



CORNERSTONE RESEARCH

Economic and Financial Consulting and Expert Testimony

European Shareholder Litigation

About

Cornerstone Research provides economic and financial consulting and expert testimony in all phases of complex disputes and regulatory investigations. We work with an extensive network of prominent academics and industry practitioners to identify the best-qualified expert for each assignment.

Our staff and experts have earned a reputation for consistent high quality and effectiveness by delivering rigorous, state-of-the-art analysis for more than thirty years.

[cornerstone.com](https://www.cornerstone.com)

Recent months have seen a number of filings against listed UK companies under Section 90A of the Financial Services and Markets Act 2000, as well as shareholder actions in Germany, the Netherlands and Denmark. Whether or not this is the start of a sustained increase in the number of high-stakes shareholder actions in the UK and Europe remains to be seen.

Shareholder actions may be on the rise in the UK and Europe.

Against a backdrop of COVID-19-induced market turmoil, however, several factors point to an increased likelihood of shareholder litigation in the UK and Europe. These include the rising importance of third-party funders, the availability of “after the event” insurance, and the 2010 US Supreme Court ruling in *Morrison v National Australia Bank* (which effectively prohibited purchasers of securities on foreign exchanges from bringing lawsuits in the US against the foreign issuers of those securities).

Excellence and Effectiveness

In shareholder litigations, high-quality economic and financial analyses play an important role in assessing reliance, materiality, loss causation and damages. Although they are a relatively recent addition to the European legal landscape, shareholder litigations (or “securities class actions”) have proliferated in the US over several decades. Cornerstone Research has worked on many important US cases at all stages of litigation from pre-action through trial.

Our more than thirty years of experience positions us to address the economic and financial issues that are likely to arise in UK and European matters.

We work with clients across a wide range of sectors, including automotive and transportation, energy and commodities, financial services and banking, life sciences and healthcare, retail, and technology, media and telecoms. While our support depends on the specifics of each case and on the particular judicial framework, the analysis and assistance that we typically provide in securities class actions are directly relevant in Europe.

We are able to provide support in all phases of litigation, including:

- ▶ Initial case evaluation
- ▶ Discovery
- ▶ Class certification
- ▶ Merits, damages and summary judgment
- ▶ Mediation and settlement
- ▶ Trial or arbitration

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[Economic Analysis in UK Shareholder Actions >](#)

Support through the Entire Litigation Process

PRELIMINARY DAMAGES ASSESSMENTS

In the early stages of a case, including sometimes before the case is even filed, we provide clients with damages estimates using typical claimant-style approaches.

We prepare preliminary assessments of both per-share and aggregate damages under various assumptions regarding the extent to which share price declines are attributable to the alleged misstatements, based on:

- ▶ Details of the claim
- ▶ Analyses of share price movements
- ▶ Public information on the company's shareholder base
- ▶ Proprietary models of trading patterns in the shares

SUMMARY JUDGMENT ARGUMENTS

Once a case has been filed, and discovery has commenced, we help with summary judgment arguments by:

- ▶ Engaging with the facts of the case
- ▶ Assessing analyses provided by claimants and/or their experts
- ▶ Applying economic intuition and sophisticated analyses to evaluate share price movements and the flow of information

EXPERT TESTIMONY

We analyse alternative measures of aggregate damages and develop demonstratives to illustrate issues with claimants' arguments and loss assessments.

We prepare expert witnesses thoroughly for trial and help them translate the results of their analyses into concise testimony, with clear and impactful exhibits. We also assist counsel in preparing for the questioning of opposing witnesses, including in developing cross-examination questions.

Client Law Firms

We offer clients valuable expertise on the importance of economic analysis in these disputes. Our experts, and the teams supporting them, use event studies and other tools of financial economics to provide important insights into questions of reliance, materiality, damages and loss causation.

Akin Gump Strauss Hauer & Feld

Allen & Overy

Arnold & Porter

Baker McKenzie

Baker Botts

Bryan Cave Leighton Paisner

Cadwalader Wickersham & Taft

Cahill Gordon & Reindel

Cleary Gottlieb Steen & Hamilton

Clifford Chance

Covington & Burling

Cravath, Swaine & Moore

Davis Polk & Wardwell

Debevoise & Plimpton

Dechert

Dentons

DLA Piper

Eversheds Sutherland

Freshfields Bruckhaus Deringer

Hogan Lovells

Jones Day

K&L Gates

King & Spalding

Kirkland & Ellis

Latham & Watkins

Linklaters

Mayer Brown

McDermott Will & Emery

McGuireWoods

Milbank

Morgan, Lewis & Bockius

Morrison & Foerster

Orrick, Herrington & Sutcliffe

Paul Hastings

Paul, Weiss, Rifkind, Wharton & Garrison

Quinn Emanuel Urquhart & Sullivan

Reed Smith

Ropes & Gray

Shearman & Sterling

Sidley Austin

Simpson Thacher & Bartlett

Skadden, Arps, Slate, Meagher & Flom

Sullivan & Cromwell

Vinson & Elkins

Weil, Gotshal & Manges

Wilson Sonsini Goodrich & Rosati

Winston & Strawn



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