of Appeals for the Second Circuit.

Barry M. Okun, Of Counsel
bokun@labaton.com

Barry M. Okun is a seasoned trial and appellate lawyer with more than 30 years of experience in a broad range of commercial litigation. Currently, Barry is actively involved in prosecuting *In re Goldman Sachs Group, Inc. Securities Litigation*. Most recently, he was part of the Labaton Sucharow team that recovered more than $1 billion in the eight-year litigation against American International Group, Inc. Barry also played a key role representing the Successor Liquidating Trustee of Lipper Convertibles LP and Lipper Fixed Income Fund LP, failed hedge funds, in actions against the Fund's former auditors, overdrawn limited partners, and management team. He helped recover $5.2 million from overdrawn limited partners and $30 million from the Fund's former auditors.

Barry has litigated several leading commercial law cases, including the first case in which the United States Supreme Court ruled on issues relating to products liability. He has argued appeals before the United States Court of Appeals for the Second and Seventh Circuits and the Appellate Divisions of

three out of the four judicial departments in New York State. Barry has appeared in numerous trial courts throughout the country.

He received a J.D., *cum laude*, from Boston University School of Law, where he was the Articles Editor of the *Law Review*. Barry earned a B.A., with a citation for academic distinction, in History from the State University of New York at Binghamton.

Barry has received an AV Preeminent rating, the highest distinction, from the publishers of the Martindale-Hubbell directory.

He is admitted to practice in the State of New York as well as before the Supreme Court of the United States, the United States Courts of Appeals for the First, Second, Seventh and Eleventh Circuits, and the United States District Courts for the Southern and Eastern Districts of New York.

Carol C. Villegas, Of Counsel

cvillegas@labaton.com

Carol C. Villegas concentrates her practice on prosecuting complex securities fraud cases on behalf of institutional investors. Currently, she is actively prosecuting *In re Intuitive Surgical Securities Litigation*, *Hatamian v. Advanced Micro Devices, Inc.*, and *In re Vocera Communications, Inc. Securities Litigation*.

Recently, Carol played a pivotal role in securing a favorable settlement for investors in *In re Aeropostale Securities Litigation* and *In re ViroPharma Inc. Securities Litigation*. She is a true advocate for her clients, and her most recent argument in *In re Vocera Securities Litigation* resulted in a ruling from the bench, denying defendants' motion to dismiss in that case. Carol also has broad discovery experience and is currently the lead discovery attorney in the *Intuitive*, *Advanced Micro Devices*, and *Vocera* cases.

Prior to joining Labaton Sucharow, Carol served as the Assistant District Attorney in the Supreme Court Bureau for the Richmond County District Attorney's office. During her tenure at the District Attorney's office, Carol took several cases to trial. She began her career at King & Spalding LLP where she worked as an associate in the Intellectual Property practice group.

Carol received a J.D. from New York University School of Law. She was the recipient of The Irving H. Jurow Achievement Award for the Study of Law, and was awarded the Association of the Bar of the City of New York Minority Fellowship. Carol served as the Staff Editor, and later the Notes Editor, of the *Environmental Law Journal*. She earned a B.A., with honors, in English and Politics from New York University.

Carol is a member of the Association of the Bar of the City of New York and a member of the Executive Council for the New York State Bar Association's Committee on Women in the Law. She also devotes time to pro bono work with the Securities Arbitration Clinic at Brooklyn Law School and is a member of the Firm's Women's Initiative.

She is fluent in Spanish.

Carol is admitted to practice in the States of New York and New Jersey as well as before the United States Courts of Appeals for the Tenth and Eleventh Circuits and the United States District Courts for the Southern and Eastern Districts of New York, the District of New Jersey, the District of Colorado, and the Eastern District of Wisconsin.

Richard T. Joffe, Senior Counsel
rjoffe@labaton.com

Richard Joffe's practice focuses on class action litigation, including securities fraud, antitrust, and consumer fraud cases. Since joining the Firm, Rich has represented such varied clients as institutional purchasers of corporate bonds, Wisconsin dairy farmers, and consumers who alleged they were defrauded when they purchased annuities. He played a key role in shareholders obtaining a $303 million settlement of securities claims against General Motors and its outside auditor.

Prior to joining Labaton Sucharow, Rich was an associate at Gibson, Dunn & Crutcher LLP, where he played a key role in obtaining a dismissal of claims against Merrill Lynch & Co. and a dozen other of America's largest investment banks and brokerage firms, who, in *Friedman v. Salomon/Smith Barney, Inc.*, were alleged to have conspired to fix the prices of initial public offerings.

Rich also worked as an associate at Fried, Frank, Harris, Shriver & Jacobson where, among other things, in a case handled pro bono, he obtained a successful settlement for several older women who alleged they were victims of age and sex discrimination when they were selected for termination by New York City's Health and Hospitals Corporation during a city-wide reduction in force.

Long before becoming a lawyer, Rich was a founding member of the internationally famous rock and roll group, Sha Na Na.

He is admitted to practice in the State of New York as well as before the United States Courts of Appeals for the Second, Third, Ninth and Eleventh Circuits, and the United States District Courts for the Southern and Eastern Districts of New York.

Exhibit 7

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

GLENN FREEDMAN, individually and on behalf of all similarly situated, Plaintiff, v. WEATHERFORD INTERNATIONAL, LTD., et al., Defendants.	Civil Action No. 12-CV-2121 (LAK)

DECLARATION OF JAVIER BLEICHMAR FILED ON BEHALF OF BLEICHMAR FONTI TOUNTAS & AULD LLP IN SUPPORT OF APPLICATION FOR AWARD OF ATTORNEYS' FEES AND EXPENSES

I, JAVIER BLEICHMAR, declare as follows pursuant to 28 U.S.C. §1746:

1. I am a partner of the law firm Bleichmar Fonti Tountas & Auld LLP ("BFTA"). I am submitting this declaration in support of my firm's application for an award of attorneys' fees and expenses in connection with services rendered in the above-entitled action (the "Action") from inception through September 18, 2015 (the "Time Period").

2. BFTA, as Class Counsel for the certified Class and formerly as attorneys at Labaton Sucharow LLP ("Labaton Sucharow"), participated in all aspects of the prosecution of the Action and settlement of the claims, as explained in further detail in the Joint Declaration of Ira A. Schochet and Javier Bleichmar in Support of Class Representatives' Motion for Approval of Proposed Class Action Settlement and Plan of Allocation and Class Counsel's Motion for Award of Attorneys' Fees and Payment of Litigation Expenses ("Joint Declaration").

3. From the inception of the Action until August 1, 2014, I was a partner with Labaton Sucharow. In August 2014, I along with three other former Labaton partners, formed BFTA.

4. The information in this declaration regarding BFTA's time and expenses is taken from time and expense records prepared and maintained by the firm in the ordinary course of business. These records were reviewed to confirm both the accuracy of the entries as well as the necessity for and reasonableness of the time and expenses committed to the Action. The review also confirmed that the firm's guidelines and policies regarding expenses were followed. As a result of these reviews, I believe that the time reflected in the firm's lodestar calculation and the expenses for which payment is sought are reasonable in amount and were necessary for the effective and efficient prosecution and resolution of the Action. In addition, I believe that the expenses are all of a type that would normally be charged to a fee-paying client in the private legal marketplace.

5. The schedule attached hereto as Exhibit A is a summary indicating the amount of time spent by each attorney and professional support staff member of my firm who was involved in the prosecution of the Action, and the lodestar calculation based on my firm's current billing rates. The schedule was prepared from contemporaneous daily time records regularly prepared and maintained by my firm, which are available at the request of the Court. Time expended in preparing this application for fees and payment of expenses has not been included in this request.

6. The total number of hours spent on this Action by my firm during the Time Period is 18,854.50. The total lodestar amount for attorney and professional staff time based on the firm's current rates is $9,571,571.25.

7. The hourly rates for the attorneys and professional support staff of my firm included in Exhibit A are my firm's usual and customary billing rates, and are consistent with the

rates accepted in other securities litigations. My firm's lodestar figures are based upon the firm's billing rates, which rates do not include charges for expense items. Expense items are billed separately and such charges are not duplicated in my firm's billing rates.

8. As detailed in Exhibit B, my firm has incurred a total of $1,945,120.14 in expenses in connection with the prosecution of the Action. These expenses are discussed in more detail in the Joint Declaration. The expenses are reflected on the books and records of my firm. These books and records are prepared from expense vouchers, check records and other source materials and are an accurate record of the expenses incurred.

9. With respect to the standing of my firm, attached hereto as Exhibit C is a brief biography of my firm as well as biographies of the firm's partners.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 29 day of September, 2015.

JAVIER BLEICHMAR

Exhibit A

EXHIBIT A

FREEDMAN, et al. v. WEATHERFORD INT'L, LTD. et al.
(S.D.N.Y. 12-CV-2121)

LODESTAR REPORT

FIRM: BLEICHMAR FONTI TOUNTAS & AULD LLP
REPORTING PERIOD: INCEPTION THROUGH SEPTEMBER 18, 2015

PROFESSIONAL	STATUS*	HOURLY RATE	TOTAL HOURS TO DATE	TOTAL LODESTAR TO DATE
Bleichmar, Javier	P	840	1993	$1,674,120.00
Fonti, Joseph	P	840	1013	$850,920.00
Tountas, Stephen	P	810	73.5	$59,535.00
Meeks, Wilson	A	565	2071.5	$1,170,397.50
Alexander, Jeffrey	A	535	420.25	$224,833.75
Hane, Claiborne	A	460	2047	$941,620.00
Geraci, William	A	460	2108.25	$969,795.00
Ryan, Robert	SC	510	1435	$731,850.00
Jernow, Ann	SC	510	395.5	$201,705.00
Jenkins, Sheena	SA	410	1628	$667,480.00
Vincent, Dana	SA	395	377.5	$149,112.50
Donnelly, Conor	SA	385	1106.75	$426,098.75
Felshon, Lee	SA	395	1060	$418,700.00
Manning, Nicole	SA	385	875.75	$337,163.75
Green, Frederick	SA	375	1343	$503,625.00
Russo, Michael	ST	370	258	$95,460.00
Farber, Esther	ST	230	648.5	$149,155.00
TOTAL			**18,854.5**	**$9,571,571.25**

Partner (P)
Associate (A)
Staff Attorney (SA)
Special Litigation Counsel (SC)
Professional Staff (ST)

Exhibit B

EXHIBIT B

FREEDMAN, et al. v. WEATHERFORD INT'L, LTD. et al.
(S.D.N.Y. 12-CV-2121)

EXPENSE REPORT

FIRM: BLEICHMAR FONTI TOUNTAS & AULD LLP
REPORTING PERIOD: INCEPTION THROUGH SEPTEMBER 18, 2015

CATEGORY		TOTAL AMOUNT
Internal Duplicating		$53,379.60
External Duplicating		$26,677.61
Postage / Overnight Delivery		$6,995.98
Telephone / Fax		$488.63
Messengers		$76.80
Outside Counsel For Witnesses, Privilege Review, and Related Expenses		$75,510.22
Expert / Consulting Fees		$1,190,755.57
Accounting	$737,296.50	
Loss causation and damages	$383,146.57	
Corporate Liquidity	$70,312.50	
Court Reporting Services		$40,379.51
Court / Witness / Service Fees		$12,874.85
Computer Research Fees		$12,629.77
Mediation Fees		$19,860.43
Document Management / Litigation Support		$417,940.09
Transportation / Working Meals / Lodging		$87,551.08
TOTAL		**$1,945,120.14**

Exhibit C

BLEICHMAR FONTI TOUNTAS & AULD LLP

Firm Resume

BLEICHMAR FONTI TOUNTAS & AULD LLP

OVERVIEW

Bleichmar Fonti Tountas & Auld LLP ("BFTA") prosecutes class and direct actions nationwide on behalf of institutional investors. The Firm is dedicated to helping investors recover losses they have suffered due to fraud or other wrongdoing, particularly in the continuing aftermath of the Financial Crisis.

BFTA was founded in 2014 by Javier Bleichmar, Joseph A. Fonti, Stephen W. Tountas, and Dominic J. Auld. These founding partners have worked as a team for over a decade defending the interests of institutional investors, both at Labaton Sucharow LLP and Bernstein Litowitz Berger & Grossmann LLP. Individually, they have each been nationally recognized as leading litigators in the field of securities litigation, and have recovered billions of dollars during the course of their careers on behalf of investors.

LITIGATION HIGHLIGHTS

BFTA currently serves as the Court-appointed counsel in several high-profile securities class actions, including:

In re Genworth Financial Inc. Securities Litigation	**Status:**
No. 14-cv-00682, Eastern District of Virginia	**Litigation Ongoing**

Background: Plaintiffs allege that defendants misrepresented the profitability of the company's core business and reported false financial results by grossly understating its long-term care insurance reserves. When the truth was revealed, the company's stock price fell more than 55% – wiping out more than $5 billion in market capitalization – and credit rating agencies downgraded the company and its corresponding debt to "junk" status.

Lead Plaintiffs: Her Majesty the Queen in Right of Alberta (as the sole shareholder of Alberta Investment Management Corp.) ("Alberta"); Fresno County Employees' Retirement System.

BFTA Role: BFTA represents Court-appointed Co-Lead Plaintiff Alberta in this case. In November 2014, the United States District Court approved Alberta's selection of BFTA to serve as Co-Lead Counsel.

Status: BFTA founding partner Joseph A. Fonti successfully argued Lead Plaintiffs' opposition to defendants' motion to dismiss on April 28, 2015 – the securities fraud claims were sustained on May 1, 2015. The Court ruled that Lead Plaintiffs have sufficiently pled that defendants' statements were intended to mislead investors and provide false assurances regarding the company's reserves. The Court also largely sustained allegations that defendants falsely certified that the company's internal controls were adequate.

The Eastern District of Virginia is considered a "rocket docket" jurisdiction, meaning that it is noted for its rapid disposition of cases and strict adherence to scheduled deadlines. Fact discovery is underway with a tentative trial date set for February 2016.

Freedman et al. v. Weatherford International, Ltd. No. 12-cv-02121, Southern District of New York	**Pending Settlement: $120 Million (Proposed)**

Background: Plaintiffs allege that Weatherford, one of the world's largest oil and gas servicing companies, issued false financial statements that misled investors about the benefits of its tax structure and the effectiveness of its internal controls. The company is alleged to have overstated its earnings by more than $900 million. It issued three restatements pertaining to its failure to comply with Generally Accepted Accounting Principles.

Lead Plaintiffs: Anchorage Police and Fire Retirement System ("Anchorage"); Sacramento City Employees' Retirement System.

BFTA Role: BFTA represents Court-appointed Co-Lead Plaintiff Anchorage in this case. In September 2014, the United States District Court for the Southern District of New York granted Anchorage's application for approval of its selection of BFTA as Co-Lead Counsel.

Status: Class certification was granted in September 2014. Fact discovery concluded in May 2015, after more than 20 depositions and the review of more than eight million pages of documents. Expert reports were exchanged following the completion of fact discovery. The parties reached a settlement agreement and its final approval is pending before the Court.

BLEICHMAR FONTI TOUNTAS & AULD LLP

FIRM RESUME 3

In re MF Global Holdings Ltd. Securities Litigation No. 11-cv-07866, Southern District of New York	**Partial Settlement:** **$204 Million (Proposed)**

Background: This case arises from MF Global's dramatic bankruptcy. Plaintiffs allege that defendants misrepresented the company's risk controls, liquidity position, and exposure to European sovereign debt, and failed to properly account for its deferred tax assets.

Lead Plaintiffs: Her Majesty the Queen in Right of Alberta (as the sole shareholder of Alberta Investment Management Corp.) ("Alberta"); Virginia Retirement System.

BFTA Role: BFTA represents Court-appointed Co-Lead Plaintiff Alberta in this case. In August 2014, the United States District Court approved Alberta's selection of BFTA to serve as Co-Lead Counsel for the putative class, along with Bernstein Litowitz Berger & Grossmann LLP.

BFTA founding partners Javier Bleichmar and Dominic J. Auld have represented Alberta in this case since its inception in November 2011 and have served as Court-appointed Co-Lead Counsel for the putative class since January 2012. BFTA founding partners Joseph A. Fonti and Stephen Tountas, partner Cynthia Hanawalt, and associates Wilson Meeks III and Jeffrey R. Alexander, also have been instrumental in prosecuting this case and securing the three partial settlements to-date.

Status: Lead Counsel has achieved four partial settlements worth over $204 million on behalf of investors: (1) a $74 million settlement with certain underwriters of the company's securities; (2) a $932,828 settlement with another underwriter defendant; (3) a $65 million settlement with the company's external auditor, PricewaterhouseCoopers LLP; and (4) a $64.5 million settlement with the company's directors and officers. The $74 million settlement and $932,828 settlements were both approved on April 26, 2014. A settlement approval hearing relating to the settlement with PricewaterhouseCoopers LLP and the directors and officers will be held on November 20, 2015.

BFTA is actively litigating the remaining claims against an additional underwriter. Expert discovery concludes on November 23, 2015.

* * *

BFTA attorneys have also played key roles in some of the most significant investor protection litigation in recent history, helping shareholders recover significant losses caused by financial misconduct in various industries across the marketplace. Select cases include:

In re Broadcom Corp. Class Action Litigation, Civ. No. 06-cv-5036 (C.D. Cal.).

The class action against Broadcom was based on allegations that the company inflated its stock price by intentionally backdating its stock option grants for over five years. Ultimately, the company was forced to issue a $2.2 billion restatement of its financial statements for the period spanning from 1998 through 2005, which became the largest restatement ever due to options backdating.

The company acknowledged the "substantial evidence" of backdating, and ultimately the litigation led to the securing of a $173.5 million settlement, which, at the time, was the second largest cash settlement ever involving a company accused of options backdating. This was also the only such case in which claims against the auditors were sustained.

In re HealthSouth Corp. Securities Litigation, Civ. No. 03-cv-1501-S (N.D. Ala.).

This case involved the largest securities fraud ever arising out of the healthcare industry, and ultimately resulted in a total settlement amount of $804.5 million for the Class. The class action involved claims against HealthSouth for falsifying its revenues, and conducting a series of acquisition transactions, in order to effectuate a massive fraud against the Medicare system.

False statements by the company and its officers led to the inflation of HealthSouth's stock price, while at the same time company executives were amassing significant personal wealth by selling their own shares of HealthSouth stock.

Significantly, the litigation also resulted in the recovery of $109 million from HealthSouth's outside auditor Ernst & Young LLP, one of the largest recoveries to date against an auditing firm.

In re Schering-Plough Corp. / ENHANCE Securities Litigation, Civ. No. 08-397 (D. N.J.).

Lead Plaintiffs brought litigation in the District of New Jersey against Schering-Plough Corporation and Merck/Schering-Plough Pharmaceuticals, and certain company officers, in *In re Schering-Plough Corp. / ENHANCE Securities Litigation*, alleging that they failed to disclose material information about the prospects of cholesterol-lowering drugs.

After nearly six years litigation, Defendants agreed to pay $473 million to settle the matter on the eve of trial. This marked the largest securities class action recovery in history obtained from a pharmaceutical company. Together with a related securities class action against Merck, the ENHANCE litigation settled for $688 million.

TEAM PROFILES

Dominic J. Auld, Partner

Dominic J. Auld has over a decade's worth of experience in prosecuting large-scale securities and investment lawsuits. In 2014, Dominic was honored as a "*Super Lawyer*" in the field of securities litigation by *Super Lawyer* awards, and was "recommended" in the field of securities litigation by the Legal 500.

Dominic leads our Client Monitoring and Case Evaluation Group and oversees the Firm's assessment of investment-related matters. In cases directly involving his buy-side investor clients, he takes an active role in the litigation. Dominic also leads the International Litigation Practice, in which he develops and manages the Firm's representation of institutional investors in securities and investment-related cases filed outside the United States. With respect to these roles, Dominic focuses on developing and managing the Firm's outreach to pension systems and sovereign wealth funds outside the United States and in that role he regularly advises clients in Europe, Australia, Asia and across his home country of Canada.

Dominic is a frequent speaker and panelist on topics such as Sovereign Wealth Funds, Corporate Governance, Shareholder Activism, Fiduciary Duty, Corporate Misconduct, SRI, and Class Actions. As a result of his expertise in these areas, he has become a sought-after commentator for issues concerning public pension funds, public corporations and federal regulations.

Dominic is also a regular speaker at law and investment conferences, including most recently the IMF (Australia) Shareholder Class Action Conference in Sydney and the 2011 Annual International Bar Association meeting in Dubai. Additionally, Dominic is frequently quoted in newspapers such as The Economist, The Financial Times, The New York Times, USA Today, The Times of London, The Evening Standard, The Daily Mail, The Guardian, and trade publications like Global Pensions, OP Risk and Regulation, The Lawyer, Corporate Counsel, Investments and Pensions Europe, Professional Pensions, and Benefits Canada.

Recently Dominic published an article on custodian bank fees and their impacts on pension funds globally in *Nordic Regions Pensions and Investment News* magazine and was interviewed by Corporate Counsel for a feature article on rogue trading. Dominic is on the front-line of reforming the corporate environment, driving improved accountability and responsibility for the benefit of clients, the financial markets and the public as a whole.

Prior to founding Bleichmar Fonti Tountas & Auld, Dominic was a Partner of Labaton Sucharow LLP. Dominic also practiced securities litigation at Bernstein Litowitz Berger & Grossmann LLP, where he began his career as a member of the team responsible for prosecuting the landmark WorldCom action which resulted in a settlement of more than $6 billion. He also has a great deal of experience working directly with institutional clients

affected by securities fraud; he worked extensively with the Ontario Teachers' Pension Plan in their actions *In re Nortel Networks Corporation Securities Litigation*, *In re Williams Securities Litigation* and *In re Biovail Corporation Securities Litigation* – cases that settled for a total of more than $1.7 billion.

Javier Bleichmar, Partner

Javier Bleichmar focuses on prosecuting complex securities fraud cases on behalf of institutional investors. In 2010 and 2011, Javier was "recommended" in the field of securities litigation by the Legal 500.

Javier leads the team litigating the *In re MF Global Holdings Limited Securities Litigation* on behalf of Alberta Investment Management Co. and MF Global investors in connection with the company's dramatic collapse on October 31, 2011. Judge Marrero in the Southern District of New York sustained the complaint in its entirety, and plaintiffs have secured partial settlements totaling over $200 million, resolving claims against MF Global's former officers and directors, several underwriter defendants, and MF Global's outside auditor. The case remains ongoing against the remaining underwriters responsible for the final $325 million bond offering.

Javier also led the team that prosecuted *Freedman v. Weatherford International Ltd., et al.*, 1:12-CV-2121 (LAK) on behalf of the Anchorage Police & Fire Retirement System. The case alleged that Weatherford, which made three restatements of audited financials totaling approximately $1 billion, misled investors about the Company's tax accounting. After more than three years of intense litigation, the parties announced a proposed $120 million settlement on June 30, 2015.

In recent years, Javier has also played a significant role in several high-profile cases at the center of the global financial crisis. He is responsible for prosecuting the shareholder suit against Morgan Stanley, relating to the bank's multi-billion trading loss on its sub-prime mortgage bets.

Javier is a successful appellate advocate, prevailing before the Eighth Circuit in Public Pension Fund Group v. KV Pharmaceutical, Co. The Eighth Circuit reversed an earlier dismissal and clarified the standard governing pharmaceutical companies' disclosures relating to FDA notifications.

Javier is very active in educating international institutional investors on developing trends in the law, particularly the ability of international investors to participate in securities class actions in the United States. Through these efforts, many of Javier's international clients were able to join the organization representing investors (i.e., the Foundation) in the first securities class action settlement under a then-recently enacted Dutch statute against Royal

Dutch Shell. He also provides thought leadership as a regular contributor on securities issues in the New York Law Journal. Most recently he co-authored "IndyMac Leaves Uncertain Landscape for Opt-Out Litigation" and "The Evolving Legacy of Fait v. Regions Financial." Javier also is an active member of the National Association of Public Pension Plan Attorneys (NAPPA).

Prior to founding Bleichmar Fonti Tountas & Auld, Javier was a Partner of Labaton Sucharow LLP. He also practiced at Bernstein Litowitz Berger & Grossmann LLP, where he was actively involved in the Williams Securities Litigation, which resulted in a $311 million settlement, as well as securities cases involving Lucent Technologies, Inc., Conseco, Inc. and Biovail Corp. He began his legal career at Kirkland & Ellis LLP.

During his time at Columbia Law School, Javier served as a law clerk to the Honorable Denny Chin, United States District Court Judge for the Southern District of New York. Javier is a native Spanish speaker and fluent in French.

Joseph A. Fonti, Partner

Joseph's client commitment, advocacy skills and results have earned him recognition as a Law360 "Rising Star." He was one of only five securities lawyers in the country—and the only investor-side securities litigator—to receive the distinction. In 2014, Joe was "recommended" in the field of securities litigation by the *Legal 500*.

Joseph serves as co-lead counsel in *In re Genworth Financial Inc. Securities Litigation*, pending in the Eastern District of Virginia— the "Rocket Docket." In defeating defendants' motion to dismiss, Joseph secured one of the first pro-investor opinions only weeks after the Supreme Court's recent decision in the *Omnicare* matter. Joseph as lead trial lawyer on behalf of shareholders of Computer Science Corp., has had notable success in the "Rocket Docket." After prevailing at class certification and only four weeks before trial, Joseph and his team secured a $97.5 million settlement—the second largest cash securities settlement in the court's history.

This past year, Joseph contributed to the prosecution and ultimate resolution of the *Weatherford* securities litigation (*Freedman v. Weatherford*). Joseph's contribution to this very intense litigation centered on complex accounting and expert matters and taking of trial testimony of several third party accountants and consultants who were not expected to appear for trial. Joseph, as part of the team led by his co-founding partner Javier Bleichmar, contributed to an outstanding recovery of $120 million for shareholders.

With over a dozen years of experience in investor litigation, Joseph's career is marked by notable success in the area of auditor liability and stock options backdating. He represented shareholders in the $671 million recovery in *In re HealthSouth Securities Litigation*. Particularly, Joseph played a significant role in recovering $109 million from HealthSouth's outside auditor

Ernst & Young LLP, one of the largest recoveries to date against an auditing firm. He also contributed to securing a $173.5 million settlement in *In re Broadcom Corp. Securities Litigation*, which, at the time, was the second largest cash settlement involving a company accused of options backdating. This was the only such case in which claims against the auditors were sustained.

In addition to representing several of the most significant U.S. institutional investors, Joseph has represented a number of Canada's most significant pension systems. He also led the prosecution of *In re NovaGold Resources Inc. Securities Litigation*, which resulted in the largest settlement under Canada's securities class action laws.

Additionally, Joseph has achieved notable success as an appellate advocate. He successfully argued before the Second Circuit Court of Appeals in *In re Celestica Inc. Securities Litigation*. The Second Circuit reversed an earlier dismissal, and turned the tide of recent decisions by realigning pleading standards in favor of investors. Joseph was also instrumental in the advocacy before the Ninth Circuit Court of Appeals in the In re Broadcom Corp. Securities Litigation. This appellate victory marked the first occasion a court sustained allegations against an outside auditor related to options backdating.

Prior to founding Bleichmar Fonti Tountas & Auld, Joseph was a Partner of Labaton Sucharow LLP. He also practiced securities litigation at Bernstein Litowitz Berger & Grossmann LLP, and began his legal career at Sullivan & Cromwell LLP, where he represented Fortune 100 corporations and financial institutions in complex securities litigation and in multifaceted SEC investigations and at trial.

Joseph is a member of the ABA, the NY State Bar Association and the Bar of the City of New York.

Stephen W. Tountas, Partner

Stephen W. Tountas concentrates his practice on prosecuting complex securities fraud cases on behalf of leading institutional investors. In addition to his active case load, Steve is one of the leaders of BFTA's Client Monitoring and Case Evaluation Group, and spearheads the Firm's effort to advise its clients on the merits of potential litigation, including U.S. class actions, direct actions, and opt-out opportunities.

In 2014, Steve was honored as a "Rising Star" in the field of securities litigation by Super Lawyer awards. He was also recently "recommended" in the field of securities litigation by the Legal 500.

With over a decade of plaintiff-side securities experience, Steve has been one of the principal members of several trial teams, and helped shareholders obtain historic settlements in many large, high-profile cases, including:

- *In re Schering-Plough Corp. / ENHANCE Securities Litigation*, which settled on the eve of trial for $473 million – the largest securities class action recovery in history obtained from a pharmaceutical company. Together with a related securities class action against Merck, the ENHANCE litigation settled for $688 million.
- *In re Broadcom Corp. Securities Litigation*, which settled for $173.5 million – the largest options backdating recovery in the Ninth Circuit and third largest overall. Of that amount, Steve helped recover the largest settlement in a backdating case from an outside audit firm.
- *In re Computer Sciences Corp. Securities Litigation*, which settled weeks before trial for $97.5 million.
- *Adelphia Opt-Out Litigation*, where Steve was the principal partner responsible for prosecuting two direct actions on behalf of numerous City of New York and New Jersey pension funds. Both matters were successfully resolved against Adelphia, members of the Rigas family, numerous securities underwriters, and Deloitte & Touche LLP.

Steve has substantial appellate experience and has successfully litigated several appeals before the U.S. Court of Appeals for the Second, Third and Ninth Circuits. In particular, Steve played an instrumental role in reversing the dismissal of Ernst & Young LLP in the Broadcom litigation, resulting in a landmark decision that clarified the standard for pleading a securities fraud claim against an outside audit firm.

Prior to founding Bleichmar Fonti Tountas & Auld, Steve was a Partner of Labaton Sucharow LLP. He began his legal career at Bernstein Litowitz Berger & Grossmann LLP, where he helped shareholders recover significant settlements from OM Group, Inc. ($92.4 million settlement) and Biovail Corp. ($138 million settlement).

Steve is an active member, and former Secretary, of the Securities Litigation Committee for the New York City Bar Association. He is regularly asked to comment on issues pertaining to securities litigation, and was recently honored as a speaker on a NYC Bar panel entitled "What Hath it Wrought: Did the Financial Crisis Alter the Litigation & Enforcement Landscape?" He is also a member of the Federal Bar Council.

Cynthia Hanawalt, Partner

Cynthia Hanawalt litigates complex securities fraud cases on behalf of large institutional investors.

In 2014, Cynthia was honored as a "Rising Star" in the field of securities litigation by *Super Lawyer* awards. This marks her second consecutive year receiving this distinction.

Cynthia is currently litigating *In re MF Global Holdings Limited Securities Litigation* on behalf of Alberta Investment Management Co and MF Global investors in connection with the company's dramatic collapse on October 31, 2011. Judge Marrero in the Southern District of New York sustained the complaint in its entirety, and plaintiffs have secured partial settlements totaling over $200 million, resolving claims against MF Global's former officers and directors, several underwriter defendants, and MF Global's outside auditor. The case remains ongoing against the remaining underwriters responsible for the final $325 million bond offering.

Cynthia is also prosecuting *In re Genworth Financial Inc. Securities Litigation*, an ongoing "rocket docket" matter, which alleges the fraudulent concealment of Genworth's deteriorating long-term care business. And she recently contributed to the intense litigation of *Freedman v. Weatherford International Ltd., et al*., seeking to recover losses for investors stemming from three restatements of audited financials by the company totaling approximately $1 billion. The parties announced a proposed $120 million settlement on June 30, 2015.

Cynthia previously played a key role in prosecuting *In re Computer Sciences Corporation Securities Litigation*, helping to secure a $97.5 million settlement on behalf of Ontario Teachers' Pension Plan Board and the class. She also has significant experience prosecuting fraudulent activity in the securitization and sale of mortgage-backed securities.

Cynthia writes regularly on issues pertaining to the securities industry, and is the co-author of several articles, including: "IndyMac Leaves Uncertain Landscape for Opt-Out Litigation," New York Law Journal, October 28, 2014; "The Evolving Legacy of Fait v. Regions Financial," New York Law Journal, May 3, 2013; "Dodd-Frank: Rating Agencies and the ABS Market," Law360, January 25, 2011; and "Theory of Implied Misrepresentation in Securities Fraud Cases," New York Law Journal, April 5, 2010.

Prior to joining Bleichmar Fonti Tountas & Auld LLP, Cynthia was an associate at Labaton Sucharow LLP. She began her legal career at McKee Nelson LLP, where she was part of the team that launched the firm's structured finance litigation practice. Prior to attending Columbia Law School, Cynthia was a consultant with The Boston Consulting Group, providing strategic and operational advice to Fortune 500 companies and local not-for-profit organizations.

Cynthia serves on the Board of Directors of Wave Hill. She also has a strong commitment to juvenile rights advocacy and has been honored for her pro bono work.

Wilson Meeks, Associate

Wilson ("Bill") Meeks III concentrates his practice on prosecuting complex securities fraud cases on behalf of institutional investors. Bill is currently litigating *In re Genworth Financial Securities Litigation*, 3:14-cv-00682 (JAG), on behalf of Alberta Investment Management Corporation. The case alleges that Genworth, the largest seller of long-term care insurance in the U.S., misled investors about the true state of its deteriorating long-term care business.

Bill was a key member of the team that prosecuted securities litigation against Weatherford International Ltd. on behalf of the Anchorage Police & Fire Retirement System, helping to lead the team that developed the substantive allegations. The case alleged that Weatherford, which made three restatements of audited financials totaling approximately $1 billion, misled investors about the Company's tax accounting. After more than three years of intense litigation, the parties announced a proposed $120 million settlement on June 30, 2015.

Bill is also on the team litigating In re MF Global Holdings Limited Securities Litigation on behalf of Alberta Investment Management Co. against MF Global's directors, officers and underwriters, in connection with the company's dramatic bankruptcy, having played an important role in the plaintiffs' motion for class certification. Judge Marrero in the Southern District of New York sustained the complaint in its entirety, and plaintiffs have secured partial settlements totaling over $200 million, resolving claims against MF Global's former officers and directors, several underwriter defendants, and MF Global's outside auditor PricewaterhouseCoopers LLP. The case remains ongoing against the remaining underwriters responsible for the final $325 million bond offering.

Prior to joining Bleichmar Fonti Tountas & Auld, Bill was an associate at Labaton Sucharow LLP. He previously worked at Akin Gump Strauss Hauer & Feld LLP, where he focused on complex securities, commercial and bankruptcy litigation.

Bill completed judicial clerkships with the Honorable James Robertson of the United States District Court for the District of Columbia, as well as with the Honorable Dolores K. Sloviter of the United States Court of Appeals for the Third Circuit.

Bill received his J.D. from Columbia Law School where he was a James Kent Scholar, and was awarded both the Milton B. Conford Book Prize in Jurisprudence and the Samuel I. Rosenman Prize.

Jeffrey R. Alexander, Associate

Jeffrey R. Alexander focuses his practice on prosecuting complex securities fraud cases on behalf of institutional investors. Jeff is a member of the team litigating *In re MF Global Holdings Limited Securities Litigation* on behalf of Alberta Investment Management Co. and MF Global investors in connection with the company's dramatic collapse on October 31, 2011. Judge Marrero in the Southern District of New York sustained the complaint in its entirety, and plaintiffs have secured partial settlements totaling over $200 million, resolving claims against MF Global's former officers and directors, several underwriter defendants, and MF Global's outside auditor. The case remains ongoing against the remaining underwriters responsible for the final $325 million bond offering.

Jeff is also actively prosecuting *In re Genworth Financial Inc. Securities Litigation*, an ongoing "rocket docket" matter, which alleges the fraudulent concealment of Genworth's deteriorating long-term care business. On May 1, 2015, Judge Spencer ruled that Plaintiffs sufficiently pled securities fraud claims against Genworth, its CEO and CFO. Jeff was instrumental in drafting the successful opposition to the motion to dismiss.

Previously, Jeff was a member of the team that prosecuted securities litigation against Weatherford International Ltd. on behalf of the Anchorage Police & Fire Retirement System. Jeff helped lead the team that developed the substantive case against Weatherford. The case alleged that Weatherford, which made three restatements of audited financials totaling approximately $1 billion, misled investors about the Company's tax accounting. After more than three years of intense litigation, the parties announced a proposed $120 million settlement on June 30, 2015.

Jeff was also instrumental in prosecuting the securities litigation against Computer Sciences Corporation on behalf of Ontario Teachers' Pension Plan Board, one of Canada's largest pension investors. After litigating the matter in a "rocket docket" jurisdiction, he participated in securing a settlement of $97.5 million, which is the third largest all-cash settlement in the Fourth Circuit.

Jeff was also involved in securing a $275 million settlement with Bear Stearns Companies, and a $19.9 million settlement with Deloitte & Touche LLP, Bear Stearns' outside auditor, in In re Bear Stearns Companies, Inc. Securities Litigation.

Prior to joining Bleichmar Fonti Tountas & Auld, Jeff was an associate at Labaton Sucharow LLP. He began his career at Latham & Watkins LLP, focusing on securities, antitrust, and employment litigation in state and federal courts. Jeff also represented U.S. Soccer in its bid to host the 2018 and 2022 FIFA World Cups.

Jeff graduated Phi Beta Kappa from Emory University, where he earned a degree in Math and Economics and was a four-year member of Emory's NCAA soccer team.

Kendra Schramm, Associate

Kendra Schramm practices with the Firm's International Litigation Group, evaluating and prosecuting complex securities and investment-related matters on behalf of global institutional investors.

Kendra is a key member of the Firm's International Litigation Practice Group, which represents BFTA clients in actions filed outside the United States and advises leading institutional investors on the merits of potential litigation. Kendra also works with the Firm's Client Monitoring and Case Evaluation Group and assists in the prosecution of domestic securities class actions.

Prior to joining Bleichmar Fonti Tountas & Auld LLP, Kendra was an associate at Labaton Sucharow LLP, where she was a member of the team that recovered more than $1 billion in total settlements in the landmark securities litigation against American International Group, Inc. and numerous related defendants. Kendra was also instrumental in prosecuting a complex securities litigation against the Federal National Mortgage Association (Fannie Mae), which successfully alleged that investors' losses were caused by Fannie Mae's statements and actions rather than the financial crisis. The case resulted in a $170 million settlement.

Claiborne R. Hane, Associate

Claiborne R. Hane focuses his practice on prosecuting securities fraud cases on behalf of institutional investors. Claiborne is currently litigating *In re Genworth Financial Securities Litigation* in the "rocket docket" on behalf of Alberta Investment Management Corporation. The case alleges that Genworth, the largest seller of long-term care insurance in the U.S., misled investors about the true state of its deteriorating long-term care business. On May 1, 2015, Judge Spencer ruled that Plaintiffs sufficiently pled securities fraud claims against Genworth, its CEO and CFO.

Clay was a key member of the team that prosecuted *Freedman, et al., v. Weatherford International Ltd., et al*., on behalf of the Anchorage Police & Fire Retirement System. The case alleged that Weatherford, which made three restatements of audited financials totaling approximately $1 billion, misled investors about the Company's global effective tax rate and earnings per share. After more than three years of intense litigation, the parties announced a proposed $120 million settlement on June 30, 2015.

Claiborne also assists BFTA's Client Monitoring and Case Evaluation Group by analyzing the merits, parties, and risks of participation in potential new matters, including direct actions and international securities litigation.

Prior to joining Bleichmar Fonti Tountas & Auld, Clay was an associate at Labaton Sucharow LLP. Previously, he served as a law clerk for Gray, Ritter & Graham, P.C., where he worked on product liability and commercial litigation cases, and was also a judicial extern at the U.S. District Court for the Southern District of Illinois.

William Geraci, Associate

William ("Bill") Geraci concentrates his practice on prosecuting complex securities fraud cases on behalf of institutional investors.

Bill has nearly eight years of litigation experience, and is deeply familiar with many key aspects of complex litigation, including large-scale discovery efforts; evidentiary briefing, including discovery disputes and summary judgment motions; the use of expert witnesses; and mediation proceedings.

Bill is litigating *In re Genworth Financial Inc.*, 3:14-cv-00682 (JAG) on behalf of Alberta Investment Management Corporation. The case alleges that Genworth, the largest seller of long-term care insurance in the U.S., misled investors about the true state of its deteriorating long-term care business.

Previously, Bill was a key member of the team that prosecuted securities litigation against Weatherford International Ltd. on behalf of the Anchorage Police & Fire Retirement System. The case alleged that Weatherford, which made three restatements of audited financials totaling approximately $1 billion, misled investors about the Company's tax accounting. After more than three years of intense litigation, the parties announced a proposed $120 million settlement on June 30, 2015.

He was also a member of the team that successfully litigated *In re Bear Stearns Companies, Inc. Securities Litigation*, securing a $275 million settlement with Bear Stearns Companies, and a $19.9 million settlement with Deloitte & Touche LLP, Bear Stearns' outside auditor.

Prior to joining Bleichmar Fonti Tountas & Auld, Bill was a Team Leader and Staff Attorney at Labaton Sucharow LLP. He received his J.D. from George Washington University Law School, where he graduated with honors.

Nicholas Dennany, Senior Staff Attorney

As BFTA's Senior Staff Attorney, Nicholas J. Dennany helps oversee the firm's discovery efforts for complex securities fraud cases.

Nick has nearly a decade of discovery expertise, having managed multiple large-scale electronic document reviews from start to finish. In addition, Nick has been responsible for both the legal and technical aspects of the discovery process, and has routinely overseen the production and receipt of electronic discovery in major securities litigations.

Nick is currently litigating *In re MF Global Holdings Limited Securities Litigation* on behalf of Alberta Investment Management Co and MF Global investors in connection with the company's dramatic collapse on October 31, 2011. Judge Marrero in the Southern District of New York sustained the complaint in its entirety, and plaintiffs have secured partial settlements totaling over $200 million, resolving claims against MF Global's former officers and directors, several underwriter defendants, and MF Global's outside auditor. The case remains ongoing against the remaining underwriters responsible for the final $325 million bond offering.

Previously, Nick was a member of the teams that litigated, and ultimately secured significant settlements in *In re Broadcom Corp. Securities Litigation* ($173.5 million settlement) and *In re NovaGold Resources Inc. Securities Litigation* ($28 million CDN).

Sara Simnowitz, Special Litigation Counsel

Sara Pildis Simnowitz concentrates her practice on prosecuting complex securities fraud cases on behalf of institutional investors. Sara is currently litigating *In re Genworth Financial Inc.*, 3:14-cv-00682 (JRS) on behalf of Alberta Investment Management Corporation. The case alleges that Genworth, the largest seller of long-term care insurance in the U.S., misled investors about the true state of its deteriorating long-term care business.

Before joining BFTA, Sara was an associate at Arnold & Porter LLP, where she focused on complex commercial litigation. Previously, Sara was an associate at Heller Ehrman LLP in New York and Foley Hoag LLP in Massachusetts, where she focused on complex commercial litigation and securities litigation.

Janel Losoya, Director of Client Reporting and Data Analysis

Janel Losoya is the Director of Client Reporting and Data Analysis. She oversees BFTA's Global Investment Monitoring Program, which helps BFTA clients analyze their exposure to financial fraud across the global marketplace. Janel works to strengthen relationships with

Firm clients and their supporting financial institutions, and provides infrastructure and technical support as needed to manage clients' investment data.

Prior to joining BFTA, Janel was a data analyst at Labaton Sucharow LLP, where she spearheaded the firm's efforts to develop a platform to assess clients' vulnerability in investments on international exchanges. Janel began her career as a pricing analyst at AllianceBernstein LP, where she worked on complex financial instruments including mortgage-backed securities and derivative products.

Janel received her bachelor's degree in business administration from the University of Texas at San Antonio.

Michael Russo, Director of Operations

As BFTA's Director of Operations, Michael Russo oversees the management activities of the Firm, including all technology, HR, and facilities related functions. Michael works closely with BFTA's founding partners to ensure that the Firm is operating at the highest possible level, with the capabilities and responsiveness necessary to serve its clients. In this capacity, he facilitates the day-to-day needs of the Firm as well as its long-term strategic goals.

Michael brings over a decade of law firm experience to his role. Prior to joining BFTA, Michael was a Senior Paralegal at Labaton Sucharow LLP. He has accumulated significant experience managing the litigation needs of dozens of complex cases throughout his career, and has a thorough understanding of staff oversight, caseload management, and all aspects of litigation ranging from case initiation through trial.

Michael received his B.A. from Marist College where he earned his degree in economics. He is a member of the Association of Legal Administrators (ALA).

For more information, please visit:

www.bftalaw.com

Exhibit 8

Glenn Freedman v. Weatherford International, Ltd., et al.
No. 12-cv-02121 (LAK)

Summary of Tasks Performed by Class Counsel
Attorneys and Support Staff

Partners

Javier Bleichmar (2,815 hours): Mr. Bleichmar led the litigation on a day-to-day basis from the drafting of the amended complaint in 2012 until its successful resolution with the settlement in 2015. Among other things, Mr. Bleichmar: (i) led the development of the litigation and negotiation strategies; (ii) communicated regularly with the Lead Plaintiffs; (iii) consulted with the experts and oversaw the creation and substantiation of expert reports on market efficiency, materiality, causation, damages, GAAP accounting, internal controls, and Weatherford's liquidity and financial condition; (iv) deposed nine witnesses for Lead Plaintiffs, including the individual defendants (the Chief Executive Officer and the former Chief Financial Officer) and key individuals such as the Vice President of Tax; (v) prepared and defended the depositions of Lead Plaintiffs' representatives; (vi) led the drafting of the mediation submissions for both the October 2014 and May 2015 mediations; (vii) presented Lead Plaintiffs' case in the October 2014 mediation and the May 2015 mediation; (viii) oversaw and participated in drafting all motion practice; (ix) directed Lead Plaintiffs' appeal to the Fifth Circuit; and (x) oversaw and participated in drafting Lead Plaintiffs' motion for class certification. Mr. Bleichmar frequently met with the litigation and discovery teams to discuss the evidence as it was found and helped structure the factual narrative.

Joseph Fonti (1,076 hours): Mr. Fonti also helped lead the litigation team and was an integral component in all strategic decisions. Among other things, Mr. Fonti: (i) helped develop the litigation and negotiating strategies; (ii) deposed six witnesses, including the Chairman of the Audit Committee and two third-party auditing firms; (iii) helped oversee and draft the class certification brief; (iv) engaged and consulted with Lead Plaintiffs' experts at NERA in the preparation of the expert report on materiality, causation, and damages; (v) defended the deposition of the Class' market efficiency expert; (vi) helped finalize and support Lead Plaintiffs' expert reports on GAAP accounting, loss causation, market efficiency, and liquidity; and (vii) directed and participated in the drafting of numerous discovery motions.

Joel Bernstein (199 hours): Mr. Bernstein was actively involved in developing the settlement strategy and was significantly involved in all negotiation and settlement discussions.

Eric Belfi (185 hours): Mr. Belfi has been involved since the inception of the Action. He participated in the early analysis of Lead Plaintiffs' claims and was involved in drafting the lead plaintiff submissions for Sacramento County Employees' Retirement System and Anchorage Police and Fire Retirement System. He was also actively involved in developing the settlement strategy throughout the litigation and the negotiation of a resolution.

Ira Schochet (988 hours): Mr. Schochet substantially participated in leading the litigation team during discovery and was an integral component of the team in all strategic decisions. Among other things, Mr. Schochet: (i) engaged and consulted with Lead Plaintiffs' experts in the preparation of the expert reports and in advance of depositions, (ii) deposed four witnesses, including the former and current Chief Accounting Officers and J.P. Morgan, Weatherford's primary lending bank and a

co-lead book runner in the $1.3 billion senior notes offering in March 2012; (iii) participated in the drafting of numerous discovery motions; (iv) oversaw Lead Plaintiffs' appeal to the Fifth Circuit of a ruling in the Southern District of Texas; and (v) helped draft and finalize the mediation briefs before the October 2014 and May 2015 mediation sessions and also attended both sessions.

Stephen Tountas (176 hours): Mr. Tountas analyzed Lead Plaintiffs' claims and helped draft the amended complaint and the motion to dismiss briefing. He was also involved in determining the litigation and negotiation strategy, particularly concerning the October 2014 and May 2015 mediation sessions and all settlement discussions.

Cynthia Hanawalt: (572 hours): Ms. Hanawalt was extensively involved in discovery and issues related to class certification. Among other things, Ms. Hanawalt substantially drafted the class certification briefs which successfully certified the class. She also participated in the deposition preparation as well as the collection and gathering of documents in response to Defendants' requests for documents. Ms. Hanawalt also assisted with defending Lead Plaintiffs' Rule 30(b)(6) depositions as well as the deposition of the market efficiency expert.

Nicole Zeiss (127 hours): Ms. Zeiss was instrumental in negotiating the stipulation of settlement and related terms and was primarily responsible for drafting the settlement papers. She oversaw the motions for authorization to notify the Class and the approval and fee motions. Additionally, she has overseen the disseminations of the class notices.

Of Counsel

Barry Okun (316 hours): Mr. Okun was substantially involved in working with the experts in connection with their expert reports, particularly with respect to damages, as well as multiple aspects of discovery, including depositions, requests for admissions, interrogatories, and motion practice.

Angie Nguyen (60 hours): Ms. Nguyen assisted in multiple aspects of discovery, including depositions and authentication of evidence.

Associates

Wilson Meeks (4,294 hours): Mr. Meeks was the primary senior associate from inception until settlement. He substantially participated in drafting the amended complaint and the opposition to the motion to dismiss. Mr. Meeks also led plaintiffs' discovery efforts, participating in numerous meet and confer discussions with Defendants and third parties, writing numerous letters memorializing the meet and confer processes, and, when necessary, drafting motions to compel discovery. He also participated in and oversaw the document review team's analysis of the documents and he took a lead role in building the factual narrative of the case. Mr. Meeks took three depositions, including highly technical depositions of former senior members of Weatherford's tax group. Mr. Meeks also helped draft the mediation submissions and attended both the October 2014 and May 2015 mediation sessions.

Jeffrey Alexander (420 hours): Mr. Alexander was involved throughout discovery preparing senior attorneys for deposition, including developing the deposition strategy for the depositions of

the Chairman of the Audit Committee and the Director of Tax Remediation, and assisted on the expert reports. Mr. Alexander also researched complex privilege disputes, including researching and writing letters regarding the Defendants' reliance on auditors as an affirmative defense.

Katherine Ryan (1,005 hours): Ms. Ryan was substantially involved in deposition preparation, discovery motions, and expert discovery. Ms. Ryan was responsible for the preparation for the depositions of senior members of Weatherford's accounting departments. She second chaired each of these depositions. Ms. Ryan was also primarily responsible for drafting motions to compel the production of SEC transcripts in the Southern District of Texas and handled the initial procedures of the subsequent appeal to the Fifth Circuit. Additionally, Ms. Ryan had a substantial role with the accounting experts regarding depositions and documentary evidence. Ms. Ryan also assisted in preparing the mediation statements and attended the mediation sessions.

Claiborne Hane (3,260 hours): Mr. Hane was one of the junior associates fully dedicated to the case from the inception of discovery through settlement. Of particular note, he helped build various critical aspects of the factual narrative of the case and oversee the document review team. Mr. Hane also spent significant time preparing senior attorneys for depositions, including helping develop deposition strategy and acting as a second chair in two depositions. Mr. Hane wrote most discovery requests, participated in meet and confers, and helped draft a large number of letters to opposing counsel as well as conduct legal research. He helped substantiate and finalize the expert reports and mediation statements. Mr. Hane attended the October 2014 mediation session.

William Geraci (3,547 hours): Mr. Geraci also was one of the junior associates fully dedicated to the case from the inception of discovery through settlement. In this regard, he assisted in drafting the protocol for electronic discovery, oversaw the team of attorneys reviewing documents, managed the sophisticated searches in the database, drafted document requests and initial disclosures, and participated in preparing for deposition. He also played a critical role in building the factual narrative of the case. Mr. Geraci also spent significant time preparing for all of the depositions, including helping to determine deposition strategy and acting as a second chair for the deposition of the head of internal audit. Mr. Geraci assisted with the drafting of discovery motions and the substantiation and finalization of expert reports and mediation statements.

Danielle Stampley (298 hours): Ms. Stampley, a former associate, was involved in the drafting of the amended complaint and the opposition to the motion to dismiss.

Elizabeth Wierzbowski (150 hours): Ms. Wierzbowski assisted with the drafting of all settlement papers, including the stipulation of settlement, settlement notice, motion for authorization to notify the class and schedule a settlement hearing, and the motions for approval of the settlement.

Special Litigation Counsel

Ann Jernow (396 hours): Ms. Jernow served as a special senior litigator focusing on discovery motions, expert reports, evidentiary issues and summary judgment. She also aided in the preparation for the deposition of the Head of Internal Audit.

Ms. Jernow is a former partner at Manatt, Phelps & Phillips, who joined BFTA after nine years with Manatt. At Manatt, Ms. Jernow won a complete defense victory for the purchaser of a $110 million loan in connection with J.P. Morgan's acquisition of certain Bear Stearns assets. She also won a jury

verdict including a total damages award of over $700 million in a complex contract and tort case for ICO Global Communications (Holdings) Limited against The Boeing Company and its Boeing Satellite Systems International subsidiary – the largest jury verdict in the U.S. for 2008. Ms. Jernow has 17 years of legal experience. She earned her B.A. at Duke University and her J.D. at New York University School of Law.

Robert Ryan (1,435 hours): Mr. Ryan was primarily responsible for developing the allegations concerning Weatherford's deteriorating liquidity position as a motive for the issuance of false or misleading financial statements. He was also responsible for examining Weatherford credit facilities and Weatherford's relationships with lenders and ratings agencies. Mr. Ryan marshaled the evidence for Lead Plaintiffs' liquidity expert and helped him analyze the most important documents for the expert report and potential testimony. Mr. Ryan prepared Mr. Bleichmar for the deposition of the former Treasurer and second chaired the deposition. In addition, Mr. Ryan conducted substantial legal research.

Mr. Ryan has over 30 years of experience on securities class actions and financial litigation. He earned his B.S. from University of Connecticut and his J.D., with honors, from University of San Francisco School of Law.

Staff Attorneys

Jennifer Hirsh (2,858 hours): Ms. Hirsh was primarily involved in fact discovery, including the review and analysis of electronically-produced documents and the preparation of memoranda related thereto. She was one of two staff attorneys staffed on the case from the beginning of the discovery phase until settlement. She joined the team in November 2013 and built significant institutional knowledge from the start of discovery. Ms. Hirsh regularly identified important documents and discussed each documents' importance at meetings with both the litigation and discovery teams.

Ms. Hirsh has 14 years of legal experience and earned her B.A. from Brown University and her J.D. from the Benjamin N. Cardozo School of Law where she was the editor of *The Journal of International & Comparative Law*.

Sheena Jenkins (3,633 hours): Ms. Jenkins was primarily involved in fact discovery, including the review and analysis of electronically-produced documents and the preparation of memoranda related thereto. She was one of two staff attorneys staffed on the case from the beginning of the discovery phase until settlement. She joined the team in November 2013 and built significant institutional knowledge from the start of discovery. Ms. Jenkins regularly identified important documents and discussed each documents' importance at meetings with both the litigation and discovery teams.

Ms. Jenkins has 25 years of experience particularly with class action litigation, including securities litigation. She earned her B.S. at Florida Agricultural and Mechanical University and her J.D. from Rutgers Law School.

Fredrick W. Green (1,343 hours): Mr. Green was primarily involved in fact discovery, including the review and analysis of electronically-produced documents and the preparation of memoranda related thereto. He performed second level reviews of the coding of documents in order to keep the litigation team informed of all useful documents found on a daily basis. He also analyzed testimony from relevant witnesses, participated in regular periodic meetings with other attorneys, prepared

witness kits for depositions, and researched various factual issues. In addition, Mr. Green participated in the deposition preparation for four deponents and supported the research of Lead Plaintiffs' liquidity expert.

Mr. Green earned his B.A. at Union College and his J.D. from Washington University School of Law in 2013.

Obadele Davis (143 hours): Mr. Davis joined the team in August 2014 and became a team leader overseeing the document review team. He was primarily involved in fact discovery, including the review and analysis of electronically-produced documents and the preparation of memoranda related thereto. He also analyzed testimony from relevant witnesses, participated in regular periodic meetings with other attorneys, prepared witness kits for depositions, and researched various factual issues.

Mr. Davis has 14 years of legal experience and he earned his B.A. at the University of Pennsylvania and his J.D. at Fordham University.

Conor Donnelly (1,107 hours): Mr. Donnelly was primarily involved in fact discovery, including the review and analysis of electronically-produced documents and the preparation of memoranda related thereto. He also analyzed testimony from relevant witnesses, prepared witness kits for depositions, participated in regular periodic meetings with other attorneys, and researched various factual issues.

Mr. Donnelly earned his B.S. at Lehigh University and his J.D. from Hofstra University School of Law. Mr. Donnelly has over 8 years of litigation experience.

Dana Vincent (378 hours): Ms. Vincent was primarily involved in fact discovery, including the review and analysis of electronically-produced documents and the preparation of memoranda related thereto. Ms. Vincent helped prepare deposition digests and performed legal research in support of Mr. Meeks.

Ms. Vincent earned her B.A. at Spelman College where she graduated *cum laude.* She also earned an M.A. in Economics at New School and a J.D. at Georgetown University Law Center. Ms. Vincent has over 12 years of litigation experience, including significant experience with securities litigation class actions.

Lee Feldshon (1,060 hours): Mr. Feldshon was primarily involved in fact discovery, including the review and analysis of electronically-produced documents and the preparation of memoranda related thereto. In addition, he was part of a team that reviewed and analyzed Defendants' redactions asserting privilege. He also analyzed testimony from relevant witnesses, prepared witness kits for depositions, participated in regular periodic meetings with other attorneys, and researched various factual issues.

Mr. Feldshon earned his B.A. at Columbia University and his J.D. at Columbia University School of Law. He has over 12 years of legal experience, including cases concerning CFTC and SEC investigations.

Nicole Manning (876 hours): Ms. Manning was primarily involved in fact discovery, including the review and analysis of electronically-produced documents and the preparation of memoranda related thereto. In addition, she was part of a team that reviewed and analyzed Defendants'

redactions asserting privilege. She also analyzed testimony from relevant witnesses, prepared witness kits for depositions, participated in regular periodic meetings with other attorneys, and researched various factual issues.

Ms. Manning earned her B.A. at Boston College and her J.D. from Hofstra University School of Law. She has over 5 years of litigation experience.

Nadeen Gopie (1,080 hours): Ms. Gopie was primarily involved in fact discovery, including the review and analysis of electronically-produced documents and the preparation of memoranda related thereto. She also analyzed testimony from relevant witnesses, prepared witness kits for depositions, participated in regular periodic meetings with other attorneys, and researched various factual issues.

Ms. Gopie has 15 years of experience and she earned her B.A. at Binghamton University and her J.D. at Temple University.

Ruth Herring (1,035 hours): Ms. Herring was primarily involved in fact discovery, including the review and analysis of electronically-produced documents and the preparation of memoranda related thereto. She also analyzed testimony from relevant witnesses, prepared witness kits for depositions, participated in regular periodic meetings with other attorneys, and researched various factual issues.

Ms. Herring has 14 years of litigation experience and earned her B.A. from the University of Colorado at Boulder and her J.D. at DePaul University School of Law.

Karoline Hinga (110 hours): Ms. Hinga was primarily involved in fact discovery, including the review and analysis of electronically-produced documents and the preparation of memoranda related thereto.

Ms. Hinga has 14 years of litigation experience and earned her B.A., *summa cum laude*, from the University of Michigan and her J.D., *cum laude*, from Georgetown University Law Center where she was an Associate Articles Editor of *The Georgetown Law Journal*.

Glenda Da Fonseca (124 hours): Ms. Da Fonseca was primarily involved in fact discovery, including the review and analysis of electronically-produced documents and the preparation of memoranda related thereto.

Ms. Da Fonseca has more than two decades of litigation experience. She earned a B.A. and L.L.B. from the University of Bombay and an L.L.M. from the University of California (Boalt Hall) School of Law.

Investigator

Jerome Pontrelli (175 hours): Mr. Pontrelli led the team of investigators who interviewed 30 former Weatherford employees before Lead Plaintiffs filed the amended complaint. Mr. Pontrelli was instrumental in maintaining the relationships with many of these former employees, some of which ultimately were deposed by Class Counsel and provided very favorable testimony.

Mr. Pontrelli has over two decades of law enforcement experience, including 12 years with the Federal Bureau of Investigation (FBI).

Support Staff

Michael Russo (899 hours): Mr. Russo was the senior paralegal responsible for overall case management and organization during several phases of litigation. He provided paralegal support from the filing of the amended complaint through the motion to dismiss and class certification phases of the litigation, as well as the introductory period of discovery and motions related thereto. Mr. Russo was promoted to BFTA's Director of Operations and coordinated logistics with multiple vendors and third parties on various aspects of the litigation, including depositions, court filings, and expert discovery and disclosures. He aided in case management and oversaw the paralegals handling the matter.

Esther Farber (1,185 hours): Ms. Farber served as the primary paralegal on the case once Mr. Russo was promoted to Director of Operations, and as the junior paralegal before that. Among other things, Ms. Farber aided in case management from the inception of the case, provided paralegal support for numerous briefs and motions to compel, and was an integral member of the deposition preparation team.

Shella Mundo (159 hours): Ms. Mundo served as a core paralegal on the case. Among other things, Ms. Mundo aided in case management, provided paralegal support for numerous briefs, motions, miscellaneous court filings, and discovery requests and productions. She was also a member of the deposition preparation team.

Exhibit 9

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
----------x

MIKE DOBINA, Individually and on Behalf of All others Similarly Situated, et al.,

Plaintiffs,

v. 11 Civ. 1646 LAK JCF

WEATHERFORD INTERNATIONAL Ltd., et al.,

Defendants.

----------x

February 19, 2014
11:00 a.m.

Before:

HON. LEWIS A. KAPLAN,

District Judge

APPEARANCES

KESSLER TOPAZ MELTZER & CHECK, LLP
Attorneys for plaintiffs
BY: ELI R. GREENSTEIN, Esq.
DAVID KESSLER, Esq.
- and -
CURTIS V. TRINKO, LLP
BY: CURTIS VICTOR TRINKO, Esq.
Of counsel

LATHAM & WATKINS, LLP
Attorneys for defendants
BY: KEVIN H. METZ, Esq.
PETER A. WALD, Esq.
Of counsel

(Teleconference in Chambers)

THE COURT: Good morning, Folks. Would you please tell me who is on the line.

MR. GREENSTEIN: Eli Greenstein from Kessler Topaz and with me is my partner David Kessler, the head of our firm, who will be answering questions regarding certain aspects of the settlement on behalf of lead plaintiff and the proposed class. Also on is Curtis Trinko for plaintiffs also, your Honor.

THE COURT: Who else?

MR. WALD: Peter Wald and Kevin Metz on behalf of the defendants.

THE COURT: I have a Reporter here, so unless I address you by name and you respond right away, please make clear your name each time you speak. I don't think this is going to take very long, but nonetheless I had some questions in relation to the proposed settlement that you sent me.

First of all, this does not cover the Freedman complaint, right?

MR. GREENSTEIN: That's correct, it does not cover the Freedman action.

THE COURT: So why not? It is a very short time period in relation to this. Why can't we get it all resolved?

MR. GREENSTEIN: Well, I think, your Honor, we were negotiating. We recognize that our class period or our proposed class period includes only purchasers during this time

period, April 2007 through March, 2011, and there was a corrected disclosure on March 1st, which resulted in a stock drop on March 2nd. The Freedman action is for purchasers who then, being aware of that stock decline, purchased during a subsequent period starting on March 2nd, 2011; and, therefore, it is really two different cases, two different types of class, proposed class members and two types of purchasers, and so we carved that out of this settlement presented to the court here today.

THE COURT: I don't mean to be disrespectful, but that's why I asked the question. The question was not did you carve it out; the question was why we can't get it all wrapped up?

MR. GREENSTEIN: I think the answer, your Honor, is we represented a separate class and we were appointed lead counsel. We don't have authority to represent the Freedman class members or proposed class members, and the negotiations we had with Judge Weinstein only covered what we were entitled to represent, which were the purchases during our class period for this litigation.

THE COURT: So the question naturally occurs why?

I understand you're basically telling me that there is an alphabet and it has 26 letters. I am trying to get an explanation of the work of pros.

MR. GREENSTEIN: Let me attack it this way.

We were appointed by Judge Cote. Judge Cote appointed us as lead counsel to represent a putative class of purchasers during this time period, so our duties flowed to that, to those purchasers, and we really don't have the authority. We have to represent those purchasers zealously and look out for their best interests, including our lead plaintiffs, our clients, and we really don't have the authority to negotiate on behalf of purported class members to whom there are other counsel representing them as lead counsel appointed by the court.

THE COURT: I've asked three times. I haven't had an answer yet from you and I am not going to ask you again.

Mr. Metz, what about it?

MR. METZ: Your Honor, I think Mr. Wald will be addressing the court.

THE COURT: Fine.

MR. WALD: Your Honor, good morning. Peter Wald.

These have proceeded as separate class actions involving different classes, different periods and different claims. We are trying to move forward. We are moving forward in the Freedman case and are in discussions with the plaintiffs' counsel in that case, among other things, regarding a stay of proceedings pending the Supreme Court's decision in Halliburton.

We may have further information for the court, to present to the court along those lines, and it is our hope,

having now resolved the Dobina class action, we turned our attention to Freedman and work with the Labaton firm as lead counsel to discuss separate issues in that case and try to get that case resolved.

THE COURT: What time-frame are you talking about?

MR. WALD: We are actually scheduled to speak with them today about the stay proposal. Your Honor's ruled on the motion for class certification, denying it without prejudice pending the Supreme Court's decision.

We are hopeful. We produced, substantially completed our document production, your Honor. They have the documents, and the proposal to the other side is that we now stay things and see what is going to happen in Halliburton II, which could affect the class action greatly and certainly the economics driving it, and if they're amenable to that, we would hope to present a stipulation to the court delaying those proceedings until whatever the Supreme Court rules and take another look.

Hopefully, your Honor, that would put everyone, including the class representatives, in a position to make an assessment of the proper outcome of the case.

THE COURT: Are you in active settlement discussions in Freedman now?

MR. WALD: No, we are not, your Honor.

I think we finished substantially completion of documents on February 10th, and we produced over two million

pages, and I believe that the class plaintiffs had told us that they need to get through those documents and understand the merits of their claims and then would be in a position to have at least a preliminary discussion with us before we move forward, but in the meantime, obviously Halliburton II is going to come down and could affect the economics of the entire situation.

THE COURT: Well, keep me informed, please.

MR. WALD: Will do, your Honor.

THE COURT: Now, back to the settlement stipulation here. Mr. Kessler, what do you have in mind by a collective award of attorneys' fees and who decides under this agreement how much is paid to whom?

MR. KESSLER: Your Honor, we will be requesting up to $12.6 million, which is approximately our lodestar. Our lodestar currently is $12.3 million. We expect to have another several hundred thousand dollars in time in getting the settlement hopefully approved and administering the settlement. That does not include Mr. Trinko's time. Mr. Trinko is our liason counsel. I do not know exactly what Mr. Trinko's time is, but he is on the phone if your Honor wants to ask him.

Between those -- sorry? I didn't mean to interrupt your Honor.

THE COURT: Is the 12.6 million you indicated inclusive or exclusive of Mr. Trinko?

MR. KESSLER: That is inclusive of the fee request, yes, the 12.6 million is the maximum amount we would be requesting from the court to be approved.

THE COURT: Including Mr. Trinko?

MR. KESSLER: That's correct.

THE COURT: Go ahead.

MR. KESSLER: Your Honor, we had, as I mentioned before, we expect to have additional time in administering the settlement. Obviously, we understand it is a large amount of money. However, given the amount of the recovery and the amount of the time that was spent in litigation and the result achieved, we believe it is warranted. We are not looking for any material amount of multiplier on our time, and we believe that it is an appropriate amount given these circumstances, given the novel issues, and we will be applying for it with a full record, if the court was to allow us, on notice.

THE COURT: Is there anyone else beside your firm and Mr. Trinko included there?

MR. KESSLER: There is not. There is just us and Mr. Trinko. Your Honor did ask me -- I apologize for not having responded -- we'll be allocating the fees obviously for your Honor's approval based on the lodestar difference between our firm and Mr. Trinko's firm.

THE COURT: Paragraph 15 needs to be tuned up a little bit. I don't approve of these things at least any more where

there is any indication that lead counsel is applying for a pot and they'll carving it up as they see fit. I expect normal fee applications.

MR. KESSLER: Okay, your Honor. That is not a problem. We will add in language. That is exactly what we'll be doing anyway.

THE COURT: Okay. I was troubled by Paragraph 16.

I don't have a problem with something that would clearly say that once the settlement is approved and the fee is acted upon, you could apply to me for a partial distribution of the fee on whatever terms I think are appropriate in the circumstances. This sort of implied, if it wasn't precisely explicit, perhaps more than that.

Did I get it wrong or not?

MR. KESSLER: Your Honor, we attempted to follow the language that your Honor approved in connection with the Lehman structured note settlement and what we put in for the Lehman DNY settlement. If that language is not what you want, we can certainly make it clear, or we can try to make it clearer that we'll be applying to your Honor for any necessary hold-back if your Honor believes that is appropriate. Given the fact it is a one-time multiplier and given your Honor's past opinions on the subject, we see a very limited risk there will be any kind of overturn on appeal or anything like that.

Nevertheless, at the final hearing, with that

provision in mind, if the court is inclined, based on objections, to require counsel to request a hold-back, we can make that request at that time. If you want us to add that language in specifically to make it even clearer, we can do that, of course.

THE COURT: Look, if it is identical to what I signed off on in Lehman, I don't have a problem as long as we all understand that I may at that point say that the hold-back is a hundred percent or 10 percent or 20 percent and that I have full discretion in that matter.

MR. KESSLER: Your Honor, that is obviously within your discretion. The only thing I would suggest, and with our application, if your Honor felt that we were some sort of credit risk or something like that, we could always obtain a letter of credit from a bank even though that doesn't require our, our stipulation doesn't require that, the bank would then be at risk of our firm's inability to repay any fees and take that risk away from the class, but that would be part of an application. If your Honor thinks we are that credit risk, then we could do that if your Honor was so inclined given the likelihood of a reversal or reduction on appeal.

THE COURT: Look, you know, I don't want to get into a position of saying a law firm is a credit risk. That is not my point. Obviously, there is in any arrangement like this a credit exposure. It may be a small or big exposure. I don't

regard myself as being in a position of expertise to evaluate the exposure. I just want to be sure that the class is entirely protected, and whether it is by a hold-back with an unsecured repayment obligation or whether it is something secured by a letter of credit, we can cross that bridge later. I just wanted to be clear on that with you you folks.

MR. KESSLER: I appreciate that, your Honor, and if there is additional language we need, we'll put it in. I think this is the language we did utilize in Lehman DNY and Lehman structured notes. Your Honor has total flexibility in that regard.

THE COURT: As long as we are agreed on that.

I think that is it, although I would like to know privately -- I don't mean on this phone call -- I would like you to share with me what the side agreement is on the opt-out threshold just so I know what I'm doing.

MR. KESSLER: Okay, your Honor. This is David Kessler again. I guess with the agreement of Mr. Wald, we can submit it in-camera.

THE COURT: Yes, yes.

MR. WALD: That is perfectly fine, your Honor.

THE COURT: Okay. All right. I thank you, all. I didn't think we had a serious problem here and obviously we don't, but I wanted to be sure.

(Court adjourned)

Exhibit 10

National Law Journal's 2015 Billing Rate Survey[1]						
	Highest Partner	Average Partner	Lowest Partner	Highest Associate	Average Associate	Lowest Associate
Latham & Watkins	$1,110	$990	$895	$725	$605	$465
Skadden, Arps, Slate & Frohm	$1,150	$1,035	$845	$845	$620	$340
Davis Polk & Wardwell	$985	$975	$850	$975	$615	$130
Jones Day	$975	$745	$445	$775	$435	$205
O'Melveny & Myers	$950	$715	$615	-	-	-
Kirkland & Ellis	$995	$825	$590	$715	$540	$235
Curtis, Mallet-Prevost, Colt & Mosle	$860	$800	$730	$785	$480	$345

1. The National Law Journal, (Sept. 24, 2015, 11:38 AM), http://www.nationallawjournal.com/id=1202713889426/Billing-Rates-at-the-Nations-Priciest-Law-Firms.

Case 1:12-cv-02121-LAK-JCF Document 202-10 Filed 09/29/15 Page 2 of 2

Exhibit 11

NERA
ECONOMIC CONSULTING

20 January 2015

Recent Trends in Securities Class Action Litigation: 2014 Full-Year Review

Settlement amounts plummet in 2014, but post-*Halliburton II* filings rebound

By Dr. Renzo Comolli and Svetlana Starykh

Insight in Economics™

Highlights

2014 in Filings

- Number of 10b-5 filings was up 14% post *Halliburton II*, compared to the period when *Halliburton II* was pending, p. 6.
- 75% of Section 11 cases were filed in one of the circuits that, according to Petitioner in *Omnicare*, requires plaintiff to plead subjective falsity, p. 8.
- *Affiliated Ute* now invoked alongside fraud on the market in about half of the cases, p. 7.

2014 in Motions

- Only 3 motions for class certification decided at district court level post-*Halliburton II*, p. 19.

2014 in Case Resolutions

- Number of settlements continues to be at or close to the all-time low for the third consecutive year, p. 20.
- Number of 10b-5 settlements did not rebound post-*Halliburton II*, p. 21.

2014 in Settlements

- Median settlement amount lowest in 10 years at $6.5 million, p. 28.
- Average settlement amount plummeted 38%-61% since 2013, depending on the cases included in the calculation, pp. 26-27.
- 2014 average settlement amount lower post-*Halliburton II*, p. 26.

Recent Trends in Securities Class Action Litigation: 2014 Full-Year Review

Settlement amounts plummet in 2014, but post-*Halliburton II* filings rebound

By Dr. Renzo Comolli and Svetlana Starykh[1]

20 January 2015

Introduction and Summary[2]

Once again in 2014, the Supreme Court stole the limelight in the securities class action arena with its much-awaited decision in *Halliburton v. Erica P. John Fund* ("*Halliburton II*") at the end of June. As is well known, the Supreme Court addressed the presumption of reliance at class certification for actions alleging violation of section 10(b) of the Securities Exchange Act and held that "defendants must be afforded an opportunity before class certification to defeat the presumption through evidence that an alleged misrepresentation did not actually affect the market price of the stock."[3]

At press time, only 3 district courts have had the opportunity to apply *Halliburton II*: all 3 considered defendants' arguments about price impact, but ultimately granted plaintiffs' motion for class certification. But 3 decisions are far too few to extrapolate, and the full impact of *Halliburton II* on securities class actions is still to come.

Nonetheless, data already tell us a few things. The number of 10b-5 filings rebounded 14% after the *Halliburton II* decision was issued compared to when it was pending. On the other hand, over 2014 as a whole and including all types of securities class actions into the count, the number of filings remained flat compared to recent years.

Settlement amounts in 2014 plummeted. Measured by median amount, settlements have been the lowest in 10 years. Measured by average amount, settlements have dropped 38%-61%, depending on which types of class actions are considered. Moreover, average settlement amounts were actually lower after *Halliburton II* than in the previous part of 2014. We can ask whether that is because now some defendants who face larger or somewhat larger plaintiffs' demands are holding off, planning to avail themselves of the "no price impact" defense at class certification.

Additionally, the number of settlements was low in 2014: for the third consecutive year the number of settlements was at or close to the all-time low since the PSLRA was enacted. A new analysis of the time to resolution shows that, on average, 59% of the cases resolve (whether through settlement or dismissal) within three years from first filing. But the number of cases pending in court appears to have been increasing over the last three years, suggesting a possible slowdown of resolutions.

We rounded out our analyses related to *Halliburton II* by providing statistics about the presumption of reliance pled at first filing of 10b-5 complaints in which holders of common stock were part of the proposed class. We found that fraud-on-the-market is virtually always invoked; *Affiliated Ute* was hardly ever invoked in 2009, while now it is invoked as an additional presumption in a large fraction of the cases.

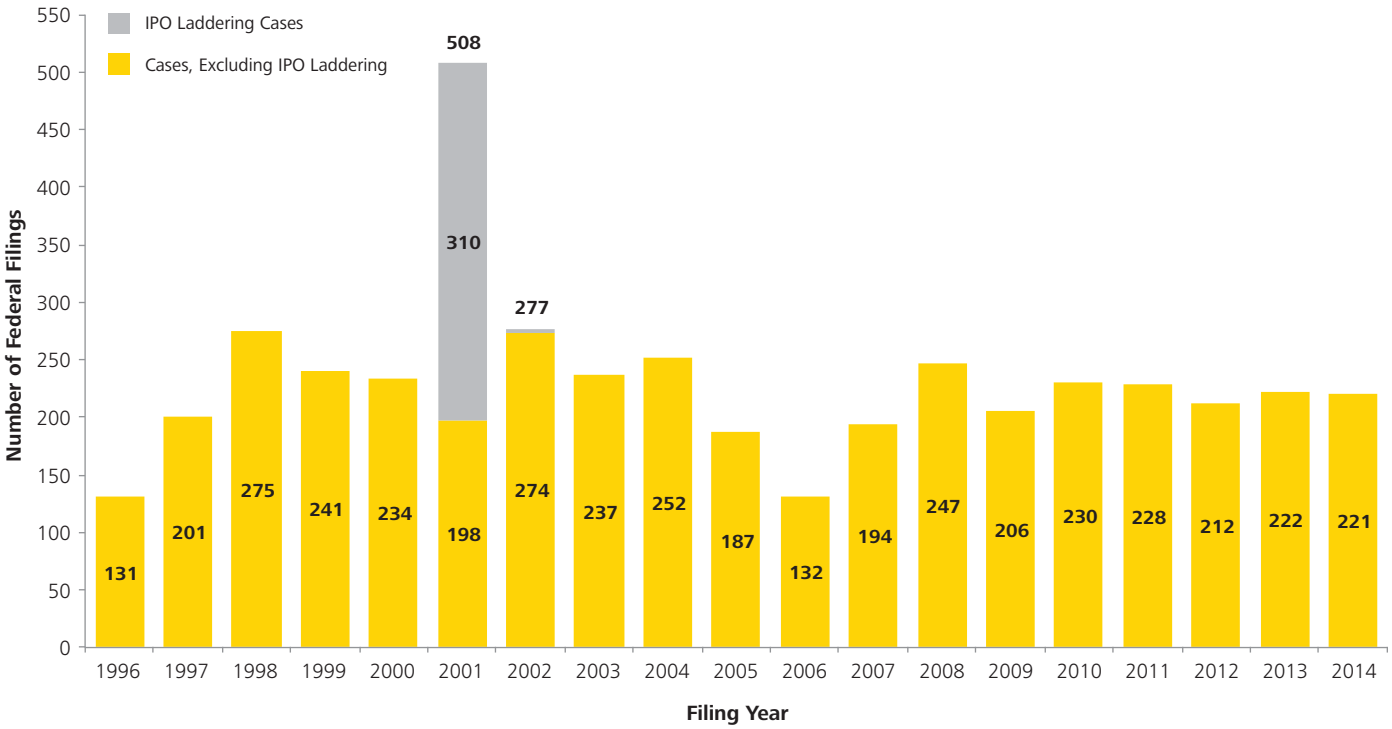
Last, in 2014 the Supreme Court also granted *certiorari* in a Section 11 case, *Omnicare.* The decision, expected for the first half of 2015, will come right on the heels of a "bumper IPO year," as 2014 as has been called. In preparation, we analyzed the historical distribution of Section 11 filings across circuits based on the question posed to the Court.

Trends in Filings[4]

Number of Cases Filed

In 2014, 221 securities class actions were filed in federal court. The annual number of securities class actions filed displayed a remarkable stability over the last 6 years: 222 were filed in 2013 and 220, on average, were filed during the 2009-2013 period. We need to go back to 2008, to the filing peak prompted by the credit crisis, to see a substantially higher number of total filings, 247. See Figure 1.

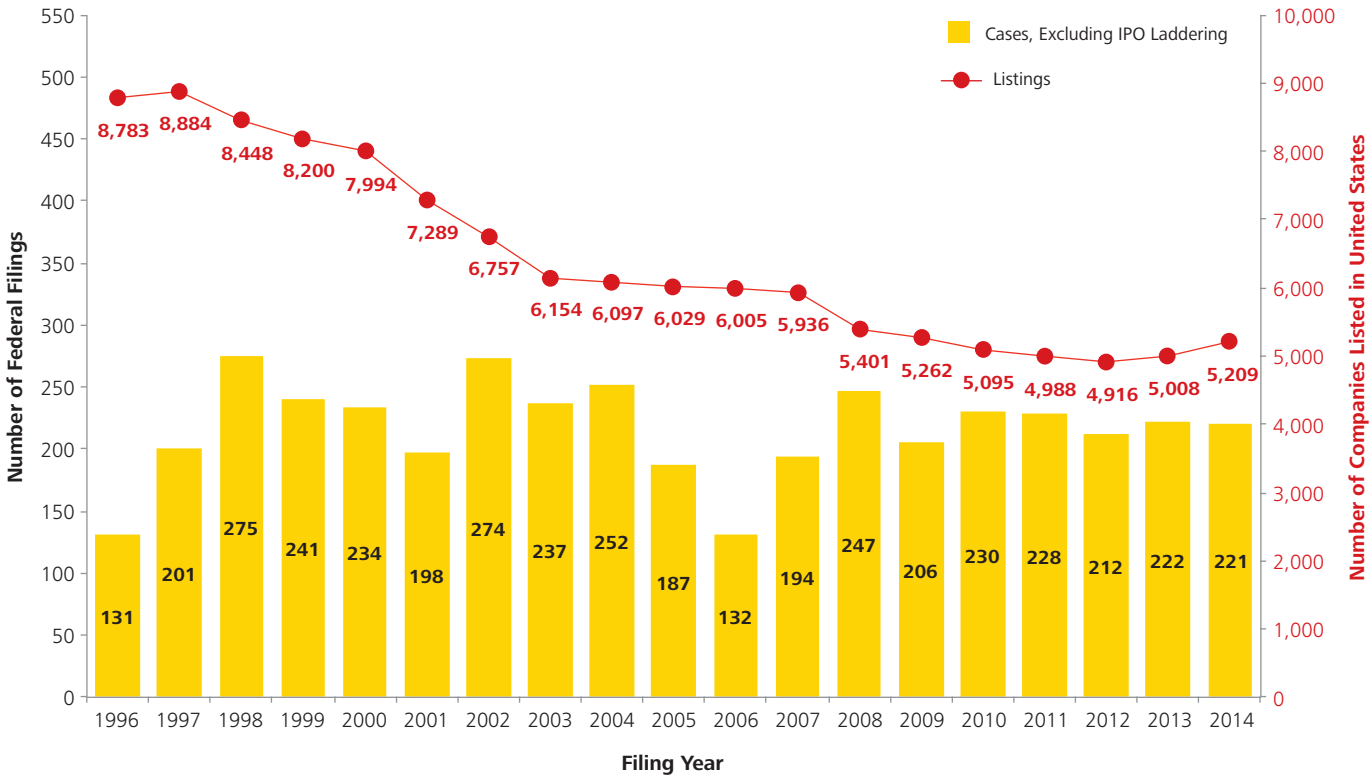
Figure 1. **Federal Filings**
January 1996 – December 2014



As of October 2014, 5,209 companies were listed on the NYSE, NASDAQ or AMEX; listings on those exchanges are used as an approximation for the number of companies listed in the US for the purpose of this analysis.[5] Given that 221 securities class actions were filed in 2014, the average probability of a company being the target of a securities class action was 4.2% in 2014.

The number of listed companies has increased by about 300 between 2012 and 2014, from 4,916 to 5,209. However, this recent increase goes in the opposite direction of the trend over the years 1996-2014. Since 1996, the number of listed companies has decreased by 3,574, or 41%, going from 8,783 to 5,209. See Figure 2. This longer trend in the number of listed companies (coupled with the number of class actions filed) has implications for the average probability of being sued, which has increased from 2.3% over the 1996-1998 period to 4.2% in 2014.

Figure 2. **Federal Filings and Number of Companies Listed in United States**
January 1996 – December 2014



Note: Number of companies listed in US is from Meridian Securities Markets; 1996-2013 values are year-end; 2014 is as of October.

Filings by Type

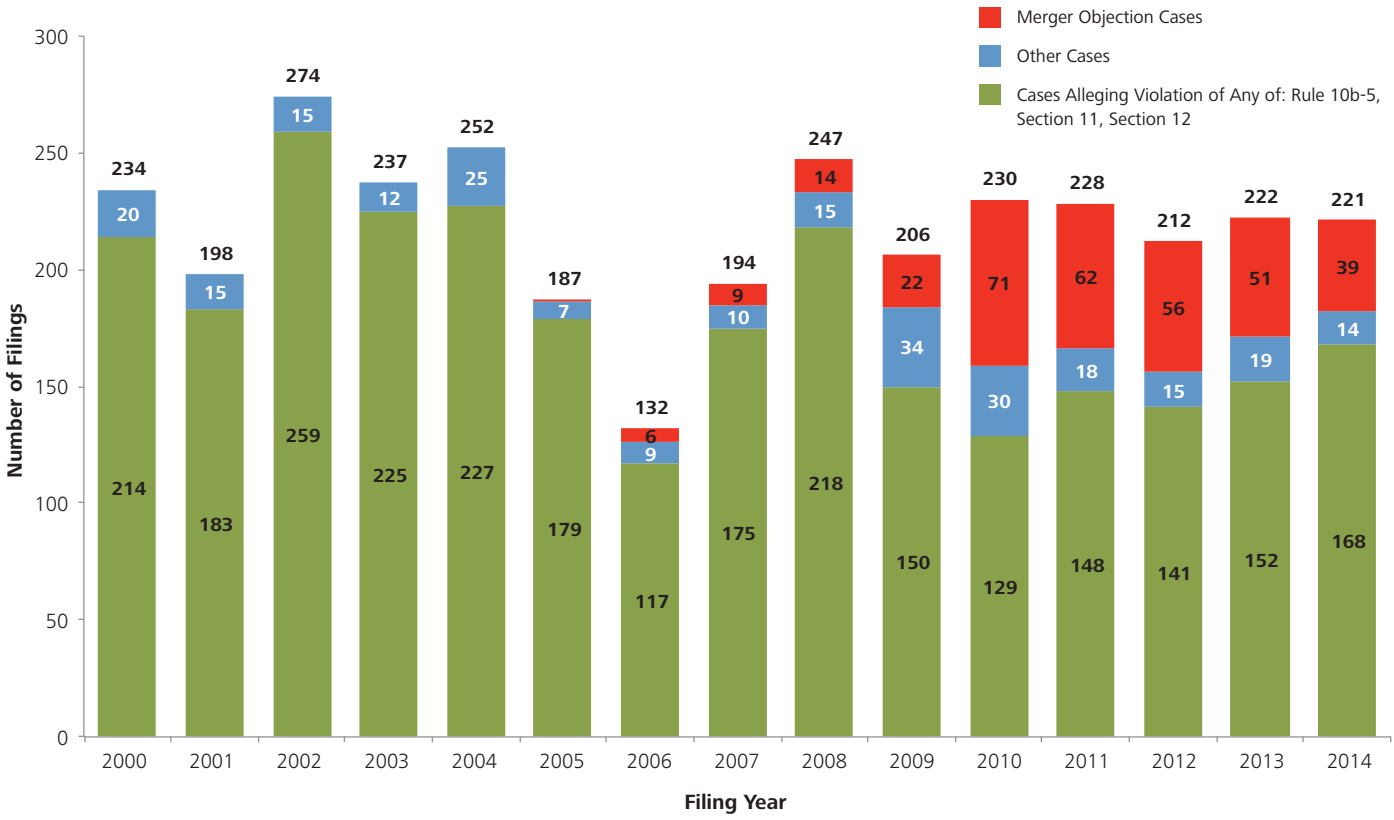
While the total number of securities class actions filed since 2009 has remained remarkably stable, the types of class actions filed have changed.

Securities class actions alleging violations of Rule 10b-5, Section 11, and/or Section 12 are often regarded as "standard" securities class actions: they are depicted in green in Figure 3. In 2014, 168 "standard" cases were filed, an 11% increase over 2013 and a 30% increase over 2010 (the recent trough). So, while the number of "standard" cases filed in 2014 is still lower than the number filed in 2008 or during the earlier 2000-2004 period, in recent years it has been on an upward trend.

Merger objection cases filed in federal court were a focus in 2010, with 71 cases filed accounting for 31% of all securities class actions filed in that year. Since then, the number of merger objections filed at federal level has been shrinking: only 39 were filed in 2014, accounting for 18% of the securities filings last year. (Here, we count as merger objections both cases alleging violation of securities laws and cases that merely allege breach of fiduciary duty. We do not count merger objections filed in state court, which can potentially be many more.)

Rounding out the total in 2014 is a variety of cases mostly alleging breach of fiduciary duty for a variety of reasons (including proxy disclosures for D&O incentive plans), but also including violations of the Trust Indenture Act of 1939, and 1 case alleging a violation of Section 5(a) of the Securities Act (and none of the "standard" allegations). See Figure 3.

Figure 3. **Federal Filings by Type**
January 2000 – December 2014



Notes: Before 2005, merger objections (if any) were not coded separately from "other cases." This figure omits IPO laddering cases.

Number of 10b-5 Cases Filed and Recent Supreme Court Cases

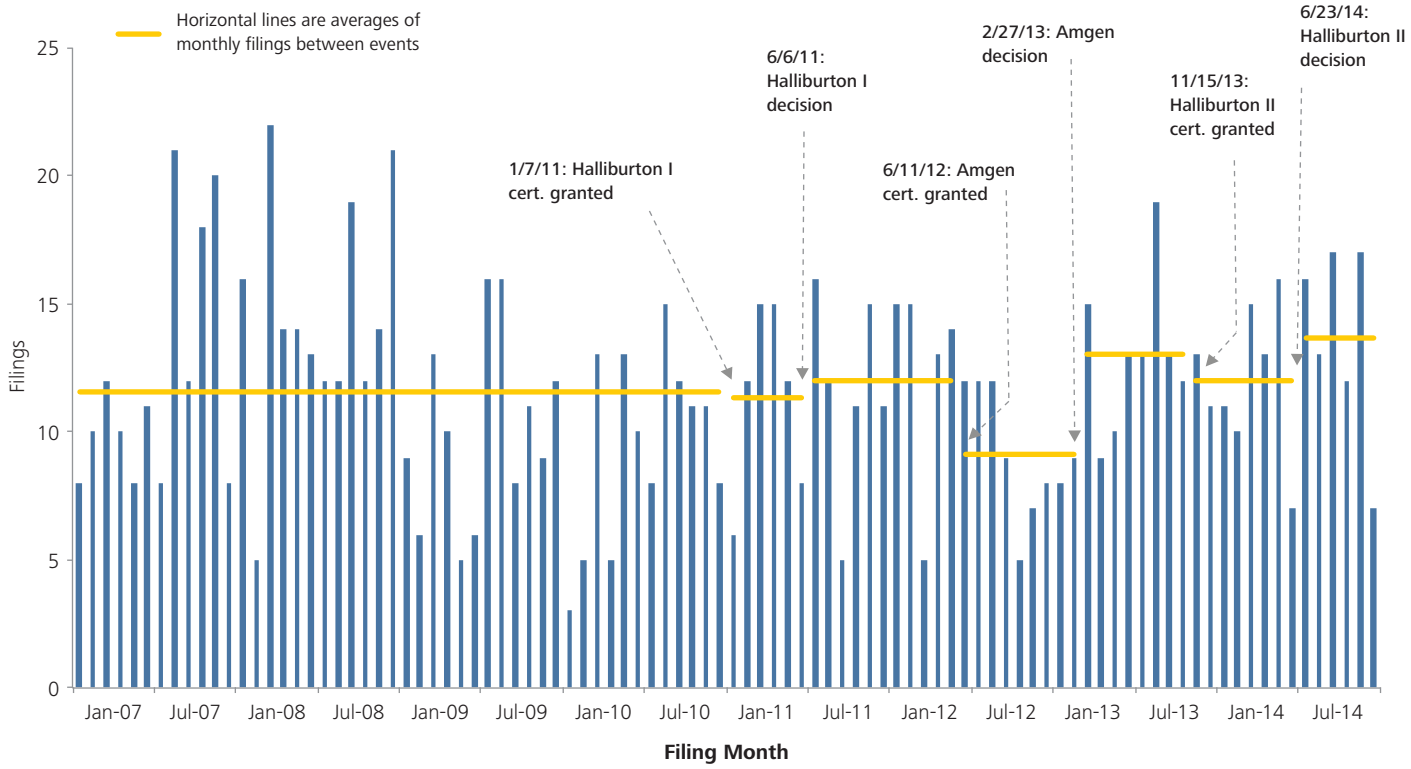
For the third time in four years, the Supreme Court has taken the center stage in the debate over securities litigation. In *Halliburton II*, the Court was asked whether it should overrule or modify *Basic*'s presumption of reliance in cases alleging violation of section 10(b) of the Securities Exchange Act and, if not, whether defendants should be afforded an opportunity to rebut the presumption at the class certification stage by showing a lack of price impact. The Court declined to overrule *Basic* and held that "defendants must be afforded an opportunity before class certification to defeat the presumption through evidence that an alleged misrepresentation did not actually affect the market price of the stock."[6]

Filings of 10b-5 class actions were slow while the Supreme Court was considering *Halliburton II* compared to previous experience, but rebounded after the decision. Compared to when *Halliburton II* was pending, the average monthly filings increased by 25% during July-November 2014. A slow December brought the post-*Halliburton II* monthly average down somewhat, but it still remained 14% higher than when *Halliburton II* was before the Court. See Figure 4. It will be interesting to see whether the increased filing activity continues in 2015.

We had already noted a similar pattern at the time of the *Amgen* decision: monthly filings were low on average while the Supreme Court was considering the case and rebound markedly after the decision was issued.

Of course, while we note the temporal correlation, we are not suggesting how much, if any, of the change in the filing activity is *due* to these decisions since we have not considered confounding factors.

Figure 4. **Monthly 10b-5 Filings**
January 2007 – December 2014



Note: Monthly averages computed on the basis of monthly number of filings (regardless of day of event).

10b-5 Filings by Presumption Invoked for Reliance

While *Halliburton II* was pending, many commentators speculated about the possible outcomes and some focused on possible strategies that the plaintiff bar could take in the event that the Supreme Court overruled *Basic*. Ample attention was devoted to the possibility that *Affiliated Ute* would become the main route to class certification should *Basic* be overruled.

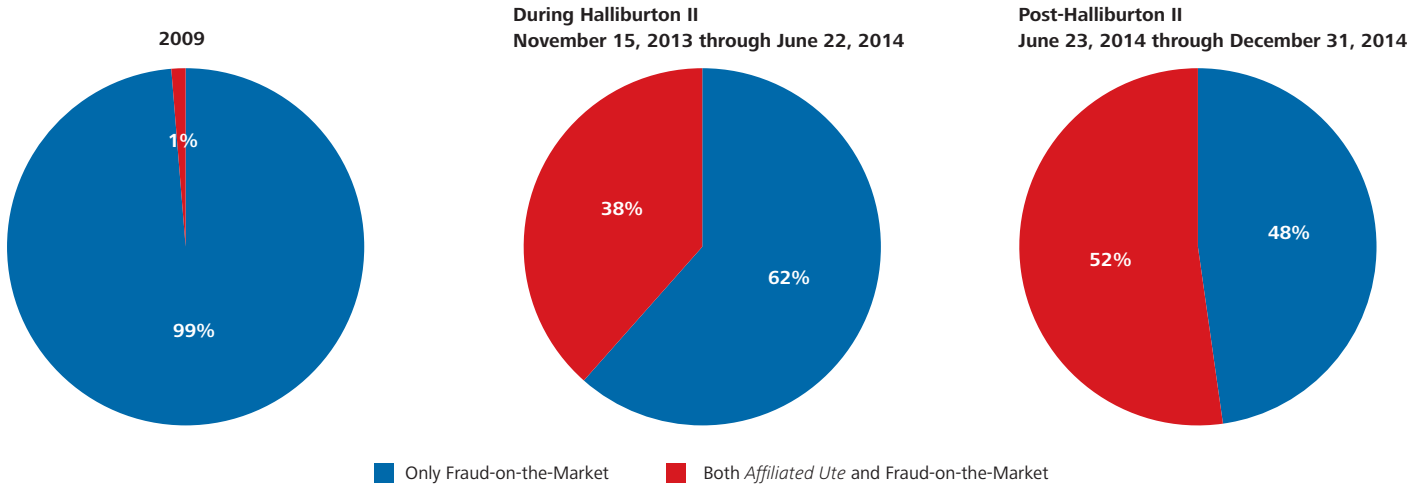
To analyze whether these comments corresponded to pleadings by the plaintiff bar, we reviewed the first available complaint for 10b-5 cases in which holders of common stock were part of the proposed class and coded whether they invoked *Basic* or *Affiliated Ute* or both.

Regardless of the period in which it was filed, every complaint that we reviewed invoked *Basic's* fraud-on-the-market presumption.[7] In contrast, the fraction of complaints that also invoked *Affiliated Ute* increased markedly from the period that preceded the grant of *certiorari* in *Halliburton II* to the period that followed it.

To represent the period preceding the grant of *certiorari,* we selected (somewhat arbitrarily) cases filed in 2009. That year also has the advantage of preceding *Halliburton I* and *Amgen* – two other Supreme Court cases that also addressed the fraud-on-the-market presumption at class certification and possibly contributed to the finding shown here.

In 2009, only 1% of the cases invoked *Affiliated Ute* (in addition to *Basic*). In contrast, 38% of the cases filed while *Halliburton II* was pending also invoked *Affiliated Ute*. See Figure 5. Moreover, *Affiliated Ute* has continued to be pled in addition to fraud-on-the-market in 52% of complaints even after the decision in *Halliburton II* was delivered and did not overrule *Basic*. Of course, pleading *Affiliated Ute* at the filing stage is relatively inexpensive; it is not clear how often certification will actually be sought on that basis.

Figure 5. **Presumptions of Reliance Pled at Filing**
Cases Alleging Violation of Rule 10b-5 Where Holders of Common Stock are Part of the Proposed Class



Notes: All cases where "Affiliated Ute" appeared also pled fraud-on-the-market.
Presumption coded on the basis of the first available complaint. Coded *Affiliated Ute* only if the words "Affiliated Ute" appeared in the complaint.
Coded Fraud-on-the-Market if there was discussion of any of the following: fraud on the market, *Basic v Levinson*, market efficiency, or the integrity of the market price.
One case where the presumption could not be determined (or possibly it was not pled) was excluded from the count.

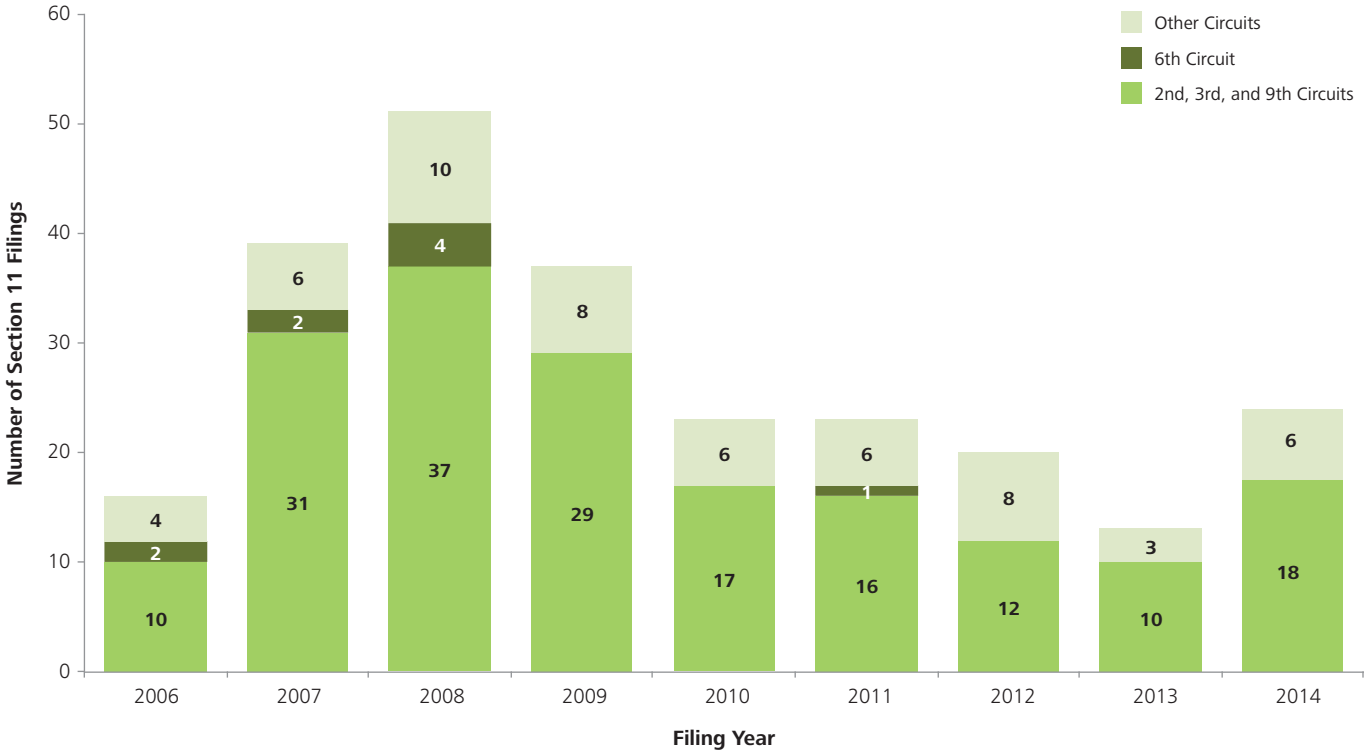
Number of Section 11 Filings and Omnicare

In 2014, the Supreme Court granted *certiorari* for another securities class action case, *Omnicare v. Laborers District Council Construction Industry Pension Fund ("Omnicare")*. The question Petitioner asked the Supreme Court to decide is "For purposes of a Section 11 claim, may a plaintiff plead that a statement of opinion was 'untrue' merely by alleging that the opinion itself was objectively wrong, as the Sixth Circuit has concluded, or must the plaintiff also allege that the statement was subjectively false—requiring allegations that the speaker's actual opinion was different from the one expressed—as the Second, Third, and Ninth Circuits have held?"[8]

Since 2006, the year in which *Omnicare* was filed, 73% of securities class actions alleging violation of Section 11 of the Securities Act of 1933 have been filed in one of the circuits that Petitioner states currently requires subjective falsity. That fraction is 75% in 2014. Figure 6 shows Section 11 filings, grouped by circuit in the following way: Second, Third, and Ninth in bright green at the bottom (which according to Petitioner require subjective falsity); Sixth in dark green (which according to Petitioner requires only objective wrongness); and all other Circuits in very light green on top.

Interestingly, the Supreme Court decision will come on the heels of what the *Financial Times* has called a "bumper IPO year."[9] According to Mergerstat data, 289 IPOs were conducted in 2014, more than in any year since 2000.[10]

Figure 6. **Section 11 Filings**
Circuits Grouped by Pleading Requirement as per Petition for a *Writ of Certiorari* in *Omnicare*
January 2006 – December 2014

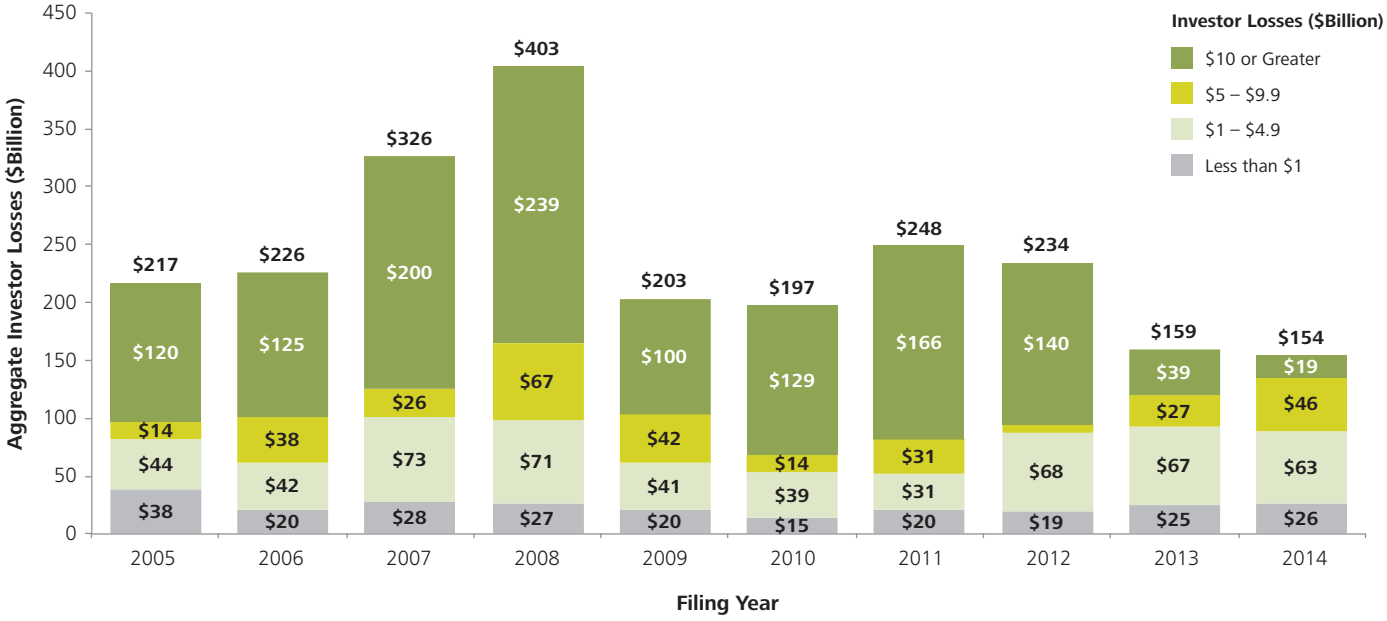


Aggregate Investor Losses

In addition to the number of filings, we also analyze the size of the cases filed using a measure that NERA labels "investor losses." Aggregate investor losses, as shown in Figure 7, are simply the sum of investor losses across all cases for which they can be computed. In each year, the presence or absence of a handful of cases with large investor losses determines much of the aggregate investor losses. For example, aggregate investor losses in 2011 were $248 billion, but $166 billion were associated with just 6 cases (shown in dark green).

In 2014 aggregate investor losses were $154 billion, approximately the same amount as in 2013. Aggregate investor losses in 2014 and 2013 were noticeably smaller than in previous year. The difference is explained mainly by the almost complete absence of cases with very large investor losses.

Figure 7. **Aggregate Investor Losses ($Billion) for Federal Filings with Alleged Violations of Rule 10b-5 or Section 11, and in Which Holders of Common Stock Are Part of the Proposed Class**
January 2005 – December 2014



NERA's investor losses variable is a proxy for the aggregate amount that investors lost from buying the defendant's stock rather than investing in the broader market during the alleged class period. Note that the investor losses variable is not a measure of damages since *any* stock that underperforms the S&P 500 would have "investor losses" over the period of underperformance; rather it is a rough proxy for the relative size of investors' potential claims. Historically, "investor losses" have been a powerful predictor of settlement size. Investor losses can explain more than half of the variance in the settlement values in our database.

We do not compute investor losses for all cases included in this publication. For instance, class actions in which only bonds and not common stock are alleged to have been damaged are not included. The largest excluded groups are the IPO laddering cases and the merger objection cases. NERA reports on securities class actions published before 2012 did not include investor losses for cases with only Section 11 allegations, but such cases are included here. The calculation for these cases is somewhat different than for cases with 10b-5 claims.

Technically, the investor losses variable explains more than half of the variance in the logarithm of settlement size. Investor losses over the class period are measured relative to the S&P 500, using a proportional decay trading model to estimate the number of affected shares of common stock. We measure investor losses only if the proposed class period is at least two days.

Filings by Circuit

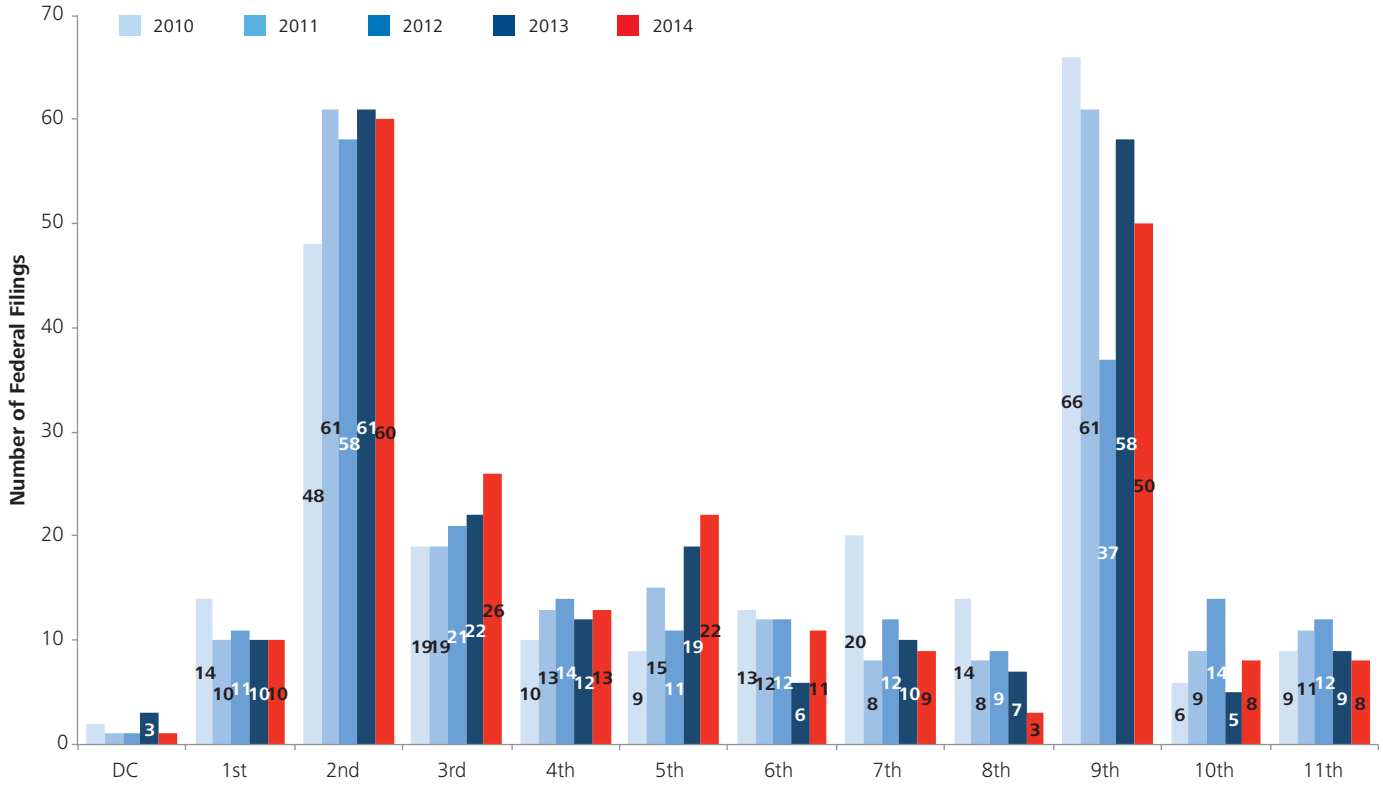
Filings continue to be concentrated in the Second and Ninth Circuits. For the fourth year in a row, the number of filings in the Second Circuit has remained around 60. See Figure 8. But the number of filings alleging violation of Rule 10b-5 in that circuit has decreased by 19% between 2013 and 2014, from 53 to 42 (not shown).

In the Ninth Circuit, the number of filings decreased from 58 to 50 between 2013 and 2014. See Figure 8. But the number of filings alleging violation of Rule 10b-5 in that circuit has hardly changed over the two years, going from 40 to 39.

The Third Circuit also continues to experience a relatively large number of securities class action filings, with 26 in 2014, up from 22 in 2013. See Figure 8. The change is much more pronounced in the number of filings alleging violation of Rule 10b-5, which more than doubled, going from 9 to 20.

The number of filings in the Fifth Circuit has also been on an increasing trend between 2010 and 2014, from 9 to 22. See Figure 8. Filings alleging violation of Rule 10b-5, which are most impacted by the string of Supreme Court decisions *Halliburton I, Amgen, Halliburton II*, have also been on an increasing trend, going from 4 to 11 between 2010 and 2014.

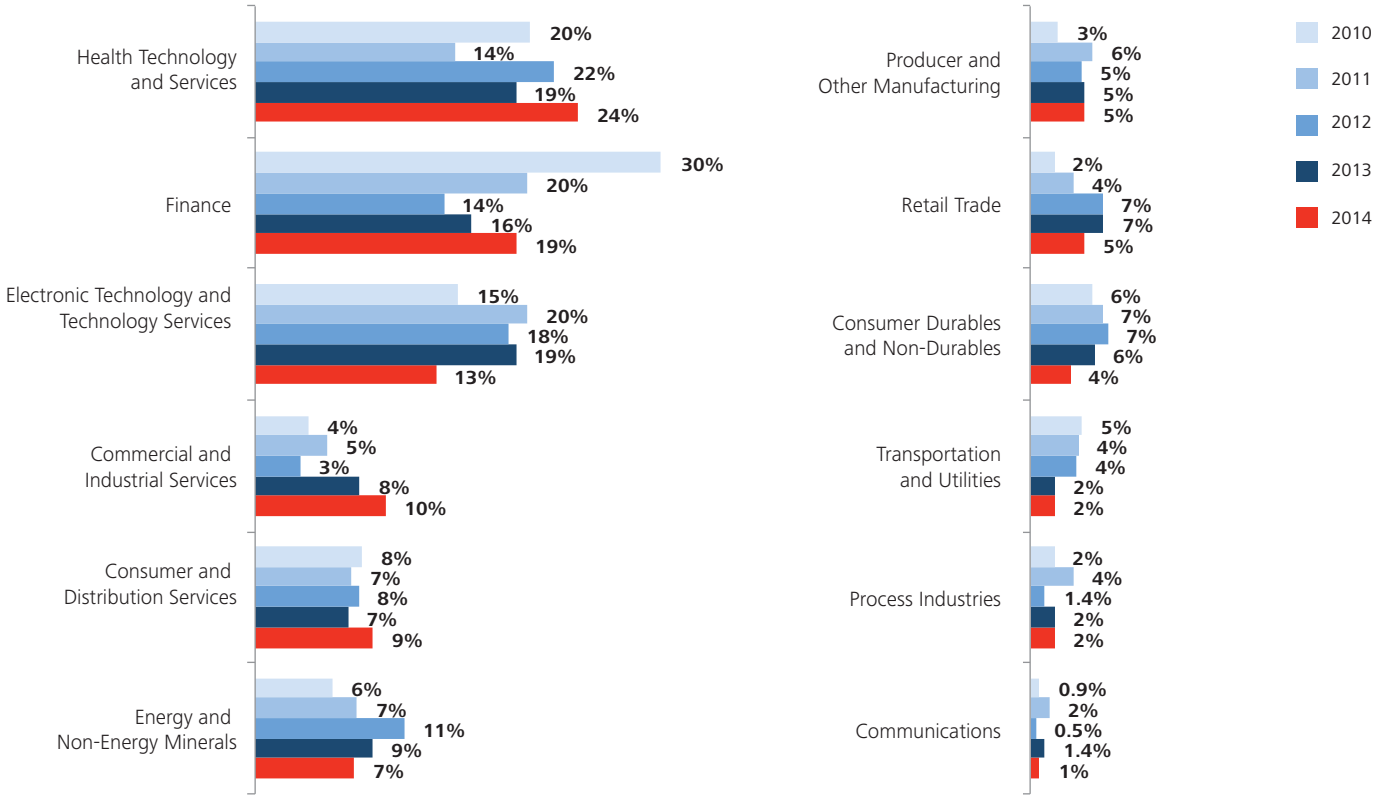
Figure 8. **Federal Filings by Circuit and Year**
January 2010 – December 2014



Filings by Sector

In 2014, the following three sectors taken together continued to account for more than half of primary defendants: health technology and services; finance; and electronic technology and services. In 2014, these sectors represented, respectively, 24%, 19% and 13% of the filings' primary defendants. See Figure 9.

Figure 9. **Percentage of Filings by Sector and Year**
January 2010 – December 2014



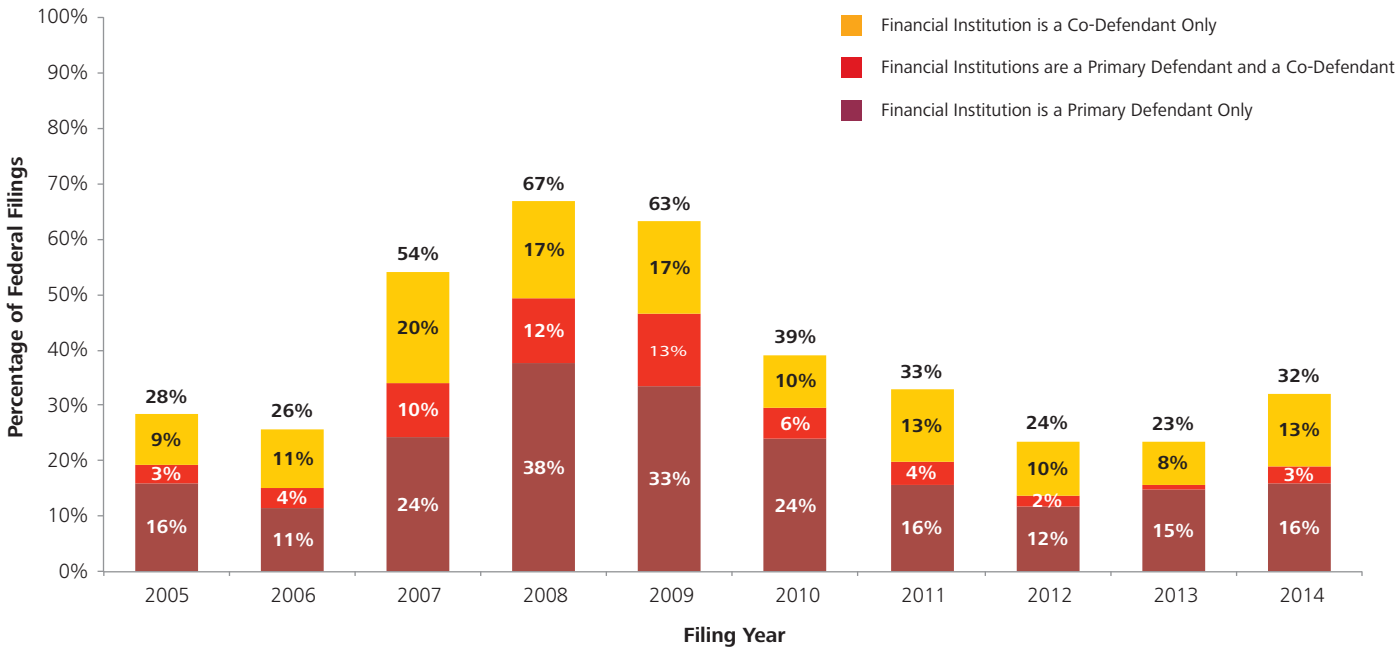
Note: This analysis is based on the FactSet Research Systems, Inc. economic sector classification. Some of the FactSet economic sectors are combined for presentation.

Defendants in the Financial Sector

In addition to being targeted as primary defendants, companies in the financial sector are often also targeted as co-defendants.

In 2014, 32% of the securities class actions filed had a defendant in the financial sector (whether primary defendant or co-defendant). That fraction represents a reversal of the trend in recent years. The fraction of filings with a financial sector defendant peaked in 2008 at 67% with the credit crisis and has been declining since then until 2013, at 23%. That fraction is 9 percentage points higher in 2014, at 32%. See Figure 10.[11]

Figure 10. **Federal Cases in which Financial Institutions Are Named Defendants**
January 2005 – December 2014

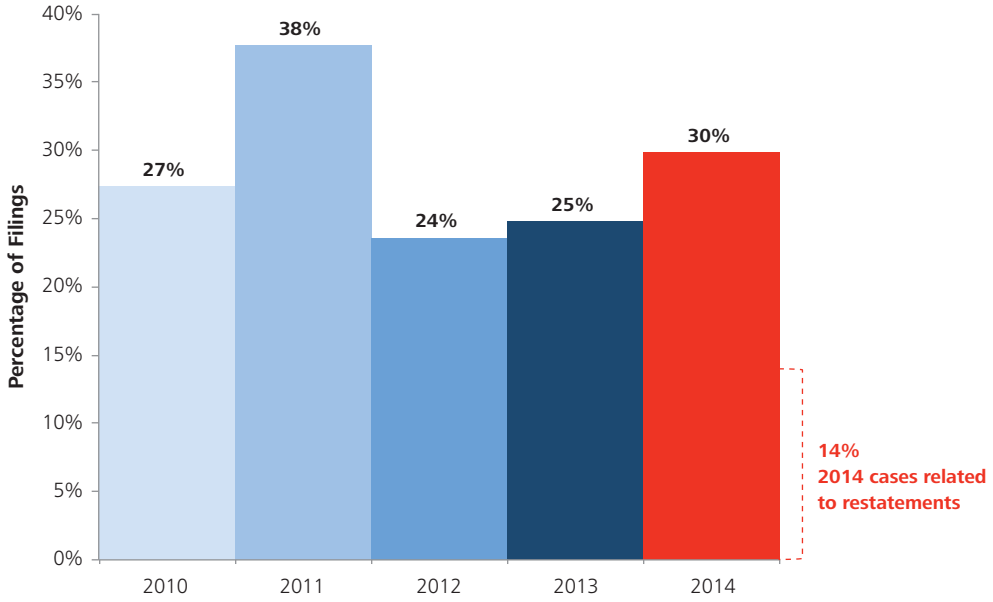


Accounting Allegations

About 30% of filings included accounting allegations in 2014, up from 25% in 2013, but still lower than the recent high of 38% in 2011. See Figure 11.

About 14% of 2014 filings included allegations related to restatements (as well as, potentially, other accounting allegations). That leaves 16% of filings in 2014 with accounting allegations but no restatement-related allegations.

Figure 11. **Accounting Allegations**
January 2010 – December 2014



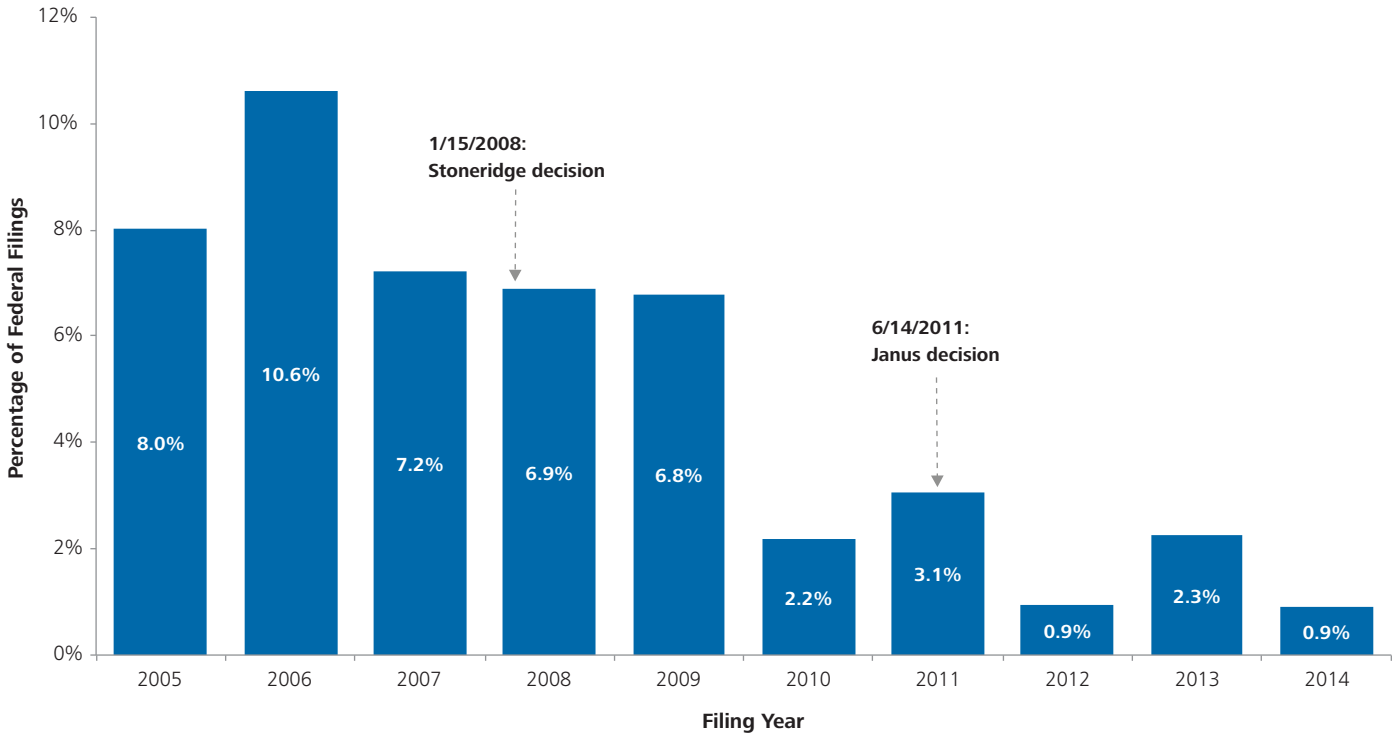
Accounting Co-Defendants

Only 2 securities class actions had an accounting co-defendant in 2014, and in only 1 of these 2 was the co-defendant a Big 4 firm.

The declining trend in the fraction of securities class actions with an accounting co-defendant has continued in 2014. That fraction has declined from 10.6% in 2006 to 0.9% in 2014. See Figure 12. As noted in prior editions of this report, this trend might be the result of changes in the legal environment. The Supreme Court's *Janus* decision in 2011 restricted the ability of plaintiffs to sue parties not directly responsible for misstatements. This decision, along with the Court's *Stoneridge* decision in 2008, which limited scheme liability, may have made accounting firms unappealing targets for securities class action litigation.

For the purposes of this Figure, we considered only co-defendants listed in the first complaint. Based on past experience, accounting co-defendants were sometimes added to later complaints. For example, 3.1% of the first complaints filed in 2011 had accounting co-defendants, while that percentage had grown to 7.5% based on the later complaints. For cases filed in 2012 and 2013, that effect seems to have vanished, though it may be too early to tell because amended complaints for those same cases may yet be filed.

Figure 12. **Percentage of Federal Filings in which an Accounting Firm is a Co-Defendant**
January 2005 – December 2014

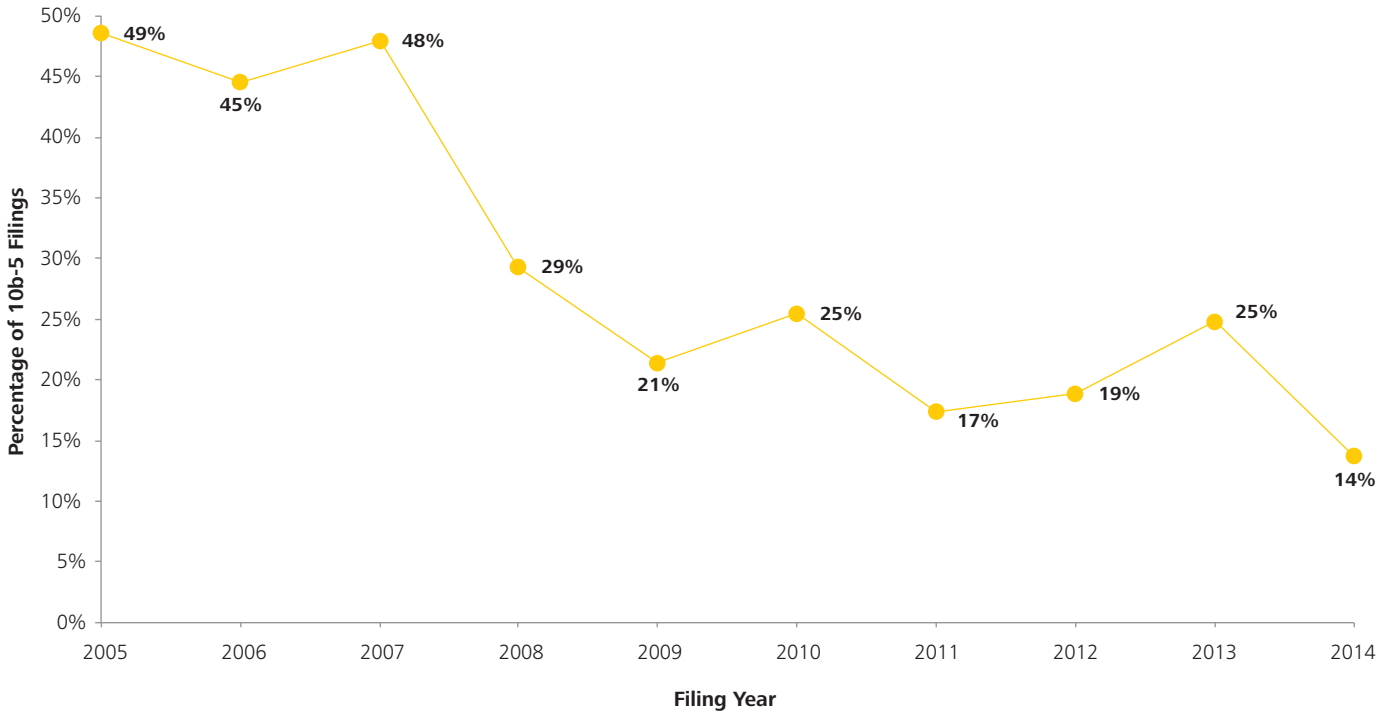


Notes: Coded on the basis of the first (available) complaint.

Insider Sales Allegations

The percentage of 10b-5 class actions that also alleged insider sales has been on a sharply decreasing trend since 2005, dropping from 49% to 14% by 2014. See Figure 13.

Figure 13. **Percentage of Rule 10b-5 Filings Alleging Insider Sales**
By Filing Year, January 2005 – December 2014

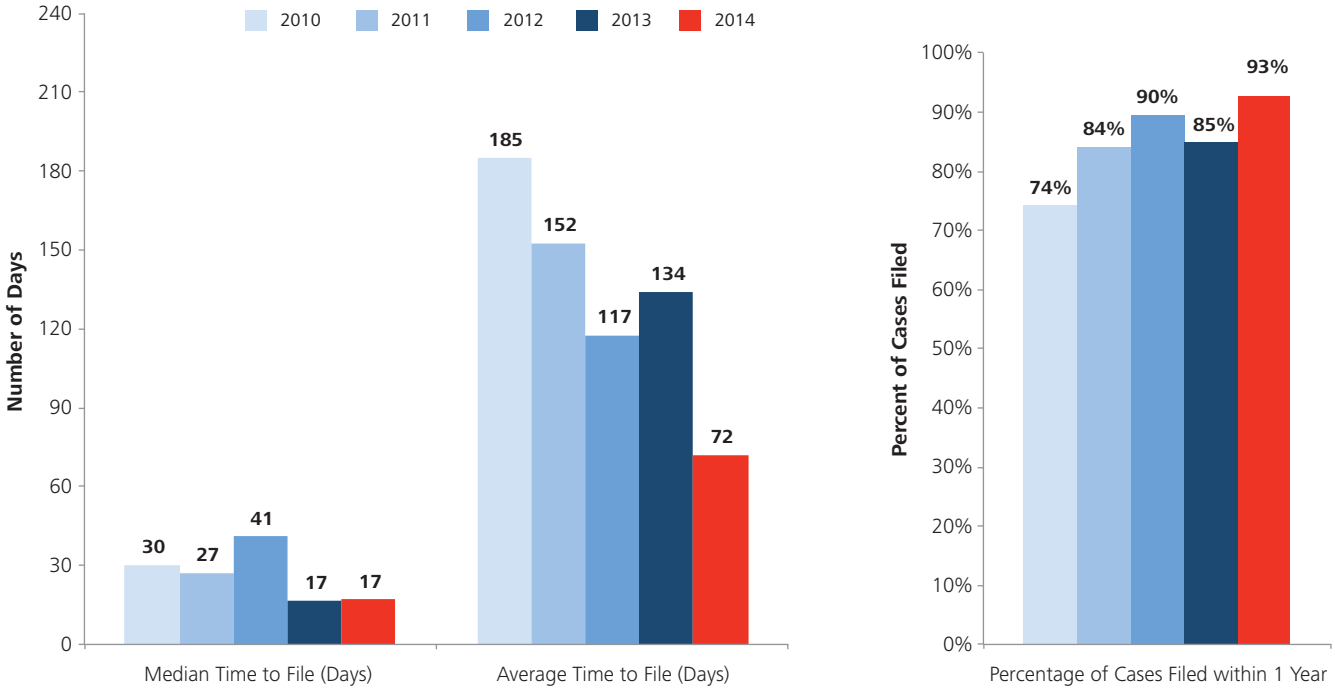


Time to File

The term "time to file" denotes the time between the end of the proposed class period and the filing date of the first complaint. Figure 14 shows three different measures of time to file: median time to file; average time to file; and percentage of cases filed within one year. All three measures indicate an acceleration of the speed of filing over the period 2010-2014.

Additionally, the average time to file, which is the measure that is most influenced by a few cases with very long time to file, has been changing more than the other two measures, suggesting that these few cases with very long time to file are becoming less frequent.

Figure 14. **Time to File from End of Alleged Class Period to File Date for Rule 10b-5 Cases**
January 2010 – December 2014



Analysis of Motions[12]

NERA's statistical analysis has found robust relationships between settlement amounts and the litigation stage at which settlements occur. We track three types of motions: motion to dismiss, motion for class certification, and motion for summary judgment. For this analysis, we track securities class actions in which holders of common stock are part of the class and a violation of any of the following is alleged: Rule 10b-5 or Section 11.

To correctly interpret the Figures, it is important to understand that we record the status of any motion as of the resolution of the case. For example, a motion to dismiss which had been granted but was later denied on appeal is recorded as *denied,* if the case settles without the motion being filed again.[13]

Outcomes of motions to dismiss and motions for class certification are discussed below.

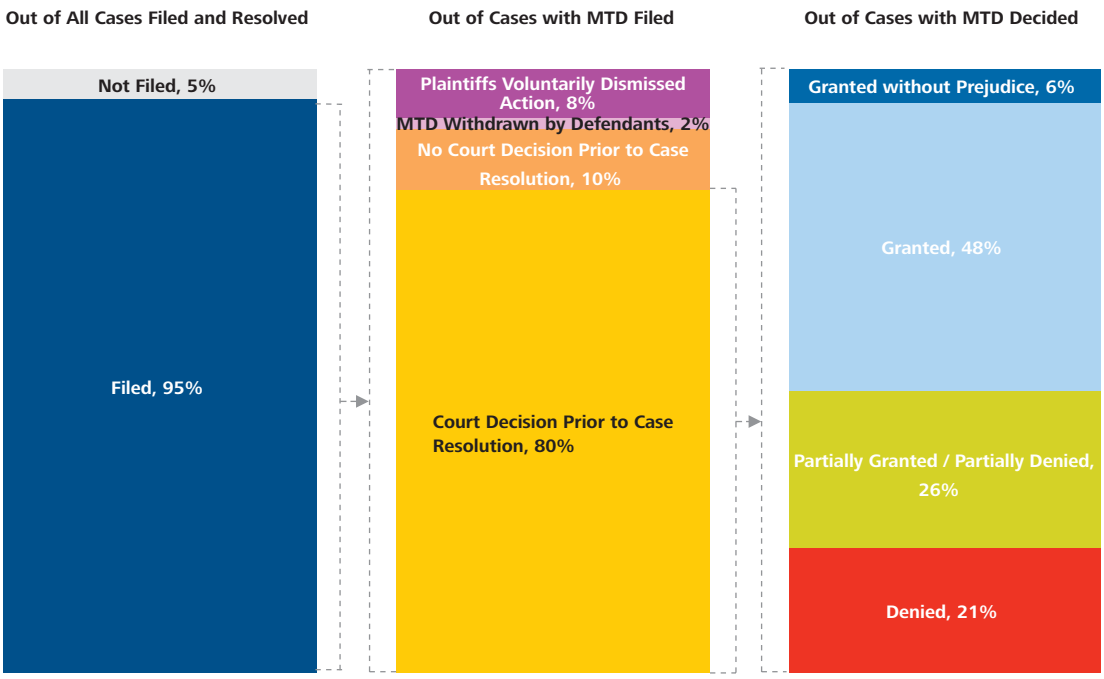
Motions for summary judgment were filed by defendants in only 8% of the securities class actions filed and resolved over the 2000-2014 period, among those we track. Outcomes of the motions for summary judgment are available from NERA, but not shown in this edition.

Motion to Dismiss

A motion to dismiss was filed in 95% of the securities class actions tracked. However, the court reached a decision on only 80% of the motions filed. In the remaining 20% of cases in which a motion to dismiss was filed, either the case resolved before a decision was taken, plaintiffs voluntarily dismissed the action, or the motion to dismiss itself was withdrawn by defendants. See Figure 15.

Out of the motions to dismiss for which a court decision was reached, the following three outcomes account for the vast majority of the decisions: granted (48%),[14] granted in part and denied in part (26%), and denied (21%). See Figure 15.

Figure 15. **Filing and Resolutions of Motions to Dismiss**
Cases Filed and Resolved January 2000 – December 2014



Note: Includes cases in which a violation of Rule 10b-5 or Section 11 is alleged and in which common stock is part of the class.

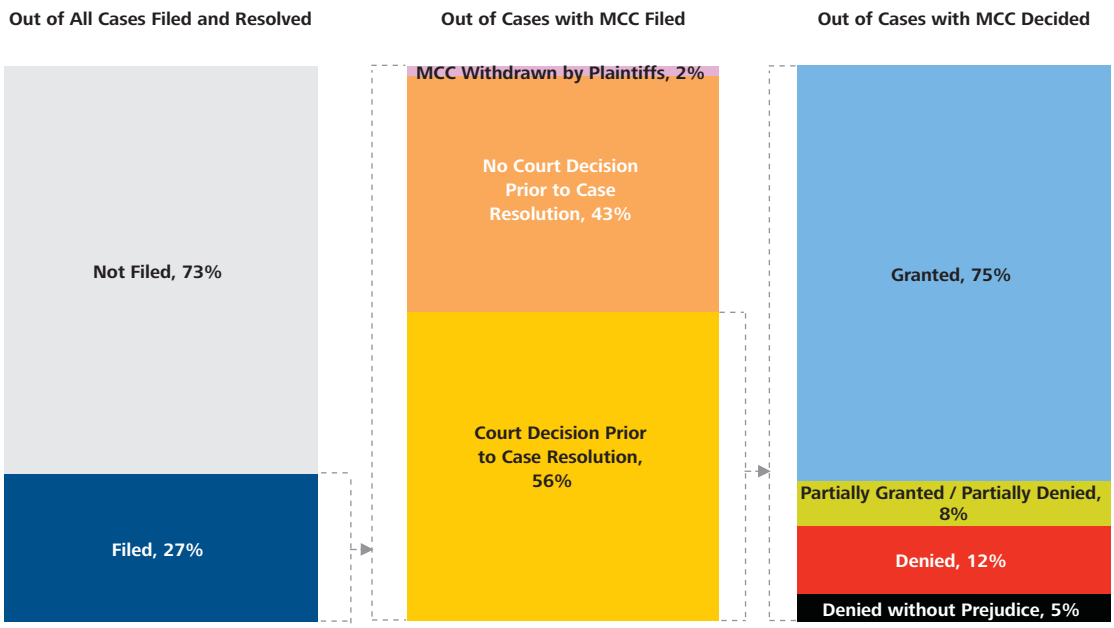
Motion for Class Certification and Post-*Halliburton II* District Court Decisions

Most securities class actions were settled or dismissed before a motion for class certification was filed: 73% of cases fell into this category. The court reached a decision in only 56% of the cases in which a motion for class certification was filed. See Figure 16. Overall, therefore, only 15% of the securities class actions filed (or 56% of the 27% of cases for which a motion for class certification was filed) reached a decision on the motion for class certification. Finally, of the motions for class certification that were decided, 75% were granted and only 12% were denied. See Figure 16.

As far as we could find, only three motions for class certification in 10b-5 cases were decided by district courts since the Supreme Court decided *Halliburton II*. They are *McIntire v. China MediaExpress Holdings*, *Aranaz v. Catalyst Pharmaceutical Partners*, and *Wallace v. Intralinks*. All three of these decisions considered defendants' arguments about price impact, but ultimately granted plaintiffs' motion to certify the class. Of course, three decisions are far too few to make even a guess on the ultimate impact that *Halliburton II* will have on future certification decisions. Both the plaintiff and the defendant bars have likely just begun exploring all the legal ramifications of *Halliburton II*.

Additionally, the motion for class certification for the *Erica P. John Fund v. Halliburton* case itself is pending again at the district court level, but at press time the Judge has not ruled on it.

Figure 16. **Filing and Resolutions of Motions for Class Certification**
Cases Filed and Resolved January 2000 – December 2014



Note: Includes cases in which a violation of Rule 10b-5 or Section 11 is alleged and in which common stock is part of the class.

Trends in Case Resolutions

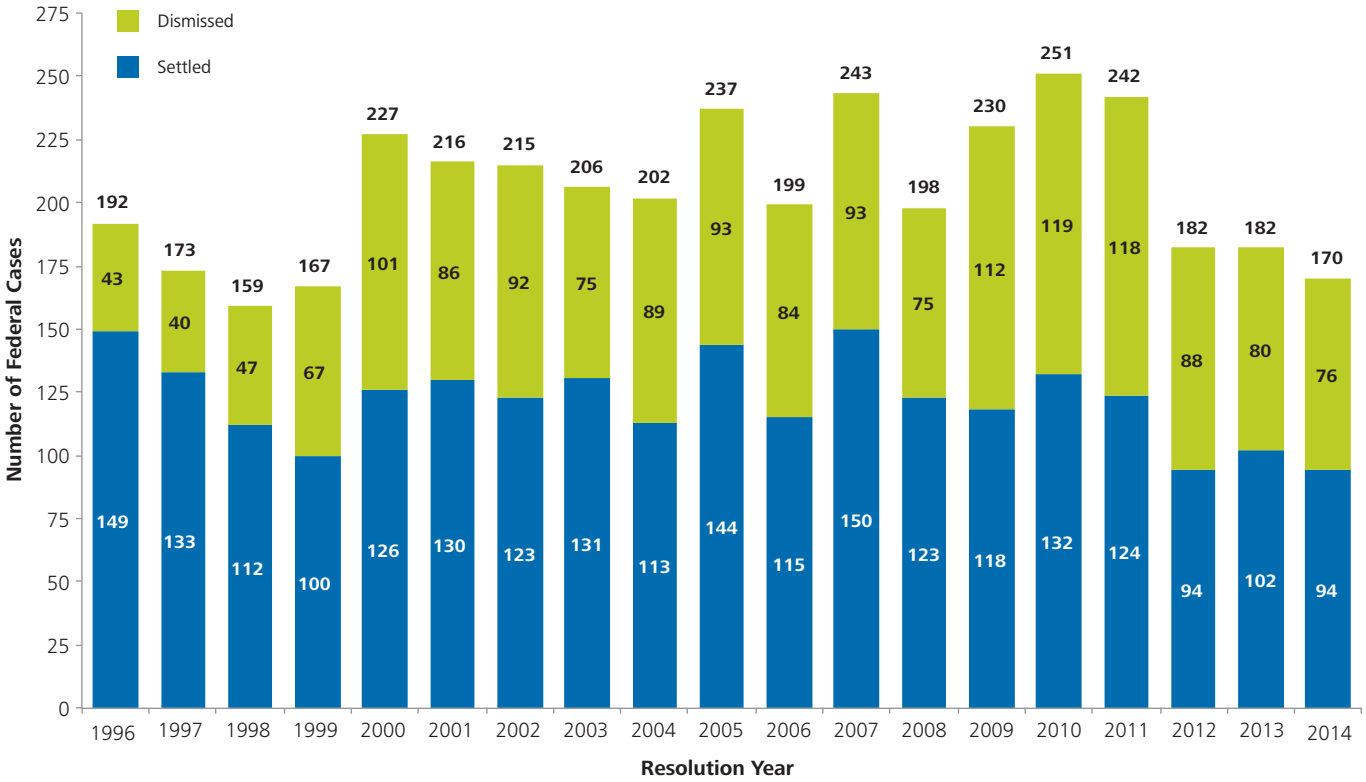
Number of Cases Settled or Dismissed

Only 94 securities class actions settled in 2014, which for the third consecutive year, is at or close to the all-time low since the passage of the PSLRA.[15] The number of securities class actions settled in 2014 is 26% lower than the yearly average in the 2000-2011 period. See Figure 17. (Note that had we displayed only the number of 10b-5 settlements, we would see that for those cases the drop actually occurred one year earlier.)

Dismissals of securities class actions have also been low over the last three years.[16] At least 76 securities class actions were dismissed in 2014.[17] See Figure 17.

The number of cases resolved – either settled or dismissed – has been low for three years. Two factors can potentially contribute to the drop in the number of resolutions: a decrease in filings and a lengthening of the resolution process. We come back to the latter factor below, when discussing the trend in the number of pending cases.

Figure 17. **Number of Resolved Cases: Dismissed or Settled**
January 1996 – December 2014



Note: Analysis excludes IPO laddering cases. Dismissals may include dismissals without prejudice and dismissals under appeal.

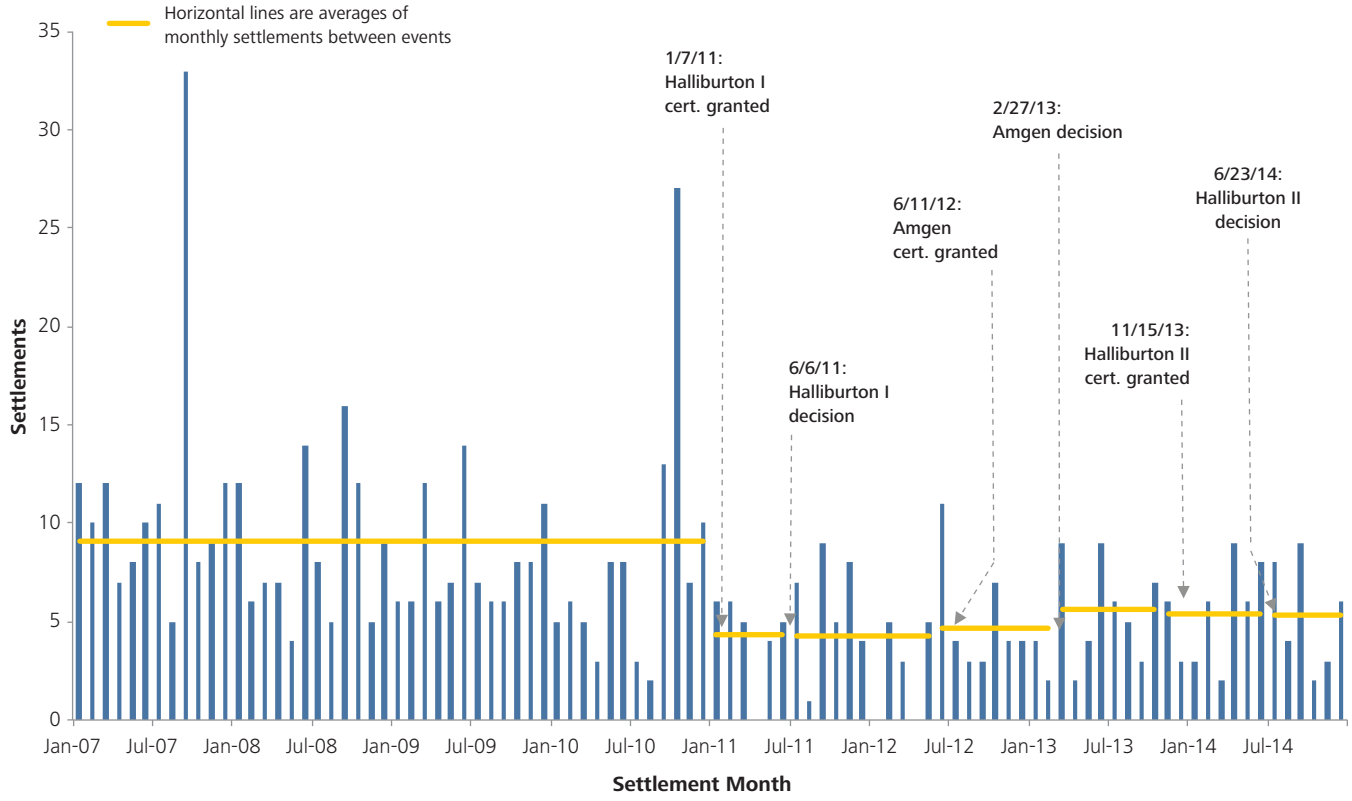
Number of 10b-5 Cases Settled and Recent Supreme Court Cases

The number of 10b-5 filings and number of 10b-5 settlements behaved differently since *Halliburton II*. The average monthly number of 10b-5 filings increased (as seen above, Figure 4). The average monthly number of settlements hardly changed: it was 5.4 while *Halliburton II* was pending at the Supreme Court level, and 5.3 since. See Figure 18.

By comparison, the average monthly number of settlements increased by 21% after *Amgen*.

While we again note a temporal correlation, we are not suggesting how much, if any, of the change in the settlement activity is *due* to these decisions since we have not considered confounding factors.

Figure 18. **Monthly 10b-5 Settlements**
January 2007 – December 2014



Note: Monthly averages computed on the basis of the monthly number of settlements (regardless of the day of the event).

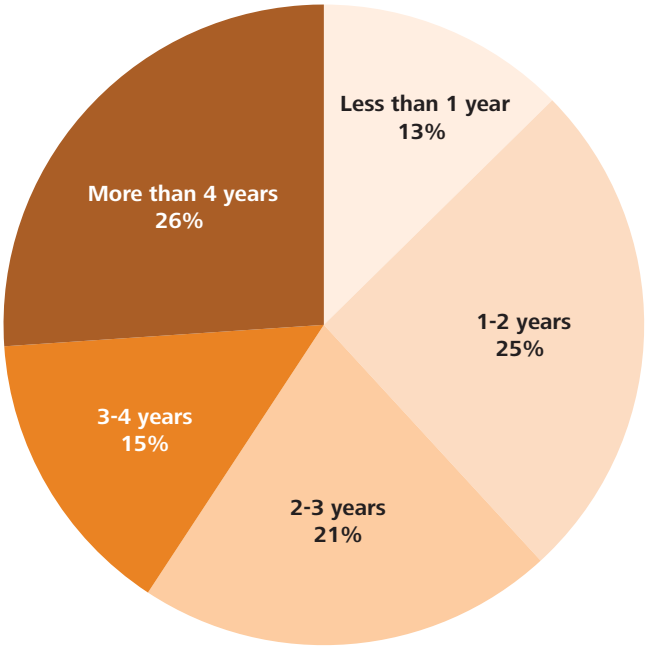
Time to Resolution

The term "time to resolution" indicates the time between filing of the first complaint and resolution (whether settlement or dismissal). We analyzed time to resolution for all securities class actions filed between 2000 and 2010. Including only class actions filed through 2010 in our analysis allows us to adopt a simple strategy to obtain numbers that are not affected by survivorship bias (the bias that would be introduced by the fact that more recently filed class actions would be observed only if they resolved quickly). As a check, we also statistically estimated a survival model including the last 4 years and found results that are qualitatively similar to those discussed here. From our analysis, we exclude IPO laddering cases and merger objection cases because the former took much longer to resolve and the latter usually much shorter.

Of the securities class actions analyzed, 13% resolved in less than 1 year, 25% took between 1 and 2 years to resolve, 21% took between 2 and 3 years, 15% took between 3 and 4 years, and 26% took more than 4 years to resolve. See Figure 19.

In other words, 59% of the securities class actions filed were settled or dismissed within 3 years.

Figure 19. **Time from First Complaint Filing to Resolution**
Cases Filed January 2000 – December 2010



Note: Excludes IPO laddering cases and merger objections.

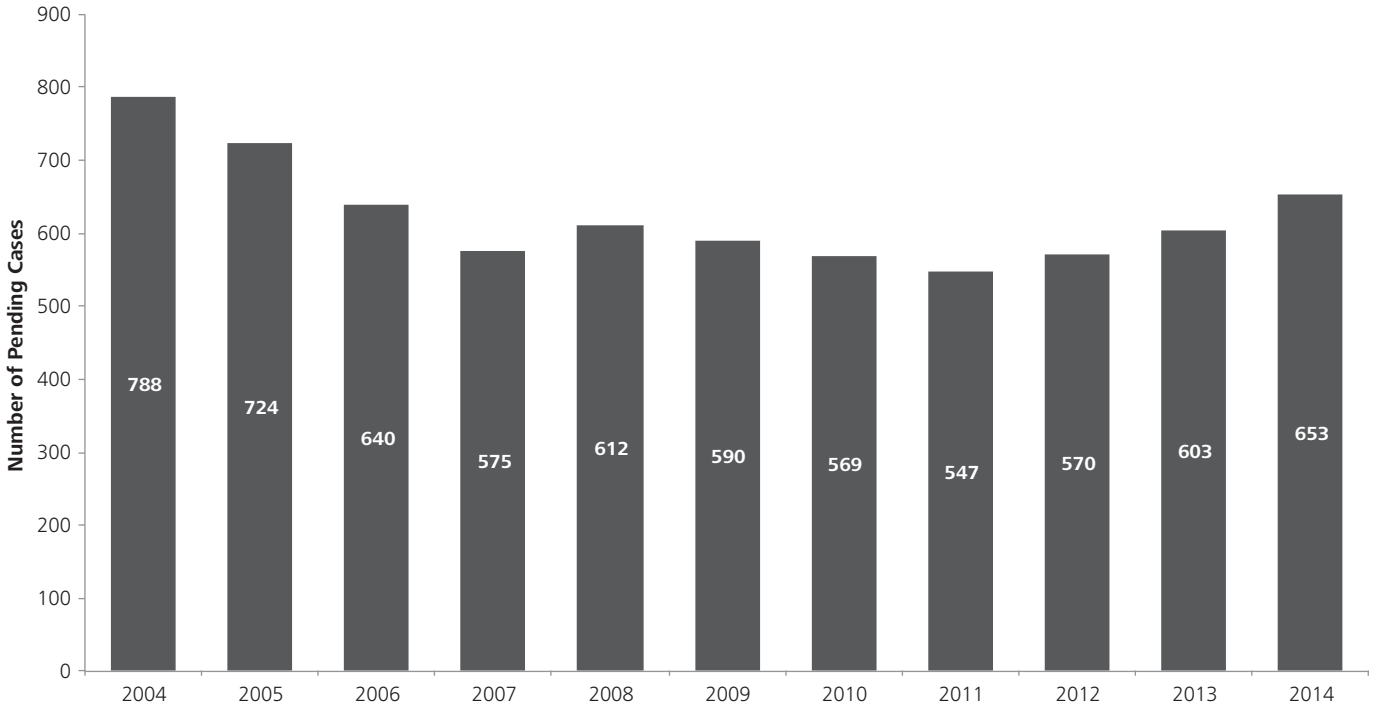
Number of Cases Pending

The number of securities class actions pending in the federal system shrunk from 788 in 2004 to 547 in 2011. See Figure 20. This information can be of interest on its own.

Additionally, when the number of new filings is constant, the change in the number of pending cases can be indicative of whether the time to resolve is shortening or lengthening. So the change in the number of pending cases supplements the previous Figure on time to resolve.

Since 2011, the number of pending cases has been increasing, reaching 653 in 2014, a 19% increase from the trough. This increase occurred over a period in which the number of filings was roughly constant thereby suggesting a slow-down of the resolution process over that period.

Figure 20. **Number of Pending Federal Cases**



Note: The figure excludes, in each year, cases that had been filed more than eight years earlier. The figure also excludes IPO laddering cases.

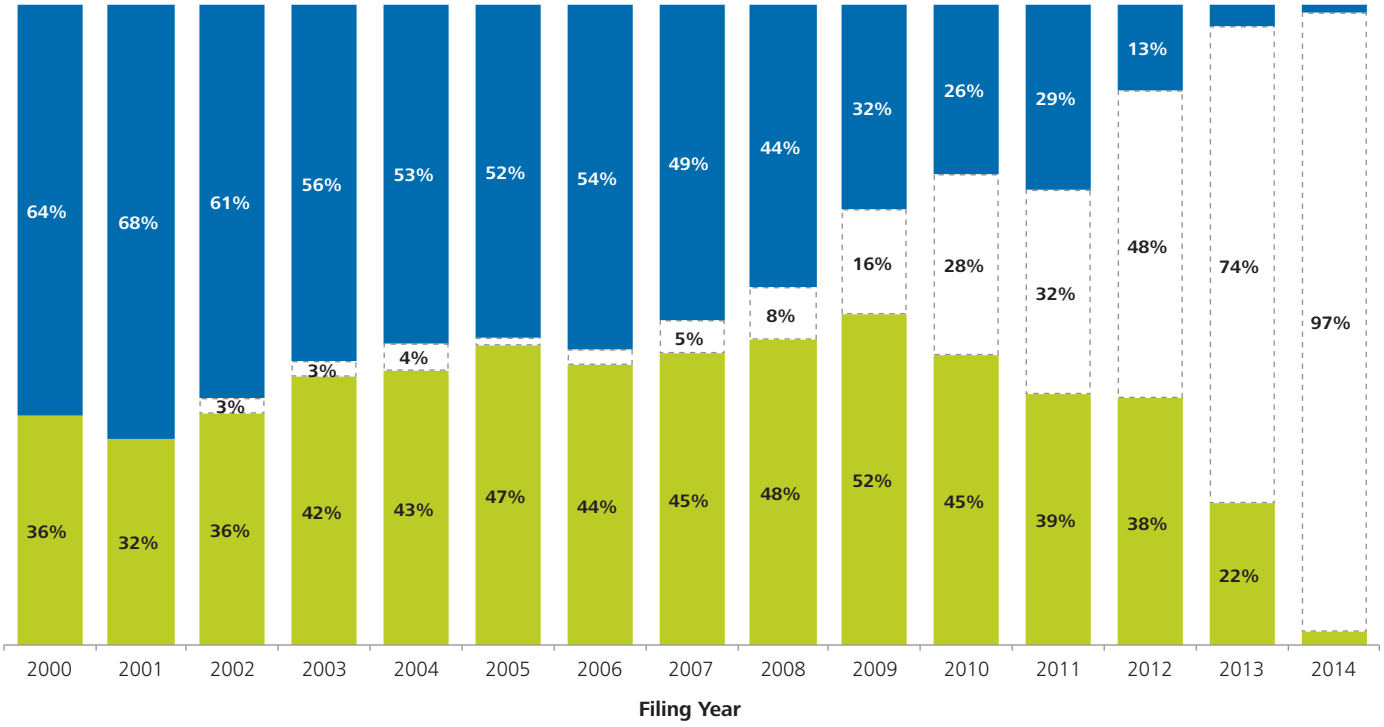
Dismissal Rates

Figure 21 shows the dismissal rate by filing cohort. It is calculated as the fraction of cases ultimately dismissed out of all cases filed in a given year.[18]

Dismissal rates have increased from 32%-36% for cases filed in 2000-2002 to 43%-47% for cases filed in 2004-2006, and then to at least 45%-52% for cases filed in 2007-2009 when most of the credit crisis related filings occurred.

While dismissal rates have been on a rising trend since 2000 at least up to 2009, two opposing factors make us cautious about drawing conclusions for recent years: the large fraction of cases awaiting resolution among those filed in recent years, and the possibility that recent dismissals will be successfully appealed or re-filed.

Figure 21. **Status of Cases as Percentage of Federal Filings by Filing Year**
January 2000 – December 2014



Notes: Analysis excludes IPO laddering, merger objection cases, and verdicts.
Dismissals may include dismissals without prejudice and dismissals under appeal.

Trends in Settlements

Settlement Amounts

We provide multiple statistics about settlement amounts; each provides information about a different facet of securities litigation. We begin by discussing two measures of average settlement amount and one measure of median settlement amount. In calculating all three of these measures, we exclude the IPO laddering cases, merger objections, and cases that settle with no cash payment to the class. The two measures of average settlement amount differ from each other because settlements that exceed $1 billion are excluded from the first that we present but not from the second.

This year, all three measures indicate that settlement amounts plummeted in 2014.

We also provide the distribution of settlement amounts and the list of top 10 settlement amounts ever.

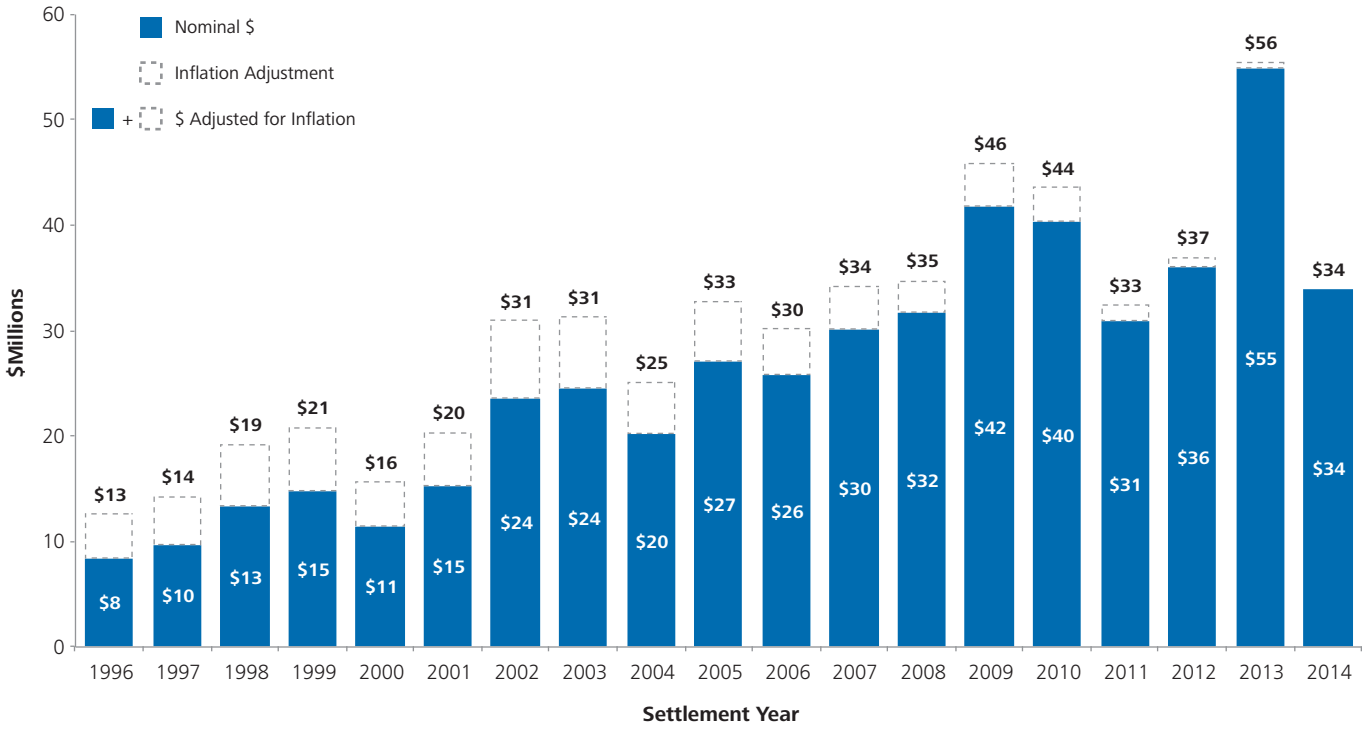
Average Settlement Amounts

Average settlement amounts plummeted 38% between 2013 and 2014, according to our first measure, which excludes settlements over $1 billion. At $34 million, the average for 2014 is much lower than the average for 2013, but in line with 2012 and 2011. See Figure 22.

As a further analysis of 2014 settlements, we calculated separate averages for settlements that received judicial approval before and after *Halliburton II* was decided. The average in the first part of the year was $40 million, while the average settlement in the second part of the year was $29 million.

Last, we have added inflation-adjusted amounts to our Figure 22.[19] While the average settlement is 4.03 times as large in 2014 as in 1996 on a nominal basis, on an inflation-adjusted basis it is 2.68 times as large.

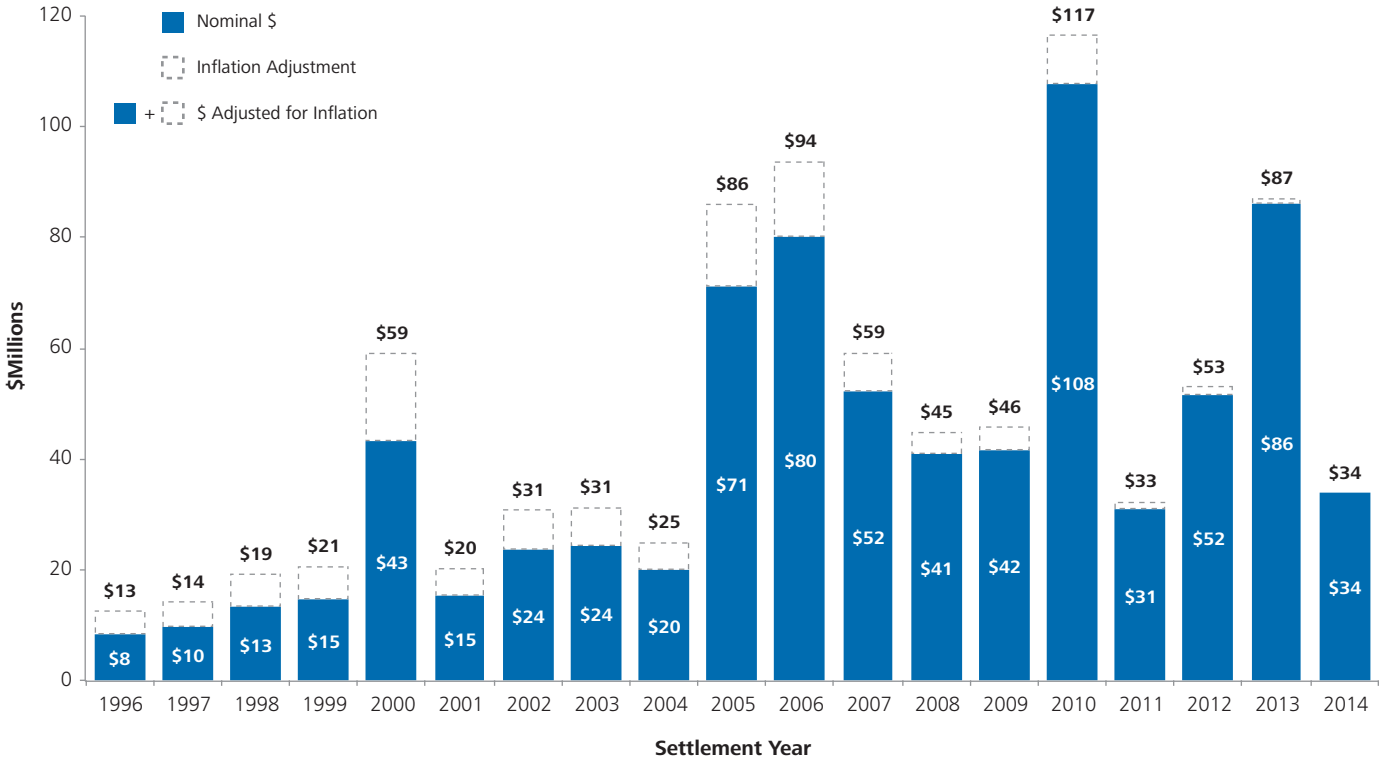
Figure 22. **Average Settlement Value ($Million)**
Excluding Settlements over $1 Billion,
and Excluding IPO Laddering, Merger Objections and Settlements for $0 to the Class
January 1996 – December 2014



Note: Inflation adjustment to October 2014; based on CPI.

Figure 22 and Figure 23 differ only in that Figure 22 excludes settlement amounts above $1 billion while Figure 23 includes them. Given that there was no settlement exceeding $1 billion in 2014, the 2014 average settlement amount is the same in both Figures. On the other hand, in 2013 a settlement that exceeded $1 billion did receive judicial approval (BofA Merrill, see Table 1 below). Thus, the average settlement amount in 2013 is even higher under this measure, $86 million, than it was under the previous measure and the decrease from 2013 to 2014 even more pronounced at 61% under this second measure than under the first.

Figure 23. **Average Settlement Value ($Million)**
Excluding IPO Laddering, Merger Objections and Settlements for $0 to the Class
January 1996 – December 2014



Note: Inflation adjustment to October 2014; based on CPI.

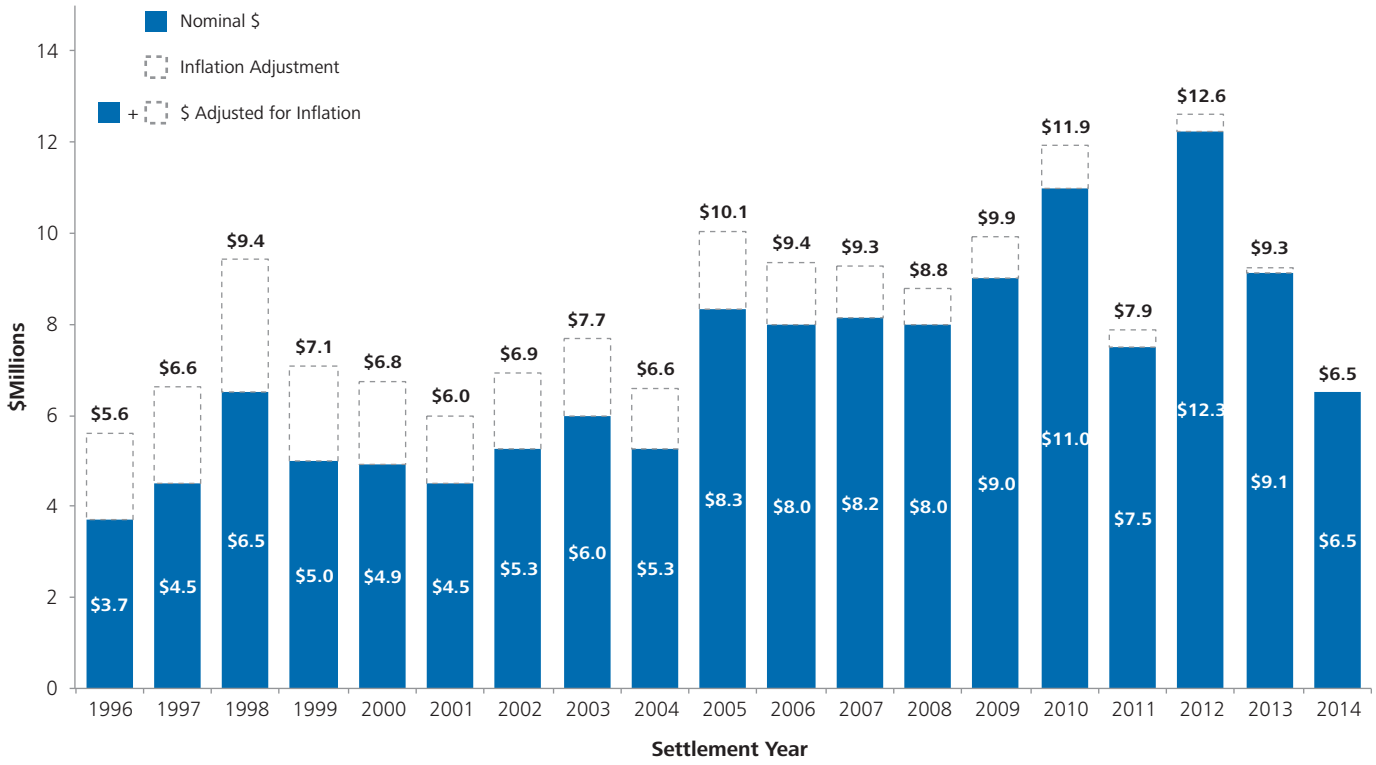
Median Settlement Amounts

The median settlement amount in 2014 was $6.5 million, the lowest median settlement in ten years. See Figure 24.

Similar to the average, the median also showed a sharp decrease between 2013 and 2014, but given that medians are more robust to extreme values than averages, the decrease in median amount over the two years is smaller at 29%.

On an inflation-adjusted basis, 2014 median settlement was the third-lowest since the passage of the PSLRA: only in 1996 and in 2001 were median settlement amounts lower on an inflation-adjusted basis.

Figure 24. **Median Settlement Value ($Million)**
Excluding IPO Laddering, Merger Objections and Settlements for $0 to the Class
January 1996 – December 2014



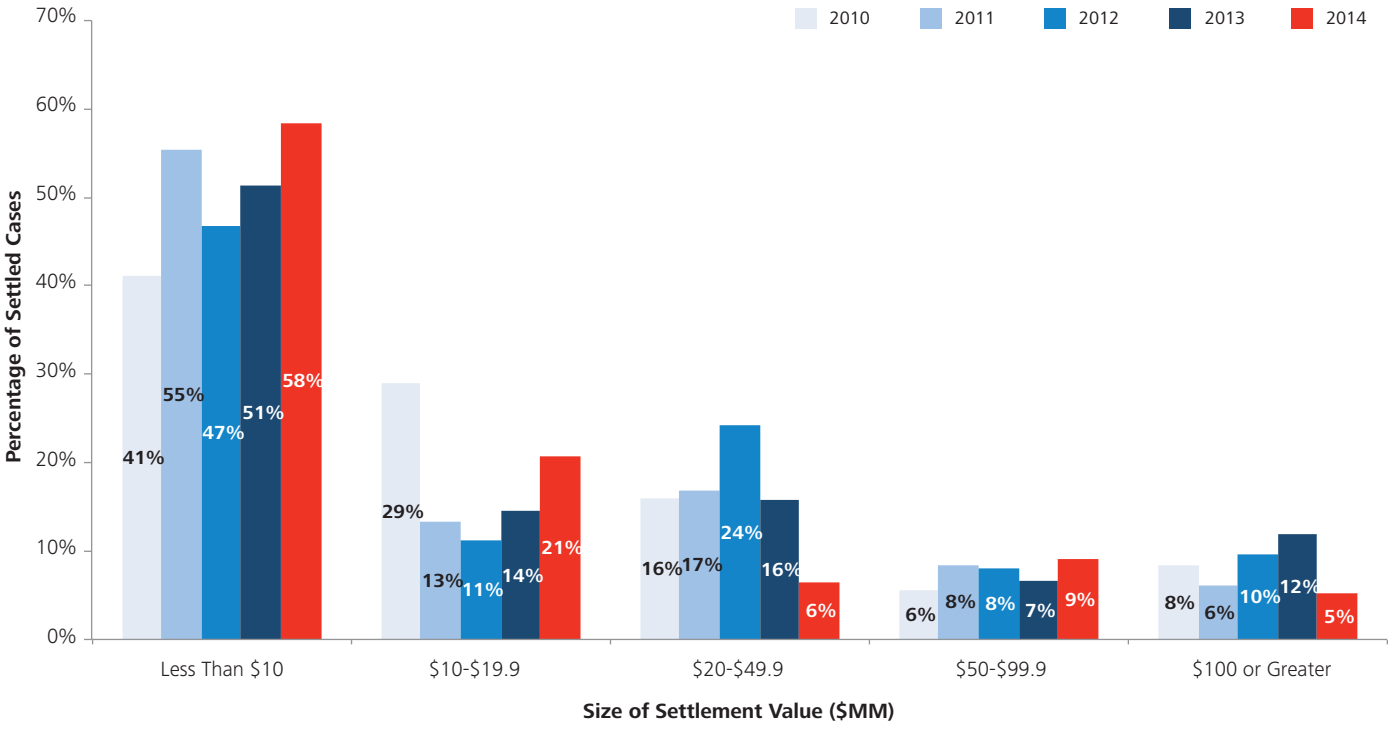
Note: Inflation adjustment to October 2014; based on CPI.

Distribution of Settlement Amounts

The fraction of cases settled for less than $10 million was larger in 2014 than at any time during the previous four years: 58% of the approved settlements were for amounts in that range. The fraction of cases that settled in the $10-$20 million range (the second-lowest range) also increased compared to 2013. See Figure 25.

Consistent with Figures 23 and 24, Figure 25 excludes settlements in merger objection cases and in cases that settled with no cash payment for the class.[20]

Figure 25. **Distribution of Settlement Values**
Excluding Merger Objections and Settlements for $0 to the Class
January 2010 – December 2014



Note: IPO laddering cases are not relevant for this figure because they settled in 2009.

The Ten Largest Settlements of Securities Class Actions of All Time

The ten largest settlements of securities class actions of all time are shown in Table 1. No 2014 settlement made the top 10. The newest addition is the settlement approved in 2013 associated with Bank of America's acquisition of Merrill Lynch.

Table 1. **Top 10 Securities Class Action Settlements (As of December 31, 2014)**

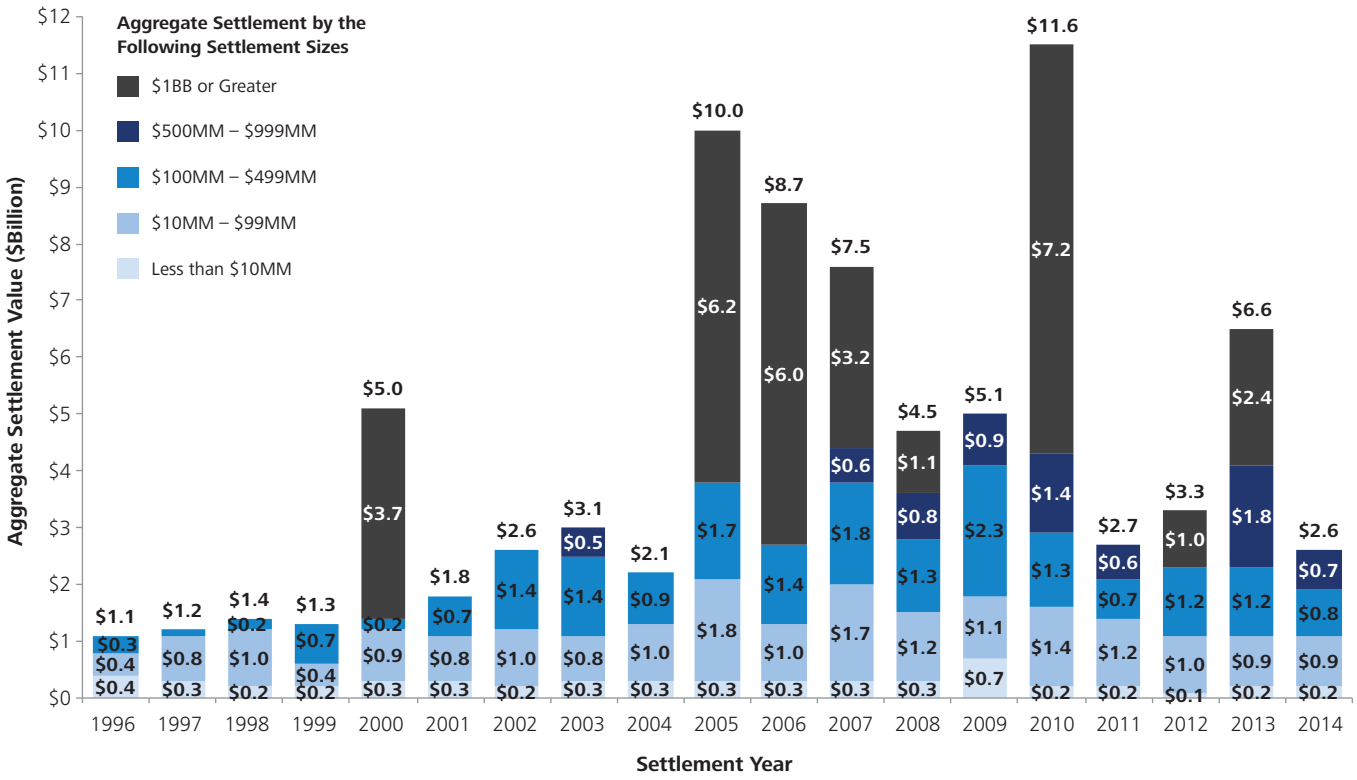
Ranking	Case Name	Settlement Years	Total Settlement Value ($MM)	Financial Institutions	Accounting Firms	Plaintiffs' Attorneys' Fees and Expenses
				Value ($MM)	Value ($MM)	Value ($MM)
1	ENRON Corp.	2003-2010	$7,242	$6,903	$73	$798
2	WorldCom, Inc.	2004-2005	$6,196	$6,004	$103	$530
3	Cendant Corp.	2000	$3,692	$342	$467	$324
4	Tyco International, Ltd.	2007	$3,200	No codefendant	$225	$493
5	In re AOL Time Warner Inc.	2006	$2,650	No codefendant	$100	$151
6	Bank of America Corp.	2013	$2,425	No codefendant	No codefendant	$177
7	Nortel Networks (I)	2006	$1,143	No codefendant	$0	$94
8	Royal Ahold, NV	2006	$1,100	$0	$0	$170
9	Nortel Networks (II)	2006	$1,074	No codefendant	$0	$89
10	McKesson HBOC, Inc.	2006-2008	$1,043	$10	$73	$88
	Total		**$29,764**	**$13,259**	**$1,040**	**$2,913**

Aggregate Settlements

We use the term "aggregate settlements" to denote the total amount of money to be paid as settlement by (non-dismissed) defendants based on the court approved settlements during a year.

Aggregate settlements were $2.6 billion in 2014, much less than the $6.6 billion approved in 2013. See Figure 26. This Figure illustrates that, over the years, much of the large fluctuations in aggregate settlements have been driven by settlements over $1 billion. In contrast, settlements under $10 million, despite often accounting for about one-half of the number of settlements in a given year, account for a very small fraction of aggregate settlements.

Figure 26. **Aggregate Settlement Value ($Billion) by Settlement Size**
January 1996 – December 2014



Investor Losses versus Settlements

As noted above, our investor losses measure is a proxy for the aggregate amount that investors lost from buying the defendant's stock rather than investing in the broader market during the alleged class period.

In general, settlement size grows as investor losses grow, but the relationship is not linear. Settlement size grows less than proportionately with investor losses, based on analysis of data from 1996 to 2014. Small cases typically settle for a higher fraction of investor losses (*i.e.*, more cents on the dollar) than larger cases. For example, the median ratio of settlement to investor losses was 17.9% for cases with investor losses of less than $20 million, while it was 0.7% for cases with investor losses over $10 billion. See Figure 27.

Our findings about the ratio of settlement amount to investor losses should not be interpreted as the share of damages recovered in settlement but rather as the recovery compared to a rough measure of the "size" of the case.

Figure 27. **Median of Settlement Value as a Percentage of Investor Losses**
By Level of Investor Losses; January 1996 – December 2014

Note: Excludes settlements for $0 to the class.

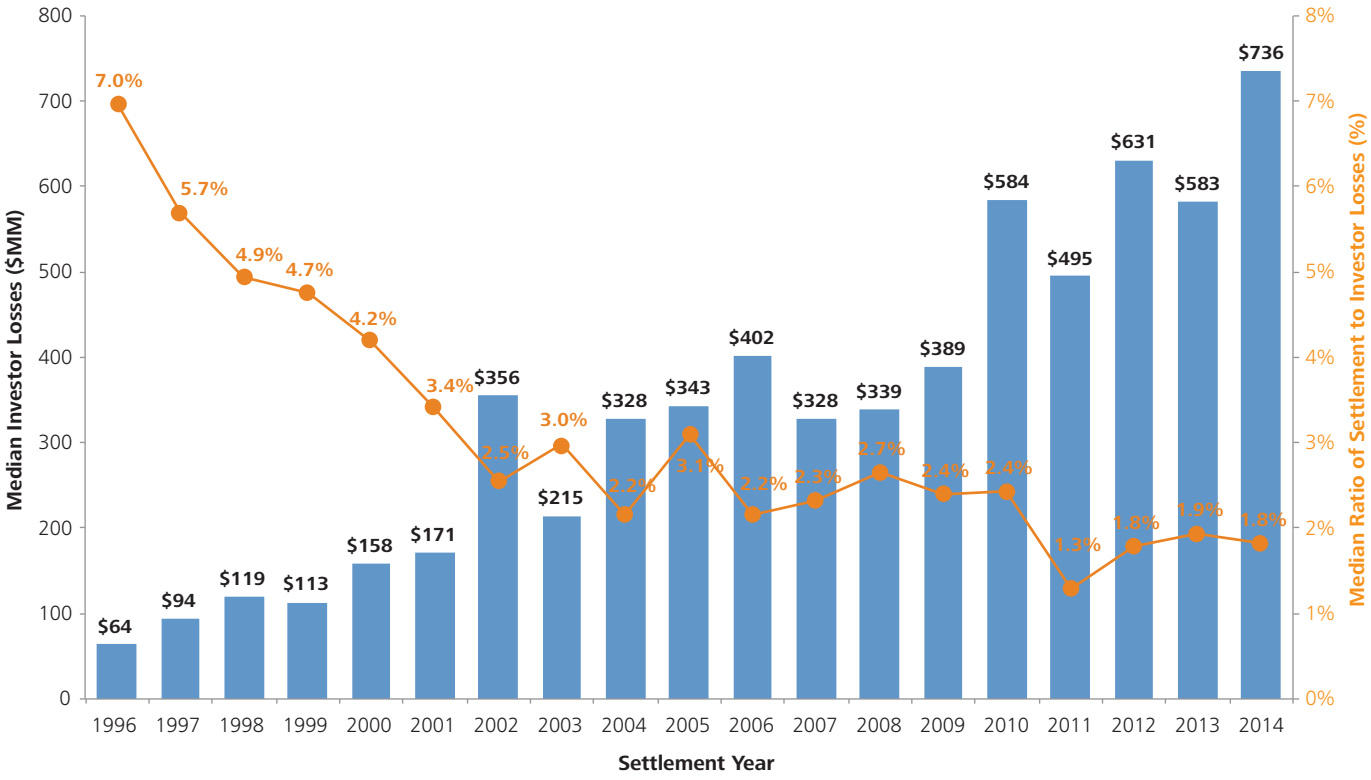
Median Investor Losses Over Time

Median investor losses for settled cases have been on an upward trend since the passage of the PSLRA. As just described, the median ratio of settlement size to investor losses decreases as investor losses increase. Over time, the increase in median investor losses has corresponded to a decreasing trend of the median ratio of settlement to investor losses. Of course, there are year-to-year fluctuations.

The median ratio of settlements to investor losses decreased from 1.9% in 2013 to 1.8% in 2014. See Figure 28.

Additionally the median ratio was 1.4% post-*Halliburton II* suggesting that cases are settling for less. It is going to be interesting to see whether this trend continues in 2015.

Figure 28. **Median Investor Losses and Median Ratio of Settlement to Investor Losses**
By Settlement Year; January 1996 – December 2014



Plaintiffs' Attorneys' Fees and Expenses

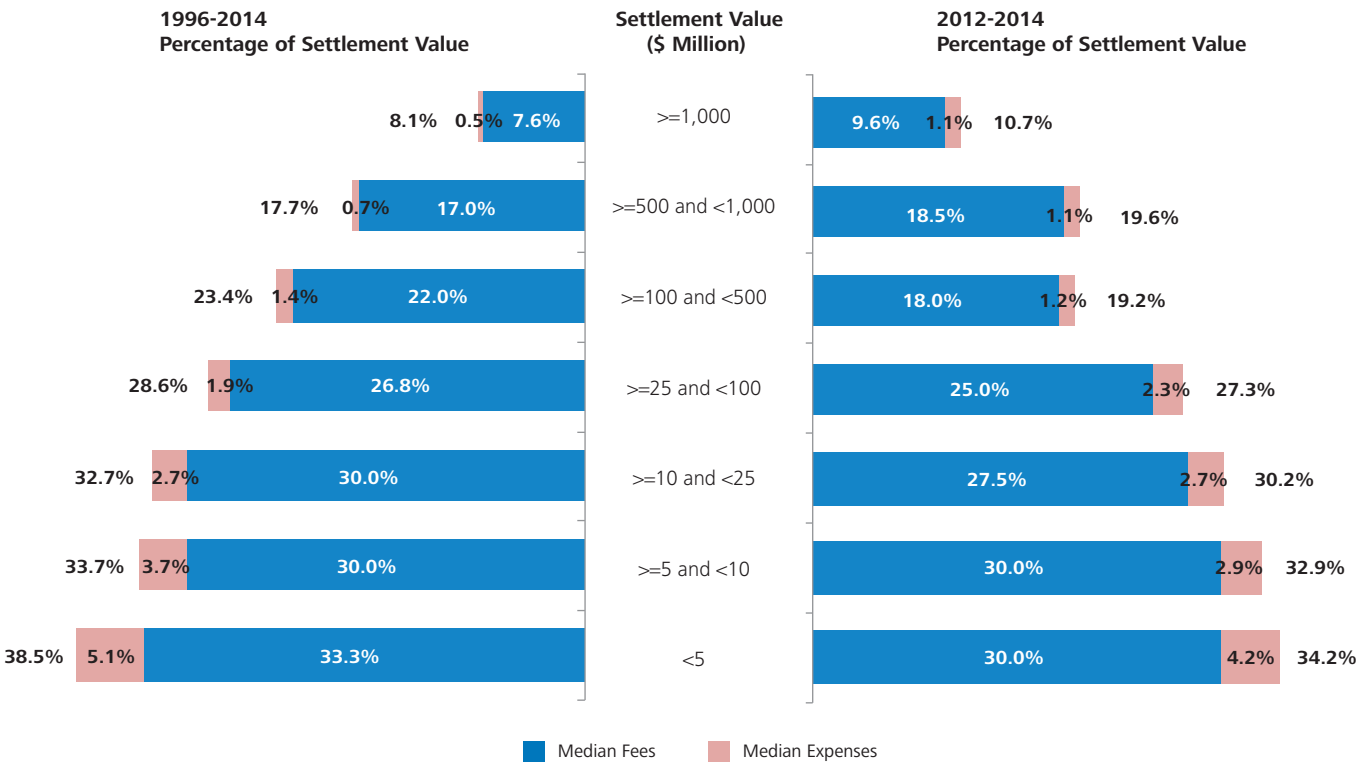
Usually, plaintiffs' attorneys' remuneration is awarded as a fraction of any settlement amount in the forms of fees, plus expenses. Figure 29 depicts plaintiffs' attorneys' fees and expenses as a proportion of settlement values. The data shown in this Figure exclude settlements for merger objection cases and cases with no cash payment to the class.

In Figure 29, we illustrate two patterns: 1) Typically, fees grow with settlement size but less than proportionally (*i.e.*, the fee percentage shrinks as the settlement size grows). 2) Fee percentages have been decreasing over time, except for fees awarded on very large settlements.

First, to illustrate that the fee percentage typically shrinks as settlement size grows, we grouped settlements by settlement value and report median fee percentage for each group. Focusing on the period 2012-2014 (the right portion of the Figure), we see that for settlements below $5 million, median fees represented 30% of the settlement; these percentages generally fall with settlement size, reaching 9.6% in fees for settlements above $1 billion.

Second, to illustrate that fee percentages have been decreasing over time (except for very large settlements), we report our findings both for the period 1996-2014 and for the sub-period 2012-2014. The comparison shows that fee percentages have decreased for settlements up to $500 million in the late sub-period. For settlements above $500 million, fees have increased.

Figure 29. **Median of Plaintiffs' Attorneys' Fees and Expenses, by Size of Settlement**



Notes: Excludes merger objection cases and cases with no cash payment to the class.

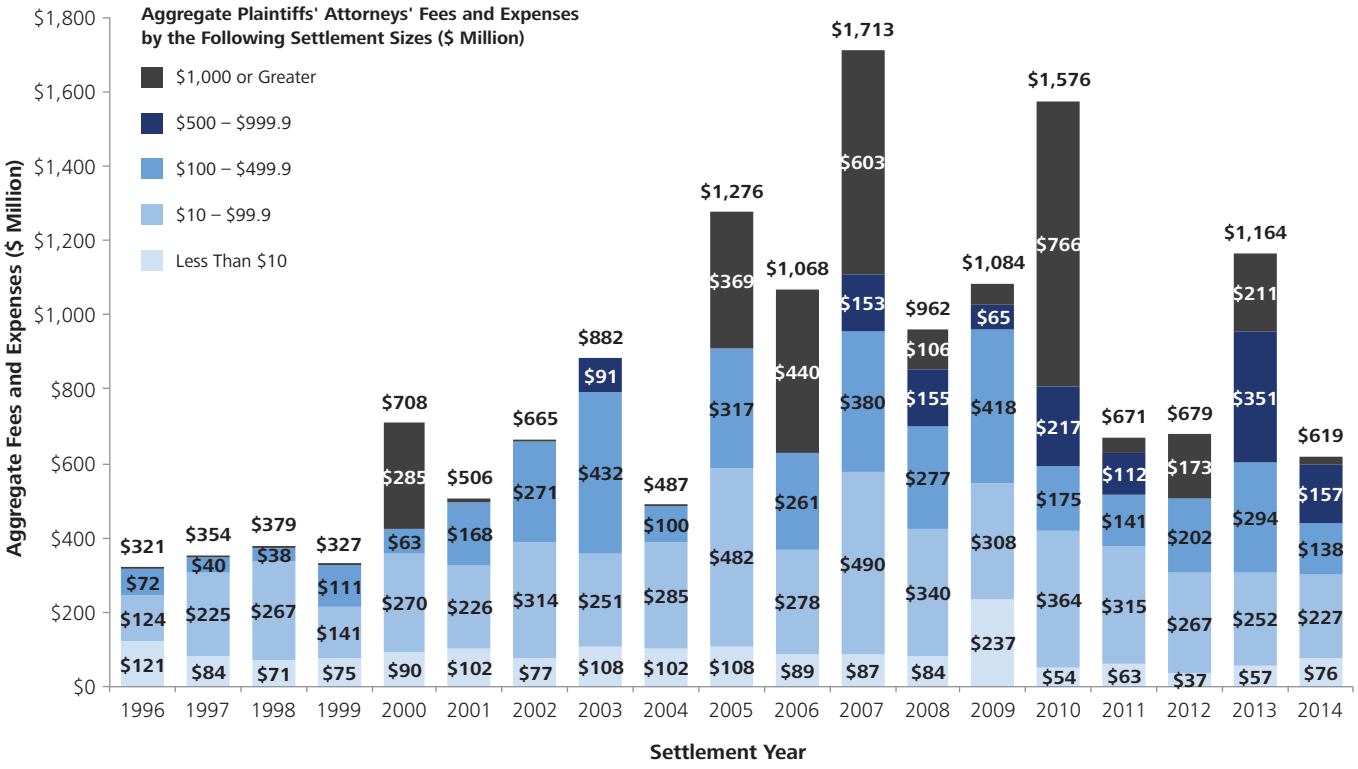
Aggregate Plaintiffs' Attorneys' Fees and Expenses

Aggregate plaintiffs' attorneys' fees and expenses are the sum of all fees and expenses that plaintiffs' attorneys receive for all securities class actions that receive judicial approval in one year.

Aggregate plaintiffs' attorneys' fees and expenses were $619 million in 2014, down almost in half since 2013 and mirroring the decrease in settlement amounts discussed above. See Figure 30.

Note that this Figure differs from the other Figures in this section, because it includes in the aggregate those fees and expenses that plaintiffs' attorneys receive for settlements in which no cash payment was made to the class. (This inclusion is a methodological change compared to last year's edition of this report).

Figure 30. **Aggregate Plaintiffs' Attorneys' Fees and Expenses by Settlement Size**
January 1996 – December 2014



Trials

Very few securities class actions reach the trial stage and even fewer reach a verdict. Table 2 summarizes the outcome for all federal securities class actions that went to trial among the 4,435 that were filed since the PSLRA. Only 21 have gone to trial and only 15 have reached a verdict or a judgment.

This year, a trial was held in the case *In re Longtop Financial Technologies Securities Litigation*. A former executive of the Chinese software company was the only defendant left in the case. The jury reached a verdict for plaintiffs. As of press time, no post-trial motion or appeal has been filed.

Table 2. **Post-PSLRA Securities Class Actions That Went to Trial**
As of December 31, 2014

Case Name	Federal Circuit	File Year	Trial Start Year	Verdict	Appeal and Post-Trial Proceedings	
					Date of Last Decision	Outcome
Verdict or Judgment Reached						
In re Health Management, Inc. Securities Litigation	2	1996	1999	Verdict in favor of defendants	2000	Settled during appeal
Koppel, et al v. 4987 Corporation, et al	2	1996	2000	Verdict in favor of defendants	2002	Judgment of the District Court in favor of defendants was affirmed on appeal
In re JDS Uniphase Corporation Securities Litigation	9	2002	2007	Verdict in favor of defendants		
Joseph J Milkowski v. Thane Intl Inc, et al	9	2003	2005	Verdict in favor of defendants	2010	Judgment of the District Court in favor of defendants was affirmed on appeal
In re American Mutual Funds Fee Litigation	9	2004	2009	Judgment in favor of defendants	2011	Judgment of the District Court in favor of defendants was affirmed on appeal
Claghorn, et al v. EDSACO, Ltd., et al	9	1998	2002	Verdict in favor of plaintiffs	2002	Settled after verdict
In re Real Estate Associates Limited Partnership Litigation	9	1998	2002	Verdict in favor of plaintiffs	2003	Settled during appeal
In re Homestore.com, Inc. Securities Litigation	9	2001	2011	Verdict in favor of plaintiffs		
In re Apollo Group, Inc. Securities Litigation	9	2004	2007	Verdict in favor of plaintiffs	2012	Judgment of the District Court in favor of defendants was overturned and jury verdict reinstated on appeal; case settled thereafter
In re BankAtlantic Bancorp, Inc. Securities Litigation	11	2007	2010	Verdict in favor of plaintiffs	2012	Judgment of the District Court in favor of defendants was affirmed on appeal
In re Longtop Financial Technologies Securities Litigation	2	2011	2014	Verdict in favor of plaintiffs		
In re Clarent Corporation Securities Litigation	9	2001	2005	Mixed verdict		
In re Vivendi Universal, S.A. Securities Litigation	2	2002	2009	Mixed verdict		
Jaffe v. Household Intl Inc, et al	7	2002	2009	Mixed verdict		
In re Equisure, Inc. Sec, et al v., et al	8	1997	1998	Default judgment		
Settled with at Least Some Defendants before Verdict						
Goldberg, et al v. First Union National, et al	11	2000	2003	Settled before verdict		
In re AT&T Corporation Securities Litigation	3	2000	2004	Settled before verdict		
In re Safety Kleen, et al v. Bondholders Litigati, et al	4	2000	2005	Partially settled before verdict, default judgment		
White v. Heartland High-Yield, et al	7	2000	2005	Settled before verdict		
In re Globalstar Securities Litigation	2	2001	2005	Settled before verdict		
In re WorldCom, Inc. Securities Litigation	2	2002	2005	Settled before verdict		

Note: Data are from case dockets and news.

Notes

[1] This edition of NERA's research on recent trends in securities class action litigation expands on previous work by our colleagues Lucy Allen, the late Frederick C. Dunbar, Vinita M. Juneja, Sukaina Klein, Denise Neumann Martin, Jordan Milev, John Montgomery, Robert Patton, Stephanie Plancich, David I. Tabak and others. The authors also thank Lucy Allen and David Tabak for helpful comments on this edition. In addition, we thank current and past researchers in NERA's Securities and Finance Practice for their valuable assistance. These individuals receive credit for improving this paper; all errors and omissions are ours.

[2] Data for this report are collected from multiple sources, including RiskMetrics Group's Securities Class Action Services (SCAS), complaints, case dockets, Dow Jones Factiva, Bloomberg Finance L.P., FactSet Research Systems, Inc., SEC filings, and the public press.

[3] *Halliburton Co. v. Erica P. John Fund, Inc.*, 134 S. Ct. 2398, 2412 (2014).

[4] NERA tracks class actions filed in federal courts that involve securities. Most of these cases allege violations of federal securities laws; others allege violation of common law, including breach of fiduciary duty, as with some merger objection cases; still others are filed in US Federal court under foreign or state law. If multiple such actions are filed against the same defendant, are related to the same allegations, and are in the same circuit, we treat them as a single filing. However, multiple actions filed in different circuits are treated as separate filings. If cases filed in different circuits are consolidated, we revise our count to reflect that consolidation. Therefore, our count for a particular year may change over time. Different assumptions for consolidating filings would likely lead to counts that are directionally similar but may, in certain circumstances, lead observers to draw a different conclusion about short-term trends.

[5] The October data are the most recent available from Meridian Securities Markets at press time.

[6] *Halliburton Co. v. Erica P. John Fund, Inc.,* 134 S. Ct. 2398, 2412 (2014).

[7] There was only 1 potential exception: a case in which it was not clear to us what presumption, if any, was invoked; this case was excluded from our analysis.

[8] Petition for a *writ* of *certiorari*, *Omnicare v. Laborers District Council Construction Industry Pension Fund*, October 4, 2013.

[9] Andrew Bolger, "Warning signs appear after bumper IPO year," *Financial Times,* 26 December 2014.

[10] Number of IPOs on US exchanges, excluding ADRs, from Mergerstat through FactSet Research Systems, Inc.

[11] The percentages of federal cases in which financial institutions are named as defendants are computed on the basis of the first available complaint.

[12] Cases for which investor losses are not calculated are excluded from the statistics shown in this section. The largest excluded groups are IPO laddering cases and merger objection cases.

[13] Moreover, it is possible that there are some cases that we have categorized as resolved that are, or will in the future, be subject to appeal.

[14] These are cases in which the language of the docket or decision referred to the motion being granted in its entirety or simply "granted," but not cases in which the motion was explicitly granted without prejudice.

[15] Unless otherwise noted, tentative settlements (those yet to receive court approval) and partial settlements (those covering some but not all non-dismissed defendants) are not included in our settlement statistics. We define "Settlement Year" as the year of the first court hearing related to the fairness of the entire settlement or the last partial settlement.

[16] Here the word "dismissed" is used as shorthand for all cases resolved without settlement: it includes cases in which a motion to dismiss was granted (and not appealed or appealed unsuccessfully), voluntary dismissals, and cases terminated by a successful motion for summary judgment or an unsuccessful motion for class certification. The majority of these cases are those in which a motion to dismiss was granted.

[17] It is possible that not all our sources have updated the dismissal status yet. Thus, more cases may have been dismissed in 2014 than we include in our counts at press time.

[18] See footnote 16 for the definition of "dismissed." The dismissal rates shown here do not include resolutions for IPO laddering cases, merger objection cases, or cases with trial verdicts. When a dismissal is reversed, we update our counts.

[19] We used a simple CPI adjustment, to October 2014 (the latest data available at press time).

[20] IPO laddering cases are not relevant for Figure 27, because that Figure starts in 2010, while IPO laddering cases settled in 2009.

About NERA

NERA Economic Consulting (**www.nera.com**) is a global firm of experts dedicated to applying economic, finance, and quantitative principles to complex business and legal challenges. For over half a century, NERA's economists have been creating strategies, studies, reports, expert testimony, and policy recommendations for government authorities and the world's leading law firms and corporations. We bring academic rigor, objectivity, and real world industry experience to bear on issues arising from competition, regulation, public policy, strategy, finance, and litigation.

NERA's clients value our ability to apply and communicate state-of-the-art approaches clearly and convincingly, our commitment to deliver unbiased findings, and our reputation for quality and independence. Our clients rely on the integrity and skills of our unparalleled team of economists and other experts backed by the resources and reliability of one of the world's largest economic consultancies. With its main office in New York City, NERA serves clients from more than 25 offices across North America, Europe, and Asia Pacific.

Contacts

For further information, please contact:

Dr. Renzo Comolli
Senior Consultant
New York: +1 212 345 6025
renzo.comolli@nera.com

Svetlana Starykh
Senior Consultant
New York: +1 212 345 8931
White Plains: +1 914 448 4123
svetlana.starykh@nera.com

The opinions expressed herein do not necessarily represent the views of NERA Economic Consulting or any other NERA consultant.

NERA
ECONOMIC CONSULTING

Visit **www.nera.com** to learn more about our practice areas and global offices.

© Copyright 2015
National Economic Research Associates, Inc.

All rights reserved.
Printed in the USA.

Exhibit 12

CORNERSTONE RESEARCH

ECONOMIC AND FINANCIAL CONSULTING AND EXPERT TESTIMONY

Securities Class Action Settlements

2014 Review and Analysis

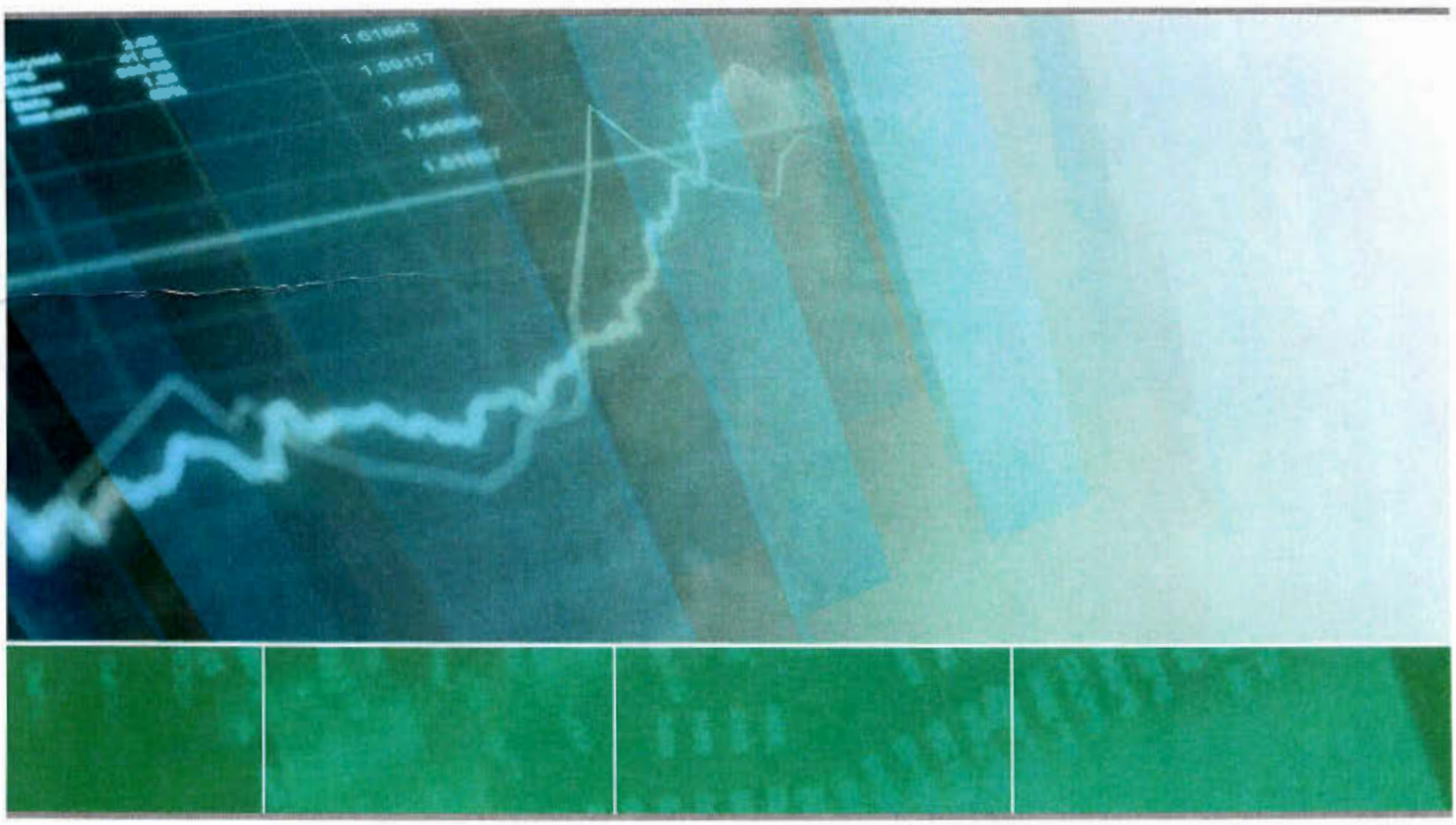


TABLE OF CONTENTS

Highlights 1
2014 Findings: Perspective and Developing Trends 2
Number and Size of Settlements 3
Total Settlement Dollars 3
Mega Settlements 4
Settlement Size 5
Damages Estimates and Market Capitalization Losses 7
"Estimated Damages" 7
Disclosure Dollar Loss 11
Tiered Estimated Damages 12
Analysis of Settlement Characteristics 13
Nature of Claims 13
Accounting Allegations 14
Third-Party Codefendants 15
Institutional Investors 16
Derivative Actions 17
Corresponding SEC Actions 18
Time to Settlement and Case Complexity 19
Litigation Stages 20
Industry Sectors 21
Federal Court Circuits 22
Cornerstone Research's Settlement Prediction Analysis 23
Research Sample 24
Data Sources 24
Endnotes 25
About the Authors 26

TABLE OF FIGURES

Figure 1: Settlement Statistics 1
Figure 2: Total Settlement Dollars 3
Figure 3: Mega Settlements 4
Figure 4: Cumulative Settlement Distribution 5
Figure 5: Settlement Percentiles 6
Figure 6: Median and Average "Estimated Damages" 7
Figure 7: Median Settlements as a Percentage of "Estimated Damages" 8
Figure 8: Median Settlements as a Percentage of "Estimated Damages" by Damages Ranges 9
Figure 9: Average "Estimated Damages" for Settled Cases by Filing Year 10
Figure 10: Median and Average Disclosure Dollar Loss 11
Figure 11: Tiered Estimated Damages 12
Figure 12: Settlements by Nature of Claims 13
Figure 13: Median Settlements as a Percentage of "Estimated Damages" and Accounting Allegations 14
Figure 14: Median Settlements as a Percentage of "Estimated Damages" and Third-Party Codefendants 15
Figure 15: Median Settlement Amounts and Public Pensions 16
Figure 16: Frequency of Derivative Actions 17
Figure 17: Frequency of SEC Actions 18
Figure 18: Median Settlement by Duration from Filing Date to Settlement Hearing Date 19
Figure 19: Litigation Stage 20
Figure 20: Select Industry Sectors 21
Figure 21: Settlements by Federal Court Circuit 22

HIGHLIGHTS

In 2014, total settlement dollars in securities class actions hit their lowest mark in 16 years. There was also a dramatic decrease in the average settlement amount, which reached its lowest level since 2000. At the same time, the number of settlements remained largely unchanged.

- Total settlement dollars in 2014 declined 78 percent compared to 2013 and were 84 percent below the average for the prior nine years. (page 3)
- There were 63 settlements in 2014, largely unchanged compared to the 66 settlements in 2013. (page 3)
- At $265 million, the largest settlement in 2014 was substantially smaller than in 2013 and 2012. (page 4)
- The average settlement size dropped to $17.0 million from $73.5 million in 2013, while the median settlement amount (representing the typical case) declined only slightly to $6.0 million from $6.6 million in 2013. (page 6)
- Average "estimated damages" declined 60 percent from 2013. Since "estimated damages," the simplified calculation analyzed for purposes of this research, are the most important factor in predicting settlement amounts, this decline contributed to the substantially lower average settlement amounts in 2014. (page 7)
- Historically, cases with third-party codefendants have settled for substantially higher amounts as a percentage of "estimated damages." In 2014, however, cases with and without third-party defendants settled for similar percentages of "estimated damages." (page 15)
- Average docket entry numbers fell substantially among 2014 settlements involving public pensions as lead plaintiffs. (page 19)

FIGURE 1: **SETTLEMENT STATISTICS**
(Dollars in Millions)

	1996–2013	2013	2014
Minimum	$0.1	$0.7	$0.3
Median	$8.3	$6.6	$6.0
Average	$57.2	$73.5	$17.0
Maximum	$8,493.6	$2,464.3	$265.0
Total Amount	$79,786.1	$4,847.9	$1,068.0

Settlement dollars adjusted for inflation; 2014 dollar equivalent figures used.

2014 FINDINGS: PERSPECTIVE AND DEVELOPING TRENDS

There was a dramatic decrease in average size among settlements approved in 2014, while the median settlement amount remained relatively constant. This decrease reflected a drop-off in particularly large settlements. The most important factor in explaining settlement amounts is the associated shareholder losses, referred to in this report as "estimated damages" (*see* page 7). Average "estimated damages" dropped sharply in 2014, while median "estimated damages" experienced an increase.

In 2014, there were fewer settlements involving "estimated damages" greater than $1 billion and similarly, a reduced number involving "estimated damages" greater than $5 billion, compared to prior years. Understanding the decrease in the number of large settlements requires consideration of the causes of the decline in large-damage cases.

The level of "estimated damages" depends on several factors, including the length of the associated class periods and the stock market volatility during the relevant time period. In 2014, on average, the class period length was not substantially different than prior years. However, the volatility of the stock market in recent years has been declining when compared to earlier years, which may have contributed to the smaller average "estimated damages" for cases settled in 2014.

Qualitative factors also contributed to the reduction in large settlements. A smaller proportion of large cases involved third-party defendants or public pension plans as lead plaintiffs. These factors are associated with higher settlements. Moreover, the average size of the defendant firms involved in securities class actions with large "estimated damages" (i.e., damages in excess of $500 million) was considerably smaller than the average in recent years.

The number of securities class action filings (i.e., new cases) involving Rule 10b-5, Section 11, and/or Section 12(a)(2) allegations increased in 2014 for the second year in a row.[1] If there is not a marked change in case dismissal rates, it is possible there will be an increase in the overall number of cases settled in upcoming years. However, a reduction in filings of cases with large market capitalization losses in 2014[2] may mean that the lower level of large settlements will persist in the future.

"Lower 'estimated damages' may stem from the reduced stock price volatility during the years when many of these cases were filed."

Dr. Laura Simmons
Cornerstone Research
Senior Advisor

This report analyzes a sample of securities class actions filed after passage of the Private Securities Litigation Reform Act of 1995 (Reform Act) and settled from 1996 through year-end 2014, and explores a variety of factors that influence settlement outcomes. This study focuses on cases alleging fraudulent inflation in the price of a corporation's common stock (i.e., excluding cases with alleged classes of only bondholders, preferred stockholders, etc., and excluding cases alleging fraudulent depression in price). *See* page 24 for a detailed description of the research sample.

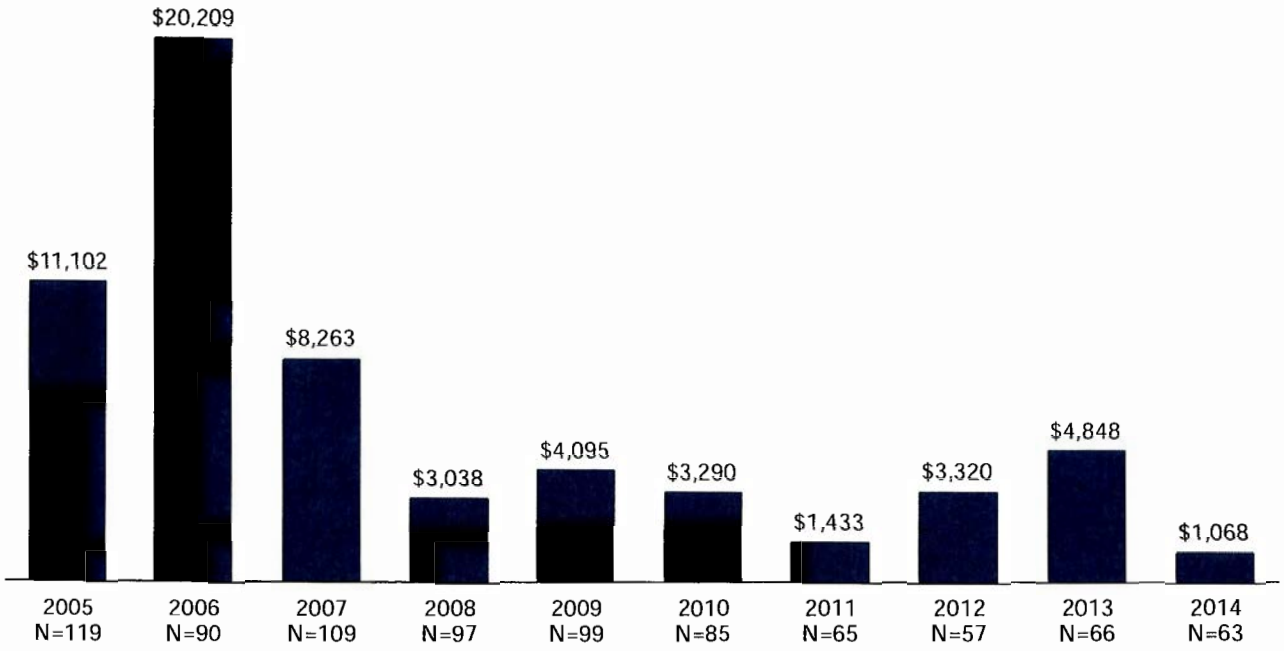
NUMBER AND SIZE OF SETTLEMENTS

TOTAL SETTLEMENT DOLLARS

- In 2014, there were 63 court-approved settlements, largely unchanged from 2013.
- While the year-over-year change was small, when comparing the total number of settled cases from 2010 to 2014 to the prior five-year period (2005 to 2009), the number of settled cases declined approximately 35 percent.
  - Since cases tend to take about two to four years from filing to settlement, the reduced number of settlements over the last five years can be traced to an earlier decrease in related filings.[3]
  - Below-average filing rates and increasing dismissal rates in recent years have likely impacted the total number of settled cases.[4]
- The total value of settlements approved by courts in 2014 was $1.1 billion, compared to an annual average of $6.6 billion for the prior nine years.
- The low level of total settlement dollars was primarily due to fewer very large settlements compared to the prior year, rather than a shift in the typical settlement size (*see* Mega Settlements on page 4).

Total settlement dollars in 2014 were the lowest in 16 years.

FIGURE 2: **TOTAL SETTLEMENT DOLLARS**
2005–2014
(Dollars in Millions)



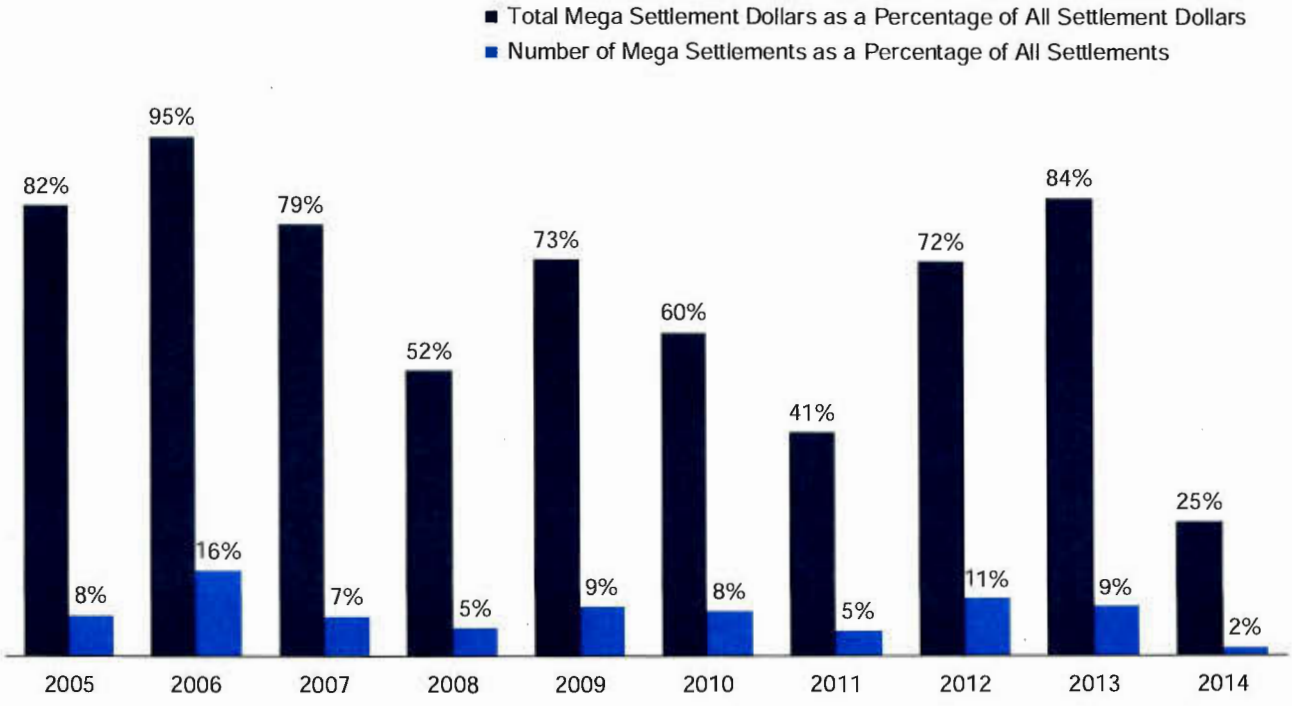
Settlement dollars adjusted for inflation; 2014 dollar equivalent figures used.

MEGA SETTLEMENTS

- In many years, a substantial proportion of total settlement dollars are attributable to mega settlements (settlements at or above $100 million). In contrast, there was only one mega settlement in 2014, accounting for 25 percent of total settlement dollars, compared with six mega settlements in 2013 accounting for 84 percent of total settlement dollars.
- In the last decade, 2014 is one of only three years in which there were no cases settling for amounts in excess of $500 million.

In 2014, the percentage of settlement dollars from mega settlements was the lowest in 16 years.

FIGURE 3: **MEGA SETTLEMENTS**
2005–2014

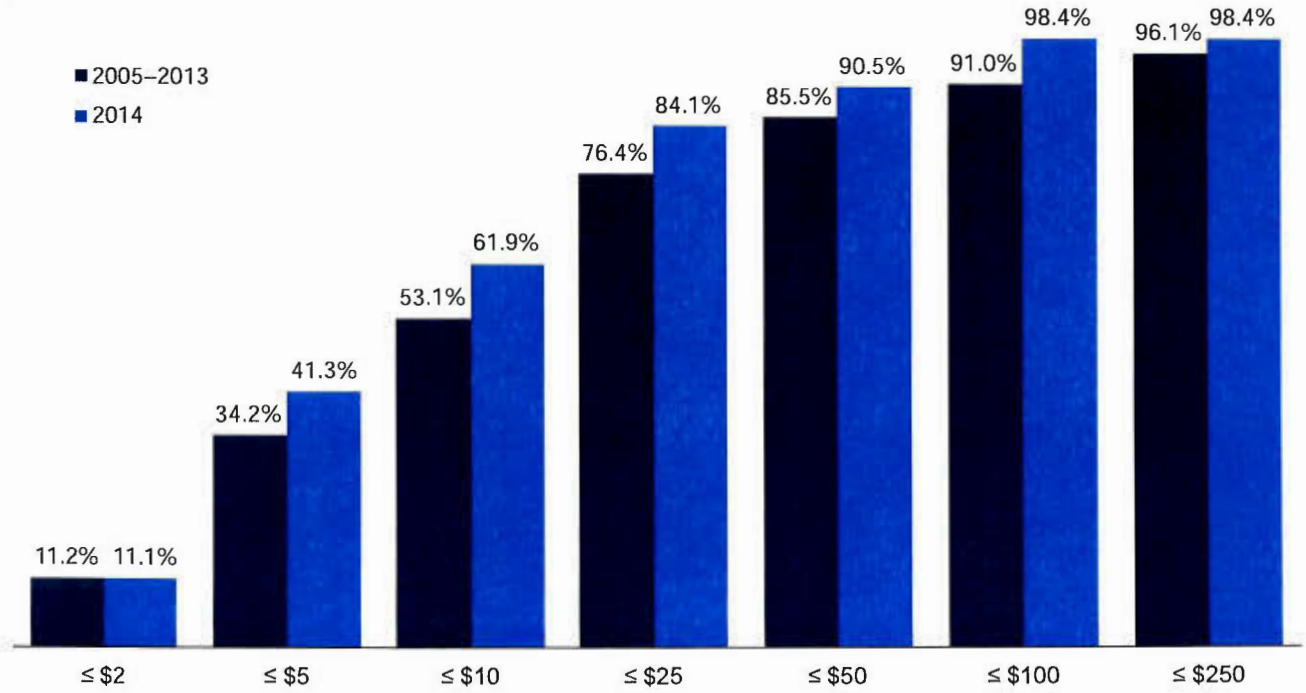


SETTLEMENT SIZE

- As highlighted in prior reports, the vast majority of securities class actions settle for less than $50 million.
- In 2014, all but one of the 63 cases (98 percent) settled for less than $100 million.
- The proportion of cases settling for $2 million or less (often referred to as "nuisance suits") in 2014 was 11 percent, similar to the prior nine-year period.

Over 90 percent of cases in 2014 settled for less than $50 million.

FIGURE 4: **CUMULATIVE SETTLEMENT DISTRIBUTION**
2005–2014
(Dollars in Millions)



Settlement dollars adjusted for inflation; 2014 dollar equivalent figures used.

SETTLEMENT SIZE *continued*

- At $17 million, the average settlement amount in 2014 was 64 percent lower than the average for all prior post–Reform Act years.
- In 2014, not only was there a sharp drop-off in the proportion of very large settlements, but there was also an increase in the proportion of settlements of $10 million or less.
  - Approximately 62 percent of settlements in 2014 were for $10 million or less, compared to 53 percent for 2005–2013.
  - This increase in small settlements occurred despite the fact that the proportion of settlements related to Chinese reverse merger cases dropped by half in 2014 (to 15 percent of settlements for amounts less than $10 million). Chinese reverse merger cases have tended to settle for relatively small amounts.[5]

The average settlement amount was 77 percent lower than in 2013.

FIGURE 5: **SETTLEMENT PERCENTILES**
2005–2014
(Dollars in Millions)

Year	Average	10th	25th	Median	75th	90th
2014	$17.0	$1.7	$2.9	$6.0	$13.2	$39.9
2013	$73.5	$1.9	$3.1	$6.6	$22.5	$83.8
2012	$58.2	$1.3	$2.8	$10.5	$36.1	$112.4
2011	$22.1	$1.9	$2.6	$6.1	$18.9	$44.0
2010	$38.7	$2.2	$4.6	$12.2	$27.1	$86.4
2009	$41.4	$2.6	$4.2	$8.8	$22.1	$73.3
2008	$31.3	$2.2	$4.1	$8.8	$20.9	$55.4
2007	$75.8	$1.7	$3.4	$10.3	$20.0	$91.1
2006	$131.6	$2.0	$3.7	$8.2	$27.3	$268.2
2005	$30.4	$1.8	$4.0	$9.0	$23.2	$91.0

Settlement dollars adjusted for inflation; 2014 dollar equivalent figures used.

DAMAGES ESTIMATES AND MARKET CAPITALIZATION LOSSES

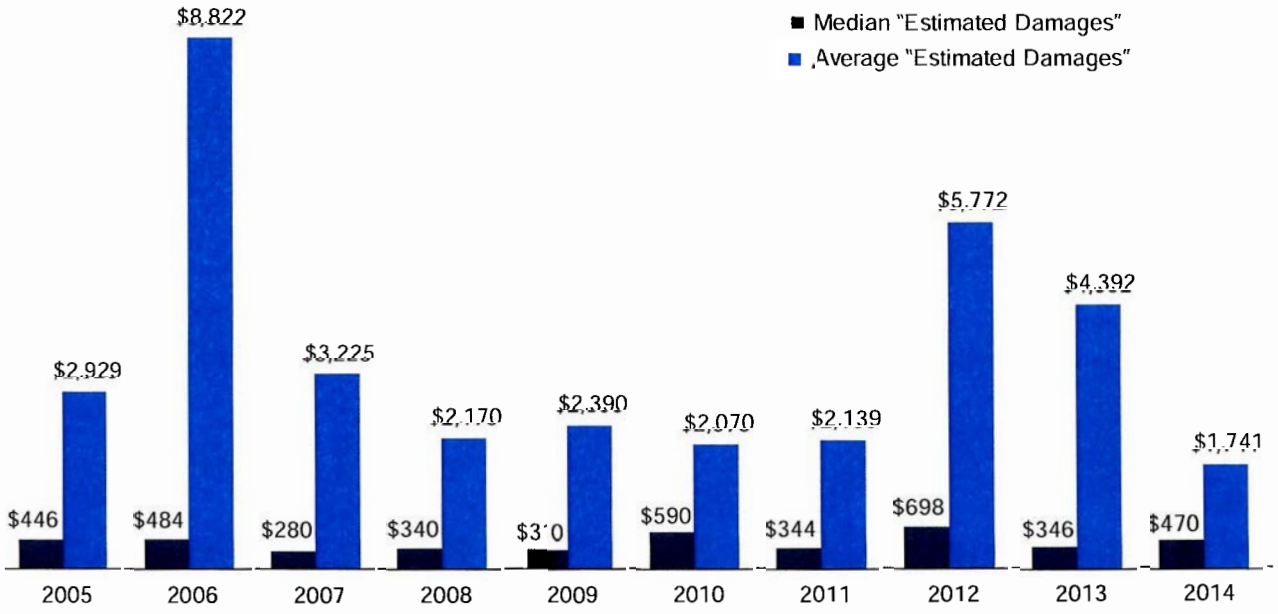
"ESTIMATED DAMAGES"

For purposes of this research, simplified calculations of potential shareholder losses are used, referred to here as "estimated damages." Application of this consistent method allows for the identification and analysis of possible trends. Notably, this measure of damages is the most important factor in predicting settlement amounts. "Estimated damages" are not necessarily linked to the allegations included in the associated court pleadings.[6] Accordingly, the damages estimates presented in this report are not intended to be indicative of alleged economic damages incurred by shareholders.

Average "estimated damages" for 2014 declined 60 percent from 2013.

- Average "estimated damages" in 2014 were the lowest in 12 years.
- In 2014, there were only five settlements with "estimated damages" greater than $5 billion, compared to an annual average of nine cases for 2005–2013.
- Even after lowering the "estimated damages" threshold to $1 billion, there was still a 24 percent decline in the number of cases in 2014 when compared to the prior nine years.
- Only three credit crisis cases settled in 2014, compared to seven in 2013 and 13 in 2012. Credit crisis cases have tended to be associated with larger "estimated damages," and the limited number of credit crisis settlements likely contributed to the lower "estimated damages" in 2014.

FIGURE 6: **MEDIAN AND AVERAGE "ESTIMATED DAMAGES"**
2005–2014
(Dollars in Millions)



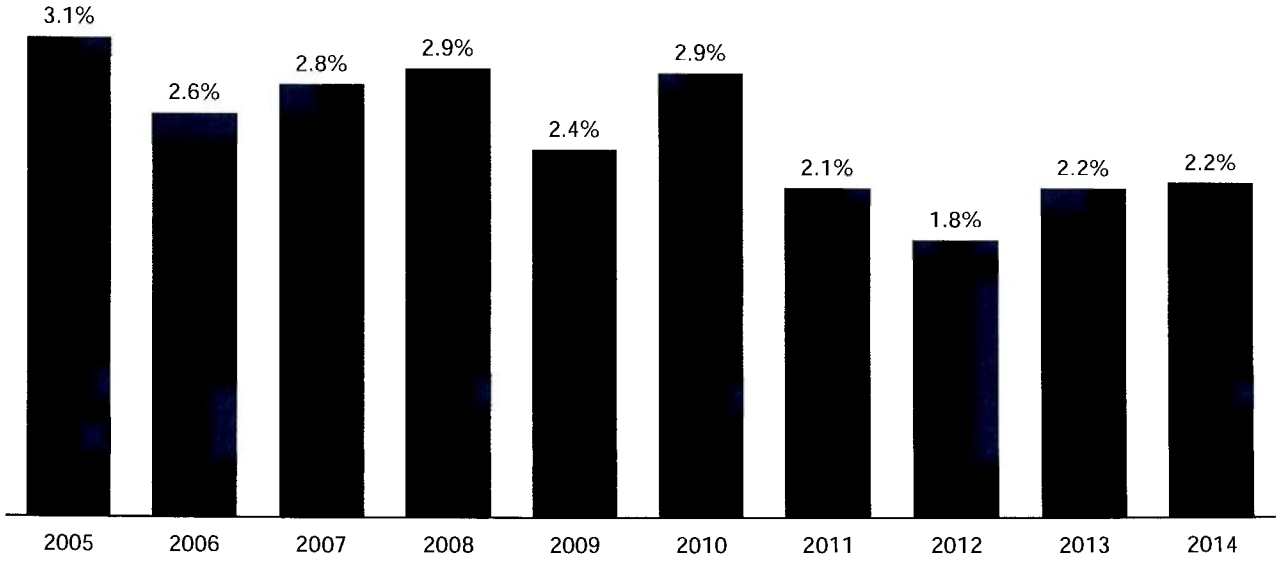
"Estimated damages" are adjusted for inflation based on class period end dates.

"ESTIMATED DAMAGES" *continued*

- Settlements as a percentage of "estimated damages" tend to be smaller when "estimated damages" are larger; thus, when overall "estimated damages" increase, settlements as a percentage of "estimated damages" typically decrease. In 2014, however, median "estimated damages" increased 36 percent while median settlements as a percentage of "estimated damages" were essentially flat compared to the prior year.
- These results suggest that other factors, including those discussed in the following pages, influenced median settlements as a percentage of "estimated damages" in 2014.

Median settlements as a percentage of "estimated damages" hit a historic low in 2012, but have risen over the past two years.

FIGURE 7: **MEDIAN SETTLEMENTS AS A PERCENTAGE OF "ESTIMATED DAMAGES" 2005–2014**

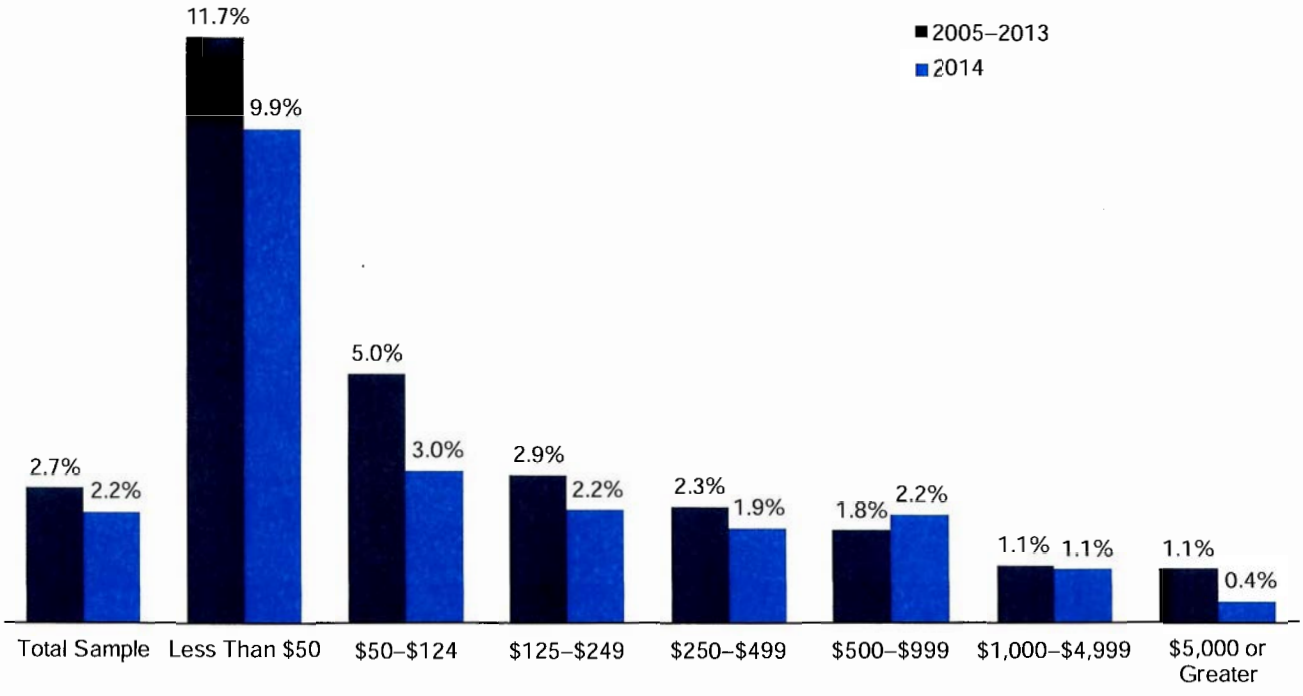


"ESTIMATED DAMAGES" *continued*

- In 2014, smaller cases continued to settle for substantially higher percentages of "estimated damages."
- Very small cases—those with "estimated damages" of less than $50 million—had a median settlement as a percentage of "estimated damages" of 9.9 percent, compared with 2.2 percent for all 2014 settlements.
- Among cases settled in the last 10 years, 57 percent have "estimated damages" below $500 million and 43 percent have "estimated damages" above $500 million.

Settlements as a percentage of "estimated damages" remained below the 2005–2013 median.

FIGURE 8: **MEDIAN SETTLEMENTS AS A PERCENTAGE OF "ESTIMATED DAMAGES" BY DAMAGES RANGES**
2005–2014
(Dollars in Millions)



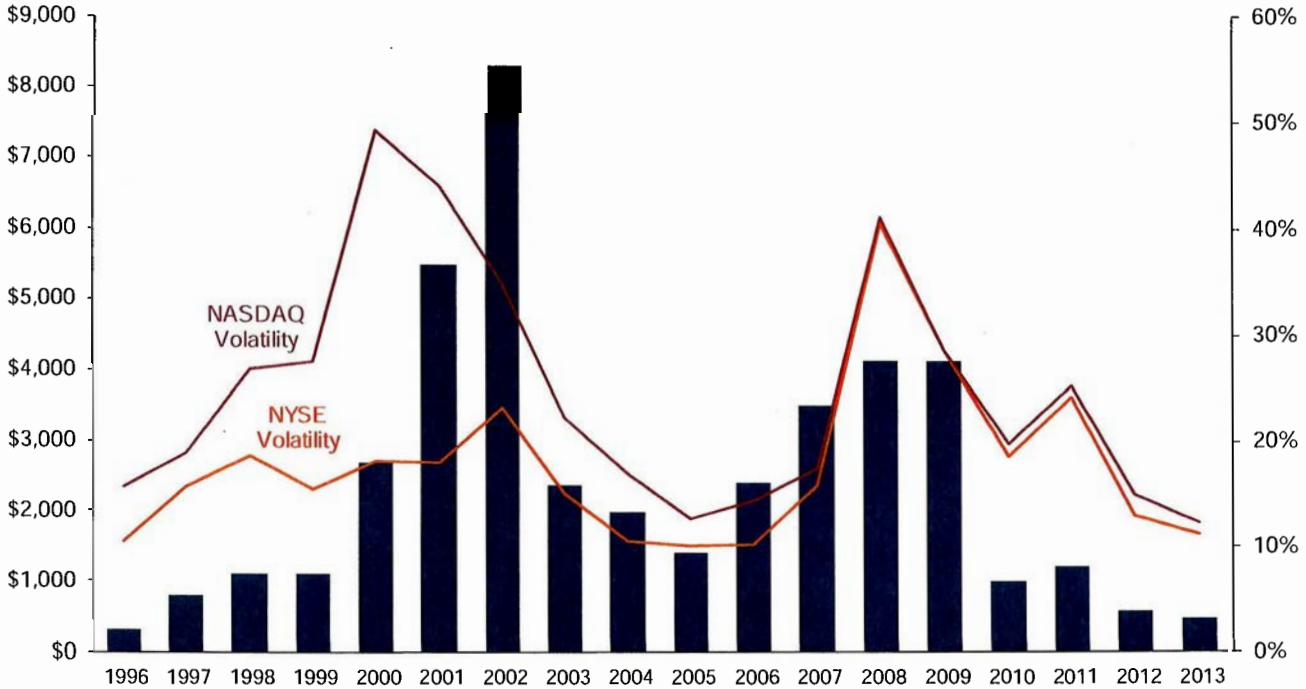
"ESTIMATED DAMAGES" *continued*

- New analysis included in this year's report shows that for settled cases, the amount of "estimated damages" is correlated with market volatility around the time of case filing, which tends to be two to four years prior to settlement.
- NYSE and NASDAQ volatility most recently peaked in 2008. Consistent with this, "estimated damages" for settled cases filed in 2008 and 2009 were the highest since 2002.
- In recent years, market volatility has generally been trending downward, which may have contributed to the reduction in average "estimated damages" and Disclosure Dollar Loss (DDL) for cases settled in 2014 (*see* page 11).

Continued low market volatility in 2014 suggests that lower "estimated damages" may persist.

FIGURE 9: **AVERAGE "ESTIMATED DAMAGES" FOR SETTLED CASES BY FILING YEAR 1996–2013**

(Dollars in Millions)



Note: "Estimated damages" adjusted for inflation; 2014 dollar equivalent figures used. Volatility is calculated as the annualized standard deviation of daily market returns. Chart shows filing years for settled cases through December 2014.

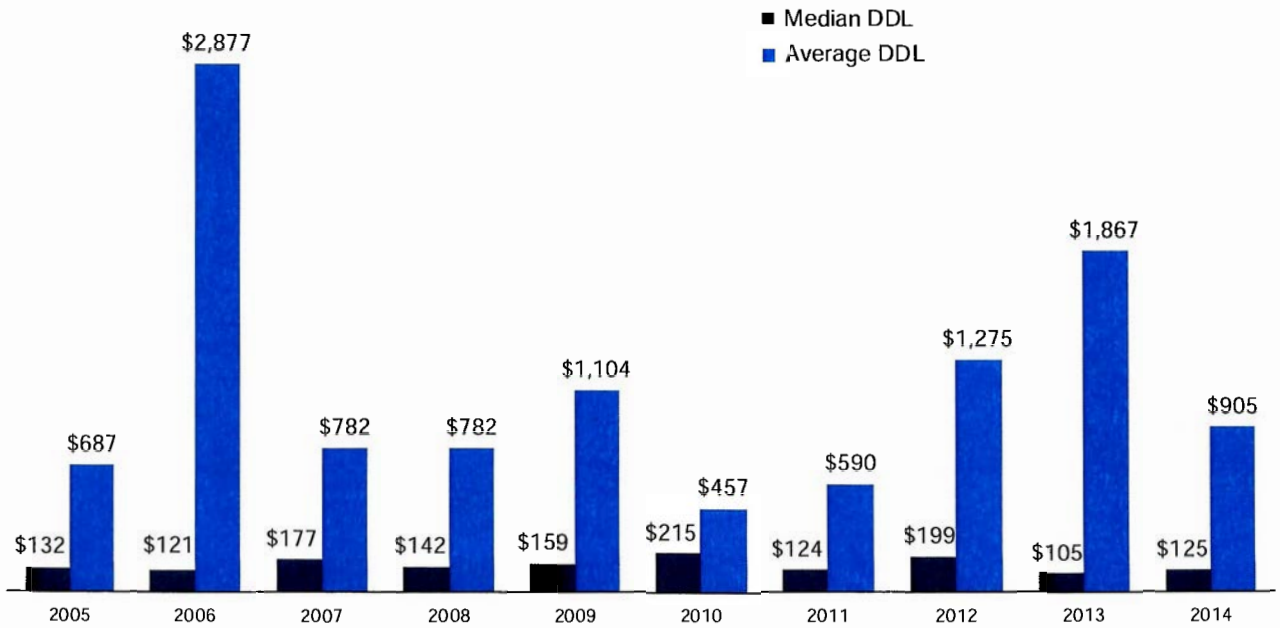
DISCLOSURE DOLLAR LOSS

Disclosure Dollar Loss (DDL) is another simplified measure of potential shareholder losses and an alternative measure to "estimated damages." DDL is calculated as the decline in the market capitalization of the defendant firm from the trading day immediately preceding the end of the class period to the trading day immediately following the end of the class period.[7]

- Similar to the pattern observed with "estimated damages," the average DDL declined substantially in 2014 while the median DDL increased slightly.
- In 2014, there were only three cases (5 percent) with DDL above $2.5 billion, compared to nine (14 percent) in 2013.
- Consistent with the lower shareholder losses, as another measure of case size, issuer firms of cases settled in 2014 also had lower average assets compared to firms involved in 2013 settlements.

The average DDL associated with settled cases in 2014 decreased 52 percent from 2013.

FIGURE 10: **MEDIAN AND AVERAGE DISCLOSURE DOLLAR LOSS**
2005–2014
(Dollars in Millions)



DDL is adjusted for inflation based on class period end dates.

TIERED ESTIMATED DAMAGES

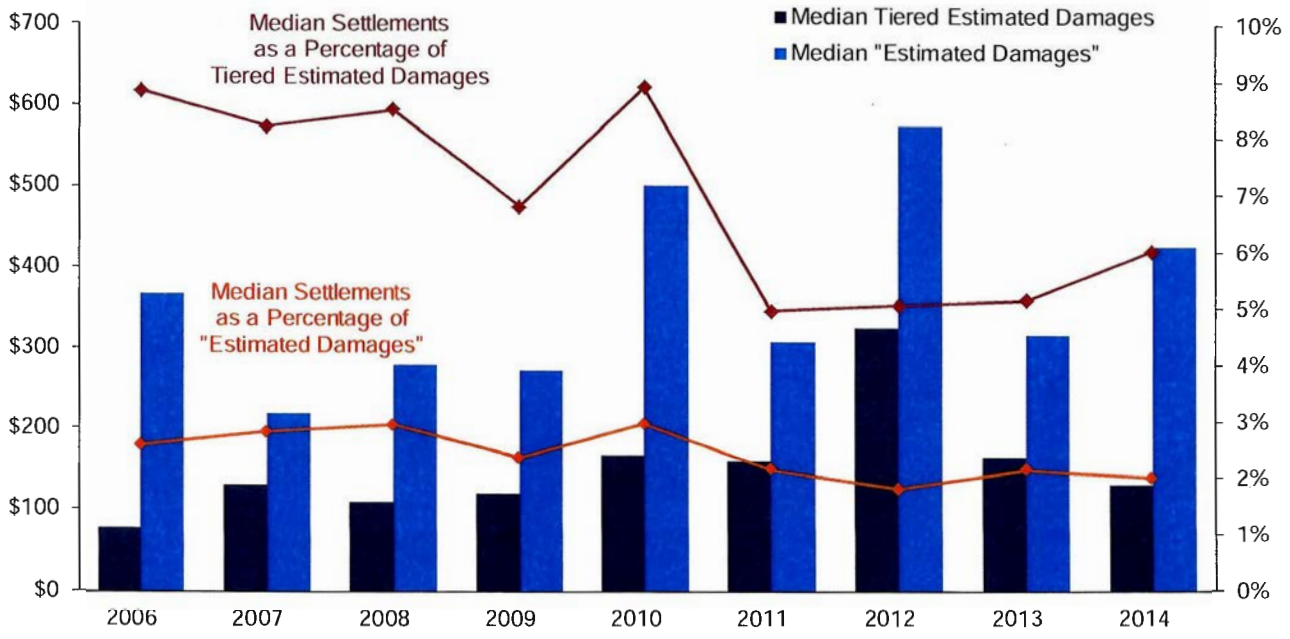
To account for the U.S. Supreme Court's 2005 landmark decision in *Dura*, this report considers an alternative measure of damages.[8] This measure reflects the fact that damages cannot be associated with shares sold before information regarding the alleged fraud reaches the market.[9] This alternative damages measure is referred to as tiered estimated damages and is based on the stock-price drops on alleged corrective disclosure dates as described in the settlement plan of allocation.[10]

As noted in past reports, this measure has not yet surpassed "estimated damages" in terms of its power as a predictor of settlement outcomes. However, it is highly correlated with settlement amounts and provides an alternative measure of investor losses for more recent securities class action settlements.

Median tiered estimated damages are substantially lower than "estimated damages."

- Median settlements as a percentage of tiered estimated damages are higher than median settlements as a percentage of "estimated damages," as tiered estimated damages are typically smaller than "estimated damages."[11]
- Although the difference between the two damages measures can be substantial, their year-to-year directional trends are generally similar.

FIGURE 11: **TIERED ESTIMATED DAMAGES**
2006–2014
(Dollars in Millions)



ANALYSIS OF SETTLEMENT CHARACTERISTICS

NATURE OF CLAIMS

- In 2014, there were only three cases involving Section 11 and/or Section 12(a)(2) claims that did not involve Rule 10b-5 allegations. There were seven cases in 2014 that involved Section 11 and/or Section 12(a)(2) claims, in addition to Rule 10b-5 claims.
- Intensified activity in the U.S. IPO market in recent years has occurred in tandem with the increase in filings involving Section 11 claims.[12] This suggests that settlements of cases involving these claims are likely to be more prevalent in future years.
- The median settlement as a percentage of "estimated damages" is higher for cases involving only Section 11 and/or Section 12(a)(2) claims compared with cases involving only Rule 10b-5 claims.

Settlements and "estimated damages" are typically smaller for cases involving only Section 11 and/or Section 12(a)(2) claims.

FIGURE 12: **SETTLEMENTS BY NATURE OF CLAIMS**
1996–2014
(Dollars in Millions)

	Number of Settlements	Median Settlements	Median "Estimated Damages"	Median Settlements as a Percentage of "Estimated Damages"
Section 11 and/or 12(a)(2) Only	83	$3.9	$60.4	7.3%
Both Rule 10b-5 and Section 11 and/or 12(a)(2)	253	$13.8	$529.9	3.4%
Rule 10b-5 Only	1,102	$8.0	$368.3	2.8%
All Post–Reform Act Settlements	1,438	$8.2	$336.6	3.1%

Settlement dollars and "estimated damages" adjusted for inflation; 2014 dollar equivalent figures used. "Estimated damages" are adjusted for inflation based on class period end dates.

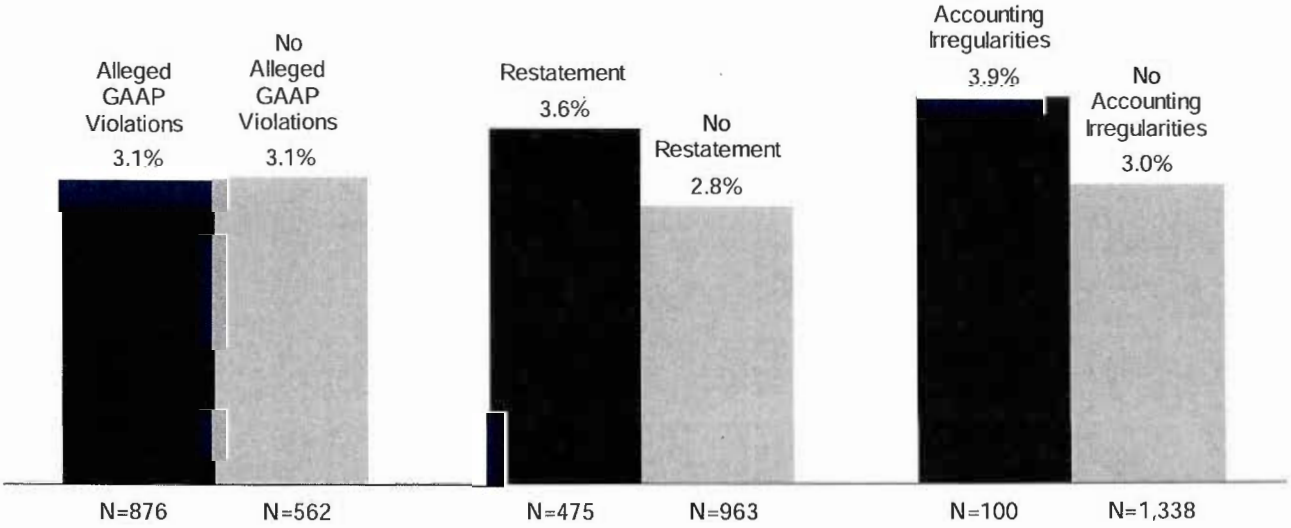
ACCOUNTING ALLEGATIONS

This research examines three types of accounting allegations among settled cases: (1) alleged GAAP violations, (2) restatements, and (3) reported accounting irregularities.[13]

- In 2014, 67 percent of settled cases alleged GAAP violations, representing a slight increase over the rate of 61 percent for all prior post–Reform Act years.
- The median class period length for cases with GAAP allegations is nearly twice as long as for cases without such allegations.
- Restatements were involved in 29 percent of cases settled in 2014 and were associated with higher settlements as a percentage of "estimated damages" compared to cases not involving restatements.
- Of the cases approved for settlement in 2014, 8 percent involved reported accounting irregularities, which is within the range of previous years. These cases continued to settle for the highest amounts in relation to "estimated damages."

Cases involving accounting allegations are generally associated with higher settlement amounts and higher settlements as a percentage of "estimated damages."

FIGURE 13: **MEDIAN SETTLEMENTS AS A PERCENTAGE OF "ESTIMATED DAMAGES" AND ACCOUNTING ALLEGATIONS**
1996–2014

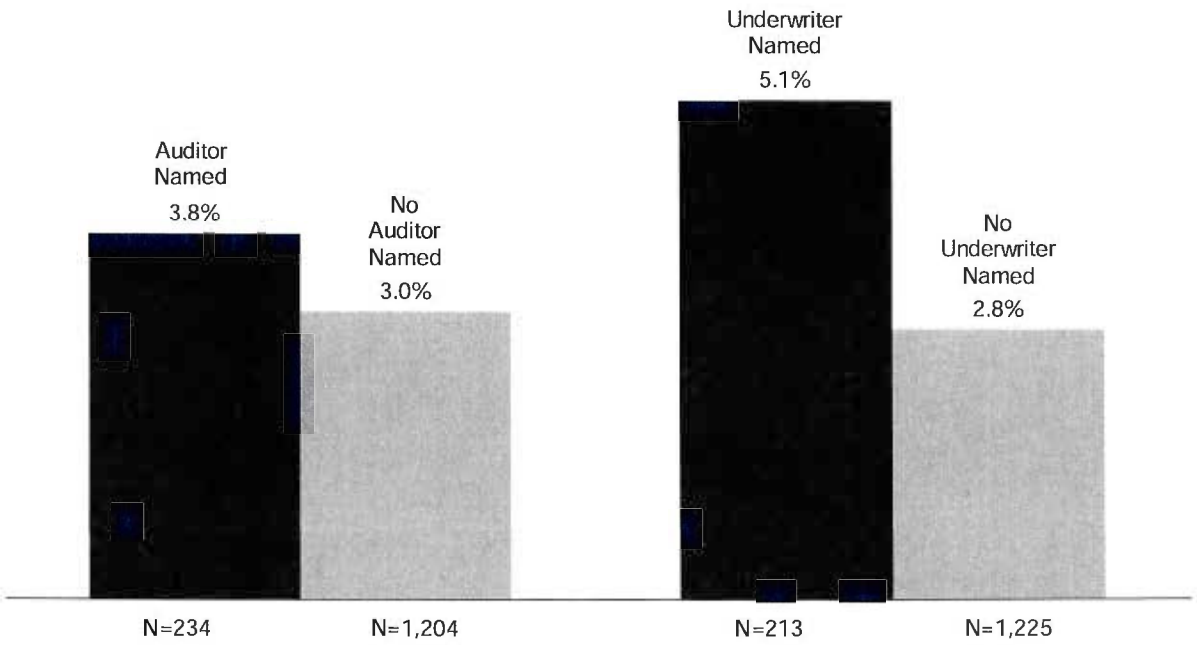


THIRD-PARTY CODEFENDANTS

- Third parties, such as an auditor or an underwriter, are often named as codefendants in larger, more complex cases and can provide an additional source of settlement funds.
- Historically, cases with third-party codefendants have settled for substantially higher amounts as a percentage of "estimated damages." In 2014, however, cases with and without third-party defendants settled for similar percentages of "estimated damages."
- In 2014, 21 percent of cases with alleged GAAP violations had a named auditor defendant, while 70 percent of cases with Section 11 claims had a named underwriter defendant.

Outside auditor defendants are typically associated with cases involving GAAP violations; underwriter defendants are highly correlated with Section 11 claims.

FIGURE 14: **MEDIAN SETTLEMENTS AS A PERCENTAGE OF "ESTIMATED DAMAGES" AND THIRD-PARTY CODEFENDANTS**
1996–2014

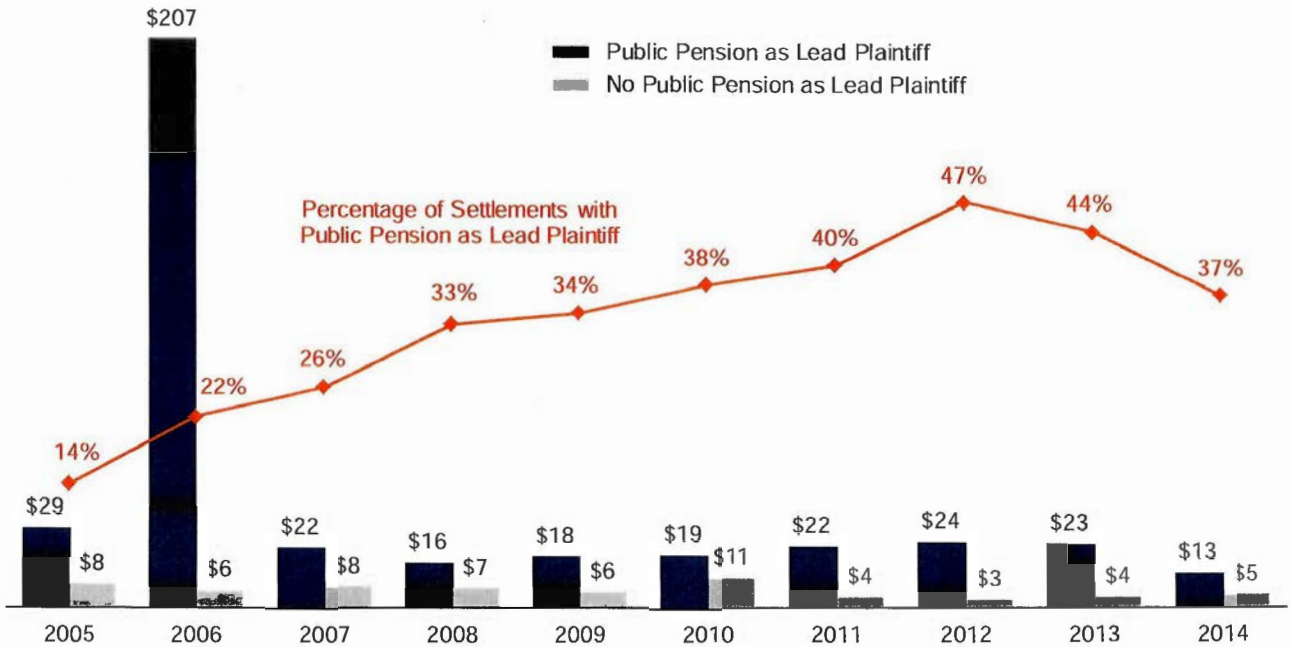


INSTITUTIONAL INVESTORS

- Since 2006, more than half of the settlements in any given year have involved institutional investors as lead plaintiffs. In 2014, 63 percent of cases approved for settlement had lead plaintiffs that were institutional investors.
- The median settlement in 2014 for cases with a public pension as a lead plaintiff was $13 million, compared with $5 million for cases without a public pension as a lead plaintiff.
- In 2014, 52 percent of settlements with "estimated damages" greater than $500 million involved a public pension plan as lead plaintiff, compared to 24 percent for cases with "estimated damages" of $500 million or less.

The increasing involvement of public pensions as lead plaintiffs reversed in 2013 and further declined in 2014.

FIGURE 15: **MEDIAN SETTLEMENT AMOUNTS AND PUBLIC PENSIONS 2005–2014**
(Dollars in Millions)



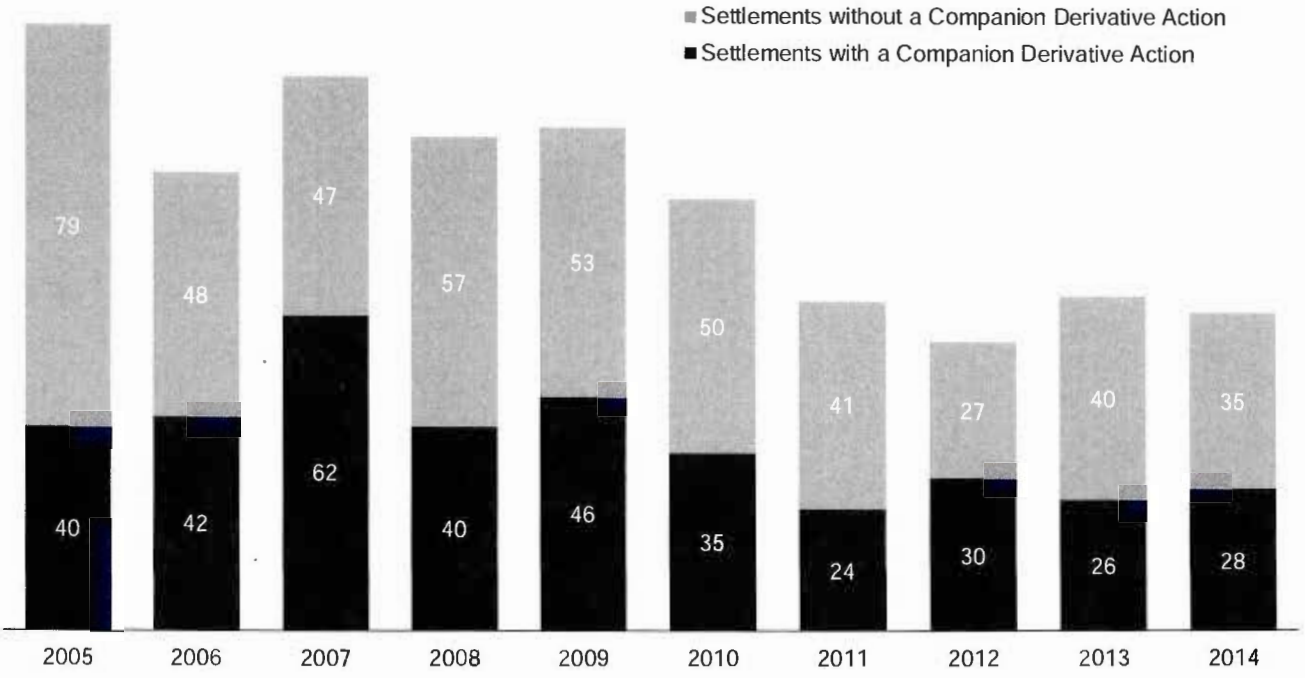
Settlement dollars adjusted for inflation; 2014 dollar equivalent figures used.

DERIVATIVE ACTIONS

- Historically, accompanying derivative actions have been associated with larger securities class actions compared to smaller cases.[14] In 2014, this gap narrowed—48 percent of cases with "estimated damages" of more than $500 million involved a companion derivative action, compared to 41 percent for cases with damages of $500 million or less.
- In 2014, the median settlement for cases with an accompanying derivative action was 31 percent higher than for cases without an accompanying derivative action. In 2013, this difference was 78 percent while in 2012, it was 387 percent.
- Overall, 44 percent of settled cases in 2014 were accompanied by derivative actions—similar to prior years.

Companion derivative actions continued to be associated with higher class action settlements.

FIGURE 16: **FREQUENCY OF DERIVATIVE ACTIONS**
2005–2014



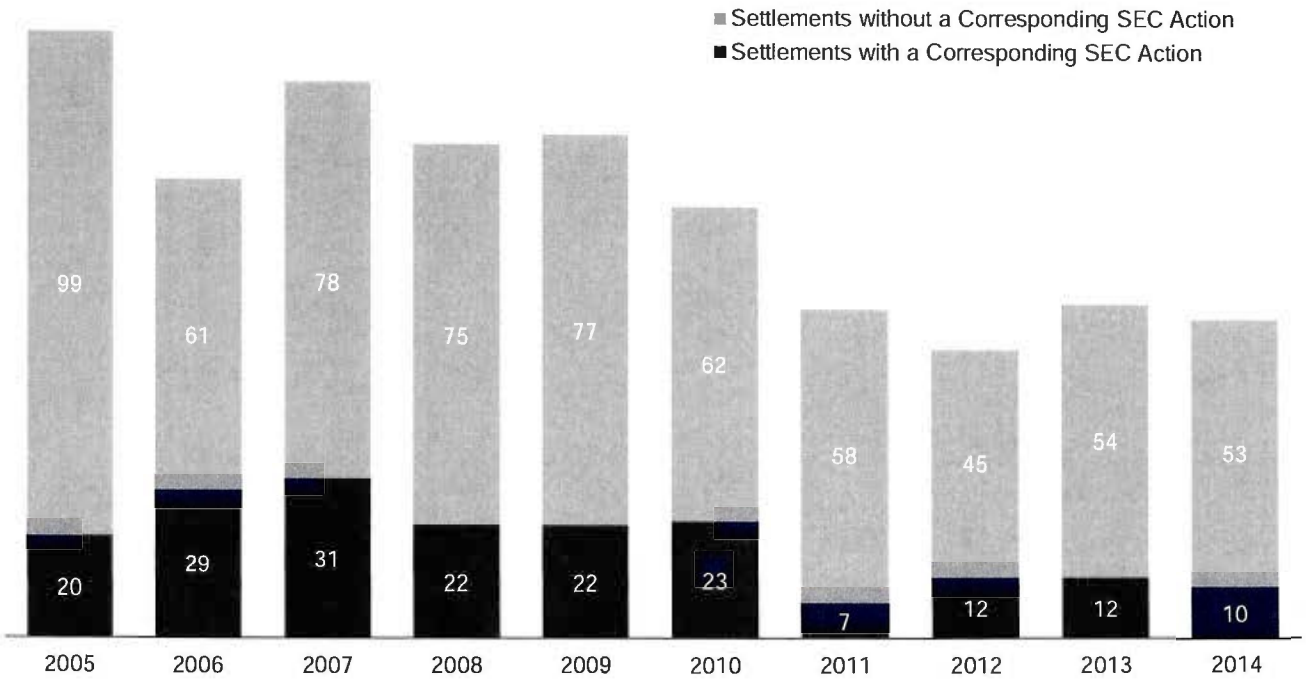
CORRESPONDING SEC ACTIONS

Cases that involve a corresponding SEC action (evidenced by the filing of a litigation release or administrative proceeding prior to settlement) are associated with significantly higher settlement amounts and have higher settlements as a percentage of "estimated damages."[15]

- In 2014, 16 percent of settled cases involved a corresponding SEC action, compared with 18 percent in 2013 and 21 percent in 2012.
- The median settlement for all post–Reform Act cases with an SEC action ($12.9 million) was more than twice the median settlement for cases without a corresponding SEC action.
  - In 2014, the median settlement for cases with an SEC action was $9.4 million, while cases without an associated SEC action had a median settlement of $5.5 million.
  - In 2014, institutional investors were involved as lead plaintiffs in seven of the 10 cases with a corresponding SEC action.
- The higher settlement amounts for cases involving corresponding SEC actions are, in part, due to the fact that among securities cases that have settled, SEC actions more frequently accompany larger cases, as measured by issuer asset-size and higher "estimated damages."

The number of settlements with corresponding SEC actions remained relatively low in 2014.

FIGURE 17: **FREQUENCY OF SEC ACTIONS**
2005–2014

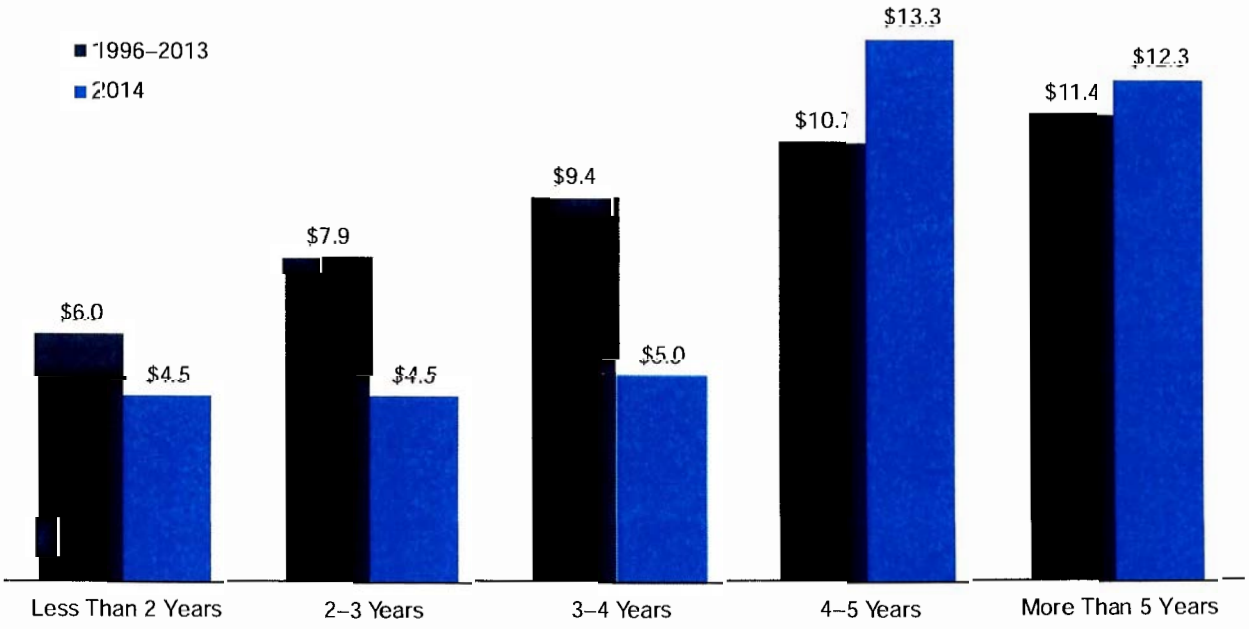


TIME TO SETTLEMENT AND CASE COMPLEXITY

- In 2014, the median and average time to settlement was three years.
- Larger cases (as measured by "estimated damages") and cases involving larger firms tend to take longer to reach settlement.
- The length of time from filing to settlement is correlated with the number of docket entries—a measure of the complexity of a case and the case's progression through the litigation process.
  - In 2014, the average number of docket entries (both in absolute figures and scaled by the time from filing to settlement) was among the lowest in 10 years. In other words, even controlling for the length of time that cases were outstanding prior to settlement, the number of docket entries dropped in 2014, indicating reduced activity for cases prior to settlement.
  - For cases involving a public pension as a lead plaintiff, average docket entries were down approximately 40 percent in 2014 when compared to the prior nine years.
  - Despite the observable decline in docket entries, fewer cases in 2014 settled in very early stages of the litigation process.

Approximately 70 percent of settlements in 2014 occurred two to four years after the filing date.

FIGURE 18: **MEDIAN SETTLEMENT BY DURATION FROM FILING DATE TO SETTLEMENT HEARING DATE**
1996–2014
(Dollars in Millions)



LITIGATION STAGES

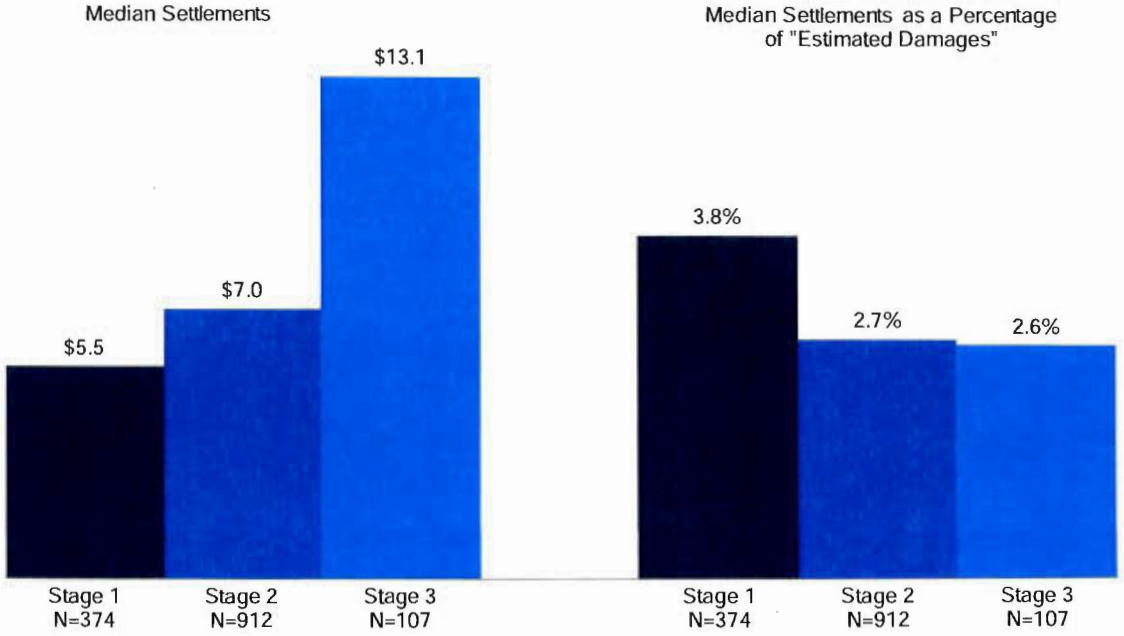
This report studies three stages in the litigation process that may be considered an indication of the merits of a case (e.g., surviving a motion to dismiss) and/or the time and effort invested by plaintiff counsel:

Stage 1: Settlement before the first ruling on a motion to dismiss
Stage 2: Settlement after a ruling on motion to dismiss, but before a ruling on motion for summary judgment
Stage 3: Settlement after a ruling on motion for summary judgment[16]

Settlement amounts tend to increase as litigation progresses.

- In 2014, only 19 percent of settlements occurred in Stage 1, compared to 27 percent for cases settled in 1996–2013.
- Although smaller in total settlement dollar amounts, cases settling in Stage 1 have settled for the highest percentage of "estimated damages."
- Larger cases tend to settle at more advanced stages of litigation and tend to take longer to reach settlement. Through 2014, cases reaching Stage 3 had median "estimated damages" that were 75 percent higher than the median "estimated damages" of cases settling in Stage 1.

FIGURE 19: **LITIGATION STAGE**
1996–2014
(Dollars in Millions)



INDUSTRY SECTORS

Resolution of credit crisis–related cases has constituted a large portion of settlement activity in the financial sector in recent years. However, filing of securities class actions involving credit crisis issues essentially ceased by 2012.[17] Accordingly, the majority of these cases have now progressed through the litigation process, resulting in a reduction in settlements involving financial firms in 2014.

- Only seven settled cases (11 percent) in 2014 involved financial firms compared to 15 (23 percent) in 2013 and 17 (30 percent) in 2012.
- Reflecting their larger "estimated damages," cases in the financial sector have settled for the highest amounts.
- The proportion of settled cases involving pharmaceutical firms declined to 9.5 percent in 2014 from a historic high of 18 percent in 2013.
- Industry sector is not a significant determinant of settlement amounts when controlling for other variables that influence settlement outcomes (such as "estimated damages," asset size, and other factors discussed on page 23).

The proportion of settled cases in 2014 involving financial firms is the lowest in seven years.

FIGURE 20: **SELECT INDUSTRY SECTORS**
1996–2014
(Dollars in Millions)

Industry	Number of Settlements	Median Settlements	Median "Estimated Damages"	Median Settlements as a Percentage of "Estimated Damages"
Technology	332	$7.7	$323.3	3.0%
Financial	176	$13.2	$742.0	3.0%
Telecommunications	143	$9.4	$494.9	2.4%
Retail	123	$6.8	$237.7	4.1%
Pharmaceuticals	100	$9.4	$591.4	2.2%
Healthcare	59	$7.9	$282.1	3.5%

Settlement dollars and "estimated damages" adjusted for inflation; 2014 dollar equivalent figures used. "Estimated damages" are adjusted for inflation based on class period end dates.

FEDERAL COURT CIRCUITS

- In 2014, the Second and Ninth Circuits continued to lead other circuits in the number of settlements.
- While activity levels have stayed relatively constant in the Second and Ninth Circuits over the last decade, other federal court circuits have experienced a decline of more than 50 percent in the number of securities class action settlements.
- Although it varies across court circuit, settlement approval hearings are generally held within four to eight months following the public announcement of a tentative settlement.

48 percent of settlements occurred in the Second or Ninth Circuits in 2014.

FIGURE 21: **SETTLEMENTS BY FEDERAL COURT CIRCUIT**
2005–2014
(Dollars in Millions)

Circuit	Number of Settlements	Median Number of Docket Entries	Median Duration from Tentative Settlement to Approval Hearing *(in months)*	Median Settlements	Median Settlements as a Percentage of "Estimated Damages"
First	38	131	6.4	$7.1	2.8%
Second	197	108	6.5	$11.9	2.6%
Third	77	123	6.1	$8.9	2.8%
Fourth	29	127	4.3	$8.6	2.0%
Fifth	62	112	5.3	$6.5	2.3%
Sixth	41	142	4.4	$18.2	2.7%
Seventh	42	151	5.2	$10.5	2.2%
Eighth	29	165	5.9	$14.6	3.6%
Ninth	217	162	6.3	$8.2	2.4%
Tenth	28	170	7.6	$8.2	2.0%
Eleventh	67	132	5.5	$5.7	2.6%
DC	4	190	6.5	$31.1	3.7%

Settlement dollars adjusted for inflation; 2014 dollar equivalent figures used.

CORNERSTONE RESEARCH'S SETTLEMENT PREDICTION ANALYSIS

Regression analysis was applied to examine which characteristics of securities cases were associated with settlement outcomes. Based on the research sample of post–Reform Act cases settled through December 2014, the factors that were important determinants of settlement amounts included the following:

- "Estimated damages"
- Disclosure Dollar Loss (DDL)
- Most recently reported total assets of the defendant firm
- Number of entries on the lead case docket
- The year in which the settlement occurred
- Whether the issuer reported intentional misstatements or omissions in financial statements
- Whether a restatement of financials related to the alleged class period was announced
- Whether there was a corresponding SEC action against the issuer, other defendants, or related parties
- Whether the plaintiffs named an auditor as codefendant
- Whether the plaintiffs named an underwriter as codefendant
- Whether a companion derivative action was filed
- Whether a public pension was a lead plaintiff
- Whether noncash components, such as common stock or warrants, made up a portion of the settlement fund
- Whether the plaintiffs alleged that securities other than common stock were damaged
- Whether criminal charges/indictments were brought with similar allegations to the underlying class action
- Whether the issuer traded on a nonmajor exchange

Settlements were higher when "estimated damages," DDL, defendant asset size, or the number of docket entries were larger. Settlements were also higher in cases involving intentional misstatements or omissions in financial statements reported by the issuer, a restatement of financials, a corresponding SEC action, an underwriter and/or auditor named as codefendant, an accompanying derivative action, a public pension involved as lead plaintiff, a noncash component to the settlement, filed criminal charges, or securities other than common stock alleged to be damaged. Settlements were lower if the settlement occurred in 2004 or later, and if the issuer traded on a nonmajor exchange.

While this regression analysis is designed to better understand and predict the total settlement amount given the characteristics of a particular securities case, the probabilities associated with reaching alternative settlement levels can also be estimated. These probability estimates can be useful in considering the different layers of insurance coverage available and likelihood of contributing to the settlement fund. Regression analysis can also be used to explore hypothetical scenarios, including, but not limited to, the effects on settlement amounts given the presence or absence of particular factors found to significantly affect settlement outcomes.

RESEARCH SAMPLE

- The database used in this report focuses on cases alleging fraudulent inflation in the price of a corporation's common stock (i.e., excluding cases with alleged classes of only bondholders, preferred stockholders, etc., and M&A cases).
- The sample is limited to cases alleging Rule 10b-5, Section 11, and/or Section 12(a)(2) claims brought by purchasers of a corporation's common stock. These criteria are imposed to ensure data availability and to provide a relatively homogeneous set of cases in terms of the nature of the allegations.
- The current sample includes 1,458 securities class actions filed after passage of the Reform Act (1995) and settled from 1996 through 2014. These settlements are identified based on a review of case activity collected by Securities Class Action Services LLC (SCAS).[18]
- The designated settlement year, for purposes of this report, corresponds to the year in which the hearing to approve the settlement was held.[19] Cases involving multiple settlements are reflected in the year of the most recent partial settlement, provided certain conditions are met.[20]

DATA SOURCES

In addition to SCAS, data sources include the Stanford Law School Securities Class Action Clearinghouse, Dow Jones Factiva, Bloomberg, Center for Research in Security Prices (CRSP) at University of Chicago Booth School of Business, Standard & Poor's Compustat, court filings and dockets, SEC registrant filings, SEC litigation releases and administrative proceedings, LexisNexis, and public press.

ENDNOTES

1 See *Securities Class Action Filings—2014 Year in Review*, Cornerstone Research, 2015.

2 *Ibid.*

3 "Related filings" refers to case types covered in the scope of this report as described on page 24.

4 See *Securities Class Action Filings—2014 Year in Review*, Cornerstone Research, 2015.

5 See *Investigations and Litigation Related to Chinese Reverse Merger Companies*, Cornerstone Research, 2011

6 The simplified "estimated damages" model is applied to common stock only. For all cases involving Rule 10b-5 claims, damages are calculated using a market-adjusted, backward-pegged value line. For cases involving only Section 11 and/or Section 12(a)(2) claims, damages are calculated using a model that caps the purchase price at the offering price. Volume reduction assumptions are based on the exchange on which the issuer's common stock traded. Finally, no adjustments for institutions, insiders, or short sellers are made to the underlying float.

7 DDL captures the price reaction—using closing prices—of the disclosure that resulted in the first filed complaint. This measure does not incorporate additional stock price declines during the alleged class period that may affect certain purchasers' potential damages claims. Thus, as this measure does not isolate movements in the defendant's stock price that are related to case allegations, it is not intended to represent an estimate of investor losses. The DDL calculation also does not apply a model of investors' share-trading behavior to estimate the number of shares damaged.

8 Tiered estimated damages are calculated for cases that settled after 2005.

9 Tiered estimated damages utilize a single value line when there is one alleged corrective disclosure date (at the end of the class period) or a tiered value line when there are multiple alleged corrective disclosure dates.

10 The dates used to identify the applicable inflation bands may be supplemented with information from the operative complaint at the time of settlement.

11 Tiered estimated damages apply inflation bands to specific date intervals during the alleged class period. As such, this measure does not capture all declines during the alleged class period as "estimated damages" does.

12 See *Securities Class Action Filings—2014 Year in Review*, Cornerstone Research, 2015.

13 The three categories of accounting allegations analyzed in this report are: (1) GAAP violations—cases with allegations involving Generally Accepted Accounting Principles (GAAP); (2) restatements—cases involving a restatement (or announcement of a restatement) of financial statements; and (3) accounting irregularities—cases in which the defendant has reported the occurrence of accounting irregularities (intentional misstatements or omissions) in its financial statements.

14 This is true whether or not the settlement of the derivative action coincides with the settlement of the underlying class action, or occurs at a different time.

15 It could be that the merits in such cases are stronger, or simply that the presence of an accompanying SEC action provides plaintiffs with increased leverage when negotiating a settlement.

16 Litigation stage data obtained from Stanford Law School's Securities Class Action Clearinghouse. Sample does not add to 100 percent as there is a small sample of cases with other litigation stage classifications.

17 See *Securities Class Action Filings—2014 Year in Review*, Cornerstone Research, 2015.

18 Available on a subscription basis.

19 Movements of partial settlements between years can cause differences in amounts reported for prior years from those presented in earlier reports.

20 This categorization is based on the timing of the settlement approval. If a new partial settlement equals or exceeds 50 percent of the then-current settlement fund amount, the entirety of the settlement amount is recategorized to reflect the settlement hearing date of the most recent partial settlement. If a subsequent partial settlement is less than 50 percent of the then-current total, the partial settlement is added to the total settlement amount and the settlement hearing date is left unchanged.

ABOUT THE AUTHORS

Laarni T. Bulan

Ph.D., Columbia University; M.Phil., Columbia University; B.S., University of the Philippines

Laarni Bulan is a senior manager in Cornerstone Research's Boston office, where she specializes in finance. She has consulted on cases related to financial institutions and the credit crisis, municipal bond mutual funds, merger valuations, insider trading, asset-backed commercial paper conduits, real estate markets, credit default swaps, and foreign exchange. Dr. Bulan has published several academic articles in peer-reviewed journals. Her research covers topics in dividend policy, capital structure, executive compensation, corporate governance, and real options. Prior to joining Cornerstone Research, Dr. Bulan had a joint appointment at Brandeis University as an assistant professor of finance in its International Business School and in the economics department.

Ellen M. Ryan

M.B.A., American Graduate School of International Management; B.A., Saint Mary's College

Ellen Ryan is a manager in Cornerstone Research's Boston office, where she works in the securities practice. Ms. Ryan has consulted on economic and financial issues in a variety of cases, including securities class actions, financial institution breach of contract matters, and antitrust litigation. She also has worked with testifying witnesses in corporate governance and breach of fiduciary duty matters. Prior to joining Cornerstone Research, Ms. Ryan worked for Salomon Brothers in New York and Tokyo. Currently she focuses on post–Reform Act settlement research as well as general practice area business and research.

Laura E. Simmons

Ph.D., University of North Carolina at Chapel Hill; M.B.A., University of Houston; B.B.A., University of Texas at Austin

Laura Simmons is a senior advisor in Cornerstone Research's Washington, DC, office. She is a certified public accountant (CPA) and has more than 20 years of experience in accounting practice and economic and financial consulting. She has focused on damages and liability issues in litigation, as well as on accounting issues arising in a variety of complex commercial litigation matters. She has served as a testifying expert in cases involving accounting analyses, securities case damages, research on securities lawsuits, and other issues involving empirical analyses.

Dr. Simmons's research on pre– and post–Reform Act securities litigation settlements has been published in a number of reports and is frequently cited in the public press and legal journals. She has spoken at various conferences and appeared as a guest on CNBC addressing the topic of securities case settlements. She has also published in academic journals, with recent research focusing on the intersection of accounting and litigation. Dr. Simmons was previously an accounting faculty member at the Mason School of Business at the College of William & Mary. From 1986 to 1991, she was an accountant with Price Waterhouse.

The authors acknowledge the research efforts and significant contributions of their colleagues at Cornerstone Research. Please direct any questions and requests for additional information to the settlement database administrator at settlement.database@cornerstone.com.

Many publications quote, cite, or reproduce data, charts, or tables from Cornerstone Research reports. The authors request that you reference Cornerstone Research in any reprint, quotation, or citation of the charts, tables, or data reported in this study.

The views expressed in this report are solely those of the authors, who are responsible for the content, and do not necessarily represent the views of Cornerstone Research.

Boston
617.927.3000

Chicago
312.345.7300

London
+44.20.3655.0900

Los Angeles
213.553.2500

Menlo Park
650.853.1660

New York
212.605.5000

San Francisco
415.229.8100

Washington
202.912.8900

www.cornerstone.com

© 2015 by Cornerstone Research.
All rights reserved. Cornerstone Research is a registered service mark of Cornerstone Research, Inc.
C and design is a registered trademark of Cornerstone Research, Inc.

Exhibit 13

E4G7LEHC

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
----------x

IN RE LEHMAN BROTHERS 09 MD 2017 (LAK)

----------x

April 16, 2014
10:15 a.m.

Before:

HON. LEWIS A. KAPLAN

District Judge

APPEARANCES

BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP
Attorneys for Plaintiffs
BY: MAX BERGER
DAVID STICKNEY

KESSLER TOPAZ MELTZER & CHECK LLP
Attorneys for Plaintiffs
BY: DAVID KESSLER

LATHAM & WATKINS LLP
Attorneys for Defendant Ernst & Young LLP
BY: MILES RUTHBERG
KEVIN MCDONOUOGH

ALSO PRESENT: JOSEPH WHITE, ESQ.
CHRIS ANDREWS, Objector

(Case called)

(In open court)

THE COURT: Good morning, folks. I've read the papers. I will be happy to hear you briefly, Mr. Berger, or whoever is going to speak. Mr. Stickney?

MR. BERGER: Thank you, your Honor. Good morning.

THE COURT: Good morning.

MR. BERGER: Good morning, your Honor. Max Berger from Bernstein Litowitz Berger & Grossmann, colead counsel for the class. With me this morning is my partner David Stickney and the colead counsel David Kessler from the Kessler Topaz Meltzer & Check firm.

First, I want to thank the court for adjusting the schedule for the hearing with the Passover holiday. It's much appreciated. We had someone from my firm by the courtroom yesterday at the time originally scheduled for the hearing just in case a class member showed up for the hearing, and only one did. Laura Campell, and I believe she is in the courtroom. Did I pronounce that correctly? She is in the courtroom today. She indicated that she had a problem with a claim that she filed, and we assured Ms. Campell that we would try to work with her to resolve any issue she has with respect to her claim. And of course if they can't be resolved, we would provide her with an appropriate amount of time, subject to your Honor, to apply to the court.

Other than Mr. Andrews, who is the objector who is in the courtroom today, no objectors or class members wishing to be heard are in the courtroom today.

After over five years of hard fought litigation, and almost two years to the day that I stood before your Honor presenting the underwriter and D&O settlements, I am delighted to present for final approval the proposed settlement of our claim against Ernst & Young, the sole remaining defendant in the equity/debt action. The settlement is $99 million. If approved, this settlement will bring the total settlements to $615,218,000, not including the structured note settlement of $120 million. The settlement funds have already been deposited.

We are very proud of the results achieved here, and we hope the court agrees that this settlement is an excellent result for the class. The court certified the settlement class and approved the notice program leading up to the settlement on December 3. Since then, over 930,000 notices have been mailed to class members. Summary notice has also been published in the Wall Street Journal and Investor's Business Daily, as well as on two websites established by lead counsel.

Moreover, the proposed settlement has received widespread publicity in the media.

Class members comprising the majority of this class are some of the largest and most sophisticated institutional

investors in the world. Many routinely object to settlements and fee requests. We are very pleased to report that not one institutional investor has objected to the settlement, the plan of allocation, or the fee request. In fact, three investors that filed individual actions have now chosen to opt back into the class.

It's also virtually unprecedented that only two individuals have filed objections. Of those two, only one, Mr. Andrews, whose losses total $600, have even provided any evidence that he is a class member. Mr. Gao has not. Both also objected to the prior settlements.

The objections have been addressed in our papers. We believe they are wholly without merit. Mr. Andrews, who submitted an 83-page objection, has largely recycled his objections to the D&O settlement. Suffice it to say, that despite his characterization of this case as a "slam dunk," "a piece of cake" and "a walk in the park," it was anything but.

THE COURT: I think I dismissed almost all of it, right?

MR. BERGER: I'm sorry.

THE COURT: I think I had dismissed almost all of it, right?

MR. BERGER: Yes, your Honor. We respectfully submit that the paucity of objections is because this is an outstanding settlement which was achieved only after the

conclusion of fact discovery and retention of experts, and also the plan of allocation and fee request fit well within the established guidelines for approval in this Circuit.

It bears noting that the reaction of the class has been described by the Second Circuit in the Walmart v. Visa case as the most significant Grinnell factor for the court to consider in considering approval. So, our papers -- your Honor has read the papers -- our papers in support of a settlement and plan of allocation are quite detailed, so if it please your Honor, I would just like to briefly summarize them.

This settlement with Ernst & Young is one of the largest securities class action settlements by an audit firm ever achieved without a financial restatement or parallel SEC or criminal proceeding. For that matter, the Department of Justice and SEC specifically declined to bring any charges against E&Y.

According to the New York Times account, they concluded that "Repo 105" -- which was at the heart of our claim -- "had nothing to do with Lehman's failure or was technically allowed under an obscure accounting rule."

In general, this case against E&Y was fraught with risk, particularly after Lehman filed for the largest bankruptcy in history three months after the case began and Lehman was no longer a viable defendant.

Following the court's decision on E&Y's motion to

dismiss, our case was reduced to our having to prove fraud in connection with one statement by E&Y arising from a single quarterly review for the second quarter of 2008 and not a year-end audit report. The claims centered around Lehman's use of Repo 105 to artificially deflate Lehman's reported net leverage ratio to create the appearance of a strong balance sheet.

It was extraordinarily difficult to establish fraud against D&Y. The examiner's report, while very helpful, did not contain evidence of fraud by E&Y. E&Y denied there was even a misstatement, let alone one that was material.

E&Y also contended that if there was a 10b violation, a hundred percent of the fault resided with others, like the officers and directors and Lehman itself under the Proportionate Fault Doctrine.

E&Y also argued the class' losses of billions of dollars were directly attributed to the financial tsunami in 2008 and not wrongdoing at Lehman. In other words, the losses had nothing whatsoever to do with Lehman's use of Repo 105. That was a very real and threatening argument, because our allegations against E&Y are based on Lehman's use of Repo 105. However, the disclosure of Repo 105 at Lehman was not revealed until 18 months after Lehman's bankruptcy. So, according to E&Y, that revelation could not have been responsible for the losses incurred by class members.

We had to depend on the doctrine of "materialization of the concealed risk" to satisfy loss causation, which was exceedingly difficult to prove in light of the overall financial meltdown which engulfed the country at that time.

Between this argument and proportional fault, damages were very problematic. Moreover, E&Y damages would have to be disaggregated from other causes.

Also, plaintiffs believed that any appeal of the dismissed claims was likely to fail.

Obviously, the law during the period of pendency of this case was evolving rapidly. For example, the Supreme Court took the Halliburton petition challenging "fraud-on-the-market" presumption -- which would have effectively ended our case if they abandoned that presumption -- they took that up one month after the settlement, and I'm sure we would not be here now with this settlement if the Supreme Court took the Halliburton case before our settlement was reached.

So, just to very briefly summarize, your Honor, regarding the stage of the proceedings in which this settlement was reached, the counsel conducted an extensive investigation, we first preserved our claims with a tolling agreement, then filed the first complaint against E&Y. We barely survived the motion to dismiss after the court limited plaintiffs' claims. We successfully moved for class cert. We reviewed 26 million pages of documents, took 50 depositions on three continents.

We moved for discovery in the UK under the Hague Convention. We consulted with and retained multiple experts, and coordinated discovery with all related state and federal litigation.

The settlement was reached only after the conclusion of fact discovery and immediately before expert reports were due to be exchanged.

The negotiations leading up to the settlement were very protracted, spanning over two years and quite difficult. E&Y would not settle unless all claims including the dismissed claims were covered. The discussions involved both formal mediations and direct talks between the general counsel of E&Y and their lawyers and plaintiffs' lead counsel. Lead counsel had the opportunity to settle for significantly less throughout the discovery period, thus minimizing our risk, but we refused, even though we knew that our lodestar would far exceed any settlement with E&Y.

Discussions were overseen by a very highly regarded mediator, Judge Phillips, and the settlement amount was endorsed by him.

The settlement class here is substantially the settlement class previously approved by the court in the D&O settlement.

In light of the above, lead counsel believe that we have obtained the best recovery reasonably possible for the

class while taking enormous risks that the recovery would amount to little or nothing at all.

If the court has questions, that ends my presentation on the proposed settlement, and for the reasons I articulated and those set forth in greater detail in our papers, we respectfully urge the court to approve the proposed settlement.

THE COURT: Are you going to address the attorneys fee issue?

MR. BERGER: Yes, your Honor.

THE COURT: Do that.

MR. BERGER: OK. Should I address the plan of allocation, or are you satisfied with that, your Honor?

THE COURT: I haven't heard any reason not to be so far. I have a specific question about -- well, why don't I hear you first on attorney fees, because you may answer my questions.

MR. BERGER: OK. So, we respectfully ask the court it to approve the attorney fees in the amount of $29.7 million and reimbursement of expenses in the amount of $4,279,706.87.

Again, our papers in support of the fee request are quite detailed. In light of this, I would just like to briefly summarize my arguments. I will also explain why we believe this extraordinary settlement -- which together with the prior settlements, as I said, total over $615 million -- was achieved by prosecuting this case efficiently and with a minimum of

duplication.

Significantly, and as stated, the class is comprised primarily of institutional investors, many of which lost their entire investments in Lehman when they filed for bankruptcy. They have every reason to be angry, yet not one institutional investor has chosen to object to plaintiffs' fee or expense request. And, as I said before, this is virtually unprecedented.

Further, only two individuals have generally objected to the fee request, and as I said, one of them is not even establishing membership in the class.

I respectfully submit the fee requested is well within -- in fact, well below -- the fee guidelines set by the courts in this District and Circuit.

Viewing the fee request on a lodestar multiplier basis -- which we know is favored by your Honor -- yields a negative multiplier err of .63 of plaintiff's counsel's time based on a lodestar of over $47 million.

I emphasize that none of this time was included in any prior fee request.

If the court awards the fee requested, and it is combined with the prior fee awards made by your Honor, plaintiffs counsel would be receiving a total fee approximately equal to their lodestar, in other words, no multiplier whatsoever despite almost six years of high risk contingent

litigation.

As recognized by the Second Circuit in Walmart v. Visa, multipliers of 3 to 4.5 are common in this Circuit.

Also, to quote your Honor, for those keeping score, the fee would represent an overall fee award when combined with the others of 14 percent of the aggregate recovery for the classes.

The Goldberger criteria have been discussed: The magnitude and complexity of the action; the risks to plaintiffs' counsel. In sum, as I say, loss causation and damages were hotly contested. As I have stated previously, both the SEC and Justice Department specifically declined to sue E&Y. Proportionate fault was a significant issue. Lehman filed for the largest bankruptcy in history. Prior to our filing our case against E&Y, the legal landscape was changing dramatically, and faith, for example, in the Second Circuit, and obviously I mentioned Halliburton before.

The Lehman examiner's report, while very helpful to us, only found that there may be evidence to support the Lehman estate's claim against E&Y for negligence, not fraud, as we were required to prove, and proof of fraud was very problematic. And of course E&Y challenged the accuracy of that report throughout.

Despite these risks, lead counsel achieved a record result for the class while seeking to recover only 60 percent

of the time they spent in prosecuting this complex action.

THE COURT: Just to anticipate what I expect to hear from Mr. Andrews, why didn't you sue them for negligence?

MR. BERGER: Well, we couldn't, your Honor.

THE COURT: Because?

MR. BERGER: I'm sorry?

THE COURT: Because?

MR. BERGER: The only claim we had against E&Y, your Honor, was for securities fraud on behalf of the investors.

THE COURT: My question is: Why didn't you sue them for negligence also?

MR. BERGER: It's not a claim that we could legally assert against --

THE COURT: Because?

MR. BERGER: Because we couldn't really sort of get a -- we couldn't represent investors suing for negligence, and it's not a cognizable claim.

THE COURT: Because of *ultra mares*?

MR. BERGER: Yes.

Your Honor, also SLUSA would have prevented that claim for us. On behalf of investors suing a class, we're basically limited to suing for fraud.

THE COURT: Thank you.

MR. BERGER: OK. So, your Honor, I mentioned the things that we had done in terms of the work that was done in

the case. The work that we did is set forth in paragraphs 18 through 60 of the joint declaration, but this was a very, very difficult claim for us to prove.

As I said, throughout the three and a half years that we were prosecuting this claim we certainly could have folded our tent and settled for significantly less. We believed in the claim. We worked very hard to prosecute it, and that required us to examine, as I say, 26 million documents, and take over 50 depositions on three continents.

We also spent approximately 117,000 hours doing over a three and a half year prosecution of the litigation. None of this time was included in any prior application by any plaintiffs' counsel seeking a fee here.

We are well aware of the court's predisposition to avoiding duplicative hours, as well as prosecuting the case efficiently, and of course that's our goal in every case.

From the outset in pretrial order number one, your Honor established an executive committee of plaintiff's counsel and was charged with certain responsibilities. I serve as chair. And in that capacity we allocated work to plaintiffs' counsel.

In connection with the fee applications here, there were a number of firms that were assigned work. We referred all counsel to the pretrial order number one, which provided that no time would be compensable unless it was performed at

the direction of the executive committee. And we believe that the time was accurately reported.

No time was included in connection with --

THE COURT: I have a specific question about at least one of these firms.

MR. BERGER: OK.

THE COURT: Where is Saxena White located?

MR. BERGER: Saxena White is located in Florida. Actually, Mr. White is in court this morning.

THE COURT: And the reason that the fee application on behalf of that firm is for a 23 month period only is what, as distinguished from the inception of the case?

MR. BERGER: Your Honor, the class representative came in at that point.

MR. WHITE: Yes, your Honor. We provided one of the lead plaintiffs, your Honor, but our direct representation in this action was related to Oklahoma Fire's participation as the sole class representative.

MR. BERGER: And when your Honor decided your motion to dismiss and narrowed the class, Mr. White's client came in to represent that limited class that remained in the litigation.

THE COURT: And I note that Mr. White's declaration says the hourly rates in computing the lodestar for that firm were the same as those accepted in other securities or

shareholder litigation. He doesn't say they are the rates his firm usually charges. I take it they're not, is that accurate?

MR. BERGER: Sorry?

THE COURT: I take it they're not their regular rates, right?

MR. WHITE: Your Honor, I am happy to respond. They are our regular rates, and those are rates that we have submitted in these District on numerous occasions.

THE COURT: So, if I wanted to come to your firm -- what town in Florida are you from?

MR. WHITE: Boca Raton.

THE COURT: Boca Raton. And if I wanted to come to your firm and hire you to contest a will, that's what you'd charge me, those rates?

MR. WHITE: My firm doesn't contest wills, your Honor. Our practice is limited solely to securities litigation both on the derivative side and the class side.

THE COURT: Why is it you submitted an affidavit saying this is what other people charge, not this is what we regularly charge?

MR. WHITE: I'm not sure of the distinction, your Honor. I think what we were trying to --

THE COURT: I know the distinction. I have an idea what my old firm charges, and I also know what the guys who have the law office down the street from my country house

charges; they're different.

MR. WHITE: Yes. The rates that we have submitted in this district previously in front of Judge Castel and other judges are consistent with the rates and actually much less than the rates of defense counsel that we have opposing us.

THE COURT: Mr. White, that's not what I'm asking you, and if I don't get a straight answer you are going to take the witness stand here.

The question is: Are the rates that were used in computing your lodestar the rates that you customarily charge paying clients in noncontingency work?

MR. WHITE: Yes, your Honor.

THE COURT: OK.

MR. BERGER: Your Honor, may I add to that, if you don't mind, just very briefly? I think most, if not all, of the firms reference rates customarily charged in the affidavits, the reason being that the vast majority of the practices that the law firms engage in who do this work on primarily a contingency basis. So, at least for most of the firms -- I know we do con charge work, for example, your Honor, and our rates are what we say they are, however, the percentage of hourly work that we do is so limited that it's not really a fair reflection.

THE COURT: Well, I understand that, and this is one of my problems with these fee applications generally, and that

is that the lodestar is truly an imaginary figure in an important sense, not entirely.

MR. BERGER: I mean I appreciate that, your Honor. I think it really is -- and we tried to sort of be accurate in our affidavits. What we measure it against -- in all honesty, what we measure it against is every year our firm takes a look, for example, at what is an appropriate hourly rate. Those are our hourly rates. That is where if someone comes to us and says to us we want to retain you on an hourly basis, what do you charge. And it's based upon we look at a whole landscape of what firms in our geographical area are charging, what defense firms that are defending our cases are charging, and so on and so forth, and invariably we find that our fees are somewhat lower than the defense fees of the lawyers defending our cases.

THE COURT: No, I'm familiar with that. And of course I've had a lot of experience with your firm and some of the other firms here, but that was only the first thing that struck me about Saxena White.

The second thing that struck me about it is that with the exception of a few people at your firm and Kessler Topaz -- who as far as I saw did most of the work in all of this -- there are only four lawyers in the hordes of them for which this overall application was made who billed 1,000 hours or more, and they are all from Saxena White, and they managed to

do it not in six years of litigation but in 23 months, and one of them averaged 224 hours per month for the whole 23 month period, in other words, claims to have been working 60 hours a week roughly year round for 23 months. Another one averaged 191 hours a month, another one 140 hours a month, and I must say it sticks out at me quite dramatically. What the devil were they doing, assuming they were doing this?

MR. BERGER: I think, your Honor, Mr. White can also respond, but there was an enormous amount of document -- Mr. White came in at a very concentrated period of time. After your Honor decided the motion to dismiss was really when we had to add Mr. White's client as a lead in the case because they were the best representative for that period of time.

In addition, Mr. White had to staff the case with lawyers from his firm. We began a very intensive document review during that period of time, and also preparing for depositions and so on and so forth. So I think that's --

THE COURT: How many depositions did Mr. White's firm take?

MR. WHITE: Your Honor, lead counsel did not ask us to take any of the depositions. We defended the deposition of the class representative and of class representative's money manager.

THE COURT: Two depositions you defended, is that right?

MR. WHITE: Yes, your Honor.

THE COURT: OK. And how did you eat up the rest of the 15,000 hours?

MR. WHITE: Your Honor, the majority of the people that you are asking questions about were document reviewers that received their assignments directly from lead counsel. The hours that they billed were reviewing documents of the 26 million pages that were reviewed. And I can tell you personally, because he worked in my office, that the attorney that you highlight was in the office 60 hours a week for that period of time.

THE COURT: For 23 months?

MR. WHITE: Your Honor, he reported --

THE COURT: Right down to January 15th of this year, long after this settlement was agreed to?

MR. WHITE: Your Honor, there were still assignments that were being assigned to us by lead counsel that he was working on, yes.

THE COURT: Mr. Berger, has your firm gone through their time records?

MR. BERGER: We have not, your Honor. What we did was we cautioned everyone -- as we had done previously -- about pretrial order number one. We received their time. We basically received affidavits from each of them with respect to their time. We made sure that they were not including any time

in their application which related to non E&Y-related work in connection with this settlement. But there were not audits. We did not review either Mr. White's or any of the other plaintiff's time records. We simply relied upon their responsibility as officers of the court to report their time accurately, subject to pretrial order number one, your Honor.

THE COURT: And the ratio here of associate hours -- which I take to be the document reviewers, right, Mr. White?

MR. WHITE: Yes, your Honor, that's correct.

THE COURT: OK -- to partner hours was approximately 15,000 associate hours to 300 partner hours.

MR. WHITE: Your Honor, I have not computed the math, but it would seem that's correct.

THE COURT: Right. So basically an hour of partner supervision for every 50 hours of associate work.

MR. WHITE: Understand, your Honor, that those associates at my firm were being directed as well by lead counsel as well as Saxena White.

So, in an effort to be efficient in the way we employed our efforts in the case, handing the assignments given to us by lead counsel, we at the partner level of the firm were involved in the deposition of defendants and the drafting of some of the papers, but the document supervision was largely done by lead counsel.

THE COURT: Were all of these associates who were

doing the document review full-time employees of your firm?

MR. WHITE: Yes, your Honor.

THE COURT: And are they still, or were they contracted in?

MR. WHITE: No, there are a couple of people who are no longer with the firm, your Honor, but the majority of them all are.

THE COURT: The majority of them all are.

MR. WHITE: Yes, sir.

THE COURT: That's an interesting formulation. Any contract lawyers who were hired for the task?

MR. WHITE: The only name that sticks out, your Honor, is Ms. Martinez, who I believe was a document reviewer we had who was a contract employee who was in New York actually.

THE COURT: And you think that $360 to $445 an hour for people to look at documents is an appropriate rate in Florida?

MR. WHITE: Well, your Honor, yes, it is, it's consistent with the rates that some of the large defense firms --

THE COURT: You think I couldn't find you as many lawyers as you could possibly hire for half that in your market?

MR. WHITE: It's possible, your Honor. Part of what we are looking for is the quality of representation. Many of

these people have joint degrees with MBAs and JDs and experience in the securities area, you know, that is part of the reason. But I am certain if your Honor were to look, you might be able to find people cheaper, yes, your Honor, but we were looking for quality as well.

MR. BERGER: Just to fully respond to your Honor's question, my partner Mr. Stickney was supervising the work of the lawyers in the case, and if he could just -- and I think Mr. White and other law firms, but particularly Mr. White's firm, was responsible for more than document review.

MR. STICKNEY: Yes. Sort of listening to the presentation and the questions about the work that Saxena White performed, in addition to the document review they were involved very much in -- we had allocated responsibilities for certain categories of discovery, and there was propounding discovery to rating agencies.

THE COURT: I can't understand you, sir.

MR. STICKNEY: I'm sorry. In addition to document review -- because we have been focusing on document review -- the Saxena White firm also was very focused on a part of our case involving the rating agencies and how rating agencies viewed net leverage issues, and so there was drafting and propounding of discovery following up with the rating agencies, all of which I coordinated with lawyers at Mr. White's firm. So, we are focusing on document review aspects of it, but there

was more to his --

THE COURT: What motions, briefs and legal memoranda did they write?

MR. STICKNEY: Well, it's internal memoranda on evidence particularly related to rating agencies. Motions and briefs, there would have been the efforts surrounding class certification, particularly the Oklahoma --

THE COURT: When did I certify the class?

MR. STICKNEY: I think it was in January 23.

THE COURT: Of what year?

MR. STICKNEY: 2013.

So, all the efforts predating that, there was a briefing period over a number of months where Mr. White's firm was involved in the drafting of our motion, particularly as it relates to the challenges to his kind as an adequate representative and the trading strategies that his kind's money managers used.

And separate and apart from that, internally we had organized the entire team across a number of law firms to have different parts of the prosecution specialize in different issues in the case, and the Saxena White firm, one of their main areas would have been concerning the efforts surrounding the rating agencies, and it involved more than just document review; it involved serving discovery. Ultimately we obtained affidavits from people. We served deposition requests. So,

the involvement of the firm I think is just better described as more than just document review.

THE COURT: I want to see the contemporaneous time records and work product from that firm.

MR. WHITE: Yes, your Honor.

THE COURT: OK. Anything else?

MR. BERGER: Well, just very briefly, your Honor, two more Goldberger factors just bear mentioning. I think your Honor has had an opportunity to witness firsthand the quality of the representation here, both lead counsel and defense counsel, and you have surely formed your own judgment. Suffice it to say that the case was defended by one of the best and most aggressive defense firms in the country.

Finally, your Honor, public policy: I believe that this Goldberger factor is very significant here because we have seen far too few prosecutions by our regulatory agencies and prosecutors arising out of the financial crisis that enveloped our country and the world these past seven years. This had engendered a greater reliance on the institutional investor community and the private securities bar. They helped the investor victims of this disaster recover their losses.

We respectfully submit that the result achieved here is a great example of the institutional investor community and the plaintiffs' securities bar stepping in to provide redress for Lehman's defrauded investors when the SEC and the Justice

Department affirmatively chose not to prosecute E&Y.

This is the only recovery from E&Y arising out of Lehman's collapse.

Respectfully, plaintiffs' counsel deserve to be paid 60 percent of their well spent time in achieving this result.

Our fee objections have been address in our papers, and I won't reiterate them here.

The expenses, your Honor, are also addressed in our papers. They consist primarily of payments for experts, database, photocopying and travel. As I say, we had to take 50 depositions on three continents. We very carefully monitored our expenses and out-of-pocket expenses in these litigations.

If the court has any further questions, I'm happy to address them.

THE COURT: Well, I guess just one that I can't resist: How did it just happen that the overall multiplier if you aggregate all three of the settlements magically comes out to one if I approve this fee application? It wasn't magic, was it?

MR. BERGER: Well, no, it was clearly -- well, it wasn't -- let's put it this way --

THE COURT: That's where you wanted to come out, and you backed this fee into it, right?

MR. BERGER: No, your Honor. That would make everything we said in our joint affidavit a felony.

THE COURT: Well, I wouldn't go that far.

MR. BERGER: No.

THE COURT: I mean I'd like to know the one thing that really worries me here.

MR. BERGER: Your Honor, you know, I respect the fact that your Honor knows me and knows my firm, and we have one abiding core value at the firm, and that is we prosecute every case the same way whether we're going to make money or lose money or whatever we do. We believe very strongly in what we do and we try to put our best effort forward.

THE COURT: I know you do.

MR. BERGER: So in all honesty it was kind of -- it was stunning to me when I saw this, and I basically said, OK, if you add it all together this is what it comes out to.

THE COURT: OK, I accept that.

MR. BERGER: Thank you, your Honor.

THE COURT: Thank you. OK. Mr. Andrews I guess wants to have a word.

MR. BERGER: Thank you very much, your Honor.

THE COURT: Thank you.

MR. ANDREWS: Good morning, Judge Kaplan.

THE COURT: Good morning.

MR. ANDREWS: My name is Chris Andrews, pro se objector. The presentation will take less than five minutes. Do I have that amount of time to speak?

THE COURT: Pardon me?

MR. ANDREWS: Can you grant me five minutes?

THE COURT: Sure.

MR. ANDREWS: The objector made the objection and this presentation on behalf of 930,000 victims, individuals and entities who lost money due in part to defendant's inactions and actions in this case. It would take 18 Yankee Stadiums filled to capacity to see every claim holder if they could be here today.

THE COURT: Well, and if they wanted to object, which they haven't.

MR. ANDREWS: I have some concerns.

THE COURT: Yes, I understand you do, and I appreciate that, and that's your right, and I am hear to listen to you, but to tell me that you would fill 18 Yankee Stadiums with people if they had the time to come is not exactly advancing the ball down the field, to stay with the sports metaphor.

MR. ANDREWS: I have a couple of questions. I don't understand why lead counsel intentionally sent the supplemental filing memorandum in further support of motion for final approval to an address where this objector moved from over two years ago, resulting in the objector receiving the documents a few days ago on Sunday, April 13, 2014 at 1:45 p.m. This caused the objector to be unable to file a surreply by design. Nowhere in the objections is that old address mentioned, only

the PO box.

I have four questions. Number one: Is there a contingency --

THE COURT: Well, the number is seasonal, I will give you that.

MR. ANDREWS: I have four questions:

Is there a contingency fee arrangement with any counsel in this case -- written, verbal, or just understood -- containing a percentage that could, if applied, result in a lower fee award? I'd like to see it if it's available.

Number two: What was the class representative's understanding of the hourly rate that was to be billed to the class; and is that in writing, or just given verbally?

Three: How is the $99 million figure arrived at?

Four: Were the copies of the other objections filed in this case for the objector and the class to review, and for me to decide whether or not to incorporate them into my objection?

A quick statement which relates back to something Mr. Berger mentioned. He mentioned that there were several claims that were dismissed, and he felt that any appeal of any dismissed claims would fail. This court ruled in the past -- most likely based on staff research -- that the use of Repo 105 complied with --

THE COURT: Mr. Andrews, it would be a grave error to

think that I relied on staff in the way you implied.

MR. ANDREWS: OK. The court ruled in the past most likely that the use of Repo 105 complied with SFAS 140, which basically caused a domino effect and thus dismissal of certain claims in 2011 and 2012. The objector believes that it might be a mistake of law or error.

I also have a proposal to make. This objector has a proposal to make to the court, plaintiffs' counsel and defense counsel, which will also be passed on to directly to defendant E&Y after the hearing. While this proposal is being evaluated by all applicable parties, the court and objector should be able to review the missing expert reports. None of the counsel here today have heard this proposal before, at least from this objector. Here it goes:

Plaintiff and defense counsel should get together and arrange to submit a joint proposal to the New York State Attorney General's office to solve an additional pending issue. The idea is for a proposed regional settlement which would cause the class fund to be revised and increased a minimum of 51 percent from $99 million to $150 million or more, and in return the New York Attorney General agrees to drop its claim for an additional $150 million it seeks as a penalty for the recovery of the fees Lehman paid to defendant that should really go into the class victim settlement fund rather than New York State's treasury.

Plaintiffs' counsel and the class win by substantially increasing the sum of the fund to whatever the final number is. Defense counsel wins by saving their client up to an additional $100 million payment to the State of New York. Under the Martin Act there will be no interim audit and failure to conform issues. The court wins by clearing its docket. The New York AG agrees and clears its docket. It looks good for Lehman stakeholder victims and in the eyes of New York voters. I think it's an idea worth exploring in the next couple of weeks.

I have two things to bring up as far as lead counsel's presentation relating to the fee issue.

Mr. Berger's firm and Mr. Kessler's firm are in the top four of the whole country as far as securities litigation. The other firms that are involved in this litigation -- one of which you mentioned earlier today -- have less experience but yet they're still billing out at rates like they reside in New York. When you go through those reports that I went through in the D&O hearing, you come away with the fact that it seems everyone is billing what is customarily approved in a court rather than what is reasonable in the area that they do business in, which you also articulated earlier.

I think the fees that all the other law firms are charging are too high, I think they should be reduced, and I think as you read in my objection the number of hours that were

billed should be substantially reduced.

They're asking for $30 million and $5 million in expenses. I think if they were to receive 12 percent of the $99 million, that would be extremely fair based on all the work that was done for them.

I did not see a lot of rebuttal in their reply to my objection relating to the fee issue, because there is no objection. I think if you are going to go through some of the billing audit for the firm that you mentioned, you should maybe look at some of the other law firms as well. It might not just start with them and end with them.

That is all I have to say, unless you have any questions.

THE COURT: No, thank you.

Does anyone else wish to be heard? OK.

I have reviewed the voluminous papers. With respect to the settlement itself, I have considered the Grinnell factors and the other governing authorities. I have done so also with respect to the plan of allocation. The settlement is fair, reasonable and adequate by any standard.

There were in fact major problems with damages in this case, even assuming liability. The only claim that survived the motions to dismiss was very narrow, it involved a quarterly review and was therefore very much tougher on that account.

Plaintiffs' counsel is entitled to either prescience

or great good luck for settling this case just before cert was granted. In Halliburton, the odds, from my own personal judgment -- though I have no inside information, of course -- is that if I were to reject this settlement, we would go back to square zero, but the class what the class would get here would be zero. I think the Supreme Court is likely to rule adversely to the plaintiffs' bar and to the plaintiffs' securities world in Halliburton, and if they do that -- and that seems to be the early morning line anyway -- this case would be dead in the water. So, $99 million is a whole lot better than that; I really have no doubt about that. I see no reason to write on it; I will simply sign the order approving the settlement.

The fee application is another matter. I have said on other occasions in other places that I am very dissatisfied personally with the lack of any wholly satisfactory way of fixing fees in cases like this. There are all kinds of incentives that are at work. Without meaning to imply bath faith on anybody's part, I am talking about economic incentives, and other circumstances that make percentage recovery very difficult as a measure, that make the lodestar measure very difficult as a measure; and until someone brighter than I comes to a happy medium, we just have to do the best we can.

I haven't come out in my mind yet on exactly what I

will do with the fee application. It is I think noteworthy that the fee requested is such a big discount from the lodestar, but the significance of that fact is undermined by how questionable the lodestar is as a measure of value in these cases to begin with.

I am most deeply troubled with the application on behalf of Saxena White, which is based on a lodestar of nearly $6 million for 23 months' work, and until I picked up the fee applications I had never heard of the fact that they were in the case at all.

The work in this case was done by the Bernstein firm and the Kessler firm, and I know it and everybody else does, in the main. I don't mean to denigrate some of the other firms that did significant amounts, but this case was handled by them.

So, I will let you know where I come out, but I am quite troubled about the Saxena firm, and anything they can provide me to substantiate the fairness, the reasonableness of anything approaching the fee that they are seeking, would be in their interest to provide. So, I will reserve decision on that one.

So far as Mr. Andrews' objection is concerned, Mr. Andrews, I know where you are coming from. The collapse of Lehman Brothers was a horror. All sorts of bad things appear to have happened that brought that about. There is now a vast

literature on the subject, there are at least two movies, I think. I know I've seen at least one and maybe two. I will never know how accurate any of it is, of course. But there it is. You've got every right to be angry. I'm angry. Being angry doesn't necessarily make a good law case.

What seems to have been the centerpiece of your written objections, the so-called missing expert reports, seems in my mind to be based on a misapprehension of the way the world works in relation to the settlement of cases and in relation to expert reports in litigation.

I didn't ask your professional background, and I'm not sure I know what it is. I don't know if you are a lawyer. But quite typically -- and of course I don't know exactly what happened here -- but quite typically plaintiffs hire experts who make the most aggressive case for the plaintiff's point of view, defendants hire experts who make the most aggressive case for the defendant's point of view.

I am confident, based on 45 years of litigation experience both as a lawyer and as a judge that the release of any defense expert reports that may have existed would not have made plaintiff class members very happy. They would have tended to show, if believed, that this case wasn't worth anywhere near what you may think it's worth and perhaps not even anything near what ultimately is being paid, though I don't know that. And I can be sure that the plaintiffs'

experts were telling them that they could justify figures well above $99 million. And, moreover, I don't know for a fact that any of these reports were ever reduced to writing. I'm sure in the colloquial sense experts were consulted and views exchanged. Certainly a lot of money was spent on experts.

But I think can take to the bank what I have just said about what likely happened, and the release of partisan expert views on one side or the other would not have added greatly to your store of knowledge or mine, to tell you the truth. It's just the way the world works.

There are occasions when courts have appointed their own experts in circumstances not so dissimilar to this. I have done it myself in the settlement of an antitrust case. It was in that particular case for very specialized reasons extremely helpful. It is my judgment that it would not have been helpful here, and it would have just added to the expense, and it would have added significantly, and it would have reduced the money eventually paid out to the class. That's what it would have done, in my judgment.

So, once again, I appreciate your taking the time and the effort that went into this on your part. It was something you thought in your own interest, and you had every right to do it, and I accept that in your mind it was in the interest of others, and that's all fine and laudatory. But in the end the objections are all overruled; I think they are not meritorious

despite having been made in good faith.

As for your interesting proposition about the New York Attorney General and all of that, I think you have come to the party too late. All of this could have been proposed by you earlier. You could probably propose it now, and if everybody thinks it's a great idea, I'm sure they will come running back and ask me to change my order, but I'm not expecting anyone to beat a path to my door, and the line around the courthouse every morning would be for other reasons.

Anything further, folks?

MR. BERGER: Thank you, your Honor. Your Honor, I have proposed orders in the E&Y judgment with regard to the settlement, and the plan of allocation separate orders because they are separate.

THE COURT: I think I have those. My law clerk just handed me a letter dated the day before yesterday which had a motion for approval of payment of eligible claims in process, etc. I guess that's what it had. Is there an order on that that you want to provide me with?

MR. STICKNEY: No, your Honor. I believe there is a transmittal letter that comes with that. I believe, because certain claims are being denied, there is an opportunity for people to contest that, so I think we need to give it another week or so.

THE COURT: OK. So that's just going to be pending

for a short time.

MR. STICKNEY: Yes.

THE COURT: OK. And on the fee order, it would be helpful to me if you would submit it in a different form.

I don't wish to sign an order that says I approve X million dollars in fees and Y million dollars in expenses.

I would like to sign an order that says I approve the fees and expenses set forth firm by firm on the attached schedule. You can give me that form of order, and you can stick the expense numbers in. You can type them in because I see no problem with those. And you can leave the fee numbers blank, and I will fill them in. OK?

MR. BERGER: Yes, we will get that down to you.

THE COURT: Thank you.

Mr. White?

MR. WHITE: Your Honor asked us to provide you with material. I would just ask that we be provided with a little bit of time with the Easter holidays. I am actually out of the country starting tomorrow at ten a.m. until Tuesday, so if we could have until the end of next week, that would be perfect.

THE COURT: That's fine. I trust there are actual contemporaneous records, right?

MR. WHITE: There is, your Honor. Well, they're done digitally.

THE COURT: But the entries were made

contemporaneously, that's the point.

MR. WHITE: Yes, your Honor.

THE COURT: I would like an affidavit to that fact.

MR. WHITE: Yes, your Honor.

THE COURT: And, Mr. Berger, just one more thing. I think when you were, at least in my eye, sitting listening to me talking about securities litigation at the Bar Association a couple years ago with what I took to be a horrified look on your face, I think I said on that occasion that one of the strong arguments for the private securities system continuing if not entirely in the form it's in today is the fact that it is a means of securities law enforcement independent of the political fortunes in Washington and the SEC's budget, and you're right to point out that this case proves that.

MR. BERGER: Thank you so much, your Honor. And although I may have had that look in my eye, I did take heart because you were looking maybe a little bit at my direction when you said that there are exceptions.

THE COURT: Don't worry about it.

MR. BERGER: Thank you very much for that, your Honor.

Exhibit 14

A 150-YEAR ANTHOLOGY OF DESIGN
THAT TELLS A DISTINCTIVE STORY.
DISCOVER MORE

THE WALL STREET JOURNAL.
WSJ.com

September 21, 2010, 10:35 AM ET

Why Have Federal Civil Jury Trials Basically Disappeared?

ByAshby Jones

Followers of the federal judiciary know the institution's main storylines these days: that federal judges wish they made more money, that the bench has a significant amount of vacancies, and that federal judges are presiding over far fewer civil trials than at any time in recent memory.

On that last point, consider the statistics, chronicled in this story today in the National Law Journal: In 1962, 11.5% of federal civil cases went to trial, compared with 6.1% in 1982, 1.8% in 2002 and 1.2% in 2009.

So what's happening?

Two federal judges at a Federal Bar Association panel recently gave their takes on the phenomenon.

Judge William Young of the District of Massachusetts, according to the NLJ story, feels the fault lies partly with federal judges themselves.

Judge Brock Hornby of the District of Maine, on the other hand, said, according to the NLJ story, that "outside forces, not judges," are causing the decline. "Whether we care or not, I don't think there's much we judges or anyone else can do about it," said Hornby. "Let's face it, times change."

Hornby, according to the story, listed nine reasons why he believes the number of civil trials has declined:

Lawyers have learned to measure which cases will be profitable.
Clients are far more sophisticated about how they use lawyers.
Companies are more skilled in risk management than they used to be.
Many causes of action and the bases for liability have matured, so litigants can more easily settle sexual harassment or asbestos cases, for example.
Congress hasn't recently passed new laws creating liability for actions, such as the Americans With Disabilities Act of 1990.
More lawyers and law firms use alternative dispute resolution and more contracts contain clauses requiring it.
Electronic discovery has significantly jacked the cost of litigation.
News and entertainment portray juries as irrational, unpredictable and out of control.
Disputes are increasingly international and more amenable to international arbitration.

Ultimately, Hornby said, judges need to respond to the societal and legal forces shaping how society uses its courts.

Disputes have to come to us," Hornby said. "We are there to respond. . . As federal judges, we don't have a roving mandate to go out and bring cases in and compel people to go to trial."

Copyright 2015 Dow Jones & Company, Inc. All Rights Reserved
This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our Subscriber Agreement and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit www.djreprints.com

Exhibit 15

by Hon. Morton Denlow (Ret.)

Magistrate Judges' Important Role in Settling Cases

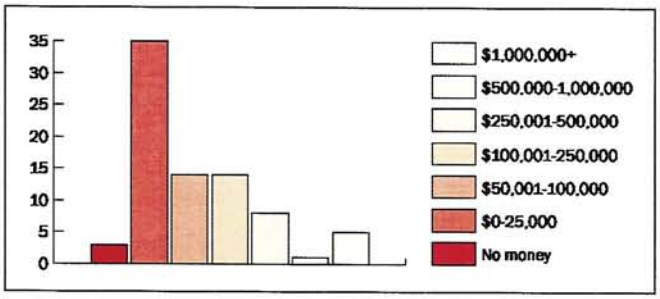
I spent 16 and a half years as a federal Magistrate Judge in Chicago before leaving the bench in October 2012. During that time, one of the principal duties of the Magistrate Judges in our court was to conduct settlement conferences. Each judge would conduct more than 100 settlement conferences a year and would settle the large majority of those cases. Our role in settling cases was highly valued by the District Judges, by the attorneys who regularly appeared before us, and by the clients whose cases were resolved.

District courts have great flexibility in how to use their Magistrate Judges. In some courts, Magistrate Judges concentrate primarily on handling criminal matters such as initial appearances, detention hearings, preliminary examinations, and pretrial motions. Many courts use their Magistrate Judges to supervise civil case management up to the point of trial in addition to their criminal duties. These duties can include discovery supervision, conducting settlement conferences, and preparing reports and recommendations on dispositive motions. In other courts, the Magistrate Judges are put on the civil case wheel and are directly assigned a share of the new cases filed; in those courts, parties consent to the Magistrate Judges in a large number of the cases, and the Magistrate Judges thus adjudicate the entire case without any further involvement by the District Judge.

In a number of courts, the settlement function is left to the parties or to private alternative dispute resolution providers. In this article, I explain why using Magistrate Judges to conduct judicial settlement conferences represents an appropriate and effective use that should be encouraged. There are a number of reasons why federal courts should employ their Magistrate Judges to conduct settlement conferences.

Most Federal Cases Are Resolved for Relatively Small Dollar Amounts

"Don't make a federal case out of it." We have all heard this statement from time to time when someone tries to blow something out of proportion. For many people, federal cases conjure up big-money disputes: antitrust, securities, RICO, class actions, intellectual property, and other big-dollar complex litigation. And, indeed, the federal courts handle many of these types of cases. However, federal courts also handle many cases that, while very important to the parties in these cases, involve far more modest amounts of money. In my experience, the large majority of federal cases that settle are resolved for relatively small dollar amounts. The following is a breakdown by settlement amount for the cases I settled from 2009 to 2011, during my last three full years on the federal bench:



Almost 60 percent of the cases were settled for less than $50,000, and more than 70 percent were settled for less than $100,000. I believe these statistics are representative of settlements reached by my Magistrate Judge colleagues in Chicago and perhaps around the country. Given these relatively small dollar amounts, being expected to pay private mediators to help settle these cases would create a financial hardship on these parties and their counsel. While the parties who engage in large-dollar federal cases typically can afford private mediation, that is not always true for the parties who litigate the small-dollar cases.

Magistrate Judges are quite capable of—and successful at—settling both large- and small-dollar cases. However, if courts do not provide a settlement function through their Magistrate Judges, or through some other forum, the likely result will be that more small-dollar cases will require adjudication, whereas, the large-dollar cases may still be privately mediated. Therefore, judges will spend an increasing amount of their time deciding summary judgment motions and conducting trials for cases that could take a half day or less to settle.

Few Federal Civil Cases Go to Trial

It has been well documented that few federal civil cases go to trial. In 2012, less than 2 percent of federal civil cases went to trial. This small percentage of trials reflects the general trend toward

Judge Morton Denlow (Ret.) is a mediator/arbitrator in the JAMS Chicago Office. He served as a Magistrate Judge in the U.S. district court in Chicago for 16 and a half years. Judge Denlow can be reached at mdenlow@jamsadr.com.

settlement and motions for summary judgment as the primary way most civil cases are concluded.

Trial is an expensive process. Given the relatively small dollar value of many federal cases, trial does not represent an economically sound proposition. In large urban centers such as Chicago, it is unlikely that most lawyers could prepare and try the typical single plaintiff employment or civil rights case for less than $50,000, unless they are representing a plaintiff on a contingent fee basis or they have agreed to a flat-fee volume discount for defending such cases. The legal fees incurred to defend these cases can often exceed the settlements paid or the judgments awarded if the plaintiff is successful.

Summary judgment motions are also expensive to prepare and time consuming for judges to decide. In our court, the summary judgment process requires parties to jump through a number of procedural hoops to identify whether a material issue of fact exists. If the motion is not successful, the cost pursuing it often will have been wasted. And, even if the motion is successful, the cost of pursuing it (and perhaps having to defend it on appeal) may well exceed the cost at which the case could have been settled. Summary judgment is no panacea for efficiently and economically disposing of cases.

A Settlement Conference Represents a Better Utilization of a Magistrate Judge's Time

In considering the use of Magistrate Judges, courts may face the choice of having their Magistrate Judges conduct settlement conferences or prepare reports and recommendations on motions to dismiss and motions for summary judgment. There is no question that conducting a settlement conference represents a smarter and more efficient use of judicial time.

Settlement conferences can take much less time than deciding a motion to dismiss or a motion for summary judgment. Many employment, civil rights, or personal injury cases can be settled by a Magistrate Judge in a three-to-five-hour settlement conference. On the other hand, the preparation of a report and recommendation on a summary judgment or dismissal motion in an employment case can take days to prepare.

Whereas a successful settlement conference can lead to an agreement to dispose of the case, a report and recommendation by a Magistrate Judge can be objected to by the losing party and require further decision by the District Judge. If the District Judge sustains a dismissal or summary judgment for the defendant, the case can still be appealed to the court of appeals.

In the Northern District of Illinois, the District Judges recognized

the inherent waste of lawyer and judicial time and client money in the report and recommendation process, and they no longer refer motions to dismiss or for summary judgment to Magistrate Judges for reports and recommendation. Instead, they increased the number of cases referred to Magistrate Judges for settlement conferences. The result has been more settlements and fewer summary judgment motions, trials, and appeals from these cases.

Magistrate Judges Are in a Unique Position to Settle Cases

In those courts where Magistrate Judges are responsible for pretrial case management, the settlement role is a perfect fit. While performing their case management function, Magistrate Judges become familiar with and knowledgeable about the case and the attorneys. While supervising discovery, they can learn when the parties have enough information to intelligently discuss settlement. They can also require the parties to exchange settlement proposals in order to determine if the case is ready for a settlement conference. This familiarity with the case places them in a unique position to conduct a settlement conference.

In addition, Magistrate Judges who handle cases on referral are well placed to conduct a settlement conference because they will not be deciding a summary judgment motion or presiding at trial. We sometimes hear that parties are reluctant to participate in a settlement conference with the judge who will consider the merits of the case for fear that if the case does not settle, something that the party says or does at the conference may negatively affect the judge's opinion about that party or about that party's litigation position. A settlement conference with a Magistrate Judge who will not be deciding the case eliminates that concern. As is often said about a trip to Las Vegas, "What happens at the conference stays at the conference." So, if the case does not settle, the parties can be secure in the knowledge that nothing will be said to the District Judge about what anyone said at the conference that "poisons the well" in further proceedings with the District Judge. That allows the parties to be more open with the Magistrate Judge during the mediation and increases the chances that the Magistrate Judge can help the parties reach a reasonable settlement.

Because there are fewer trials and more settlements, courts that develop a settlement database are also uniquely positioned to assist the parties in reaching a reasonable settlement. In our court, the Magistrate Judges created and maintain a settlement database of cases that appeared with frequency, such as employment discrimination, civil rights, personal injury, and consumer credit. By tracking the major characteristics of a settlement, including the settlement terms, the plaintiff's initial demand, the defendant's initial offer, the plaintiff's itemization of damages, the stage of the litigation, and brief comments from the judge, we were able to help parties determine whether the settlement proposals being made were consistent with other similar cases. Because of the large volume of cases, we were able to provide useful guidance to the parties on the appropriate settlement range.

Magistrate Judges are also in a good position to settle *pro se* lawsuits. *Pro se* cases in federal court comprise a significant percentage of the court's caseload. These cases can be difficult to resolve without adjudication because *pro se* litigants often do not comprehend the litigation process and may have unrealistic expectations about the likely outcome and monetary value of their case. An experienced Magistrate Judge can facilitate a settlement by explaining the litigation process and reasonable settlement terms.

In our court, we also developed a settlement assistance program, in which volunteer lawyers were appointed to represent *pro se* litigants for the sole purpose of representing them in a settlement conference. This program has been successful in assisting *pro se* litigants, in providing defense counsel with an attorney with whom to negotiate, and in enabling the Magistrate Judge to preside at the settlement conference without the *pro se* looking to the judge to be "his" attorney in the process. This court-based program has further reduced the amount of motions and trials in *pro se* cases.

Magistrate Judge Settlement Conferences Help Put a Positive Face on the Judiciary

Many clients are frustrated by our court system because they never have their day in court. Too often, their cases are terminated without the client even seeing a judge or appearing before a jury. Clients are frustrated by the expense and delay that often accompanies litigation, as well as its impersonal nature.

A Magistrate Judge–led settlement conference can make going to court a positive experience for clients. In the settlement conference, parties can work with their lawyers and the judge to settle their case. Clients have control over their decision to settle; they can, save money, and obtain certainty and closure regarding their dispute. Clients can walk out with a positive feeling toward our legal system if their case is settled. They also feel they have had their day in court because they actively participate in the process. At the conclusion of a successful settlement conference, I oftentimes request the parties to mark their calendars for a year from the settlement and to write me a letter if they regretted settling the case. In my years on the bench, I never received a letter from a client expressing regret that he or she settled.

Conclusion

Courts should be encouraged to use Magistrate Judges to conduct settlement conferences. This is an effective use of judicial resources that can create tremendous benefits for the parties, their counsel, and the court. Magistrate Judges are in a unique position to determine the proper timing of a settlement conference. They can help parties to control their own destiny, save money and bring about a judicial system that is responsive to parties' needs in a day and age of few trials. ⊙

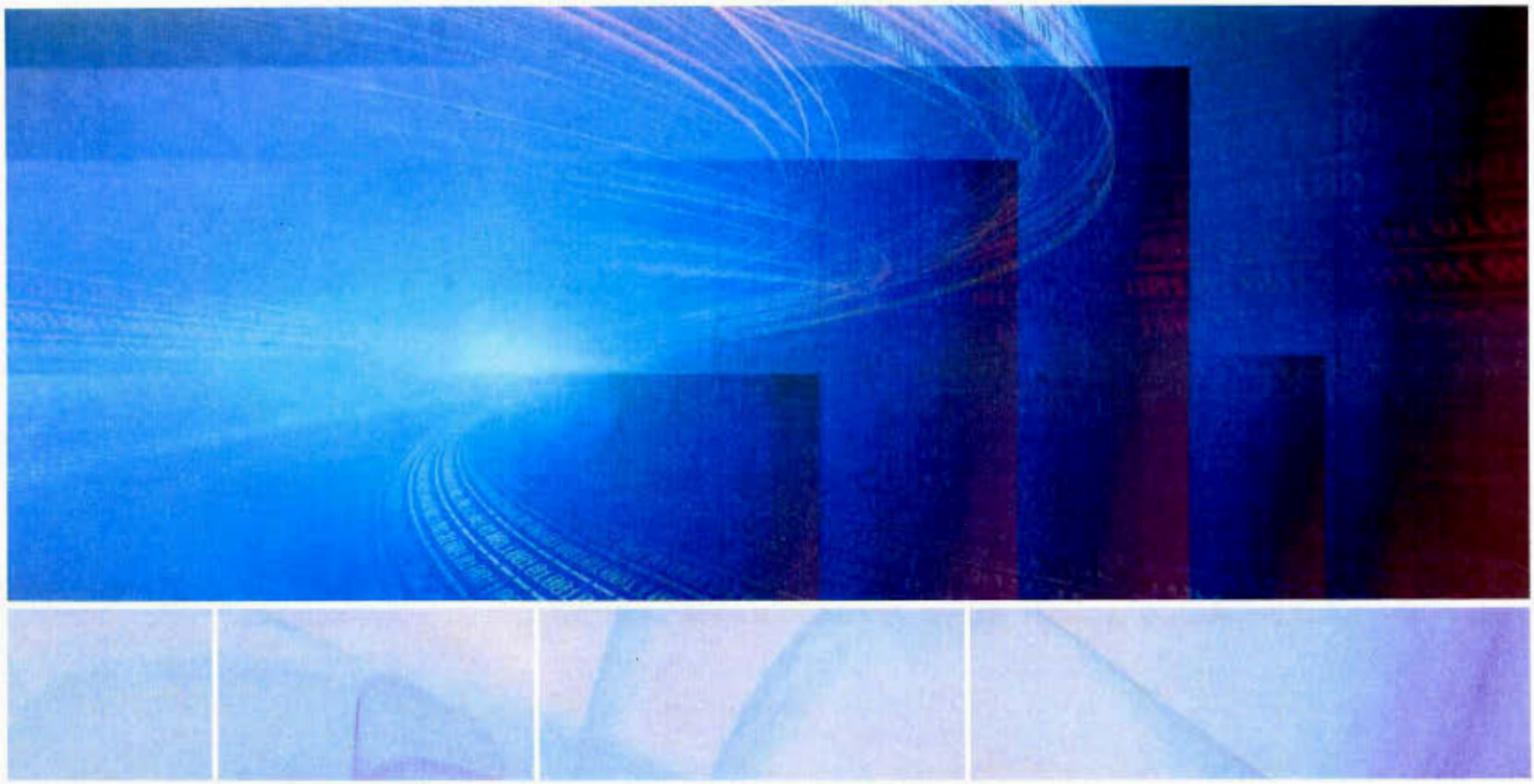
Exhibit 16

CORNERSTONE RESEARCH

ECONOMIC AND FINANCIAL CONSULTING AND EXPERT TESTIMONY

Securities Class Action Filings

2014 Year in Review



2014 Trends | U.S. Exchange-Listed Companies | IPO Activity | MDL/DDL Values | Dismissal Rates

TABLE OF CONTENTS

Executive Summary 1
New for the *2014 Year in Review* 3
Number of Filings 4
Market Capitalization Losses 6
Classification of Complaints 8
New Analysis: Litigation Likelihood of U.S. Exchange-Listed Companies 9
New Analysis: IPO Activity 10
New Analysis: Number of Filings with MDL/DDL Values 11
New Analysis: Status of Securities Class Action Filings 12
Filing Lag 14
Foreign Filings 15
Heat Maps: S&P 500 Securities Litigation™ 17
Mega Filings 19
New Analysis: Distribution of MDL Values 20
New Analysis: Distribution of DDL Values 21
Industry 22
Exchange 24
Circuit 25
New Developments 26
Glossary 27
Appendices 29
Research Sample 31

The views expressed in this report are solely those of the authors, who are responsible for the content, and do not necessarily represent the views of Cornerstone Research.

TABLE OF FIGURES AND APPENDICES

Figure 1: Class Action Filings Summary 1
Figure 2: Class Action Filings (CAF) Index™ Annual Number of Class Action Filings 4
Figure 3: Class Action Filings (CAF) Index™ Semiannual Number of Class Action Filings 5
Figure 4: Disclosure Dollar Loss (DDL) Index™ 6
Figure 5: Maximum Dollar Loss (MDL) Index™ 7
Figure 6: 2014 Allegations Box Score 8
Figure 7: Percentage of U.S. Exchange-Listed Companies Subject to Filings and Change in the Number of Companies Listed on U.S. Exchanges 9
Figure 8: Number of IPOs on Major U.S. Exchanges 10
Figure 9: Filings with MDL/DDL Values 11
Figure 10: Status of Filings by Year 12
Figure 11: Settlement and Dismissal Rates in Recent Years 13
Figure 12: Annual Median Lag between Class End Date and Filing Date 14
Figure 13: Class Action Filings-Foreign (CAF-F) Index™ Annual Number of Class Action Filings by Location of Headquarters 15
Figure 14: Foreign Filings by Location of Headquarters 16
Figure 15: Heat Maps of S&P 500 Securities Litigation™ Percentage of Companies Subject to New Filings 17
Figure 16: Heat Maps of S&P 500 Securities Litigation™ Percentage of Market Capitalization Subject to New Filings 18
Figure 17: Mega Filings 19
Figure 18: Distribution of MDL—Percentage of Total MDL Attributable to Filings in the Grouping 20
Figure 19: Distribution of DDL—Percentage of Total DDL Attributable to Filings in the Grouping 21
Figure 20: Filings by Industry 22
Figure 21: Filings in the Consumer, Non-Cyclical Sector 23
Figure 22: Filings by Exchange Listing 24
Figure 23: Filings by Court Circuit 25
Appendix 1: Filings Comparison 29
Appendix 2: Filings by Industry 29
Appendix 3: Filings by Court Circuit 30

EXECUTIVE SUMMARY

NUMBER AND SIZE OF FILINGS

- Plaintiffs filed 170 new federal class action securities cases (filings) in 2014—four more than in 2013. The number of 2014 filings was 10 percent below the historical average of 189 filings observed annually between 1997 and 2013. (pages 4–5)
- The total Maximum Dollar Loss (MDL) of filings in 2014 was $215 billion, or 66 percent below the historical annual average of $630 billion. MDL was at its lowest level since 1997. (page 7)
- The total Disclosure Dollar Loss (DDL) decreased substantially in 2014, falling to its lowest level since 2006. Total DDL was $57 billion in 2014, 54 percent below the historical average of $124 billion. (page 6)
- For the first time since 1997, there were no mega DDL filings—filings with a DDL of at least $5 billion. Only two mega MDL filings—filings with an MDL of at least $10 billion—occurred in 2014, both of which related to oil and gas companies. (page 19)

While the number of filings remained essentially flat, the size of filings measured by dollar losses decreased dramatically.

OTHER MEASURES OF LITIGATION INTENSITY

- Looking at the full universe of U.S. exchange-listed companies, 3.6 percent were subject to filings in 2014, an increase from 3.4 percent in 2013. (page 9)
- Companies in the S&P 500 were less likely to be targeted by a securities class action in 2014 than in any year measured (2000 through 2014). (page 17)
- Of the S&P 500 companies, those with the largest market capitalizations were less likely than smaller firms to be the subject of a class action filing—a departure from historical experience. (page 18)

FIGURE 1: **CLASS ACTION FILINGS SUMMARY**

	Average (1997–2013)	2013	2014
Class Action Filings	189	166	170
Disclosure Dollar Loss ($ Billions)	$124	$104	$57
Maximum Dollar Loss ($ Billions)	$630	$279	$215

EXECUTIVE SUMMARY *continued*

KEY TRENDS

- **IPO activity** continued the upward trajectory that has followed the nadir of offerings in 2008 (with potential implications for future litigation). (page 10)
- The percentage of filings against **foreign issuers** increased in 2014 for the first time in three years. (pages 15–16)
- Filings against companies in the **Consumer Non-Cyclical sector**—which includes biotechnology and pharmaceutical firms—increased markedly in 2014. (pages 22–23)
- Filings against **energy companies** gained prominence in the fourth quarter of 2014 as oil and gas prices declined. (pages 19 and 22)
- Collectively, filings in the **Second and Ninth Circuits** in 2014 were more consistent with historical averages compared with the number filed last year, although total MDL and DDL declined considerably relative to historical averages. Filings in the **Third Circuit** increased to the highest level since 2004. (page 25)

Filings have increasingly targeted firms in the biotechnology and pharmaceutical industries.

NEW FOR THE *2014 YEAR IN REVIEW*

TRENDS IN THE NUMBER OF PUBLIC COMPANIES AND THEIR LITIGATION EXPOSURE

This analysis tracks the number of companies listed on U.S. exchanges, as well as the likelihood they were the subject of a class action filing. (pages 9–10)

- The number of companies listed on U.S. exchanges increased recently after a 15-year decline, due in part to the quickening pace of IPO activity in 2014.
- On major U.S. exchanges, there were 206 IPOs in 2014, a 31 percent increase from 2013.
- The likelihood that a public company was the subject of a filing remained above the historical average in each of the past five years.

Dismissal rates have continued to increase for filings in cohort years 2010, 2011, and 2012.

DISMISSAL TRENDS

This analysis revisits earlier work conducted in 2010 and 2013 examining the outcomes of class action filings. Starting in the mid-2000s, the likelihood of dismissal began increasing. (pages 12–13)

- Filings have been dismissed at a rate of 59 percent and 58 percent in cohort years 2010 and 2011, respectively. Dismissal rates for these years may edge higher as pending cases are resolved.
- For cohort year 2012, 40 percent of filings have been dismissed. Dismissal rates for this cohort year will increase as class actions are resolved for the ongoing cases filed in that year.
- Statistical tests indicate that the likelihood of dismissal remains higher for filings in recent cohorts even after controlling for filing characteristics such as filing type, industry, and circuit.

NEW DEVELOPMENTS

- *Halliburton Co. v. Erica P. John Fund* (page 26)

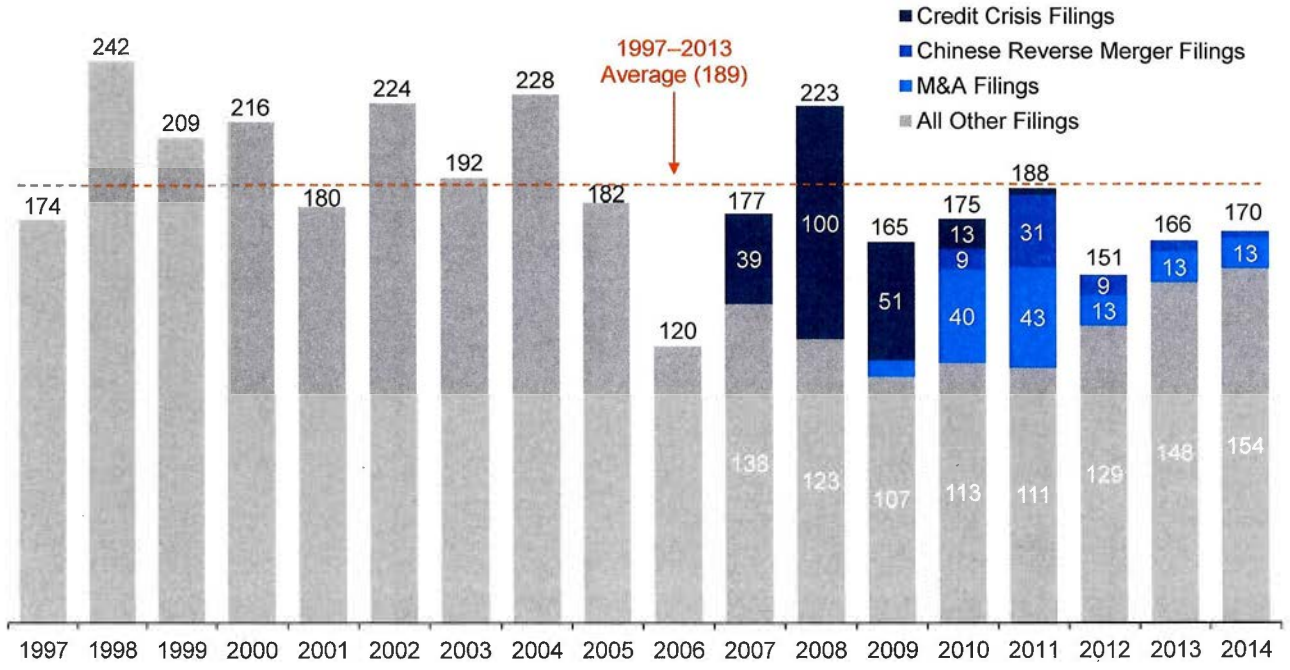
NUMBER OF FILINGS

KEY FINDINGS

- The 170 filings in 2014 represent a slight increase (2 percent) from 2013, although the number of filings continues to remain well below the 1997–2013 average of 189 filings.
- Despite the subdued total filing activity relative to the historical average, the number of "traditional filings"—those excluding credit crisis, merger and acquisition (M&A), and Chinese reverse merger (CRM) cases—was 8 percent lower than the 1997–2013 historical average of 167.
- Filings related to CRMs have waned and were minimal in 2014. Filings related to M&A transactions have persisted at the same level for the past three years.

2014 was the second consecutive year with increased filing activity.

FIGURE 2: **CLASS ACTION FILINGS (CAF) INDEX™**
ANNUAL NUMBER OF CLASS ACTION FILINGS
1997–2014



Note: There were two cases in 2011 that were both an M&A filing and a Chinese reverse merger company. These filings were classified as M&A filings in order to avoid double counting.

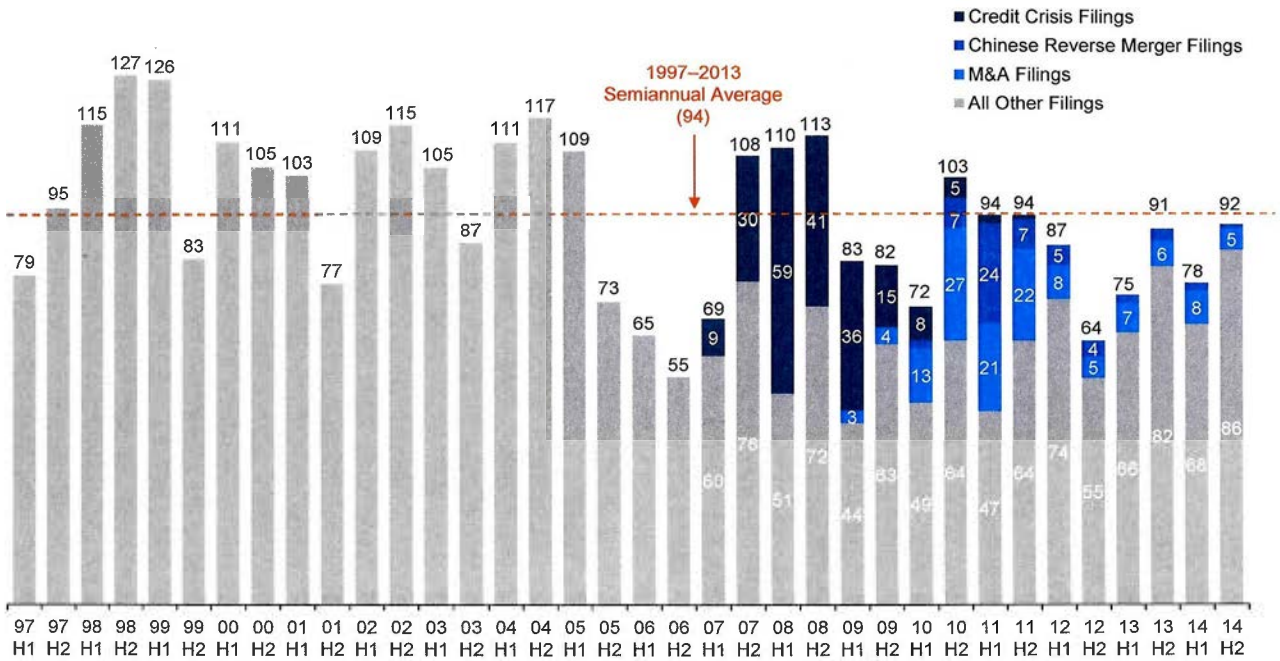
NUMBER OF FILINGS *continued*

KEY FINDINGS

- Total filing activity increased 18 percent in the second half of 2014 compared to the relatively slow pace of filings in the first half of the year.
- The sharp decline in oil and gas prices during the fourth quarter of 2014 led to an increase in filings against companies in the Energy sector and contributed to the total increase in filings during the second half of the year.
- The pattern of filing activity in 2014 was similar to 2013. In both years, filings in the second half of the year distinctly outpaced the first half.

Filing activity jumped in the second half of 2014.

FIGURE 3: **CLASS ACTION FILINGS (CAF) INDEX™**
SEMIANNUAL NUMBER OF CLASS ACTION FILINGS
1997 H1–2014 H2



Note: There were two cases in 2011 that were both an M&A filing and a Chinese reverse merger company. These filings were classified as M&A filings in order to avoid double counting.

MARKET CAPITALIZATION LOSSES

Disclosure Dollar Loss (DDL) Index™

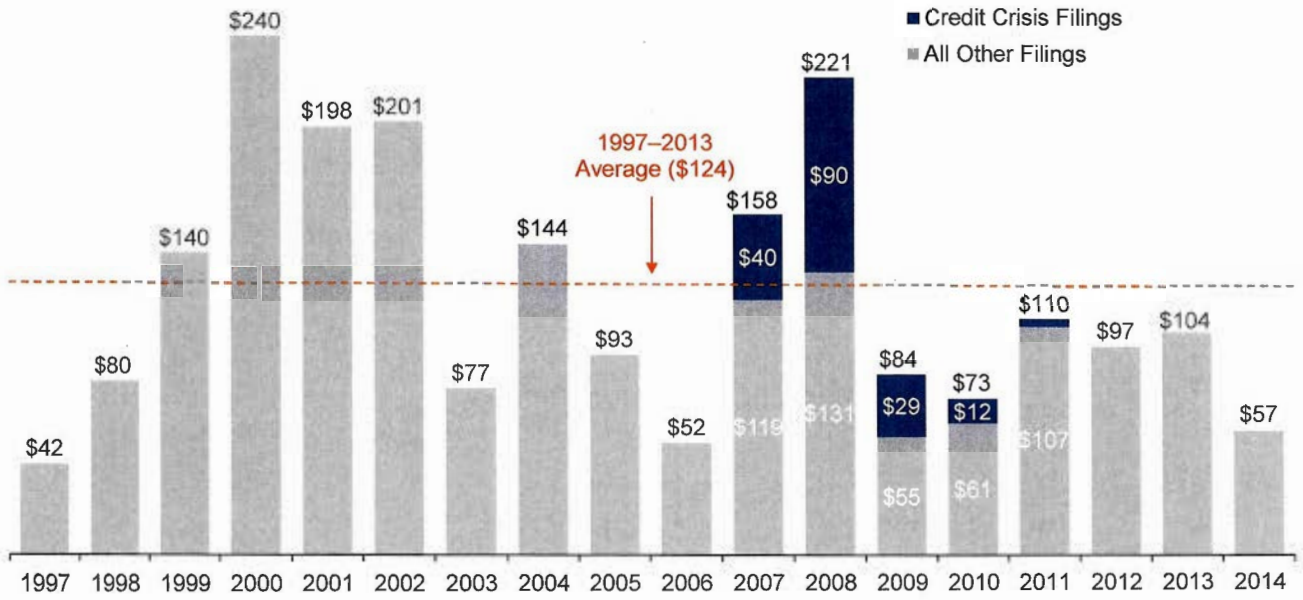
This index measures the aggregate DDL for all filings over a period of time. DDL is the dollar value change in the defendant firm's market capitalization between the trading day immediately preceding the end of the class period and the trading day immediately following the end of the class period. DDL should not be considered an indicator of liability or measure of potential damages. *See* the glossary for additional discussion on market capitalization losses and DDL.

The DDL Index fell to its lowest mark since 2006.

KEY FINDINGS

- The DDL Index decreased 45 percent from 2013 to 2014. This was the steepest annual decline since 2008 to 2009, when filings related to the credit crisis dropped.
- The decrease in 2014 is largely explained by the lack of any mega DDL filings. Filings with large DDLs typically account for a majority of the DDL Index. (page 21)
- The DDL Index was 46 percent of the 1997–2013 average.

FIGURE 4: **DISCLOSURE DOLLAR LOSS (DDL) INDEX™**
1997–2014
(Dollars in Billions)



Note:
1. *See* Appendix 1 for the mean and median values of DDL.
2. Numbers may not add due to rounding.

MARKET CAPITALIZATION LOSSES *continued*

Maximum Dollar Loss (MDL) Index™

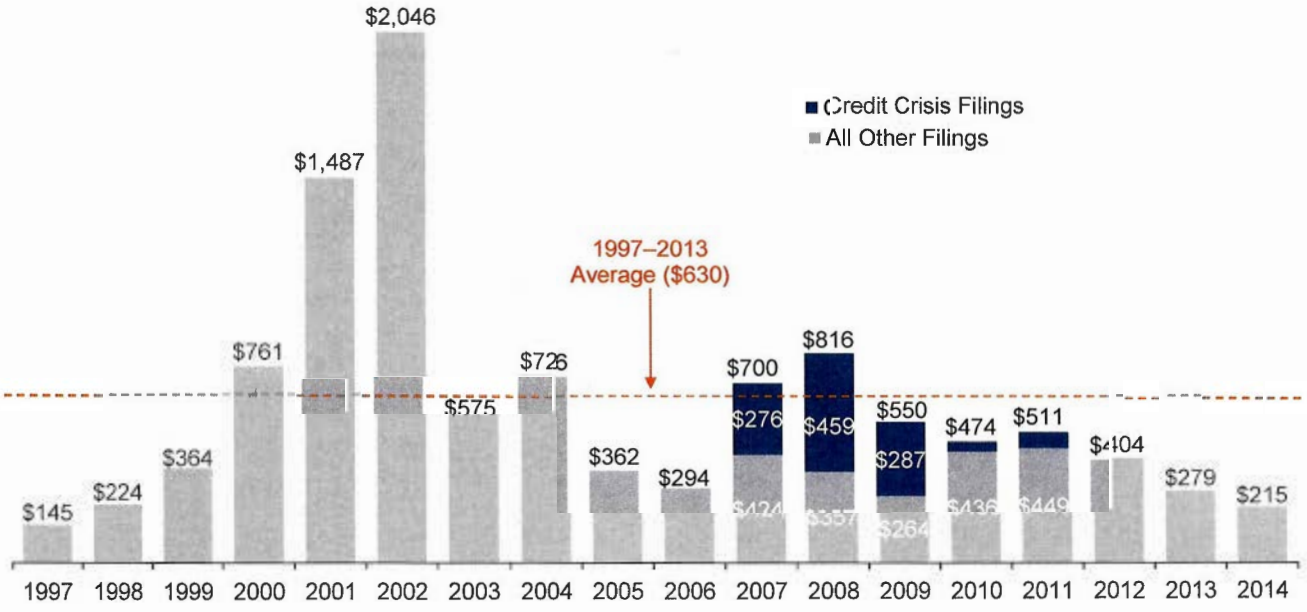
This index measures the aggregate MDL for all filings over a period of time. MDL is the dollar value change in the defendant firm's market capitalization from the trading day with the highest market capitalization during the class period to the trading day immediately following the end of the class period. MDL should not be considered an indicator of liability or measure of potential damages. *See* the glossary for additional discussion on market capitalization losses and MDL.

The MDL Index was at its lowest level since 1997.

KEY FINDINGS

- The MDL Index decreased 23 percent from 2013 to 2014. This decline is likely due in part to generally increasing market capitalizations resulting from the positive returns in equities markets in 2014.
- While filings in the oil and gas industry represented only 7 percent of total filings with MDL reported, they made up 23 percent of total MDL in 2014. This dramatic increase from 2013, when oil and gas filings comprised just 4 percent of the total MDL Index, stems from two mega filings in the oil and gas industry.

FIGURE 5: **MAXIMUM DOLLAR LOSS (MDL) INDEX™**
1997–2014
(Dollars in Billions)



Note:
1. *See* Appendix 1 for the mean and median values of DDL.
2. Numbers may not add due to rounding.

CLASSIFICATION OF COMPLAINTS

KEY FINDINGS

- For the third year in a row, the percentage of filings with Rule 10b-5 claims remained essentially unchanged in 2014 at 85 percent.
- The percentage of filings with Section 12(2) claims continued a five-year decline. However, filings with Section 11 claims increased from 9 percent in 2013 to 14 percent in 2014.
- For the first time since 2010, allegations regarding false forward-looking statements were made in less than half of filings.

The percentage of filings with allegations of GAAP violations increased 50 percent in 2014.

FIGURE 6: **2014 ALLEGATIONS BOX SCORE**
2010–2014

	Percentage of Total Filings[1]				
	2010	2011	2012	2013	2014
General Characteristics					
Rule 10b-5 Claims	66%	71%	85%	84%	85%
Section 11 Claims	15%	11%	10%	9%	14%
Section 12(2) Claims	10%	9%	9%	7%	6%
No Rule 10b-5, Section 11, or Section 12(2) Claims	23%	23%	9%	11%	9%
Underwriter Defendant	10%	11%	8%	9%	11%
Auditor Defendant	4%	3%	2%	2%	1%
Allegations					
Misrepresentations in Financial Documents	93%	94%	95%	97%	94%
False Forward-Looking Statements	45%	56%	62%	54%	47%
Insider Trading	16%	12%	17%	17%	16%
GAAP Violations[2]	26%	37%	23%	24%	36%
Announced Restatement[3]	7%	11%	11%	11%	17%
Internal Control Weaknesses[4]	23%	24%	20%	20%	24%
Announced Internal Control Weaknesses[5]	3%	6%	8%	8%	10%

Note:

1. The percentages do not add to 100 percent because complaints may include multiple allegations.
2. First identified complaint includes allegations of GAAP Violations. In some cases, plaintiff(s) may not have expressly referenced GAAP; however, the allegations, if true, would represent GAAP Violations.
3. First identified complaint includes allegations of GAAP Violations and refers to an announcement during or subsequent to the class period that the company will restate, may restate, or has financial statements that should not be relied upon.
4. First identified complaint includes allegations of Internal Control Weaknesses over Financial Reporting.
5. First identified complaint includes allegations of Internal Control Weaknesses and refers to an announcement during or subsequent to the class period that the company has Internal Control Weaknesses over Financial Reporting.
6. Additional allegations added in complaints subsequent to the first identified complaint are not captured in this analysis.

NEW ANALYSIS: LITIGATION LIKELIHOOD OF U.S. EXCHANGE-LISTED COMPANIES

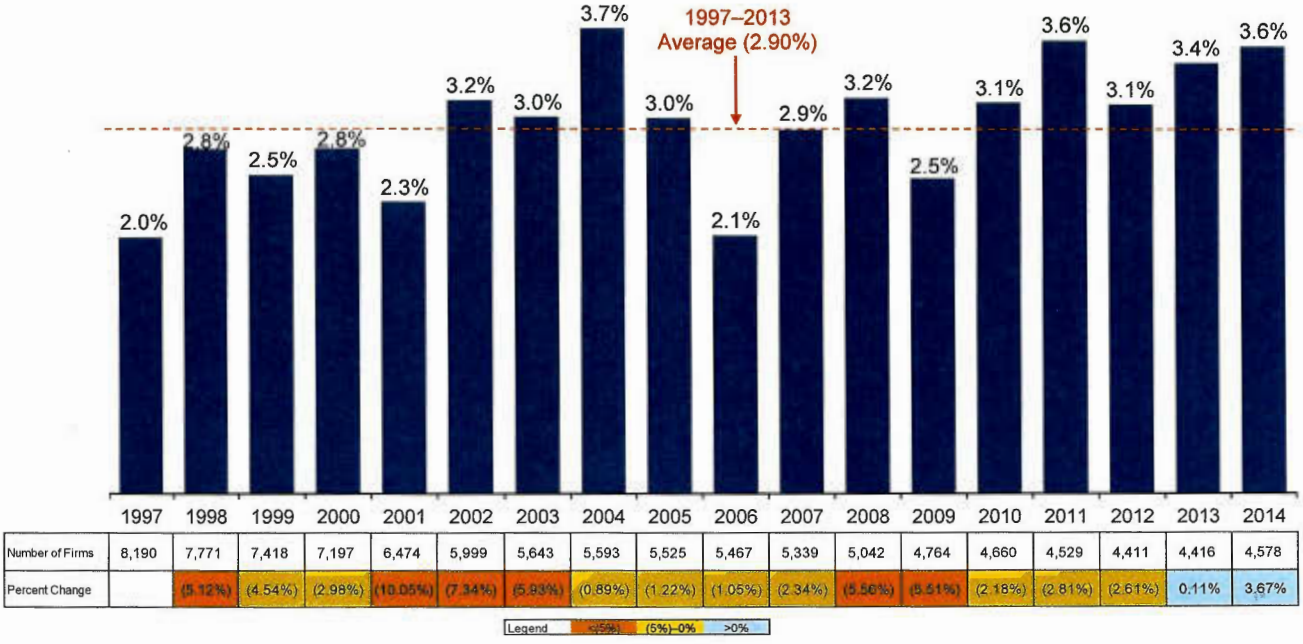
The percentage in the figure below is calculated as the unique number of companies listed on the NYSE or NASDAQ that were the subject of filings in a given year divided by the unique number of companies listed on the NYSE or NASDAQ.

KEY FINDINGS

- In 2014, approximately one in 28 companies listed on U.S. exchanges was the subject of a class action.
- The percentage of public companies subject to litigation has remained relatively constant in recent years. The declining long-term trend in the total number of filings from the late 1990s through today is a result of a decline in the number of public companies rather than a decreased likelihood of being the subject of a class action.
- The number of companies listed on U.S. exchanges increased recently after a 15-year decline. This is due in part to the quickening pace of IPO activity in 2014.

The likelihood that a public company was the subject of a filing remained above the historical average in each of the past five years.

FIGURE 7: **PERCENTAGE OF U.S. EXCHANGE-LISTED COMPANIES SUBJECT TO FILINGS AND CHANGE IN THE NUMBER OF COMPANIES LISTED ON U.S. EXCHANGES 1997–2014**



Source: Securities Class Action Clearinghouse; Center for Research in Security Prices (CRSP)

Note:

1. Percentages are calculated by dividing the count of issuers listed on the NYSE or NASDAQ subject to filings by the number of companies listed on the NYSE or NASDAQ as of the beginning of the year.
2. Listed companies were identified by taking the count of listed securities at the beginning of each year and accounting for cross-listed companies or companies with more than one security traded on a given exchange. Securities were counted if they were classified as common stock or American Depository Receipts (ADRs) and listed on the NYSE or NASDAQ.

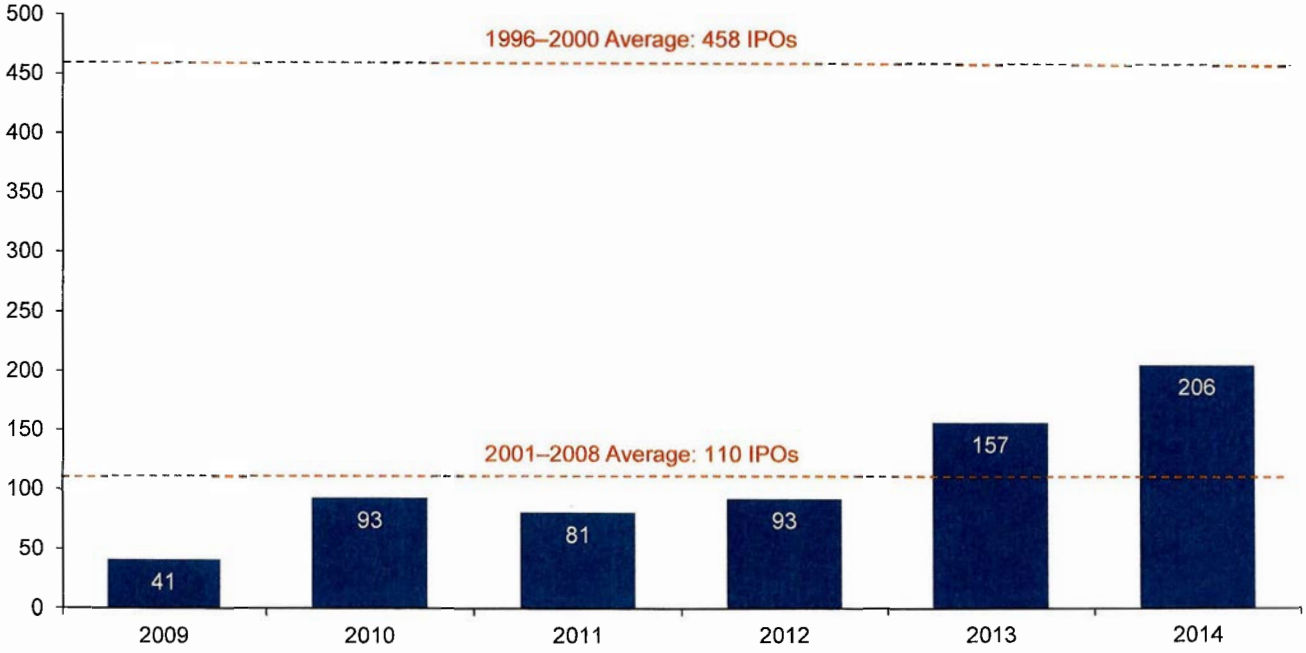
NEW ANALYSIS: IPO ACTIVITY

KEY FINDINGS

- IPO activity in 2014 increased 31 percent over IPO activity in 2013.
- While IPO activity in 2014 was at its highest level since 2000, with 206 public offerings, it was still dramatically lower than the average of 458 IPOs per year during the era of dot-com offerings in 1996–2000.
- Following a lull in IPOs during the financial crisis, the magnitude of IPO activity in recent years has been more comparable to the average of the early and mid-2000s, although activity markedly increased in both 2013 and 2014.

IPO activity increased for the third consecutive year.

FIGURE 8: **NUMBER OF IPOs ON MAJOR U.S. EXCHANGES 2009–2014**



Source: Jay R. Ritter, "Initial Public Offerings: Updated Statistics" (University of Florida, December 20, 2014)

Note: These data exclude the following IPOs: those with an offer price of less than $5, ADRs, unit offers, closed-end funds, real estate investment trusts (REITs), partnerships, small best efforts offers, banks and S&Ls, and stocks not listed in the CRSP database.

NEW ANALYSIS: NUMBER OF FILINGS WITH MDL/DDL VALUES

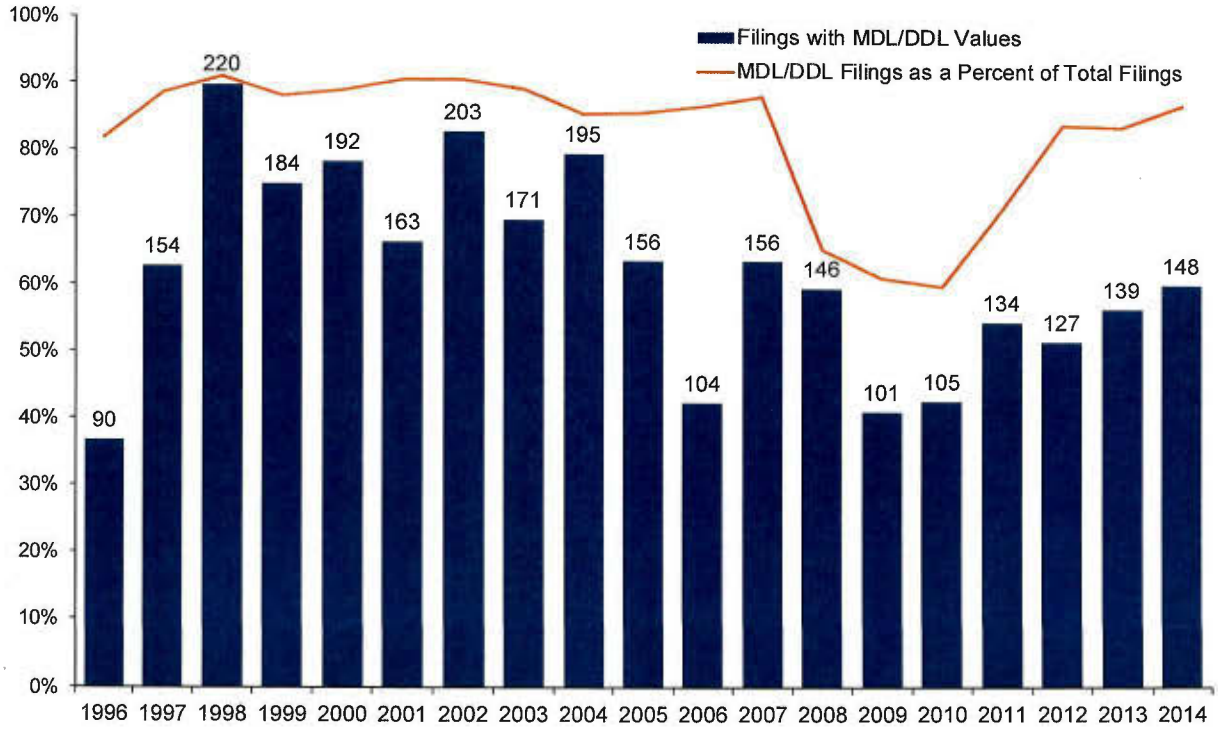
The frequency of filings for which an MDL/DDL value can be calculated changes from year to year depending on trends in class action claims. For example, MDL/DDL *cannot* be calculated for certain M&A filings and filings where the securities at issue are not publicly traded.

KEY FINDINGS

- The percentage of filings for which an MDL/DDL value could be calculated decreased dramatically between 2007 and 2010. This was driven in large part by an increase in filings during the credit crisis that related to non-equity securities (e.g., mortgage-backed securities and other structured products). In recent years, fewer non-equity securities were the subject of litigation so this ratio returned to rates consistent with pre–credit crisis figures.
- In 2014, an MDL/DDL value could be calculated for 87 percent of total filings compared to the historical average of 82 percent from 1996 to 2013. The lowest value was 60 percent, recorded in 2010.
- Among all filings without an MDL/DDL in 2014, 55 percent were M&A class actions.

The decline in DDL and MDL in 2014 was not related to underlying changes in the securities at issue in recent filings.

FIGURE 9: **FILINGS WITH MDL/DDL VALUES**
1996–2014



NEW ANALYSIS: STATUS OF SECURITIES CLASS ACTION FILINGS

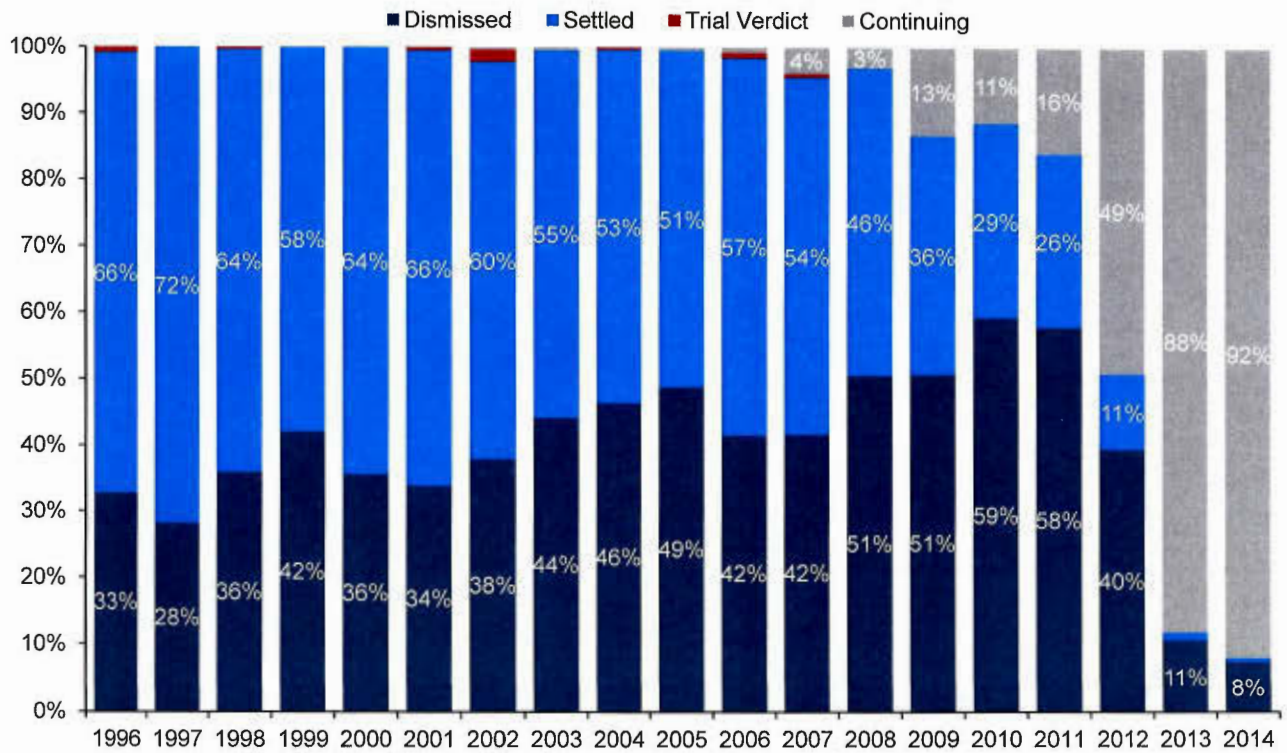
Continuing recent analyses of class action resolutions, this report again examines whether case outcomes have changed over time. This is an extension of analyses initially conducted in 2010 and 2013 that showed dismissals were increasingly common for filings in cohort years after 2003. As each cohort ages, a larger percentage of filings are resolved—with a settlement, dismissal, or trial verdict outcome.

KEY FINDINGS

- Filings from 2012 appear to be following a similar heightened dismissal rate to those observed for filing years 2010 and 2011.
- For filings from 1996 to 2013, 49 percent have settled, 41 percent have been dismissed, and 9 percent are ongoing. Overall, less than 1 percent of filings from 1996 to 2013 reached a trial verdict. The oldest ongoing case, *Halliburton Co. v. Erica P. John Fund*, was filed in 2002 and class certification issues were ruled on by the U.S. Supreme Court in June 2014. The Court remanded the case to the district court for further proceedings.

Dismissal rates increased for 2010 and 2011 filing cohorts compared with prior years.

FIGURE 10: **STATUS OF FILINGS BY YEAR**
1996–2014



Note: Percentages may not add to 100 percent due to rounding.

STATUS OF SECURITIES CLASS ACTION FILINGS *continued*

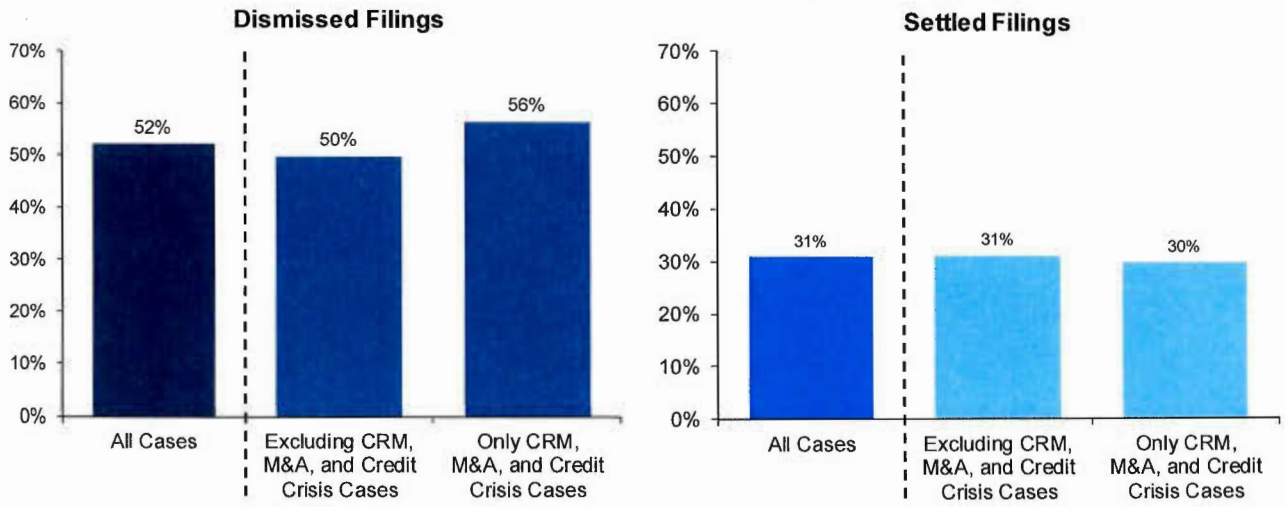
The increase in dismissal rates in recent cohort years may be a function of many factors. The composition of filings may be one explanation; changing legal precedents or philosophies may be another. The findings of this report also indicate that the underlying characteristics of the complaints may also be correlated with filing outcomes.

KEY FINDINGS

- In the aggregate for cohort years 2008 through 2012, CRM, M&A, and credit crisis filings have had higher dismissal rates and slightly lower settlement rates compared with all filings. The aggregate dismissal rate for filings in these years was 52 percent, while the subset of CRM, M&A, and credit crisis cases was 56 percent.
- Statistical tests indicate that M&A filings were more likely to be dismissed and CRM filings were more likely to settle, controlling for other factors.
- The resolution of CRM, M&A, and credit crisis filings has contributed to the increase in dismissal rates, but it is not the only explanation. Other filing characteristics such as how quickly the case was filed, the length of the class period, or the size of the potential claims also appear to be correlated with whether a case settles or is dismissed. Why these characteristics matter is unclear, but they may be indicators of the merits or serve as proxies for other factors that influence filing outcomes.

Recent increases in dismissal rates are not solely explained by the influx of CRM, M&A, and credit crisis–related filings.

FIGURE 11: **SETTLEMENT AND DISMISSAL RATES IN RECENT YEARS**
AGGREGATE RATES FOR FILINGS IN COHORT YEARS 2008–2012



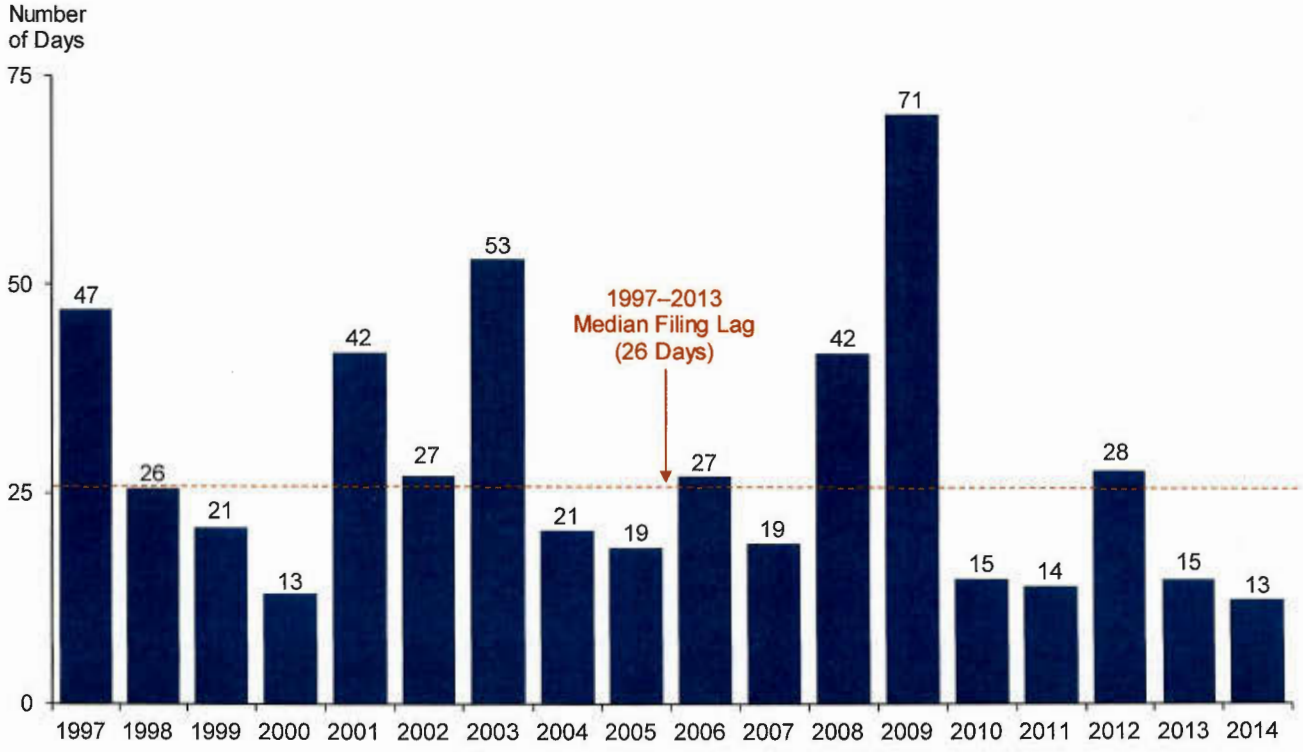
FILING LAG

KEY FINDINGS

- In 2014, the median filing lag between the end of the alleged class period and the filing date of the lawsuit matched the shortest on record, which previously occurred in 2000.
- The median filing lag in 2014 excluding M&A cases was 15 days, two days longer than the median of all cases. M&A cases are normally filed shortly after the class end date.
- Nine percent of class actions were filed more than six months (i.e., 180 days) after the end of the alleged class period—the lowest percentage on record.
- Past reports have examined the implications of "fast filers" (class actions with a filing lag of less than or equal to 60 days) and "slow filers" (those with a filing lag greater than 60 days). Fast filers are more likely to settle earlier in the litigation process and overall were less likely to be dismissed (*see* Cornerstone Research, *Securities Class Action Filings—2012 Year in Review*, pages 8–9), a finding confirmed by the statistical analyses described on the previous page.

The median filing lag in 2014 of 13 days matched the shortest on record.

FIGURE 12: **ANNUAL MEDIAN LAG BETWEEN CLASS END DATE AND FILING DATE**
1997–2014



FOREIGN FILINGS

Class Action Filings-Foreign (CAF-F) Index™

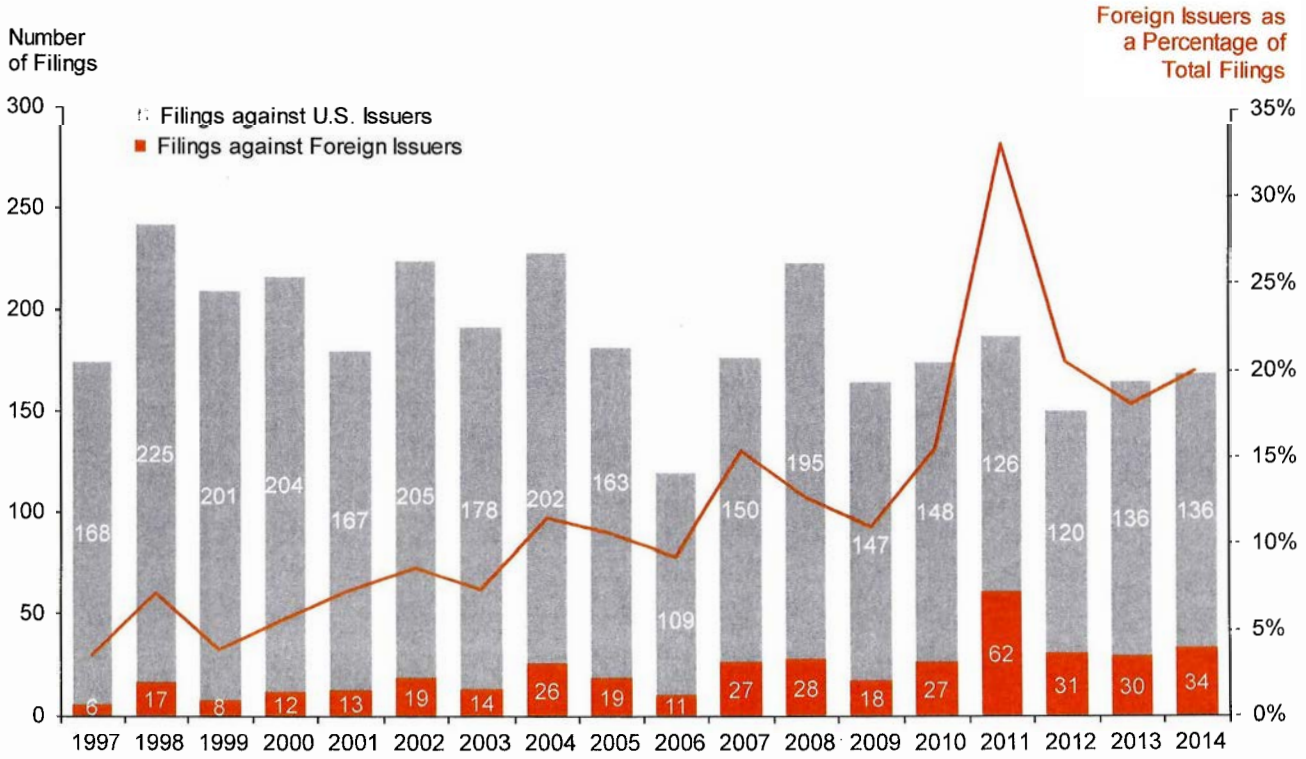
This index tracks the number of filings against foreign issuers (companies headquartered outside the United States) relative to total filings.

KEY FINDINGS

- The number of filings against foreign issuers increased to 34 in 2014, well above the historical average from 1997 to 2013 of 22 filings.
- The pace of foreign filings picked up in the second half of 2014, with the number of such filings more than doubling relative to the first half of the year.
- The percentage of filings against foreign issuers was 18 percent in 2013 and 20 percent in 2014 compared to the 1997–2013 historical average of 11 percent.

Continuing a long-term trend, the percentage of filings against foreign issuers increased.

FIGURE 13: **CLASS ACTION FILINGS-FOREIGN (CAF-F) INDEX™**
ANNUAL NUMBER OF CLASS ACTION FILINGS BY LOCATION OF HEADQUARTERS
1997–2014



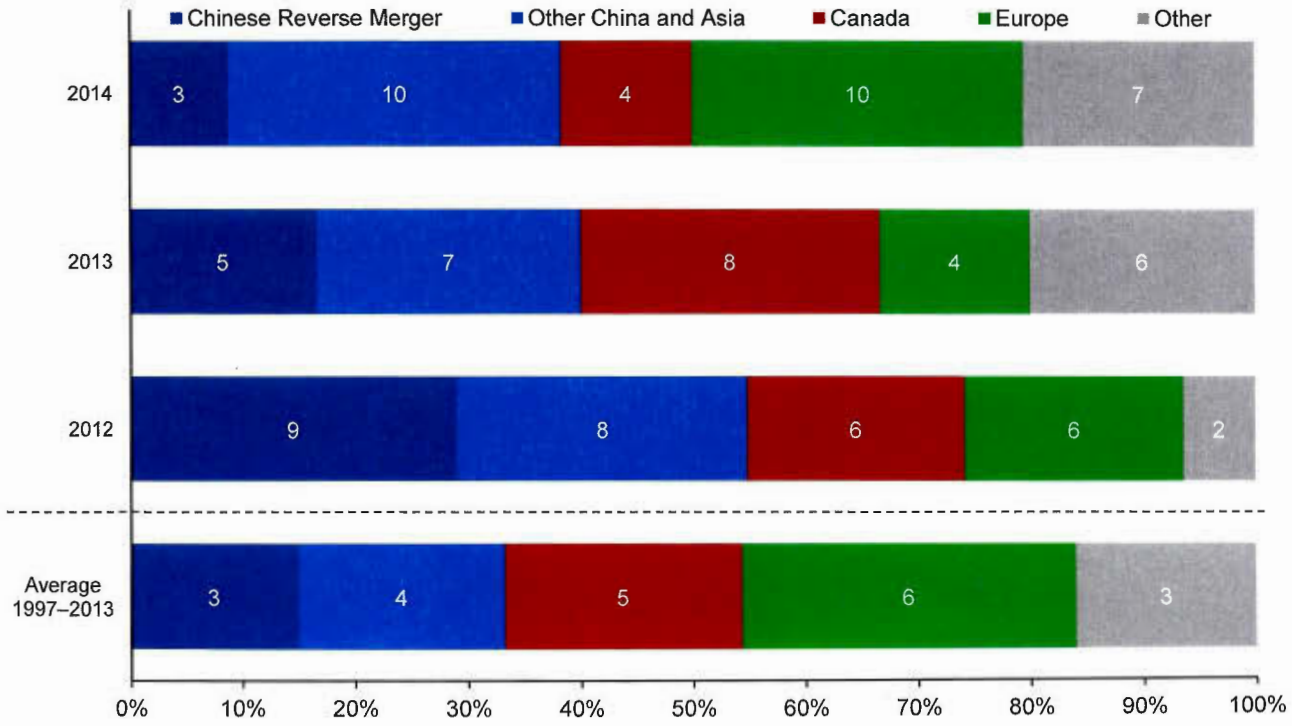
FOREIGN FILINGS *continued*

KEY FINDINGS

- In 2014, filings against European companies increased, reversing a recent decline. Class actions included suits against companies headquartered in France, Germany, Italy, Luxembourg, and the Netherlands, none of which have been the subject of foreign filings since 2011.
- Filings against Canadian firms were the lowest in five years, returning to a level closer to the historical average.
- Other foreign filings included class actions against companies headquartered in Australia, Brazil, Israel, and the Caribbean—specifically, Bermuda, the British Virgin Islands, and the Cayman Islands.

There was a substantial increase in filings against firms headquartered in Europe.

FIGURE 14: **FOREIGN FILINGS BY LOCATION OF HEADQUARTERS**
1997–2014



Note: The Chinese Reverse Merger and Other China and Asia categories include filings for companies headquartered in Hong Kong.

HEAT MAPS: S&P 500 SECURITIES LITIGATION™

The Heat Maps analyze securities class action activity by industry sector. The analysis focuses on companies in the S&P 500 index, which comprises 500 large, publicly traded companies in all major sectors. Starting with the composition of the S&P 500 at the beginning of each year, the Heat Maps examine two questions for each sector:

(1) What percentage of these companies were subject to new securities class actions in federal court during the year?

(2) What percentage of the total market capitalization of these companies was accounted for by companies named in new securities class actions?

The percentage of S&P 500 firms that were targets of a securities class action was the lowest on record.

KEY FINDINGS

- Only one in about 45 companies (2.2 percent) in the S&P 500 at the beginning of 2014 was a defendant in a class action filed during the year, compared with one in about 29 companies (3.4 percent) in 2013. The historical average is approximately one in 17 companies (5.7 percent).
- Only the Consumer Staples and Industrials sectors exhibited above-average activity in 2014 compared with historical averages.

FIGURE 15: **HEAT MAPS OF S&P 500 SECURITIES LITIGATION™ PERCENTAGE OF COMPANIES SUBJECT TO NEW FILINGS 2000–2014**

	Average 2000–2013	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Consumer Discretionary	**5.4%**	3.3%	2.4%	10.2%	4.6%	3.4%	10.3%	4.4%	5.7%	4.5%	3.8%	5.1%	3.8%	4.9%	8.4%	1.2%
Consumer Staples	**3.4%**	7.3%	8.3%	2.9%	2.9%	2.7%	8.6%	2.8%	0.0%	2.6%	4.9%	0.0%	2.4%	2.4%	0.0%	5.0%
Energy/Materials	**1.5%**	2.7%	0.0%	3.1%	1.7%	1.8%	1.7%	0.0%	0.0%	0.0%	1.5%	5.7%	0.0%	2.7%	0.0%	1.3%
Financials	**9.5%**	4.2%	1.4%	16.7%	8.6%	19.3%	7.3%	2.4%	10.3%	31.2%	13.1%	10.3%	1.2%	3.7%	0.0%	1.2%
Health Care	**8.7%**	2.6%	7.1%	15.2%	10.4%	10.6%	10.7%	6.9%	12.7%	13.7%	3.7%	15.4%	2.0%	3.8%	5.7%	3.6%
Industrials	**2.9%**	2.8%	0.0%	6.0%	3.0%	8.5%	1.8%	0.0%	5.8%	3.6%	6.9%	0.0%	1.7%	1.6%	0.0%	4.7%
Telecommunications/ Information Tech	**6.7%**	12.0%	18.0%	11.0%	5.6%	3.2%	6.7%	8.1%	2.3%	2.5%	1.2%	3.5%	7.1%	3.8%	9.1%	0.0%
Utilities	**6.3%**	5.0%	7.9%	40.5%	2.8%	5.7%	3.0%	0.0%	3.1%	3.2%	0.0%	0.0%	8.8%	3.1%	0.0%	3.2%
All S&P 500 Companies	**5.7%**	**5.0%**	**5.6%**	**12.0%**	**5.2%**	**7.2%**	**6.6%**	**3.6%**	**5.4%**	**9.2%**	**4.8%**	**5.4%**	**3.2%**	**3.4%**	**3.4%**	**2.2%**

Legend 0% 0–5% 5–15% 15–25% 25%+

Note:

1. The chart is based on the composition of the S&P 500 as of the last trading day of the previous year.
2. Sectors are based on the Global Industry Classification Standard (GICS). The Energy and Materials sectors and the Telecommunications and Information Technology sectors appear separately but are combined for the purposes of this analysis.
3. Percentage of Companies Subject to New Filings equals the number of companies subject to new securities class action filings in federal courts in each sector divided by the total number of companies in that sector.

HEAT MAPS: S&P 500 SECURITIES LITIGATION *continued*

KEY FINDINGS

- Larger S&P 500 companies have historically been more likely targets of class actions. However, this pattern was reversed in 2014, as the percentage of S&P 500 companies subject to filings was greater than their share of the S&P 500 market capitalization.
- Only 1.3 percent of the S&P 500 market capitalization was subject to new filings in 2014, the lowest on record, compared to the historical average of 10.1 percent. This is the fourth consecutive year with a declining percentage of market capitalization subject to class action filings.
- Consumer Staples was the most active sector in 2014 as a percentage of market capitalization.
- Three of the 10 S&P 500 sectors had no filing activity in 2014: Energy, Information Technology, and Telecommunications.

Larger S&P 500 firms were less likely to be targets of class actions, a reversal from previous years.

FIGURE 16: **HEAT MAPS OF S&P 500 SECURITIES LITIGATION™ PERCENTAGE OF MARKET CAPITALIZATION SUBJECT TO NEW FILINGS 2000–2014**

	Average 2000–2013	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Consumer Discretionary	**6.4%**	6.5%	1.3%	24.7%	2.0%	7.9%	5.7%	8.9%	4.4%	7.2%	1.9%	4.9%	4.6%	1.6%	4.4%	2.5%
Consumer Staples	**5.0%**	34.5%	6.3%	0.3%	2.3%	0.1%	11.4%	0.8%	0.0%	2.6%	3.9%	0.0%	0.8%	14.0%	0.0%	3.4%
Energy/Materials	**2.3%**	3.0%	0.0%	1.2%	0.4%	29.7%	1.6%	0.0%	0.0%	0.0%	0.8%	5.5%	0.0%	0.9%	0.0%	0.2%
Financials	**20.4%**	3.3%	0.8%	29.2%	19.9%	46.1%	22.2%	8.2%	18.1%	55.0%	38.3%	31.1%	6.9%	11.0%	0.0%	0.3%
Health Care	**14.9%**	11.0%	5.4%	35.2%	16.3%	24.1%	10.1%	18.1%	22.5%	20.0%	1.7%	33.7%	0.7%	3.8%	4.4%	3.0%
Industrials	**6.4%**	3.9%	0.0%	13.3%	4.6%	8.8%	5.6%	0.0%	2.2%	26.4%	23.2%	0.0%	2.1%	1.2%	0.0%	1.7%
Telecommunications/ Information Tech	**10.0%**	15.0%	32.6%	9.1%	1.7%	1.2%	10.3%	8.3%	3.4%	1.4%	0.3%	5.9%	13.4%	2.2%	16.6%	0.0%
Utilities	**7.6%**	5.6%	17.4%	51.0%	4.3%	4.8%	5.6%	0.0%	5.5%	4.0%	0.0%	0.0%	5.6%	6.8%	0.0%	0.7%
All S&P 500 Companies	**10.1%**	**11.1%**	**10.9%**	**18.8%**	**8.0%**	**17.7%**	**10.7%**	**6.7%**	**8.2%**	**16.2%**	**8.6%**	**11.2%**	**5.1%**	**4.9%**	**4.7%**	**1.3%**

Legend 0% 0–5% 5–15% 15–25% 25%+

Note:
1. The chart is based on the market capitalizations of the S&P 500 companies as of the last trading day of the previous year. If the market capitalization on the last trading day is not available, the average fourth-quarter market capitalization is used.
2. Sectors are based on the Global Industry Classification Standard (GICS). The Energy and Materials sectors and the Telecommunications and Information Technology sectors appear separately but are combined for the purposes of this analysis.
3. Percentage of Market Capitalization Subject to New Filings equals the total market capitalization of companies subject to new securities class action filings in federal courts in each sector divided by the total market capitalization of all companies in that sector.

MEGA FILINGS

Mega DDL and MDL Filings

This section provides an analysis of large filings, as measured by DDL and MDL, in which mega DDL filings have a disclosure dollar loss (DDL) of at least $5 billion and mega MDL filings have a maximum dollar loss (MDL) of at least $10 billion.

KEY FINDINGS

- For the first time on record, there were zero mega DDL filings.
- There were two mega MDL filings in 2014 with a total MDL of $31 billion. This is the lowest level of mega MDL activity on record.
- The two mega MDL filings—against companies in the oil and gas industry—were filed in the fourth quarter of 2014 and originated in the Second Circuit. Both occurred at a time of falling worldwide crude oil prices.

Mega filings were nearly nonexistent in 2014.

FIGURE 17: **MEGA FILINGS**

	Average 1997–2013	2012	2013	2014
Mega Disclosure Dollar Loss (DDL) Filings[1]				
Mega DDL Filings	5	4	3	0
DDL ($ Billions)	$65	$43	$53	$0
Percentage of Total DDL	58%	44%	51%	0%
Mega Maximum Dollar Loss (MDL) Filings[2]				
Mega MDL Filings	12	10	5	2
MDL ($ Billions)	$432	$224	$132	$31
Percentage of Total MDL	75%	55%	47%	15%

Note:
1. Mega DDL filings have a dollar loss of at least $5 billion.
2. Mega MDL filings have a dollar loss of at least $10 billion.

NEW ANALYSIS: DISTRIBUTION OF MDL VALUES

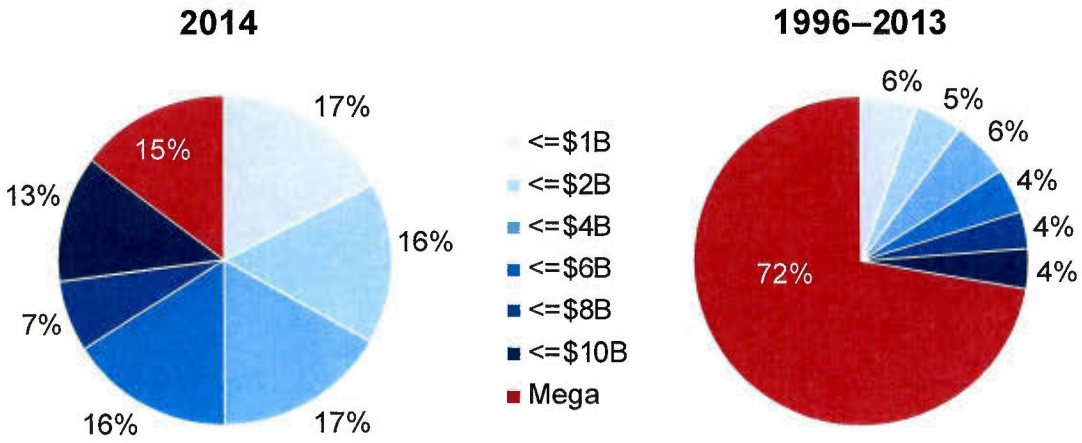
These charts compare the distribution of MDL attributable to filings of a given size in 2014 with the historical distribution of MDL.

KEY FINDINGS

- In 2014, mega MDL filings represented just over 1 percent of the total number of filings and 15 percent of total MDL, well below the historical averages between 1996 and 2013 of 8 percent and 72 percent, respectively.
- In the absence of a meaningful number of mega filings, cases with smaller MDLs accounted for a much larger proportion of total MDL. For example, filings with MDL of less than or equal to $1 billion (the smallest grouping displayed) were 17 percent of MDL in 2014 compared with 6 percent on average.
- Unlike previous years, the percentage of total MDL in 2014 is fairly evenly distributed across all groupings.

Mega MDL filings comprised just 15 percent of total MDL in 2014 compared to the historical average of 72 percent.

FIGURE 18: **DISTRIBUTION OF MDL—PERCENTAGE OF TOTAL MDL ATTRIBUTABLE TO FILINGS IN THE GROUPING**



Note:
1. Values are calculated only for filings with positive MDL data.
2. Size of each slice represents the percentage of total MDL.
3. Percentages may not add to 100 percent due to rounding.

NEW ANALYSIS: DISTRIBUTION OF DDL VALUES

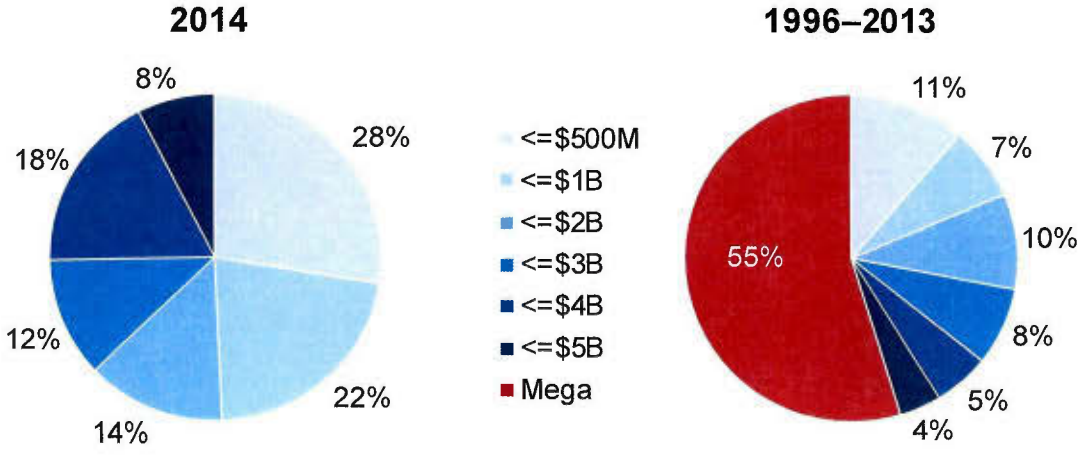
These charts compare the distribution of DDL attributable to filings of a given size in 2014 with the historical distribution of DDL.

KEY FINDINGS

- Historically, mega DDL filings have accounted for 4 percent of total filings and 55 percent of total DDL.
- Given the lack of mega filings, class actions with smaller DDLs (less than or equal to $1 billion) accounted for 50 percent of total DDL in 2014 compared to 18 percent historically.

There were no mega DDL filings in 2014.

FIGURE 19: **DISTRIBUTION OF DDL—PERCENTAGE OF TOTAL DDL ATTRIBUTABLE TO FILINGS IN THE GROUPING**



Note:
1. Values are calculated only for filings with positive DDL data.
2. Size of each slice represents the percentage of total DDL.
3. Percentages may not add to 100 percent due to rounding.

INDUSTRY

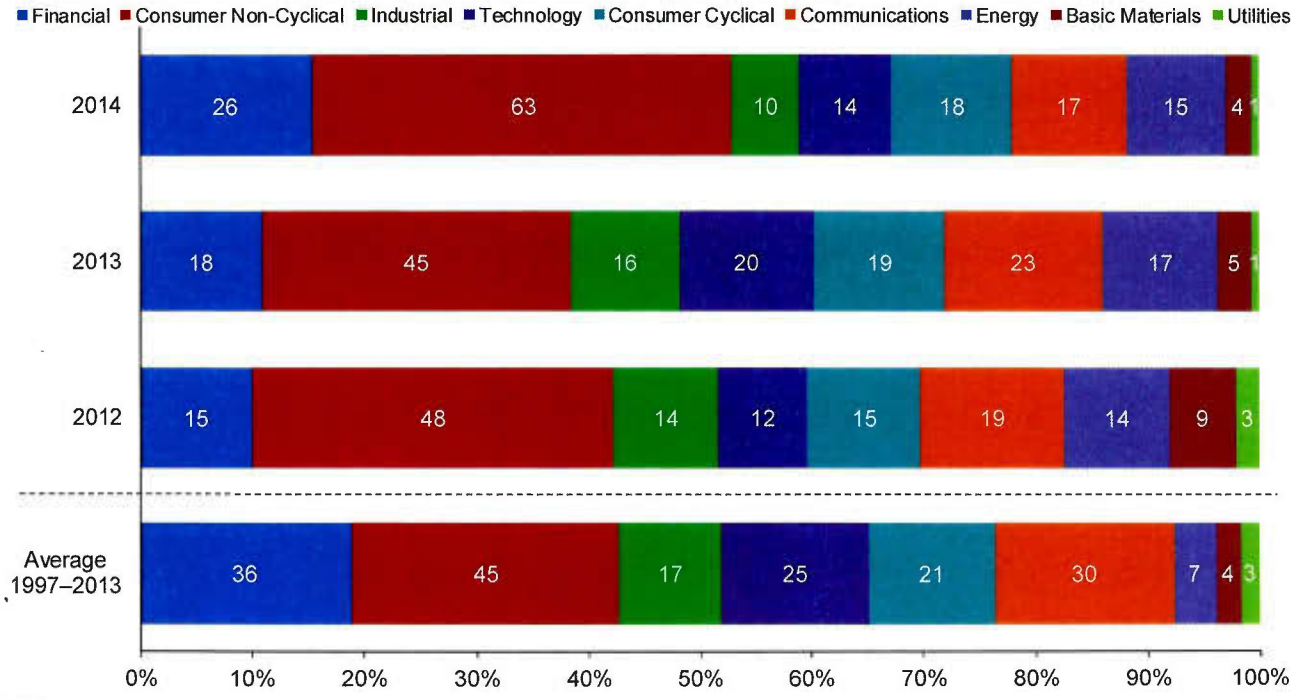
This analysis encompasses all filings, both the large capitalization companies of the S&P 500, shown on the preceding pages, as well as smaller companies.

KEY FINDINGS

- Filings against companies in the Financial sector increased for the third consecutive year, but the number of filings against companies in this sector still remained below the historical average. Likewise, the DDL for filings against Financial sector companies, $7 billion, remained well below the historical average of $20 billion (*see* Appendix 2).
- As oil and gas prices slumped in the fourth quarter of 2014, six class actions were filed against oil and gas companies. These filings represented 40 percent of the total Energy sector filings in 2014.
- Filings against companies in the Communications sector fell to the lowest level since 2010, comprising 10 percent of total filings in 2014.

Class actions against companies in the Consumer Non-Cyclical sector were again the most common filing.

FIGURE 20: **FILINGS BY INDUSTRY**



Note:
1. Filings with missing sector information or infrequently used sectors may be excluded. For more information, see Appendix 2.
2. Sectors are based on the Bloomberg Industry Classification System.

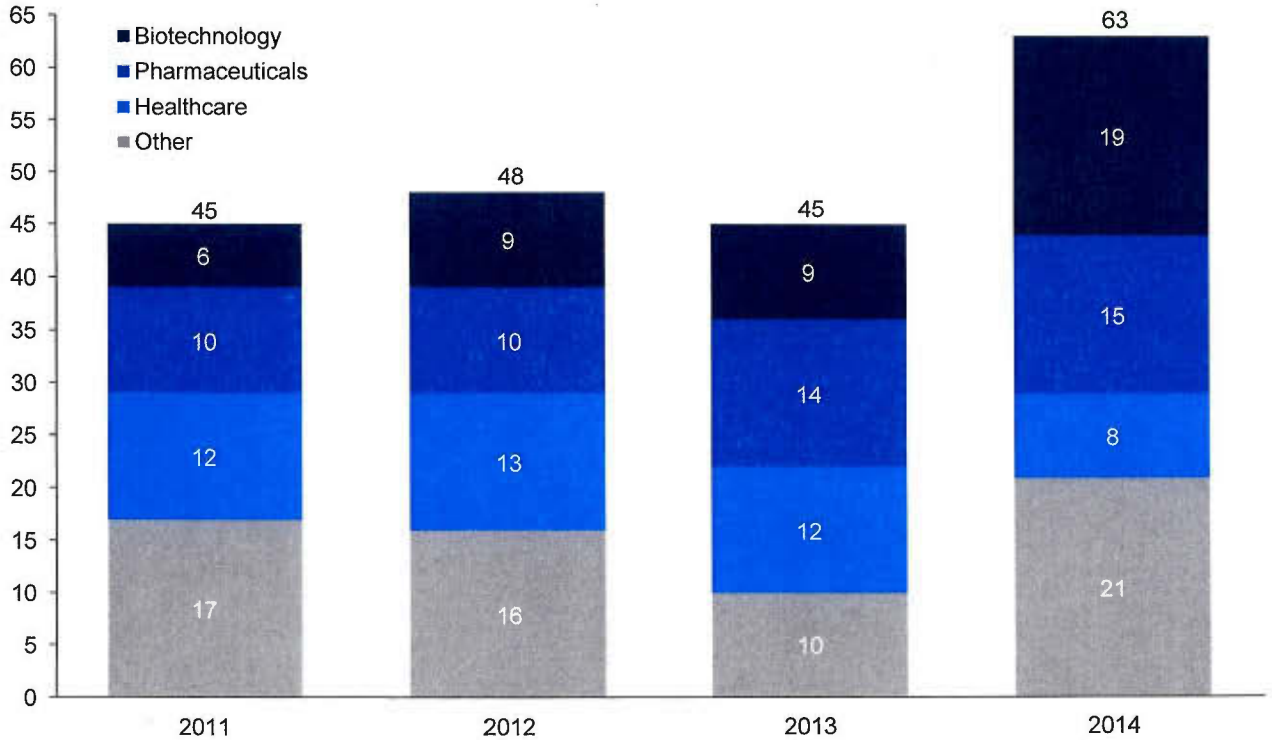
INDUSTRY *continued*

KEY FINDINGS

- Filings in the Consumer Non-Cyclical sector increased by 40 percent, from 45 filings in 2013 to 63 in 2014. This increase was largely fueled by an 111 percent increase in filings against biotechnology firms.
- Filings against biotechnology firms represented 30 percent of total Consumer, Non-Cyclical class actions filed in 2014, triple the historical average as a percentage of filings.
- Filings against pharmaceutical firms increased for the second year in a row.
- Within the Other category, filings against companies in the Commercial Services subsector were at the highest level since 1999.

Class actions against biotech and pharma companies were predominant in the Consumer, Non-Cyclical sector.

FIGURE 21: **FILINGS IN THE CONSUMER, NON-CYCLICAL SECTOR**



Note:
1. Sectors and subsectors are based on the Bloomberg Industry Classification System.
2. The Other category is a grouping primarily encompassing the Agriculture, Beverage, Commercial Services, and Food subsectors.

EXCHANGE

KEY FINDINGS

- In 2014, 82 class actions were filed against NASDAQ-listed companies compared to 75 filings against companies listed on the NYSE.
- The number of filings against NYSE firms represents a 36 percent increase over the number of filings in 2013. Meanwhile, the number of filings against NASDAQ firms decreased by 15 percent.
- The median DDL for filings against NASDAQ companies increased 7 percent in 2014 compared with 2013, whereas the other measures of the typical size of a filing against NYSE and NASDAQ companies decreased. The decline in these other measures is consistent with the lack of mega filings.
- The number of filings against issuers not listed on an exchange was 13, the same as in 2013.

The percentage of filings against firms listed on the NYSE and NASDAQ was close to the historical average.

FIGURE 22: **FILINGS BY EXCHANGE LISTING**

	Average (1997–2013)		2013		2014	
	NYSE/Amex	NASDAQ	NYSE	NASDAQ	NYSE	NASDAQ
Class Action Filings	76	96	55	97	75	82
Disclosure Dollar Loss						
DDL Total ($ Billions)	$89	$35	$41	$63	$26	$0
Average ($ Millions)	$1,358	$396	$815	$755	$408	$404
Median ($ Millions)	$253	$90	$226	$121	$220	$130
Maximum Dollar Loss						
MDL Total ($ Billions)	$424	$204	$170	$108	$130	$80
Average ($ Millions)	$6,395	$2,255	$3,396	$1,300	$2,038	$1,068
Median ($ Millions)	$1,294	$447	$1,005	$531	$780	$393

Note:
1. Average and median numbers are calculated only for filings with MDL and DDL data.
2. NYSE Amex was renamed NYSE MKT in May 2012.

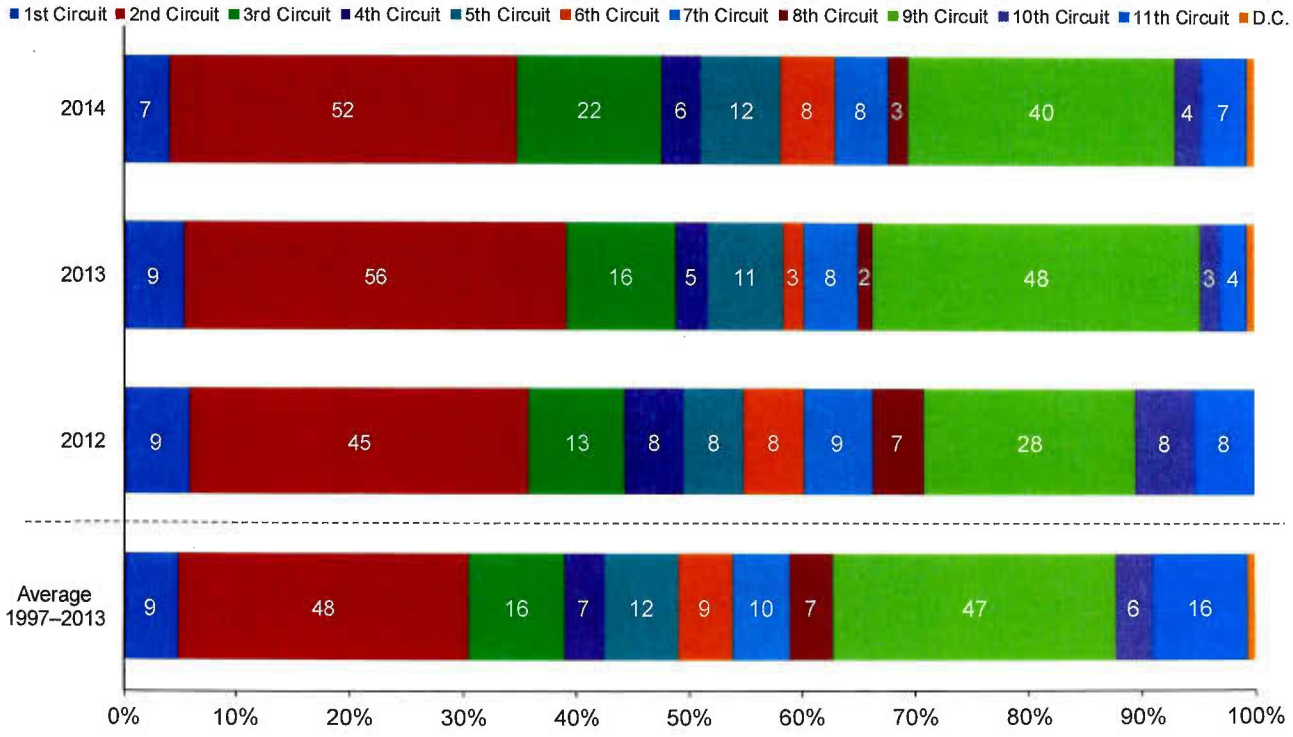
CIRCUIT

KEY FINDINGS

- Filing activity in 2014 in the Second and Ninth Circuits collectively was close to the historical average of 50 percent of filings.
- Filings in the Third Circuit increased to the highest level since 2004, attributable in part to an increase in filings against companies in the biotechnology and pharmaceutical industries.
- DDL and MDL in all circuits were at or below historical averages. Even though both mega DDL filings in 2014 originated in the Second Circuit, the Second Circuit's DDL declined to $24 billion, close to half of the historical average of $42 billion (*see* Appendix 3).

Filing activity in the Second and Ninth Circuits decreased.

FIGURE 23: **FILINGS BY COURT CIRCUIT**



Note: For more information, *see* Appendix 3.

NEW DEVELOPMENTS

HALLIBURTON CO. V. ERICA P. JOHN FUND

In a highly anticipated ruling, on June 23, 2014, the U.S. Supreme Court issued its opinion in *Halliburton Co. v. Erica P. John Fund* (*Halliburton II*). At issue in this appeal by Halliburton was the fraud-on-the-market presumption established in *Basic Inc. v. Levinson* (1988).

For a typical Rule 10b-5 securities class action with allegations of misrepresentations, *Basic* established that plaintiffs did not need to demonstrate that individual class members relied on any allegedly misleading statements if the market in which the security at issue traded can be shown to be "efficient"—that is, the market price reflected all publicly available information. In those circumstances, any material misrepresentations were deemed to be reflected in the price of the security.

Petitioners asked the Court to overrule or substantially modify *Basic*. They further asked whether defendants may rebut the presumption of reliance, when invoked by plaintiffs, by introducing evidence that the alleged misrepresentations did not distort the market price of the security at issue.

In *Halliburton II*, the Court declined to overturn *Basic*. It did find, however, that defendants could rebut the presumption prior to class certification by showing direct evidence "that the alleged misrepresentations did not actually affect the stock price—that is, that it had no 'price impact.'" It is too early to tell the long-term impact of the Supreme Court's ruling. Clarification regarding the standard of proof of no price impact that courts may require of defendants is but one area of future uncertainty.

GLOSSARY

Chinese reverse merger (CRM) filing is a securities class action against a China-headquartered company listed on a U.S. exchange as a result of a reverse merger with a public shell company. *See* Cornerstone Research, *Investigations and Litigation Related to Chinese Reverse Merger Companies*.

Class Action Filings (CAF) Index™ tracks the number of federal securities class action filings.

Class Action Filings-Foreign (CAF-F) Index™ tracks the number of filings against foreign issuers (companies headquartered outside the United States) relative to total filings.

Disclosure Dollar Loss (DDL) Index™ measures the aggregate DDL for all filings over a period of time. DDL is the dollar value change in the defendant firm's market capitalization between the trading day immediately preceding the end of the class period and the trading day immediately following the end of the class period. DDL should not be considered an indicator of liability or measure of potential damages. Instead, it estimates the impact of all information revealed during or at the end of the class period, including information unrelated to the litigation.

Filing lag is the time between the end of a class period and the filing of a securities class action.

Heat Maps of S&P 500 Securities Litigation™ analyze securities class action activity by industry sector. The analysis focuses on companies in the Standard & Poor's 500 (S&P 500) index, which comprises 500 large, publicly traded companies in all major sectors. Starting with the composition of the S&P 500 at the beginning of each year, the Heat Maps examine two questions for each sector: (1) What percentage of these companies were subject to new securities class actions in federal court during the year? (2) What percentage of the total market capitalization of these companies was accounted for by companies named in new securities class actions?

Market capitalization losses measure changes to market values of the companies subject to class action filings. Market capitalization losses are tracked for defendant firms during and at the end of class periods. They are calculated for publicly traded common equity securities, closed-ended mutual funds, and exchange-traded funds where data are available. Declines in market capitalization may be driven by market, industry, and/or firm-specific factors. To the extent that the observed losses reflect factors unrelated to the allegations in class action complaints, indices based on class period losses would not be representative of potential defendant exposure in class actions. This is especially relevant in the post-*Dura* securities litigation environment. In April 2005, the U.S. Supreme Court ruled that plaintiffs in a securities class action are required to plead a causal connection between alleged wrongdoing and subsequent shareholder losses. This report tracks market capitalization losses at the end of each class period using DDL, and market capitalization losses during each class period using MDL.

Maximum Dollar Loss (MDL) Index™ measures the aggregate MDL for all filings over a period of time. MDL is the dollar value change in the defendant firm's market capitalization from the trading day with the highest market capitalization during the class period to the trading day immediately following the end of the class period. MDL should not be considered an indicator of liability or measure of potential damages. Instead, it estimates the impact of all information revealed during or at the end of the class period, including information unrelated to the litigation.

GLOSSARY *continued*

Mega filings include mega DDL filings, securities class action filings with a DDL of at least $5 billion; and mega MDL filings, securities class action filings with an MDL of at least $10 billion.

Merger and acquisition (M&A) filing is a securities class action that has Section 14 claims, but no Rule 10b-5, Section 11, or Section 12(2) claims, and involves a merger and acquisition transaction.

Securities Class Action Clearinghouse is an authoritative source of data and analysis on the financial and economic characteristics of federal securities fraud class action litigation, cosponsored by Cornerstone Research and Stanford Law School.

APPENDICES

APPENDIX 1: **FILINGS COMPARISON**

	Average (1997–2013)	2013	2014
Class Action Filings	189	166	170
Disclosure Dollar Loss			
DDL Total ($ Billions)	$124	$104	$57
Average ($ Millions)	$795	$745	$387
Median ($ Millions)	$122	$148	$169
Maximum Dollar Loss			
MDL Total ($ Billions)	$630	$279	$215
Average ($ Millions)	$4,022	$2,004	$1,455
Median ($ Millions)	$646	$532	$532

Note: Average and median numbers are calculated only for filings with MDL and DDL data.

APPENDIX 2: **FILINGS BY INDUSTRY**

(Dollars in Billions)

	Class Action Filings				Disclosure Dollar Loss				Maximum Dollar Loss			
Industry	Average 1997–2013	2012	2013	2014	Average 1997–2013	2012	2013	2014	Average 1997–2013	2012	2013	2014
Financial	36	15	18	26	$20	$23	$1	$7	$121	$99	$2	$22
Consumer Non-Cyclical	45	48	45	63	$36	$25	$20	$21	$127	$57	$56	$53
Industrial	17	14	16	10	$12	$2	$2	$3	$37	$12	$10	$10
Technology	25	12	20	14	$18	$13	$52	$9	$83	$98	$93	$22
Consumer Cyclical	21	15	19	18	$9	$17	$12	$9	$52	$46	$31	$18
Communications	30	19	23	17	$24	$9	$13	$3	$171	$41	$22	$28
Energy	7	14	17	15	$3	$5	$2	$4	$19	$33	$13	$51
Basic Materials	4	9	5	4	$1	$4	$1	$1	$11	$18	$51	$10
Utilities	3	3	1	1	$1	$0	$0	$0	$10	$1	$1	$0
Unknown/Unclassified	1	2	2	2	-	-	-	-	-	-	-	-
Total	189	151	166	170	$124	$97	$104	$57	$630	$404	$279	$215

Note:
1. Numbers may not add due to rounding.
2. Filings with missing sector information or infrequently used sectors may be excluded in prior years.

APPENDICES *continued*

APPENDIX 3: **FILINGS BY COURT CIRCUIT**

(Dollars in Billions)

	Class Action Filings				Disclosure Dollar Loss				Maximum Dollar Loss			
Circuit	Average 1997–2013	2012	2013	2014	Average 1997–2013	2012	2013	2014	Average 1997–2013	2012	2013	2014
1st	9	9	9	7	$8	$1	$39	$3	$22	$4	$46	$5
2nd	48	45	56	52	$42	$42	$31	$24	$230	$166	$137	$86
3rd	16	13	16	22	$17	$0	$3	$4	$62	$9	$8	$10
4th	7	8	5	6	$3	$1	$2	$2	$13	$4	$4	$13
5th	12	8	11	12	$7	$0	$1	$3	$39	$2	$6	$16
6th	9	8	3	8	$7	$14	$0	$5	$29	$23	$1	$15
7th	10	9	8	8	$6	$5	$1	$3	$27	$21	$8	$6
8th	7	7	2	3	$4	$3	$1	$1	$15	$12	$11	$4
9th	47	28	48	40	$21	$24	$20	$9	$153	$132	$51	$41
10th	6	8	3	4	$3	$4	$4	$1	$14	$23	$6	$3
11th	16	8	4	7	$5	$2	$0	$3	$24	$7	$1	$15
D.C.	1	0	1	1	$1	$0	$0	$0	$3	$0	$0	$2
Total	189	151	166	170	$124	$97	$104	$57	$630	$404	$279	$215

Note: Numbers may not add due to rounding.

RESEARCH SAMPLE

- The Stanford Law School Securities Class Action Clearinghouse, in collaboration with Cornerstone Research, has identified 3,898 federal securities class action filings between January 1, 1996, and December 31, 2014 (securities.stanford.edu).
- The sample used in this report is referred to as the "classic filings" sample and excludes IPO allocation, analyst, and mutual fund filings (313, 68, and 25 filings, respectively).
- Multiple filings related to the same allegations against the same defendant(s) are consolidated in the database through a unique record indexed to the first identified complaint.

The authors request that you reference Cornerstone Research and the Stanford Law School Securities Class Action Clearinghouse in any reprint of the information or figures included in this study.

Please direct any questions to:

Alexander Aganin
650.853.1660
aaganin@cornerstone.com

Boston
617.927.3000

Chicago
312.345.7300

London
+44.20.3655.0900

Los Angeles
213.553.2500

Menlo Park
650.853.1660

New York
212.605.5000

San Francisco
415.229.8100

Washington
202.912.8900

www.cornerstone.com

© 2015 by Cornerstone Research.
All rights reserved. Cornerstone Research is a registered service mark of Cornerstone Research, Inc.
C and design is a registered trademark of Cornerstone Research, Inc.

Exhibit 17

	Case Name	Federal Court	Settlement Amount	Percentage of the Fund	Citation
1	In re Fannie Mae Securities Litigation	D.D.C.	$153,000,000	22.00%	Motion For An Award Of Attorneys' Fees And Reimbursement Of Litigation Expenses By Lead Plaintiffs, *In re Fannie Mae Sec. Litig .*, No. 1:04-cv-01639-RJL (D.D.C. Aug. 16, 2013), ECF No. 1093.
2	In re Satyam Computer Services, Ltd., Securities Litigation	S.D.N.Y.	$150,500,000	17.00%	Order Awarding Attorneys' Fees and Expenses, *In re Satyam Computer Services, Ltd., Sec. Litig.* , No. 1:09-md-02027-JPO (S.D.N.Y. Sept. 13, 2011), ECF No. 365.
3	In re AT&T Wireless Tracking Stock Securities Litigation	S.D.N.Y.	$150,000,000	15.00%	Order, *In re AT&T Wireless Tracking Stock Sec. Litig.* , No. 1:00-cv-08754 (S.D.N.Y. Jan. 30, 2007), ECF No. 82.
4	In re Broadcom Corp. Securities Litigation	C.D. Cal.	$150,000,000	25.00%	Order, *In re Broadcom Sec. Litig.* , No. 8:01-cv-00275-DT-MLG (C.D. Cal. Sept. 12, 2005), ECF No. 686.
5	In re Merrill Lynch & Co., Inc., Securities, Derivative & ERISA Litigation	S.D.N.Y.	$150,000,000	15.00%	Minute Entry for proceedings held before Judge Jed S. Rakoff, *In re Merrill Lynch & Co., Inc., Sec., Derivative & ERISA Litig .*, No. 1:08-cv-09063-JSR (S.D.N.Y. Oct. 8, 2010), ECF No. 69.
6	Schwartz v. TXU Corp.	N.D. Tex.	$149,750,000	22.20%	*Schwartz v. TXU Corp.,* No. 3:02-CV-2243-K, 2005 WL 3148350 (N.D. Tex. Nov. 8, 2005).
7	In re Charter Communications Securities Litigation	E.D. Mo.	$146,250,000	20.00%	Memorandum and Order, *In re Charter Comms. Sec. Litig .*, No. 4:02-CV-1186 (E.D. Mo. June 30, 2005), ECF No. 332.
8	In re Apollo Group Inc. Securities Litigation	D. Ariz.	$145,000,000	33.33%	Final Approval Order and Judgment, *In re Apollo Group Inc. Sec. Litig.* , No. 2:04-cv-02147-JAT (D. Ariz. Apr. 20, 2012), ECF No. 770.
9	In re Sunbeam Securities Litigation	S.D. Fla.	$140,995,187	25.00%	*In re Sunbeam Sec. Litig.* , 176 F.Supp.2d 1323, 1337 (S.D. Fla. 2001). Order Approving Settlement With Remaining Defendants And Fannin And Granting Attorneys' Fees And Costs, *In re Sunbeam Sec. Litig.* , No. 9:98-cv-08258-DMM (S.D. Fla. Aug. 9, 2002), ECF No. 907.
10	In re Biovail Corp. Securities Litigation	S.D.N.Y.	$138,000,000	16.01%	Order Awarding Attorneys' Fees and Expenses, *In re Biovail Corp. Sec. Litig .*, No. 03-cv-08917 (S.D.N.Y. August 8, 2008), ECF No. 277.
11	Carpenters Health & Welfare Fund v. Coca-Cola Co.	N.D. Ga.	$137,500,000	21.00%	*Carpenters Health & Welfare Fund v. Coca-Cola Co.* , 587 F.Supp.2d 1266, 1275 (N.D. Ga. 2008).
12	In re Electronic Data Systems Corp. Securities Litigation	E.D. Tex.	$137,500,000	17.48%	Order Granting Motion For Attorney Fees And Expenses, *In re Electronic Data Systems Corp. Sec. Litig .*, No. 03-cv-00110 (E.D. Tex. Mar. 7, 2006), ECF No. 292.
13	Weaver, et al v. Informix Corporation, et al	N.D. Cal.	$136,500,000	30.00%	Order, *Weaver v. Informix Corp.* , No. 3:97-cv-01289 (N.D. Cal. Nov. 23, 1999), ECF No. 471.
14	In re Computer Associates Class Action Securities Litigation	E.D.N.Y.	$133,551,000	25.30%	*In re Computer Associates Class Action Sec. Litig.* , No. 98-cv-4839 (TCP) 2003 WL 25770761 (E.D. New York Dec. 8, 2003).
15	In re Merrill Lynch & Co., Inc. Research Reports Securities Litigation	S.D.N.Y.	$133,310,871	24.00%	*In re Merrill Lynch & Co., Inc. Research Reports Sec. Litig .*, 246 F.R.D. 156, 178 (S.D.N.Y. 2007).
16	Bennett v. Sprint Nextel Corporation et al.	D. Kan.	$131,000,000	22.00%	Order Awarding Attorneys' Fees and Expenses and Lead Plaintiffs' Expenses, *Bennett v. Sprint Nextel Corp .*, No. 09-cv-02122 (D. Kan. Aug. 12, 2015), ECF No. 301.
17	In re Doral Financial Corp. Securities Litigation	S.D.N.Y.	$130,000,000	15.25%	Order Awarding Attorneys' Fees and Expenses, *In re Doral Financial Corp. Sec. Litig .*, No. 1:05-md-01706-JSR (S.D.N.Y. July 17, 2007), ECF No. 107.
18	Delphi Corp. Securities, Derivative and "ERISA" Litigation	E.D. Mich.	$128,350,000	18.00%	Order Awarding Attorenys' Fees and Expenses, *Delphi Corp. Sec., Derivative and "ERISA" Litig.* , No. 05-md-01725 (E.D. Mich. June 26, 2008), ECF No. 417.
19	Spahn v. Edward D. Jones & Co., L.P.	E.D. Mo.	$127,500,000	21.20%	Final Judgment And Order Of Dismissal, *Spahn v. Edward D. Jones & Co. , L.P.* , No. 04-cv-00086 (E.D. Mo. Oct. 25, 2007), ECF No. 233.
20	General Retirement System of the City of Detroit v. The Wells Fargo Mortgage Backed Securities 2006-AR18 Trust et al.	N.D. Cal.	$125,000,000	19.75%	Order, *General Retirement System of the City of Detroit v. Wells Fargo Mortg. Backed Sec. 2006-AR18 Trust* , No. 09-cv-01376 (N.D. Cal. Nov. 14, 2011), ECF No. 475.
21	In re Bristol-Meyers Squibb Co. Securities Litigation	S.D.N.Y.	$125,000,000	17.00%	Order Granting Lead Counsel's Motion For An Award Of Attorneys' Fees And Reimbursement Of Expenses, *In re Bristol-Myers Squibb Co. Sec. Litig.* , No. 07-cv-5867 (S.D.N.Y. Dec. 8, 2009), ECF No. 78.
22	In re New Century	C.D. Cal.	$124,827,088	11.50%	Order Granting Lead Counsels Motion For An Award Of Attorneys Fees and Reimbursement Of Expenses, *In re New Century* , No. 2:07-cv-00931-DDP-FMO (C.D. Cal Nov. 15, 2010), ECF No. 504.
23	Kurzweil v. Philip Morris Companies, Inc.	S.D.N.Y.	$123,820,098	30.00%	*Kurzweil v. Philip Morris Companies, Inc.* , Nos. 94 Civ. 2373(MBM), 94 Civ. 2546(BMB), 1999 U.S. Dist. WL 1076105 (S.D.N.Y. Nov. 30, 1999).
24	In re Mattel, Inc. Securities Class Action Litigation	C.D. Cal.	$122,000,000	27.00%	Order, *In re Mattel, Inc. Sec. Litig.* , No. 2:99-cv-10368-MRP-CW (C.D. Cal Sept. 29, 2003), ECF No. 193.

	Case Name	Federal Court	Settlement Amount	Percentage of the Fund	Citation
25	In re Lernout & Hauspie Securities Litigation	D. Mass.	$120,520,000	20.00%	Electronic Order, *In re Lernout & Hauspie Sec. Litig.* , No. 1:00-cv-11589-PBS (D. Mass. June 23, 2005).
26	In re Deutsche Telekom AG Securities Litigation	S.D.N.Y.	$120,000,000	28.00%	Final Judgment and Order, *In re Deutsche Telekom AG Sec. Litig.* , No. 00-cv-09475 (S.D.N.Y. June 14, 2005), ECF No. 87.
27	In re Bank One Securities Litigation First Chicago Shareholders Claim	N.D. Ill.	$120,000,000	22.50%	Order Awarding Attorneys' Fees And Reimbursement Of Expenses, *In re Bank One Securities Litigation First Chicago Shareholders Claim* , No. 1:00-cv-00767 (N.D. Ill Aug. 26 2005), ECF No. 351.
28	In re Diamond Foods, Inc. Securities Litigation	N.D. Cal.	$118,800,000	14.00%	Order Granting Final Approval Of Proposed Class Settlement And Granting In Part Attorney's Fees And Reimbursement Expenses, *In re Diamond Foods, Inc. Sec. Litig.* , No. 3:11-cv-05386-WHA (N.D. Cal. Jan. 10, 2014), ECF No. 305.
29	In re Peregrine Sys. Inc. Securities Litigation	SD. Cal.	$117,567,922	20.00%	Order Awarding Attorneys Fees And Reimbursement Of Expenses, *In re Peregrine Sys. Inc. Sec. Litig* ., No. 02-CV-870 (S.D. Cal. Nov. 27, 2006), ECF No. 758 Order Awarding Attorneys' Fees And Reimbursement Of Expenses, *In re Peregrine Sys. Inc. Sec. Litig* ., No. 02-CV-870 (S.D. Cal. Oct. 22, 2009), ECF No. 839.
30	In re Mercury Interactive Securities Litigation	N.D. Cal.	$117,500,000	22.00%	Order Granting Renewed Application For Attorneys' Fees, *In Re Mercury Interactive Sec. Litig* ., No. 05-cv-03395-JF (N.D. Cal. Mar. 3, 2011) ECF No. 416.
31	In re Sumitomo Copper Litigation	S.D.N.Y.	$116,600,000	27.50%	Opinion #83094, Order No. 69, *In re Sumitomo Copper Litigation* , No. 1:96-cv-04584-RMB (S.D.N.Y. Nov. 15, 1999), ECF No. 191.
32	In re Interpublic Securities Litigation	S.D.N.Y.	$115,000,000	12.00%	*In re Interpublic Sec. Litg.* , No. 02-cv-6527 (DLR), 2004 WL 2397190 (S.D.N.Y. Oct. 26, 2004).
33	In re Ikon Office Solutions, Inc. Securities Litigation	E.D. Pa.	$111,000,000	30.00%	*In re Ikon Office Solutions, Inc. Sec. Litig.* , 194 F.R.D. 166 (E.D. Pa. 2000).
34	In re DPL Inc., Securities Litigation	S.D. Ohio	$110,000,000	20.00%	Decision And Entry Sustaining In Part And Overruling In Part The Joint Application Of Plaintiffs' Counsel For An Award Of Attorneys' Fees And Reimbursement Of Expenses, *In re DPL Inc. Sec. Litig.* , No. 3:02-cv-00355-WHR (S.D. Ohio Mar. 8, 2004) ECF No. 170.
35	In re CVS Corp. Securities Litigation	D. Mass.	$110,000,000	25.00%	Order Entered Granting Motion For Final Approval Of The Class Action Settlement And Plan Of Allocation, Granting Motion For Attorney Fees, Granting Motion For Settlement, Granting Motion For Leave To Appear Pro Hac Vice Added Nicholas M. Fausto For Jerry R. Houser, *In re CVS Corp. Sec. Litig.* , No. 1:01-cv-11464-JLT (D. Mass. Sept. 7, 2005), ECF No. 191.
36	In re Prudential Securities Inc. Ltd. Partnerships Litigation	S.D.N.Y.	$110,000,000	27.00%	*In re Prudential Sec. Inc. Ltd. Partnerships Litig.,* 912 F. Supp. 97, 103-04 (S.D.N.Y. Jan. 24, 1996).
37	In re Conseco, Inc. Sec. Litig.	S.D. Ind.	$105,000,000	14.60%	*In re Conseco, Inc. Sec. Litig.* , No. 1:00-cv-585, Dkt. No. 157, slip op. at 1-2; Dkt. No. 171 at 19 (S.D. Ind. Aug. 7, 2002)
38	In re Prison Realty Securities Litigation	M.D. Tenn.	$104,129,480	30.00%	Order Awarding Plaintiffs' Attorneys' Fees, *In Re Prison Realty Sec. Litig.* , No. 3:99-cv-00452-TJC (M.D. Tenn. Feb. 9, 1991), ECF No. 191.
39	In re Symbol Technologies, Inc. Securities Litigation	E.D.N.Y.	$102,000,000	10.00%	Order Granting Motion For Attorney Fees, *In re Symbol Technologies, Inc. Sec. Litig.* , No. 2:02-cv-01383-LDW-JO (E.D.N.Y. Oct. 14, 2004), ECF No. 143.
40	In re Parmalat Securities Litigation	S.D.N.Y.	$101,800,000	18.50%	Order Granting Award of Attorneys' Fees, *In re Parmalat Sec. Litig.* , No. 1:04-md-01653-LAK-HBP, (S.D.N.Y. Mar. 2, 2009), ECF No. 1684 and Order, *In re Parmalat Sec. Litig.* , No. 1:04-md-01653-LAK-HBP (S.D.N.Y. Mar. 11, 2010), ECF No. 1831.
41	In re Honeywell International, Inc. Securities Litigation	D. N.J.	$100,000,000	20.00%	Order Awarding Plaintiffs' Counsel's Attorneys Fees And Reimursement Of Expenses Pursuant To Settlement Fund, *In re Honeywell International, Inc. Sec. Litig.* , No. 2:00-cv-03605-DRD-SDW (D. N.J. Aug. 16, 2004), ECF No. 256.
42	In re AT&T Corp. Securities Litigation	D. N.J.	$100,000,000	21.25%	Order Granting Motion for Attorney Fees, *In re AT&T Corp. Sec. Litig.* , No. 3:00-cv-05364-FLW-JJH (D. N.J. April 25, 2005), ECF No. 341.
43	In re American Express Financial Advisors Securities Litigation	S.D.N.Y.	$100,000,000	27.00%	Order and Final Judgement, *In re Am. Express Fin. Advisors Sec. Litig.* , No. 1:04-cv-01773-DAB (S.D.N.Y. July 18, 2007), ECF No. 170.
44	In re Tremont Securities Law, State Law and Insurance Litigation	S.D.N.Y.	$100,000,000	30.00%	Judgment and Order, *In re Tremont Sec. Law, State Law and Ins. Litig.* , No. 1:08-cv-11117-TPG (S.D.N.Y. Aug. 19, 2011), ECF No. 603.
45	In re Cisco Systems, Inc., Securities Litigation	N.D. Cal.	$99,250,000	15.10%	Order Granting Revised Order Awarding Plaintiffs' Counsel's Attorneys Fees And Reimbursement Of Expenses, *In re Cisco Systems, Inc., Sec. Litig.* , No. 5:01-cv-20418-JW (N.D. Cal. Dec. 5, 2006), ECF No. 634.

	Case Name	Federal Court	Settlement Amount	Percentage of the Fund	Citation
46	In re Computer Sciences Corp. Securities Litigation	E.D. Va.	$97,500,000	19.50%	Order Awarding Attorneys' Fees and Expenses, *In re Computer Sciences Corp. Sec. Litig.* , No. 1:11-cv-00610-TSE-IDD (E.D. Va. Sept. 20, 2013), ECF No. 335.
47	In re Morgan Stanley Mortgage Pass-Through Certificates Litigation	S.D.N.Y.	$95,000,000	17.00%	Order Granting Lead Counsel's Application For An Award Of Attorney's Fees And Expenses, *In re Morgan Stanley Mortgage Pass-Through Certificates Litig.* , No. 1:09-cv-04414-KBF (S.D.N.Y. Dec. 19, 2014), ECF No. 56.
48	In re Verifone Holdings, Inc. Securities Litigation	N.D. Cal.	$95,000,000	20.00%	Order Awarding Attorneys' Fees and Expenses, *In re Verifone Holdings, Inc. Sec. Litig.* , No. 3:07-cv-06140-EMC (N.D. Cal. Feb. 25, 2014), ECF No. 368.
49	In re Fleming Co. Securities Litigation	E.D. Tex.	$93,950,000	23.75%	Final Judgment And Order Of Dismissal, *In re Fleming Co. Sec. Litig.* , No. 5:03-md-01530-DF (E.D. Tex. Nov. 30, 2005), ECF No. 335.
50	In re Cigna Corp. Securities Litigation	E.D. Pa.	$93,000,000	23.00%	Order And Final Judgment, *In re Cigna Corp. Sec. Litig.* , No. 2:02-cv-08088-MMB (E.D. Pa. July 13, 2007), ECF No. 288.
51	In re Boeing Securities Litigation	W.D. Wash	$92,500,000	25.00%	Order, *In re Boeing Sec. Litig.* , No. 2:97-cv-01715-TSZ (W.D. Wash. Apr. 10, 2002), ECF No. 674.
52	In re OM Group, Inc. Securities Litigation	N.D. Ohio	$92,400,000	18.00%	Final Order Awarding Attorneys' Fees and Reimbursement of Expenses, *In re OM Group, Inc. Sec. Litig.* , No. 1:02-cv-02163-DCN (N.D. Ohio Sept. 8, 2005), ECF No. 369.
53	In re International Rectifier Corporation Securities Litigation	C.D. Cal.	$90,000,000	25.00%	Order by Judge John F. Walter re Motion for Attorneys Fees and Reimbursement of Litigation Expenses, *International Rectifier Corp. Sec. Litig.* , No. 2:07-cv-02544-JFW-VBK (C.D. Cal. Feb. 8, 2010), ECF No. 316.
54	In re Anthem Insurance Co., Inc.	S.D. Ind.	$90,000,000	33.33%	Amended Entry On Motion For Attorneys' Fees, Costs, And Case Contribution Awards, *Ormond V. Anthem, Inc.* , No. 1:05-cv-01908-TWP-TAB (S.D. Ind. Nov. 20, 2012), ECF No. 786.
55	In re Inland Western Retail Real Estate Trust, Inc.	N.D. Ill.	$90,000,000	11.11%	Order Granting An Award Of Attorneys' Fees And Reimbursement Of Expenses, City of St. Clair Shores General Employees *Retirement System v. Inland Western Retail Real Estate, Inc.* , No. 1:07-cv-06174 (N.D. Ill. Nov. 8, 2010), ECF No. 155.
56	In re MF Global, Ltd.	S.D.N.Y.	$90,000,000	18.00%	Order Order Granting Plaintiffs' Counsel's Petition For An Award Of Attorneys' Fees And Reimbursement Of Expenses And Lead Plaintiffs' Petition For Reimbursement Of Expenses, *Rubin v. MF Global, Ltd.* , No. 1:08-cv-02233-VM (S.D.N.Y. Nov. 18, 2011), ECF No. 198.
57	In re Regions Financial Corp.	N.D. Ala.	$90,000,000	30.00%	Order Awarding Attorneys' Fees And Expenses And Reimbursement Of Lead Plaintiffs' Expenses Pursuant To 15 U.s.c. §78u-4(a)(4), *T Grocery & Food Employees Welfare Fund v. Regions Fin. Corp.* , No. 2:10-cv-02847-KOB (N.D. Ala. Sept. 14, 2015), ECF No. 320.
58	In re New York Life Insurance Co.	S.D. Fla.	$90,000,000	13.88%	Order Approving The Settlement And Dismissing The Complaint With Prejudice, *Shea v. New York Life Ins.* , No. 1:96-cv-00746-LCN (S.D. Fla. July 3, 1996), ECF No. 33.
59	In re i2 Technologies Inc.	N.D. Tex.	$87,750,000	25.00%	Order And Final Judgment, Scheiner v. i2 Tech. Inc., No. 3:01-cv-00418-L (N.D. Tex. Oct. 1, 2004), ECF No. 214.
60	In re Legato Systems Inc.	N.D. Cal.	$85,000,000	20.00%	Order, *Bowman v. Legato Systems Inc.* , No. 5:00-cv-20111-JDF (N.D. Cal. July 31, 2002), ECF No. 310.
61	In re Medtronic, Inc.	D. Minn.	$85,000,000	25.00%	Order Awarding Attorneys' Fees and Expenses, *Minneapolis Firefighters' Relief Ass'n v. Medtronic, Inc.* , No. 0:08-cv-06324-PAM-AJB (D. Minn. Nov. 8, 2012), ECF No. 346.
62	In re The Blackstone Group L.P.	S.D.N.Y.	$85,000,000	33.33%	Final Judgment And Order Of Dismissal With Prejudice, *Rettino Insurance Agency v. The Blackstone Group L.P.* , No. 1:08-cv-05447-HB (S.D.N.Y. Dec. 18, 2013), ECF No. 15.
63	In re FirstEnergy Corporation Securities Litigation	N.D. Ohio	$84,900,000	23.00%	Order Awarding Lead Class Plaintiffs' Counsel's Attorneys' Fees And Reimbursement Of Expenses, *In re FirstEnergy Corp. Sec. Litig.* , No. 5:03-cv-01684-JG (N.D. Ohio Dec. 30, 2004), ECF No. 167.
64	In re SCOR Holding (Switzerland) AG Litigation	S.D.N.Y.	$84,600,000	20.00%	Order Awarding Attorneys' Fees And Expenses, *In re SCOR Holding (Switz.) AG Litig.* , No. 1:04-cv-08038-DLC (S.D.N.Y. Dec. 17, 2008), ECF No. 38.
65	In re Real Estate Associates L.P. Litigation	C.D. Cal.	$83,000,000	35.00%	Final Order And Judgment, *In re Real Estate Associates L.P. Litig.* , No. 2:98-cv-07035-DDP-AJW (C.D. Cal. Nov. 24, 2003), ECF No. 910.
66	In re Aetna, Inc., Securities Litigation	E.D. Pa.	$82,500,000	30.00%	*In re Aetna Inc.* , No. CIV. A. MDL 1219, 2001 WL 20928 (E.D. Pa. Jan. 4, 2001).
67	In re MoneyGram International, Inc. Securities Litigation	D. Minn.	$80,000,000	23.75%	Final Order And Judgment, *In re MoneyGram Int'l, Inc. Sec. Litig.* , No. 0:08-cv-01034-DSD-JJG (D. Minn. June 18, 2010), ECF No. 60.

	Case Name	Federal Court	Settlement Amount	Percentage of the Fund	Citation
68	In re Xcel Energy, Inc., Securities, Derivative & "ERISA" Litigation	D. Minn.	$80,000,000	25.00%	Order Granting Motion For Attorney Fees, Reimbursement Of Expenses, And An Award To Lead Plaintiffs, *In re Xcel Energy, Inc., Sec., Derivative & "ERISA" Litig.* , No. 0:02-cv-02677-DSD-FLN (D. Minn. Apr. 8, 2005), ECF No. 192.
69	In re Priceline.com, Inc. Securities Litigation	D. Conn.	$80,000,000	30.00%	Ruling Granting Motion For Approval Of Class Action Settlement And Motion For Attorney Fees And Expenses, *In re Priceline.com, Inc. Sec. Litig.* , No. 3:00-cv-01884-AVC (D. Conn. July 20, 2007), ECF No. 479.
70	In re Hanover Compressor Co.	S.D. Tex.	$80,000,000	21.95%	Order Awarding Settling Pltfs' Counsel's Fees And Reimbursement Of Expenses, Reimbursement Of Certain Lead Pltfs' Time And Expenses And Award To ERISA Named Pltf., *Pirelli Armstrong, et al v. Hanover Compressor Co.* , No. 4:02-cv-00410 (S.D. Tex. Feb. 6, 2004), ECF No. 150.
71	In re Provident Royalties Litigation	N.D. Tex.	$80,000,000	25.00%	Order Granting Motion For Attorneys' Fees And Reimbursement Of Expenses, *In re Provident Royalties Litig.* , 3:10-cv-01833-F (N.D. Tex. Aug. 4, 2011), ECF No. 130.

Weighted Average	**22.02%**
Median	**22.00%**
Mean	**22.24%**

Exhibit 18

E9fgdobc

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

----------x

MIKE DOBINA, Individually and on Behalf of All Others Similarly Situated, et al.,

Plaintiffs,

v. 11 CV 01646(LAK)

WEATHERFORD INT. LTD., et al.,

Defendants.

----------x

New York, N.Y.
September 15, 2014
4:30 p.m.

Before:

HON. LEWIS A. KAPLAN,

District Judge

APPEARANCES

KESSLER TOPAZ MELTZER & CHECK, LLP
Attorneys for Plaintiffs Dobina, et al.
DAVID KESSLER
ELI GREENSTEIN

LAW OFFICE OF CURTIS V. TRINKO, LLP
Attorney for Plaintiff
CURTIS V. TRINKO

LATHAM & WATKINS, LLP
Attorneys for Defendants Weatherford, et al.
PETER WALD
SARAH GREENFIELD

(In open court)

THE COURT: It's Mr. Kessler, is it?

MR. KESSLER: Yes. Good afternoon.

THE COURT: I read the material parts of this enormous mountain, so let me tell you what I want to hear about it.

Staff attorneys: You avoided really giving me any information about what the mark-up is, and I'd like to know. I'd like to get at that because I want to have a handle on whether I think the hourly rates you are proposing are reasonable.

MR. KESSLER: Thank you, your Honor.

Your Honor, the staff attorneys in our firm are full-time employees. They have been with us for numerous years. They're on these cases, they move on to the next one. I guess if you're talking about overhead included with their benefits package, they're approximately in the 100- to $120,000 range if that's the cost you're looking for, but as I mentioned, because they're in-house and they're full-time employees of the firm, there's also a different additional costs associated with employing staff attorneys and housing them with us.

So if you're talking about what's an hourly rate, it's hard for me to calculate exactly because we don't pay them by the hour. They're salary.

THE COURT: I understand. The 100- to $120,000 is

salary plus what?

MR. KESSLER: Salary plus, I would imagine, a 401(k) plan. It's their health insurance. We pay 100 percent of single at our firm. They also receive a life insurance benefit. I'm trying to remember it exactly. I don't know exactly some of the other costs that are associated with them, but, again, as I mentioned, there's also overhead involved with housing them.

THE COURT: I understand. That's not included, you're saying.

MR. KESSLER: That's not included in that. Correct, your Honor.

THE COURT: You know, I was a managing partner of a firm of some size.

MR. KESSLER: I understand. Of some size.

THE COURT: I have some insight into this. The salary range is what?

MR. KESSLER: The salary range is I believe from 74- to approximately 82,000.

THE COURT: Let me assume for the ease of calculation that we're talking 2,000 hours a year.

More or less fair?

MR. KESSLER: I think it's a little more. It's probably a little bit more, but 2,000 is fine.

THE COURT: Okay. If we take the 120,000, divide it

by 2,000 -- it's the other way around, isn't it?

Can you do the math in your head for me?

MR. KESSLER: Unfortunately, they take our phones, which I usually have my phone with me.

THE COURT: Hopefully, your head is capable of things without the phone.

MR. KESSLER: Math calculations are a little hard for me. So, 2,000 hours a year divided into 120,000 I guess would be $60 an hour.

THE COURT: That's $60 an hour. You're looking for an hourly rate of six times your direct personnel costs for these folks; is that right?

MR. KESSLER: I think that's right; yes, your Honor.

THE COURT: Your rent isn't close to that.

MR. KESSLER: Just my rent?

THE COURT: The rent.

MR. KESSLER: No, your Honor, it's not close to that.

THE COURT: So why should I do that? Why is that reasonable? Are you marking up your associates to the same degree?

MR. KESSLER: They're close to that. Our rates in this field are about 30 percent below all of our competitors and colleagues. Our partner rates are lower than all partners in other firms in our area. And I feel very comfortable charging those rates given our success in the field.

THE COURT: The main thing is that it's very, and I don't mean this in a belittling way because I understand that your firm and others do something valuable and important, but it's one thing to get clients to come in and voluntarily pay; it's another thing to say you can get these rates in contingent fee situations where you don't have a client who is writing the check. That's just a fact of life.

The relevance of what other firms charge is there, but it's less persuasive.

MR. KESSLER: I understand that, your Honor. One of the things I'd like to say about that is, these staff attorneys are really critical to the success of this case in particular.

We're not talking about we have a situation where we have the main witnesses are all in Houston and, therefore, the depositions that we're taking, these staff attorneys are assisting in identifying documents that are going to be used in those depositions, we have one shot at this. It's not like we're defendants where we can go talk with the witnesses at our leisure. We have one shot at this in depositions and their work is highly important.

Their rates -- and I understand your Honor is justifiably concerned with a potential mark-up here, but I also want to remind your Honor we're not seeking a multiplier. That was the purpose of Exhibit P of Mr. Greenstein's reply declaration. And what we tried to do for the Court is to

identify what would happen if you would lower those rates and if you would have rejected those hours.

Obviously, I'm not suggesting that the Court should reject any of those hours, but if the Court were to reduce the rate, then we would probably be in front of your Honor asking for a small multiplier in the case.

THE COURT: Which you might or might not get.

MR. KESSLER: I agree with that. I understand.

I have gotten it in past cases in front of your Honor generously, and I appreciate that. And I'm not saying that every single time I'm in front of your Honor I expect to get a 1.2 like I got in the Lehman structured note settlement or a 1.5 like I got in the Lehman D&O and underwriters settlement.

THE COURT: So, if I were to mark these rates down to, just to take a number that's on this chart, $200 an hour, that's 1.1 million basically off your lodestar?

MR. KESSLER: That's correct. If the chart follows through, I'd be asking for the same fee and asking for 1.06 times multiplier. I know that sounds --

THE COURT: Listen, Justice Hall once famously wrote in a case that if I remember involved someone accused of propositioning a woman, and I hasten to add that he could never get away with saying this today, nor should he, that it never hurts to ask. At least in this context, it doesn't hurt to ask.

MR. KESSLER: I agree.

THE COURT: I understand. We're not talking about the success or the failure of Kessler Topaz here. We're talking about whether I'm comfortable with the idea that a six-times mark-up of direct cost is reasonable; and I'm frank to say I have some doubt about it, but I'll think about it some more. I've obviously thought about it.

MR. KESSLER: Thank you.

THE COURT: Now, I take it that the award you're asking for to the two class plaintiffs, although they're described as costs, are notional hourly rates for people who don't charge by the hour or would have been employed by these clients anyway and the theory is that they would have been doing something else. Right?

MR. KESSLER: That's exactly right, your Honor.

THE COURT: What I'm really effectively being asked to say, to take on faith that they would have done something else and it would have been worthwhile.

Nobody has come in and said, well, we had to hire an extra person that we wouldn't have hired in order to do this lawsuit. Chances are, these people worked nights, right, if there was anything else to do?

MR. KESSLER: Your Honor, that is not in the declaration. We don't have a list of things that they could have done other than this.

They do say that had they not been working on this, they would have been working on something else, but there's nothing specific about what they would have been working on.

I know your Honor has rejected these requests in the past. I understand.

THE COURT: I think uniformly.

MR. KESSLER: Uniformly, yes.

My hope is that your Honor is not fundamentally opposed to them, but you were just faced with requests that were a little bit outlandish: In the *Parmalat* case, I believe there was a $200,000 request and three $50,000 requests; and in *NCL*, you were faced with hourly rates of between 200- and $800 without any explanation of how those rates were calculated.

THE COURT: Almost as much as a staff attorney.

MR. KESSLER: Almost, and sometimes more.

But your Honor, I do understand that it's totally within your Honor's discretion as to whether you'll grant these awards in this instance. And these class representatives -- again, we're talking about the employers that are applying for the reimbursement award, not the employees themselves. So the company and the institutional investors are the ones that are seeking to get repaid for the time spent by these individuals outside of their normal duties.

THE COURT: Then we have the matter of what your adversary calls, over your distinct objection, the quick-pay

clause, which you and I have had a discussion about before.

Assuming, for the sake of argument, that I act on all of this in the next week, how long is it likely to take for the settlement to become fully effective?

MR. KESSLER: That's fully dependent upon whether Mr. Brown, Mr. Cochran and Mr. Schoeman were to appeal.

The appeals have to be resolved for the effective date to be formally reached. So if they don't appeal, then it would be effective within 30 days, but if they do appeal, then that could be longer.

Your Honor, I just want to note that if the settlement itself was overturned, it would be defendants that would be at risk and not the class. And defendants are sophisticated parties, and your Honor is looking at me askance. If the money had to be returned and your Honor was to grant the quick-pay --

THE COURT: Oh, yes. I see what your point is.

MR. KESSLER: Yes. So, I just wanted to point out that the defendants have negotiated with us. It's not like there's a complete blanket of it's just us imposing a term. The defendants have negotiated. They obviously evaluated our credit risk as well, and they believe it was appropriate to agree to settlement with these terms.

I know it's within your Honor's discretion, and it was important for us and it's important for your Honor to include that provision that allowed for your Honor to evaluate those

objections and to determine whether to require a hold-back or not.

I just want to say that given the nonexistent or very small multiplier and your Honor's past opinions on the subject, we don't see a large risk that any fee award your Honor grants, no matter what it is, is going to be overturned. So, we think the risk is very small.

I know the Court appreciates, because I was here for the Lehman hearing, the leverage the objectors can get when a fee is held back, and I understand the Court appreciates that. I also understand the Court's only concerned with protecting the class members and making sure, as are we, that they're always protected and that if there is a settlement and if there is a fee that is reversed or reduced, that they're not going to have a problem with it. So, we're going to be able to return any fee that is awarded.

I don't know if your Honor is asking me to calculate a hold-back. I know you've done that in the past.

THE COURT: No. Believe me, I'm up to that math.

MR. KESSLER: Better than I am, I'm sure.

THE COURT: I'm not so sure.

Remind me, the fee award is on top of the 52 million or out of the 52 million?

MR. KESSLER: It's out of the 52.5 million.

THE COURT: I didn't have anything else for you,

Mr. Kessler. Thank you. You've been helpful.

MR. KESSLER: Thank you, your Honor.

THE COURT: Is there anybody else who wants to be heard on this? Mr. Brown didn't make it down here today, did he?

It shouldn't be any mystery: It's my intention, subject to resolving in my own mind the hold-back issue, to approve the settlement, but I'll do a written order, and the side grade point is academic; is that it?

MR. KESSLER: Yes, your Honor.

THE COURT: Then on the fee, I'll think a little bit more on the staff attorneys, and that's really it. That's the only reservation.

MR. KESSLER: Thank you, your Honor.

THE COURT: Thank you.

(Adjourned)

Exhibit 19

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

GLENN FREEDMAN, individually and on behalf of all similarly situated, Plaintiff, v. WEATHERFORD INTERNATIONAL, LTD., et al., Defendants.	Civil Action No. 12-CV-2121 (LAK)

DECLARATION OF SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM IN SUPPORT OF APPROVAL OF PROPOSED CLASS ACTION SETTLEMENT AND REQUESTS FOR ATTORNEYS' FEES AND EXPENSES

I, John Colville, Jr., pursuant to 28 U.S.C. § 1746, declare as follows:

1. I am Chief Investment Officer of Sacramento City Employees' Retirement System ("SCERS" or "Sacramento"), a Court-appointed Class Representative in this certified securities class action (the "Action").[1] SCERS is a public pension fund that provides retirement benefits for public employees of the municipality of Sacramento, California. SCERS serves approximately 1,400 beneficiaries and manages assets totaling over $290 million.

2. I submit this Declaration in support of (a) Class Representatives' Motion for Approval of Proposed Class Action Settlement and Plan of Allocation and (b) Class

[1] Unless otherwise indicated, capitalized terms have those meanings contained in the Stipulation and Agreement of Settlement, dated June 30, 2015 (the "Stipulation") (ECF No. 191-1), entered into by and among Class Representatives and the Defendants.

Counsel's Motion for Award of Attorneys' Fees and Payment of Litigation Expenses, which includes our request for payment of certain costs incurred by SCERS in connection with its representation of the Class. I have personal knowledge of the matters related to SCERS's request and of the other matters set forth in this Declaration, as I, or others working closely with me or under my direction, have been directly involved in monitoring and overseeing the prosecution of the Action on Sacramento's behalf, and I could and would testify competently thereto.

I. Work Performed by Sacramento City Employees' Retirement System

3. In fulfillment of its responsibilities as a Court-appointed lead plaintiff, and later as a Class Representative, SCERS endeavored to protect the interests of the Class and to vigorously pursue a favorable result in this Action.

4. Since being appointed as a lead plaintiff, SCERS has monitored and been engaged in all material aspects of the prosecution and resolution of this Action. Specifically, throughout this litigation, I have personally:

- Met and conferred with Class Counsel on the overall strategies for the prosecution of the Action and on developments in the case, including in-person meetings with Class Counsel in Sacramento, California focused on: (i) SCERS's collection and production of documents to Defendants; (ii) preparation for Defendants' deposition of SCERS; (iii) litigation strategy; and (iv) settlement communications and related settlement strategy;

- Traveled to New York, NY on three occasions: (i) to sit for my deposition (as SCERS's designated representative under Rule 30(b)(6)) in connection with the Class Representatives' motion for class certification; (ii) to participate in the Parties' mediation session on October 7, 2014; and (iii) to participate in the second mediation session on May 20, 2015;

- Following the unsuccessful May 20, 2015 mediation session, coordinated closely with Class Counsel regarding settlement strategy, including numerous discussions with counsel relating to the reasonableness of the mediator's recommended settlement amount and related risks of continued litigation;

- Worked cooperatively with the Class Representative designee from Anchorage Police & Fire Retirement System, including numerous phone calls and emails regarding litigation and settlement strategy;

- Responded to Defendants' discovery requests and assisted with the collection and production of responsive documents on behalf of SCERS;

II. SCERS Strongly Endorses Approval of the Settlement by the Court

5. Based on its involvement throughout the prosecution and resolution of the claims, SCERS believes that the proposed Settlement is fair, reasonable and adequate. We believe that the proposed Settlement represents an excellent recovery for the Class, particularly in light of the substantial risks of continued litigation, including the risks of establishing Defendants' fraudulent knowledge and the Class's alleged damages. Therefore, SCERS strongly endorses approval of the Settlement by the Court.

III. SCERS Supports Class Counsel's Motion for an Award of Attorneys' Fees and Payment of Litigation Expenses

6. Class Counsel's request for an award of attorneys' fees in the amount of $27,930,550, representing a 1.5 multiplier of the billable time of Class Counsel, has been authorized by SCERS as fair and reasonable in light of the work they performed on behalf of the Class. SCERS carefully evaluated the fee request by considering the quality and scope of the work performed by Class Counsel, the substantial recovery obtained, and the obstacles and challenges faced by counsel. SCERS further believes that the litigation expenses being requested by Class Counsel are also reasonable, and that they represent the costs and expenses necessary for the prosecution and resolution of the claims. Based on the foregoing, and consistent with its obligation to the Class to obtain the best result at the most efficient cost, we fully support Class Counsel's motion for an award of attorneys' fees and payment of litigation expenses.

7. SCERS also understands that payment of a lead plaintiff's reasonable costs and expenses, including lost wages, is authorized under Section 21D(a)(4) of the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4(a)(4). As explained below, rather than request reimbursement for every task performed over the course of this Action, SCERS only seeks payment for the hours I expended carrying out several tasks that required substantial time and took attention away from my duties as Chief Investment Officer for Sacramento.

8. As the Chief Investment Officer, I am the person primarily responsible for managing the investments of the System's pension fund and manage a team of operations staff members and investment officers. I am seeking reimbursement for 98 hours expended on this litigation, representing the subset of time (principally out of the office) that I clearly would have otherwise devoted to my regular duties for SCERS, but was unable to do so and therefore represented a cost to SCERS, specifically for: (i) a half-day meeting with Class Counsel in Sacramento, CA to prepare for my Rule 30(b)(6) deposition; (ii) two full-day meetings with Class Counsel in New York, NY to prepare for my Rule 30(b)(6) deposition; (iii) travel for, and participation at, my December 17, 2013 deposition in New York, NY; (iii) travel for, and participation at, the Parties' October 7, 2014 and May 20, 2015 mediation sessions in New York, NY. Based on an hourly rate of $85.00,[2] SCERS seeks reimbursement in the amount of $8,330.00 for the 98 hours I devoted to these particular matters.

[2] My hourly rate is derived from my annual salary and benefits, divided by the number of hours I am expected to work a year.

IV. Conclusion

9. In conclusion, Sacramento City Employees' Retirement System, a Court-appointed Class Representative that was closely involved throughout the prosecution and settlement of the claims, strongly endorses the Settlement as fair, reasonable and adequate, and believes it represents an outstanding recovery for the Class. We further support Class Counsel's attorneys' fee and litigation expense application, and believe that it represents fair and reasonable compensation for counsel in light of the recovery obtained for the Class and the quality of the work conducted. And finally, Sacramento City Employees' Retirement System requests reimbursement of certain of its costs, as described above, in the amount of $8,330.00.

10. Accordingly, we respectfully request that the Court approve Class Representatives' motion for final approval of the proposed Settlement and Class Counsel's motion for an award of attorneys' fees and payment of expenses.

I declare under penalty of perjury that that the foregoing is true and correct, and that I have authority to execute this Declaration on behalf of Sacramento City Employees' Retirement System.

Executed this 29th day of September, 2015.

JOHN COLVILLE, JR