



Recent Banking and Financial Institution Representations

RECENT REPRESENTATIONS

- We obtained complete dismissal of claims under California's Unfair Competition Law against **American International Group** and related defendants, arising from accusations following the market crisis of 2008. The Court found that plaintiffs had no standing to assert their claims, and also that it would abstain from hearing the case even if plaintiffs could establish standing. The Court therefore sustained our demurrer without leave to amend.
- We represented the Yosemite Trusts and about two dozen hedge funds grouped under four management entities -- **Elliott, Davidson-Kempner, Appaloosa, and Angelo Gordon** -- in litigation against Citibank in the Enron MDL relating to Citibank's sale of Enron Credit-Linked (ECLN) Notes. Our clients asserted fraud and fraudulent transfer claims against Citibank and collectively sought in excess of \$2.4 billion. With Citibank's motion for summary judgment pending, Citibank and Enron agreed to a joint settlement; our clients will now receive in excess of \$2.1 billion in payments from the Enron bankruptcy estate.
- The firm negotiated a favorable settlement with JPMorgan on behalf of the **Joint Provisional Liquidators of Parkcentral Global Hub Limited**. The settlement came after Justice Lowe of the New York Supreme Court vacated an order of attachment that he had previously awarded to JPMorgan pursuant to which JPMorgan had attached \$200 million in cash and securities belonging to Parkcentral. Immediately after Justice Lowe vacated the attachment, JPMorgan initiated settlement negotiations and ultimately agreed to a settlement in the amount that it would have received had it taken its claim to the Bermuda liquidation proceeding. The effect of Quinn Emanuel's work was that the creditors received more than a 30 percent recovery on their claims, rather than close to zero.
- We represented a **leading mutual fund client** in similar litigation against Citibank relating to Citibank's sale to our client of Notes linked to Enron's credit. Less than six months after we substituted in as counsel, and with our summary judgment motions on liability pending, Citibank agreed to a mutually acceptable settlement.
- We were retained by **Solutia** virtually on the eve of its exit from its four-year Chapter 11 proceeding when the banks that had agreed to provide the necessary \$2 billion of exit financing (Citibank, Goldman Sachs and Deutsche Bank) refused to

fund the loans claiming that the credit market downturn constituted a "materially adverse condition" (MAC) that enabled them to terminate the agreement. The issue we were brought in to litigate was whether Solutia or the banks bore the risk of the credit market downturn. The trial commenced after a month of expedited discovery in which we produced millions of documents, took and defended almost 30 depositions and prepared for trial. After three days of trial, and on the eve of closing arguments, the banks, which had previously refused to entertain settlement negotiations, indicated that they were eager to settle. Under the terms of the settlement, the banks were required to provide the \$2 billion in exit financing needed to fund the plan. The case is believed to be the first of its kind and is of great significance to the bankruptcy bar, financial institutions and companies in Chapter 11.

- We represent **MBIA Insurance Corporation** in its litigation against various Countrywide entities in N.Y. Supreme Court. MBIA's claims allege misrepresentations made to obtain financial guaranty insurance policies for mortgage pools and breaches of contractual representations and warranties. MBIA seeks to recoup over \$1.5 billion it has paid on its guarantees and to defend against additional claims in excess of several hundred million dollars.
- We represent **MBIA Insurance Corporation** in litigation in Los Angeles County Superior Court in two actions asserting state-law fraud and securities fraud claims against various Countrywide and Indymac entities, respectively. The claims, brought by MBIA as subrogee to noteholders it insured, seeks \$1.5 billion from Countrywide entities and \$487 million from Indymac.
- We are representing Dr. Enrico Bondi, Extraordinary Commissioner of **Parmalat S.P.A.**, in three separate \$10 billion lawsuits arising out of the largest bankruptcy in European history -- against Grant Thornton and Bank of America for aiding and abetting Parmalat's insiders in the commission of massive fraud and for auditor malfeasance. We obtained a \$150 million settlement against Deloitte & Touche's Italian arm and a \$100 million settlement against Bank of America.
- We are representing the Joint Provisional Liquidators of **Parkcentral Global Hub Limited**, a Bermuda-chartered hedge fund that is the subject of Bermuda insolvency proceedings, in connection with attachment proceedings and a lawsuit initiated by JPMorgan Chase Bank, N.A. in NY Supreme Court. On behalf of the Joint Provisional Liquidators, the firm is seeking to recover more than \$250 million in assets that JPMorgan swept from a Parkcentral custodial account, so that those assets can be shared ratably by all of Parkcentral's creditors, under the supervision of the Bermuda court.
- We represented **ING Bank** in a \$500 million fraud action against J.P. Morgan Chase, Bank One, Deloitte, PriceWaterhouseCoopers, and others arising out of a massive fraud in connection with the demise of National Credit Finance Enterprises.

We also represent ING Bank as a member of the steering committee of the Litigation Trust. We have assisted ING Bank in recovering in excess of \$210 million.

- We represented **ING Bank** and obtained a \$35 million settlement from a Big Four audit firm, which was seventy-five percent more than the settlements obtained by any of the other plaintiffs.
- We represented a major investment bank in the **In re AIG Securities Litigation**, forcing the plaintiffs to withdraw a multi-billion dollar securities class action prior to the filing of a threatened motion to dismiss.
- We represented public company home builder **TOUSA** in connection with a \$675 million claim brought by Deutsche Bank based on the default of an off balance sheet structured financing used to fund the largest acquisition of home sites in Florida history. We obtained a successful resolution of this matter.
- We represented **Union Bank of California** in numerous class actions and individual lawsuits in state, federal and bankruptcy courts arising out of the perpetration of a \$600 million Ponzi scheme by one its clients and depositors.
- We represented **People's Choice Mortgage** and obtained summary judgment of class claims in the millions of dollars based upon allegations of lender misconduct against a lender from which People's Choice purchased a significant number of mortgages which it then packaged into mortgage-backed securities.
- We represent Morgan Stanley's captive fund, **Morgan Stanley Senior Funding**, who has investments in, and investors from the UK and Europe in a variety of matters including a litigation involving distressed debt arising from activities that took place in Australia.
- We represented preferred stockholders and pursued Section 11 claims against directors, officers and lead underwriter on a preferred stock offering after **ARM Financial** filed for bankruptcy; our clients recovered separate seven-figure settlements from the directors and officers and from the lead underwriter.
- We represented **GMAC Mortgage** in several class actions alleging violations of usury statutes.
- We represented **Capmark** in a servicing dispute on \$300 million bond portfolio. We represented Freddie mac in a suit over termination of \$100 million servicing contract.
- We represented a secured lender in foreclosing on a \$300 million office project.
- We represented **Bayerische Hypo- und Vereinsbank AG** (“HVB”) in a lawsuit against an investment vehicle that was wrongfully refusing to redeem shares held by

HVB, bringing claims for breach of contract that sought approximately \$422 million in damages. Together with the filing of the complaint, we obtained an immediate ex parte attachment of all assets owned by the defendants located in the State of New York and we obtained an order sealing the file. The following day more than \$380 million worth of the Defendants' assets in New York were attached. Having gained considerable leverage, we were able to reach a favorable settlement – receiving \$403 million – shortly thereafter.

- We have successfully represented officers and directors of banks, mortgage lenders (including those specializing in subprime loans), and other financial institutions in connection with regulatory matters and complaints brought against them arising from allegations of failure to observe their fiduciary duties, alleged fraud, alleged predatory lending practices, and other matters arising from their respective roles in guiding and leading the efforts in the marketplace of their institutions.