

## Skadden, Levi & Korsinsky Named Busiest Securities Firms

By Rachel Graf

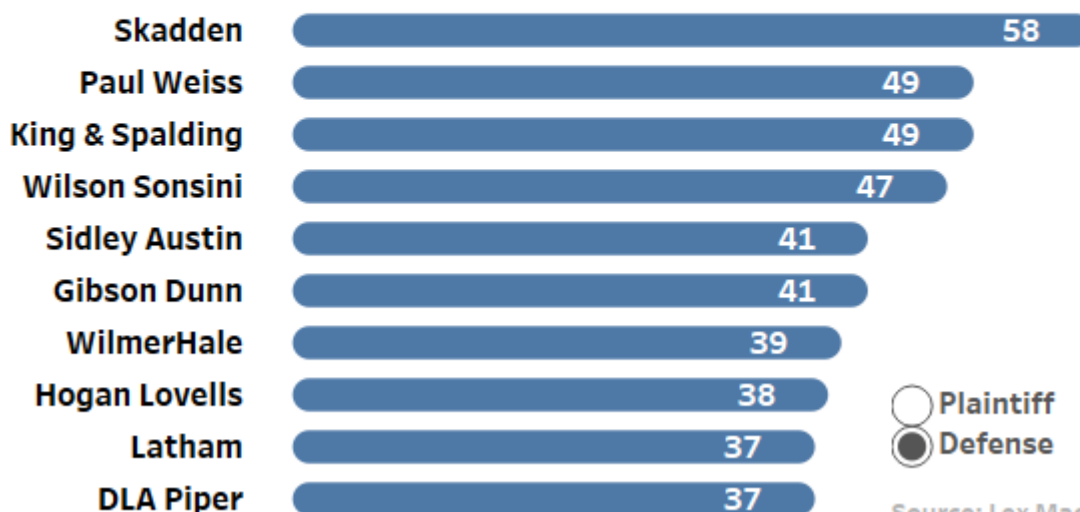
*Law360 (September 11, 2018, 12:48 PM EDT)* -- This year is on track to be one of the busiest for federal securities litigation, with Levi & Korsinsky LLP filing the most federal securities cases during a recent 18-month period and Skadden Arps Slate Meagher & Flom LLP topping the list on the defense side, according to a report released Tuesday.

Between January 2017 and June 30, Levi & Korsinsky filed 266 federal securities lawsuits, unseating Robbins Geller Rudman & Dowd LLP as the top law firm for shareholders, according to Lex Machina's second annual Securities Litigation Report. Skadden was again the top law firm for defendants, helping them resolve 58 federal securities cases during that period.

## Top Securities Firms

Based on cases filed Jan. 1, 2017, to June 30, 2018.

### Defense Firms



○ Plaintiff  
 ● Defense

Source: Lex Machina

Last year's report, which analyzed cases filed between 2009 and 2016, determined Levi & Korsinsky represented plaintiffs in 187 lawsuits during the period, making it the sixth-busiest plaintiffs' firm at the time. Founding partner Eduard Korsinsky attributed the firm's success to its focus on securities litigation.

"This is all we do, and we all work hard each and every day to do it better than everyone else," Korsinsky told Law360.

Pomerantz LLP and The Rosen Law Firm PA rounded out the top three plaintiffs' firms, and King & Spalding LLP and Paul Weiss Rifkind Wharton & Garrison LLP were the second- and third-ranked defense firms, respectively.

It's little surprise that boutique law firms specializing in shareholder actions file the bulk of the federal securities cases, while big law firms like Skadden defend the financial institutions and other often high-profile companies or individuals, said Owen Byrd, Lex Machina's general counsel.

Skadden not only represented defendants in the most cases, but also notched the most wins for them, according to the report. Skadden helped defendants nab 13 wins, followed by Sidley Austin LLP with 10 and a three-way tie between Latham & Watkins LLP, Simpson Thacher & Bartlett LLP and Sullivan & Cromwell LLP with nine apiece.

Skadden's co-deputy head of its securities litigation group, Susan Saltzstein, said the positive results have helped generate more work for the firm.

"We all work extremely hard, but you can do that and not get the results," Saltzstein said. "The results, I think, really do speak for themselves here and that kind of quality work leads to more work."

Veterans and newcomers alike contribute to these results for clients, added Scott Musoff, the firm's other co-deputy head of its securities litigation group.

"Our associates are so well-versed that it really provides top to bottom expertise," he said.

This year is on track to be one of the busiest for federal securities litigation, according to the report. Almost 950 federal securities cases were filed during the first half of the year, making it likely that the number will surpass last year's 1,676 cases.

One reason for the increase is a surge in cases filed in Delaware federal court after the Delaware Chancery Court's 2016 Trulia ruling took issue with so-called disclosure-only settlements in shareholders' challenges to mergers or acquisitions. These settlements typically required defendants to make additional disclosures about the deal that critics argued were insignificant.

It appears the decision has caused plaintiffs to pursue these claims under federal law instead of Delaware law. Lex Machina found a strong correlation between the increase in cases filed in Delaware federal court and decrease in cases filed in the Delaware Court of Chancery between 2017 and June, the report's author Laura Hopkins said.

The recent popularity of cryptocurrency has led to more federal securities cases as well, according to the report. There have been 45 cryptocurrency, blockchain or bitcoin cases filed so far this year, up from 15 filed last year, Lex Machina said.

But given the recent interest in these digital currencies, the uptick in cases doesn't indicate some sort of "big scary crackdown," Hopkins said.

"It seems more like they're taking a few really bad cases and testing them," she said.

Even though the number of overall federal securities cases is up, the amount of damages is down, according to the report. Last year's Supreme Court ruling in *Kokesh* could be a factor. The justices said a five-year statute of limitations should apply to disgorgement collected by the U.S. Securities and Exchange Commission.

Defendants paid \$1.3 billion in disgorgement last year, down from \$2.4 billion in disgorgement the year prior, but Hopkins said Lex Machina would need to analyze more data before reaching any conclusions about a relationship to *Kokesh*.

Lex Machina also found that plaintiffs are voluntarily dismissing more cases, and courts are finding that a greater number of cases are meritless. Just half of federal securities cases filed in the 18-month period ended with a settlement.

"Securities case resolutions just have a different character than ... all the other commercial cases that we cover," Byrd said.

--Editing by Alyssa Miller.

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