



Grant & Eisenhofer and Bernstein Litowitz Secure \$70 Million Net Recovery for Jefferies Group Shareholders Challenging Buyout by Leucadia National Corporation

Eve of trial settlement arising from 2012 stock-for-stock deal – combined with last week’s \$137.5 million Freeport-McMoran derivative suit recovery, recent settlements achieved for investors in the first two weeks of 2015 by G&E and BLB&G reach in excess of \$200 million.

WILMINGTON, DE (January 20, 2015) – Settling a nearly two-year-old shareholder class action, directors and officers of investment bank **Jefferies Group, Inc.** and New York-based holding company **Leucadia National Corporation** have agreed to provide a net recovery of \$70 million to shareholders who challenged the terms of the 2012 stock-for-stock buyout of Jefferies by Leucadia. The settlement, which was reached just weeks before trial was to begin, provides a cutting edge payment structure and a rare victory for shareholders challenging a stock-for-stock M&A transaction.

The settlement stipulation was filed late on Friday, January 16, 2015, in Delaware Chancery Court and is subject to approval by the Court. Law firms **Grant & Eisenhofer P.A.** and **Bernstein Litowitz Berger & Grossmann LLP**, together with others, represent lead plaintiff institutional investors Laborers’ District Council Pension and Disability Trust Fund No. 2, Genesee County Employees’ Retirement System and Oklahoma Firefighters Pension & Retirement System on behalf of the class of Jefferies shareholders.

The plaintiffs’ complaint alleged that Jefferies’ then-CEO and current Leucadia CEO, defendant Richard Handler, and Jefferies’ President, defendant Brian Friedman, negotiated the Jefferies-Leucadia merger for over four months with Leucadia’s co-founders, defendants Ian Cumming and Joseph Steinberg, before notifying the Jefferies board of the potential deal. Under the terms of the Nov. 11, 2012, merger agreement, Leucadia acquired the shares of Jefferies common stock that it did not already own in exchange for providing Jefferies stockholders with 0.81 Leucadia shares for each of their Jefferies shares. Plaintiffs alleged that in breach of their fiduciary duties, Handler and Friedman negotiated the stock-for-stock transaction using an exchange ratio that undervalued Jefferies and gave its shareholders an inadequate percentage of the combined company.

The settlement ensures that a net payment of \$70 million, consisting of either cash or stock, will be made directly to former Jefferies stockholders who exchanged their shares with Leucadia. Besides its significant magnitude in dollar terms, the settlement is cutting edge in that the \$70 million in consideration constitutes a sum certain being paid to shareholders and will not be affected by any legal fees or settlement expenses, which defendants will cover and will be a separate matter addressed by the Court.

“From the outset, we believed this deal was infected by significant conflicts of interest,” said **Mark Lebovitch**, a partner with Bernstein Litowitz, “We had a clear strategy for prosecuting this case, and we executed that strategy with skill and determination, positioning the Class to achieve this significant result.”

“Particularly in Stock-for-Stock mergers, post-closing recoveries are exceptionally rare and challenging,” said **Stuart Grant**, managing director at Grant & Eisenhofer. “The \$70 million recovery, on top of the 24% premium already provided in the deal, is an outstanding result for Jefferies stockholders.”

The case caption is: *In Re Jefferies Group, Inc. Consolidated Shareholders Litigation*, C.A. No. 8059-CB, Del. Court of Chancery.

The *Jefferies* recovery comes on the heels of last week’s announced settlement in *In re Freeport-McMoran Derivative Litigation*, [C.A. No. 8145-VCN], in which G&E and BLB&G lead the legal team that achieved a gross settlement of \$137.5 million, which will be paid out to Freeport shareholders in the form of a special dividend, after payment of fees and expenses. Through these two cases alone, G&E and BLB&G have achieved in excess of \$200 million in settlement funds on behalf of shareholders.