

Zealous Advocates or Self-interested Actors? Assessing the Value of Plaintiffs' Law Firms in Merger Litigation

BY

Professor Randall S. Thomas

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Chairperson: Professor Tan Cheng Han

9 FEBRUARY 2015, MONDAY

12.30PM – 2.00PM

**LEE SHERIDAN CONFERENCE ROOM, LEVEL 1, EU TONG SEN BUILDING
FACULTY OF LAW, NUS (BUKIT TIMAH CAMPUS)**

ABSTRACT

Using a hand-collected sample of 1,739 class actions that challenge the fairness of M&A transactions from the period 2003 through 2012, we examine the effectiveness of plaintiffs' law firms. We divide plaintiff law firms into top-10 and non-top-10 firms using various reputation measures. We further segregate top law firms into top 5 firms based on their popularity with informed plaintiffs and proven ability to obtain large attorneys' fees awards. We find that the presence of a top plaintiffs' law firm is significantly and positively associated with a higher probability of lawsuit success. These results hold even after controlling for selection bias – the likelihood that top law firms get to pick better cases that have higher chances of success. This success appears to stem from the fact that top plaintiffs' law firms are significantly more active in prosecuting cases than other plaintiffs' law firms: they file more documents in the cases they litigate and they are more likely to bring injunction motions to enjoin a transaction. Defendants are also less likely to file a motion to dismiss cases filed by top plaintiffs' law firms. Overall, we find evidence that an active litigation strategy aids top law firms in their success, which, in turn, feeds into their popularity. Our results inform the debate over shareholder litigation generally as well as giving courts guidance about the appropriate method for selecting lead counsel in shareholder class action litigation.

ABOUT THE SPEAKER



Randall Thomas has earned a reputation of being one of the most productive and thoughtful corporate and securities law scholars in the nation. His recent work addresses issues such as hedge fund shareholder activism, executive compensation, corporate voting, corporate litigation, shareholder voting, and mergers and acquisitions. He joined the Vanderbilt law faculty in 2000 to develop and direct the Law and Business Program, having served previously in on the law faculties of the University of Iowa, the University of Michigan, Duke University, Harvard Law School, Boston University, and the University of Washington. Prior to teaching law, Professor Thomas was in private practice for four years, and clerked for U.S. District Judge Charles Joiner of the Eastern District of Michigan. An acclaimed teacher, Professor Thomas teaches courses in the area of corporate law, including Corporations and Mergers and Acquisitions.

REGISTRATION

There is no registration fee for this seminar but seats are limited.

A light sandwich lunch will be provided.

Closing Date: 4 February 2015, Wednesday

For enquiries, please contact Ms Meryl Kong at clb@nus.edu.sg

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