



2024 REVIEW & ANALYSIS

Accounting Class Action Filings and Settlements

REVIEW & ANALYSIS



CORNERSTONE RESEARCH
Economic and Financial Consulting and Expert Testimony

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Executive Summary

During 2024, the number of accounting-related securities class action filings rose slightly, but were filed against smaller issuer defendants.

The number of securities class action settlements involving accounting allegations during 2024 remained steady compared to 2023, but the total value of such settlements decreased to one of the lowest levels in the past decade.

FILINGS

The number of securities class action filings involving accounting allegations (“accounting case filings” or “accounting cases”) increased for the third consecutive year, from 56 in 2023 to 57 in 2024.¹ (page 3)

Asset valuation, asset impairment, and revenue recognition were the most common GAAP violations alleged in 2024 accounting case filings. (page 4)

The total Disclosure Dollar Loss (DDL) for accounting case filings in 2024 decreased by 42%. (page 6)

The median pre-disclosure market capitalization of issuer defendants in 2024 accounting case filings declined for the fourth consecutive year to \$445.6 million.² (page 7)

SETTLEMENTS

There were 35 securities class action settlements involving accounting allegations (“accounting case settlements”) in 2024, the total value of which was nearly \$1.1 billion. (pages 13 and 14)

As measured by median total assets and pre-disclosure market capitalization, the size of issuer defendants in accounting case settlements decreased by 28% and 39%, respectively. (page 16)

Median plaintiff-style damages decreased by 48% in 2024 for accounting case settlements.³ (page 20)

In 2024, the median settlement amount fell 22% compared to 2023. (page 21)

Figure 1: Accounting Filings and Settlements Summary Statistics
(Dollars in millions)

	2008-2023			2023	2024
	Minimum by Year	Maximum by Year	Average		
Filings Summary					
Total Number of Filings	45	96	62	56	57
Total Disclosure Dollar Loss (DDL)	\$24,067	\$103,606	\$51,484	\$79,145	\$45,565
Settlements Summary					
Number of Settlements	32	73	45	35	35
Total Settlement Value	\$860	\$5,854	\$2,845	\$1,645	\$1,055
Median Settlement	\$7.1	\$24.6	\$12.2 ⁽¹⁾	\$15.4	\$12.0
Average Settlement	\$22.2	\$136.5	\$63.2 ⁽²⁾	\$47.0	\$30.1

Note: Dollar values are adjusted for inflation; 2024 dollar equivalent figures are presented. The “Average” column represents the following for the Settlements Summary statistics: (1) the “Median Settlement” is the median settlement amount for accounting cases between 2008 and 2023 and (2) the “Average Settlement” is the average settlement amount for accounting cases between 2008 and 2023.

NEW: Key Trends in Accounting Case Filings and Settlements

Although the volume of accounting case filings and settlements in 2024 was consistent with 2023, certain trends have slowed or reversed. For example, revenue recognition was no longer the most common accounting allegation, the average time to settle returned to the historical average, and the median settlement in restatement cases declined substantially.

ACCOUNTING ALLEGATIONS

For many years, revenue recognition was the most common GAAP violation alleged in accounting case filings. In 2024, however, allegations related to asset valuations and/or impairments became the most frequently raised.

While the number and proportion of accounting case settlements with alleged GAAP violations in 2024 remained consistent with 2023, the value of such settlements fell by 25%.

RESTATEMENTS

Accounting cases filed in 2024 involving restatements declined by more than 30% from 2023, returning to historical levels.

Although the number of accounting case settlements involving restatements rebounded in 2024, the median settlement amount for such cases was over 85% lower than accounting case settlements without restatements.

SHORT-SELLER REPORTS

Accounting cases filed in 2024 were over 2.5 times more likely to refer to a short-seller report than non-accounting cases, the largest disparity between accounting and non-accounting cases since tracking began.⁴

REPEAT DEFENDANTS

Since 2015, 32 issuers had at least two separate complaints that included accounting allegations filed against them.

For accounting case settlements, since 2015, nine issuers had at least two separate cases settle.

SETTLEMENT TIMING

The average time to settle for accounting cases in 2024 (3.4 years) nearly returned to the historical average of 3.5 years. The length of time between filing and settlement for accounting cases continues to correlate with settlement size. Small (<\$10 million) and mid-range (\$10 million–\$50 million) cases settled in 2.9 to 3.4 years, on average, while the three settlements greater than \$50 million took an average of 6.2 years to settle.

Consistent with the historical average, in 2024, 26% of the accounting case settlements occurred after the Motion to Dismiss was filed but before the ruling and an additional 57% settled after the Motion for Class Certification was filed but before the ruling.

CURRENT FILING AND SETTLEMENTS TRENDS

Half of all cases related to special purpose acquisition companies (SPACs) filed in 2024 were accounting cases, a 16% increase from the average over the past five years.

Since 2015, there have only been 11 accounting case settlements related to SPACs, six of which occurred in 2024.

PLAINTIFF LAW FIRMS

In 2024, four plaintiff law firms—The Rosen Law Firm P.A., Pomerantz LLP, Glancy Prongay & Murray LLP, and Levi & Korsinsky—filed 74% of the accounting cases, the highest share in the past five years.

Those same four firms represented plaintiffs in just over half (51%) of accounting case settlements in 2024, an over 10% increase compared to the prior two years.

Filings

ACCOUNTING CASE FILINGS

This report focuses on federal securities class action filings containing Rule 10b-5, Section 11, or Section 12(a) claims, collectively referred to as “core” filings.

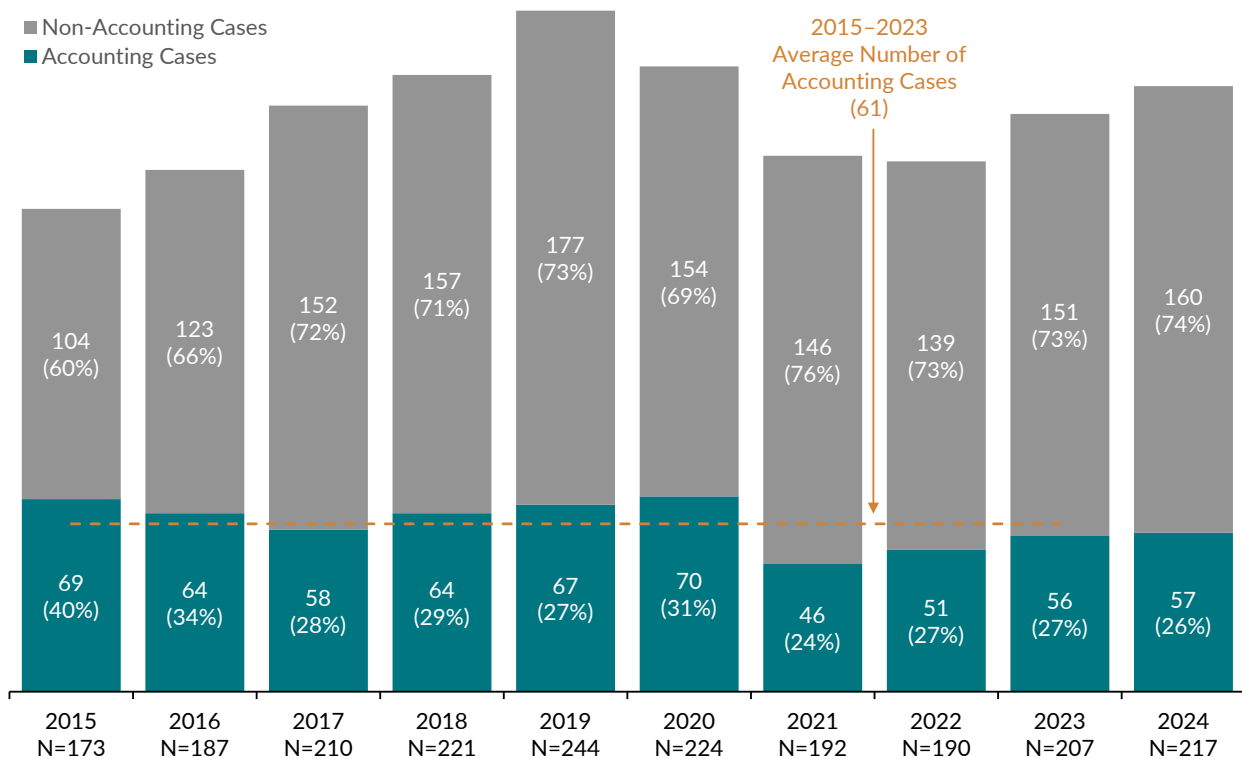
While the overall volume of federal securities class action filings increased in 2024 from 2023, this was primarily driven by a rise in non-accounting case filings.

The number of accounting case filings rose slightly in 2024 but remained below historical levels.

The number of accounting case filings increased for the third consecutive year.

As a percentage of total filings, accounting case filings represented just 26%—the second-lowest proportion in the last 10 years.

Figure 2: Accounting Case Filings as a Percentage of Total Filings 2015–2024



CLAIMS AND ALLEGATIONS IN ACCOUNTING CASE FILINGS

The proportion of accounting case filings asserting Section 11 and/or 12(a) claims declined by 50% from 2023 to 2024.

In 2024, 54% of accounting case filings alleged GAAP violations only (without corresponding internal control weakness allegations), the highest level in three years.

The percentage of accounting cases in 2024 that included allegations related to liability or contingencies valuation declined by over 50% from 2023.

Approximately 37% of the accounting case filings involving allegations related to asset valuation and/or impairments specifically related to inventory.

For the first time since tracking began, allegations related to asset valuations and/or impairments surpassed revenue recognition as the most common allegation.

The percentage of accounting case filings with related-party disclosure allegations returned to historical levels in 2024, following a five-year low of 4% in 2023.

Figure 3: Claims and Allegations in Accounting Case Filings 2020–2024

	Percentage of Filings				
	2020	2021	2022	2023	2024
Claims in Accounting Case Filings					
Rule 10b-5 Claims	93%	100%	96%	98%	98%
Section 11 and/or 12(a) Claims	7%	7%	12%	14%	7%
Allegations in Accounting Case Filings					
GAAP Violations Only	41%	61%	51%	38%	54%
Internal Control Weaknesses Only	14%	6%	10%	16%	9%
Both GAAP Violations and Internal Control Weaknesses	45%	33%	39%	46%	37%
Detail of GAAP Violations					
Revenue Recognition	37%	41%	35%	27%	23%
Asset Valuation/Impairments	26%	24%	16%	20%	33%
Liability/Contingencies Valuation	16%	15%	24%	16%	7%
Related Party Disclosures	19%	15%	16%	4%	16%
Other	23%	22%	29%	29%	30%

Note: Percentages may not sum to 100% because complaints may include multiple allegations. GAAP Violations are allegations made in the first identified complaint (FIC) of U.S. GAAP violations or violations of other reporting standards (e.g., IFRS). In some lawsuits, plaintiff(s) may not have expressly referenced violations of U.S. GAAP or other reporting standards; however, the allegations, if true, would represent violations of U.S. GAAP or other reporting standards.

ACCOUNTING CASE FILING LAG

This analysis identifies the number of days between the end of the class period and the initial filing date of an accounting case.

Accounting cases are typically filed more promptly than non-accounting cases. In 2024, the median filing lag for accounting cases remained shorter than that for non-accounting cases.

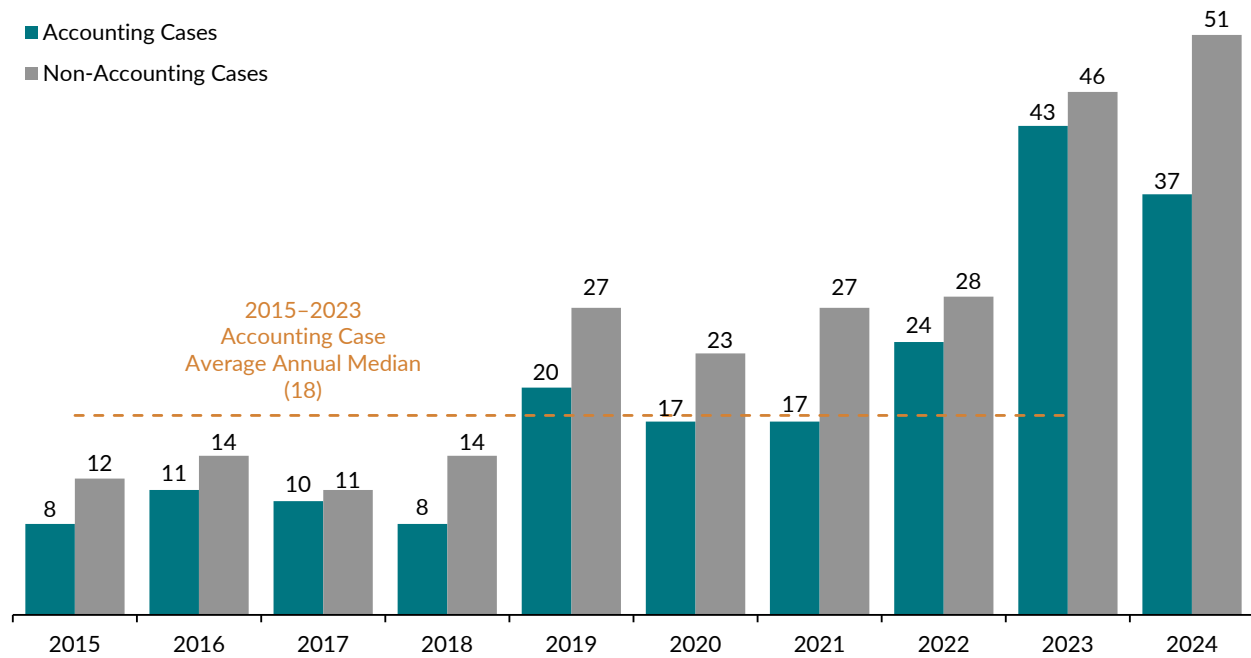
In 2024, the 14-day difference in filing lag between accounting and non-accounting cases was the longest in the last 10 years.

The median filing lag for accounting cases in 2024 was approximately twice the historical average.

The median filing lag for accounting cases involving artificial intelligence (AI) issues (49 days) or SPACs (43 days) contributed to the longer than average median filing lag for accounting cases in 2024.

Despite a large decline from 2023, the median filing lag for accounting cases in 2024 of 37 days was the second-longest in a decade.

Figure 4: Accounting Case Filings and Annual Median Lag Between Class Period End Date and Filing Date 2015–2024
(Number of days)



ACCOUNTING CASE FILINGS AND MARKET CAPITALIZATION LOSSES

Disclosure Dollar Loss Index® (DDL Index®)

This index measures the aggregate annual DDL for all filings. DDL is the dollar-value change in a defendant firm’s market capitalization between the trading day immediately preceding the end of the class period (i.e., pre-disclosure market capitalization) and the trading day immediately following the end of the class period. DDL should not be considered an indicator of liability or measure of potential damages.

In 2024, two accounting case filings had a DDL of at least \$5 billion (mega-DDL cases). These two mega-DDL cases accounted for 42% of the total accounting case DDL in 2024.

At \$45.6 billion, the 2024 DDL Index for accounting cases was 17% lower than the 2015–2023 annual average.

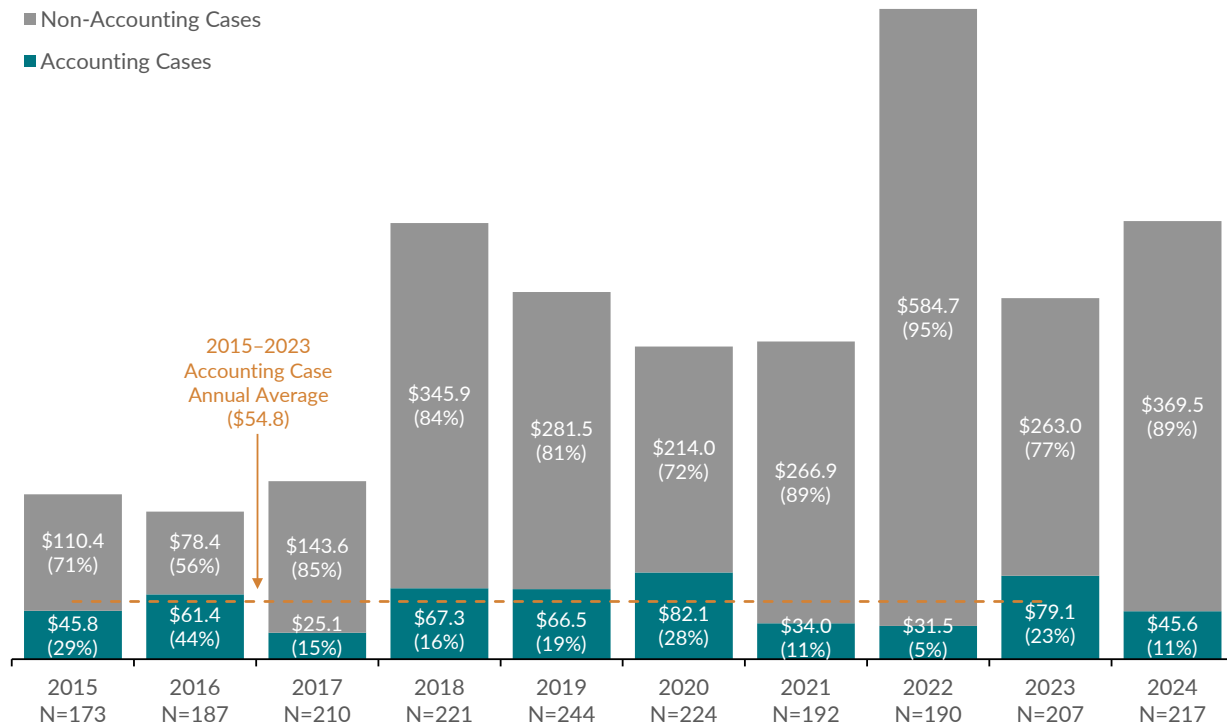
The DDL Index for accounting cases as a share of the total DDL Index was the second lowest in the past 10 years.

The DDL for accounting cases in 2024 involving allegations of internal control weaknesses decreased 62% from 2023.

The DDL Index for accounting case filings decreased by 42%.

Figure 5: Accounting Case Filings and Disclosure Dollar Loss Index® (DDL Index®) 2015–2024

(Dollars in billions)



Note: Total DDL dollars are adjusted for inflation; 2024 dollar equivalent figures are presented.

ACCOUNTING CASE FILINGS BY FIRM SIZE

In 2024, for only the second time in the last decade, the median pre-disclosure market capitalization for issuer defendants in accounting cases fell below \$1 billion.

For the fourth consecutive year, in 2024 the median pre-disclosure market capitalization of issuer defendants declined.

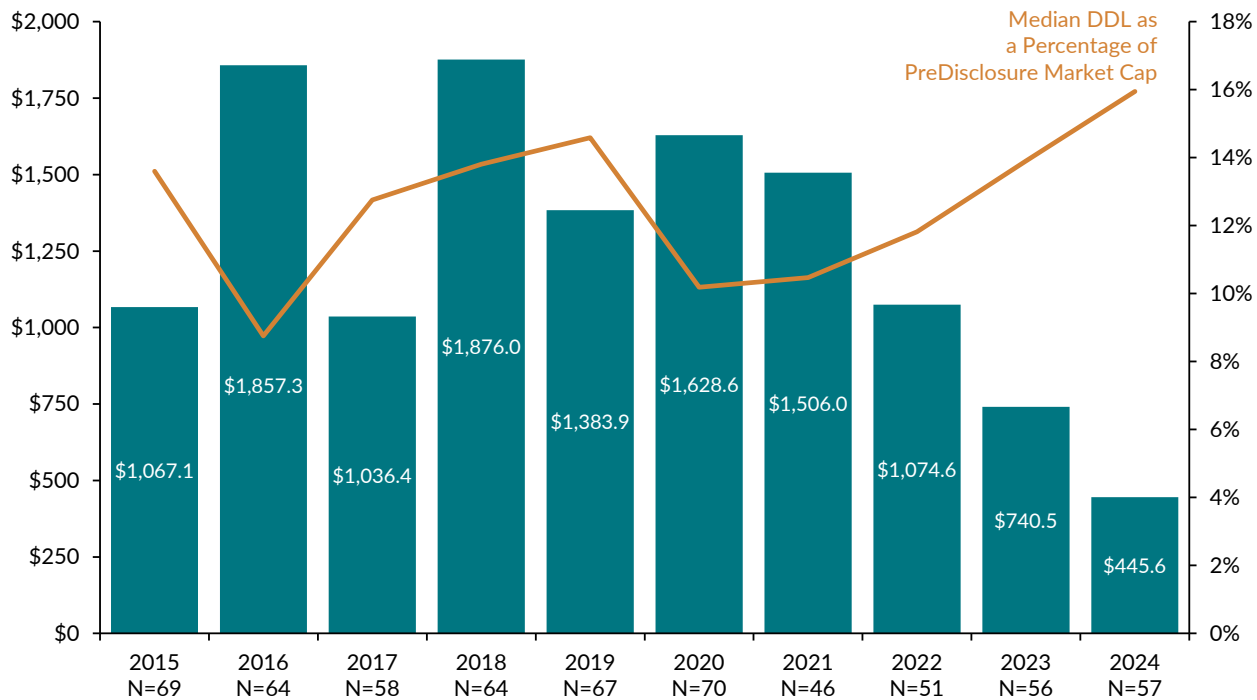
The median DDL as a percentage of pre-disclosure market capitalization in 2024 reached a 10-year peak of 16%.

The median pre-disclosure market capitalization of issuer defendants in 2024 accounting case filings decreased 40% from 2023.

At \$445.6 million, the median pre-disclosure market capitalization of issuer defendants was the lowest in the past 10 years.

Figure 6: Accounting Case Filings and Median Pre-Disclosure Market Capitalization of Issuer Defendants 2015–2024

(Dollars in millions)



Note: Pre-disclosure market capitalization dollars are adjusted for inflation; 2024 dollar equivalent figures are presented.

STATUS OF ACCOUNTING CASE FILINGS

This analysis compares filing groups to determine whether filing outcomes have changed over time. As each cohort ages, a larger percentage of filings are resolved—whether through dismissal, settlement, remand, or by trial. In the first few years after filing, a larger proportion of core federal lawsuits are dismissed rather than settled, but in later years, more are resolved through settlement than dismissal.

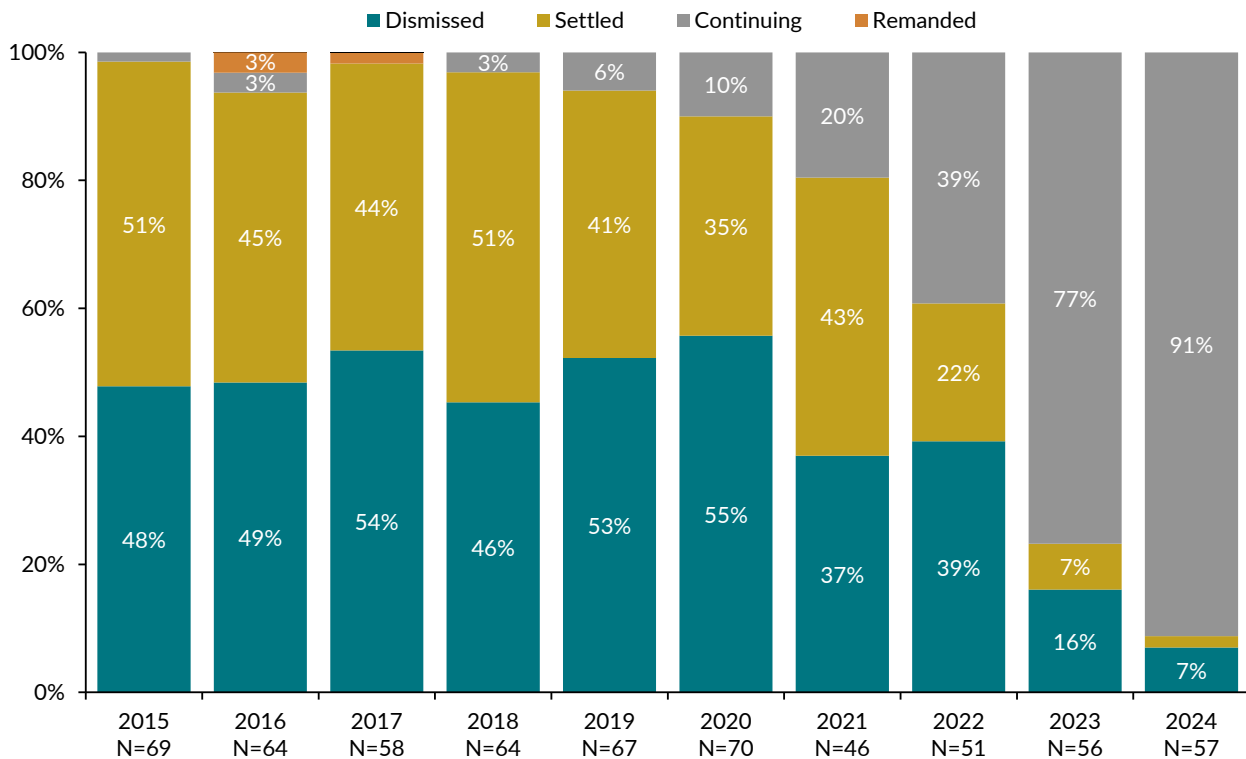
From 2015 through 2023, 39% of accounting case filings settled, 44% were dismissed, 1% were remanded, and 16% are continuing.

Of the mega-DDL accounting cases filed from 2015 through 2023, 21% settled, 63% were dismissed, and 16% are continuing.

Accounting cases filed from 2015 through 2023 were 26% more likely to settle than non-accounting cases.

Both of the mega-DDL accounting cases filed in 2024 and two of the three mega-DDL cases filed in 2023 remain ongoing.

Figure 7: Status of Accounting Case Filings by Year 2015–2024



TIMING OF DISMISSALS OF ACCOUNTING CASE FILINGS

This analysis examines dismissal trends within the first three years of the filing of a class action to gain insight on recent accounting case dismissal rates across cohorts.

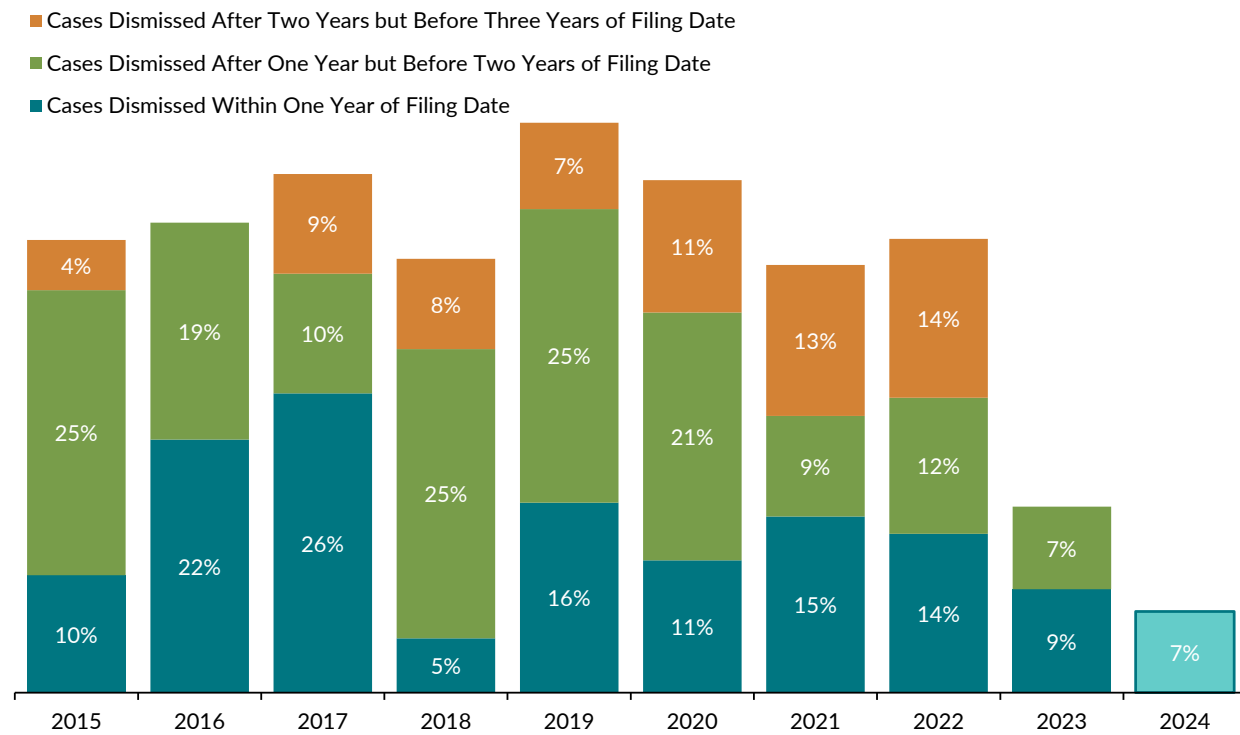
On average, 14% of accounting cases filed from 2015 through 2023 were dismissed within the first year following the filing date.

The 2019 cohort has the highest three-year dismissal rate (49%) of any cohort between 2015 and 2022.

Accounting cases filed in 2023 had the lowest dismissal rate after one year since 2018.

On average, accounting cases filed from 2015 through 2023 have a 7% lower dismissal rate after one year than non-accounting cases.

Figure 8: Percentage of Accounting Case Filings Dismissed Within Three Years of Filing Date 2015–2024



Note:

1. Percentage of cases in each category is calculated as the number of accounting case filings that were dismissed within one, two, or three years of the filing date, divided by the total number of accounting cases filed each year.
2. The outlined bar for 2024 indicates the percentage of accounting cases dismissed through the end of 2024. The outlined bar therefore presents only partial-year observed resolution activity, whereas its counterparts in earlier years show an entire year.

ACCOUNTING CASE FILINGS BY INDUSTRY

Accounting case filings in the Communications sector comprised 40% of total DDL in 2023 but only 4% of total DDL in 2024.

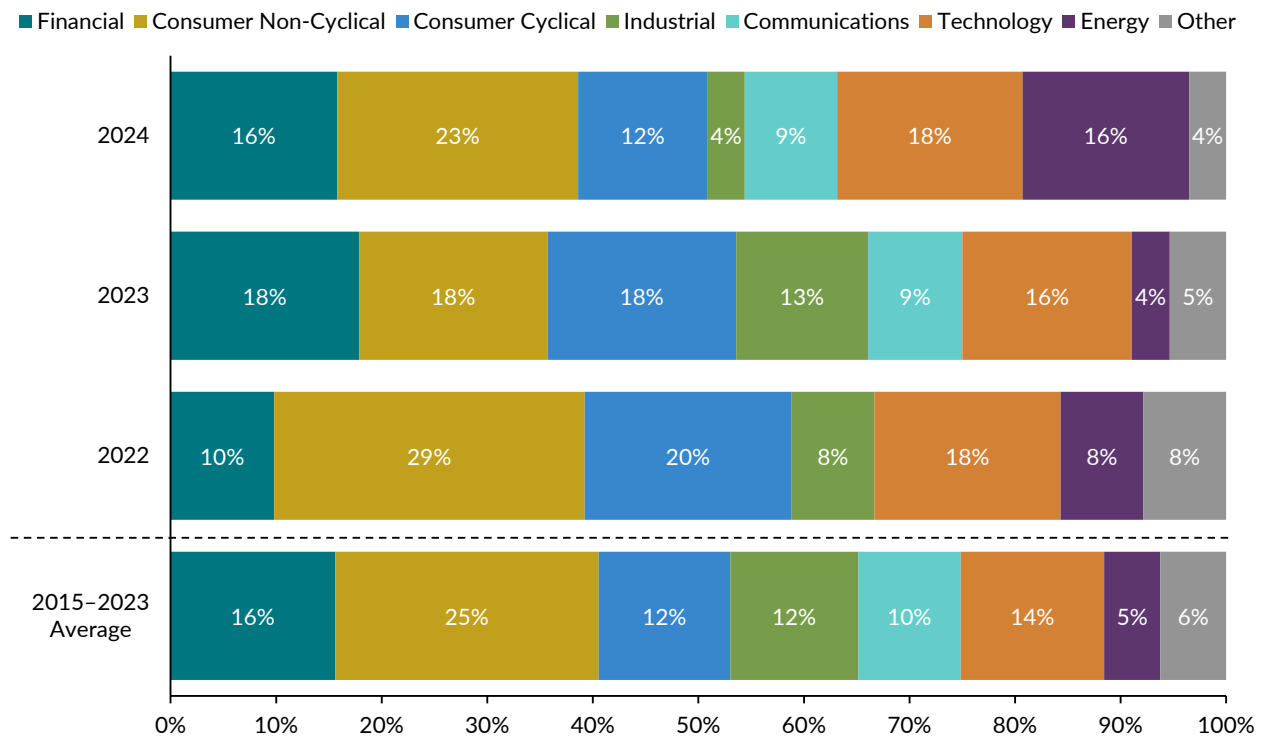
Accounting case filings in the Industrial sector fell to a 10-year low in 2024, with a 71% decrease in the number of filings and a 99% decrease in DDL compared to 2023.

The DDL for accounting case filings in the Consumer Cyclical sector increased by 58% in 2024, despite a 30% decrease in the number of filings. The increase in DDL was driven almost entirely by a single mega-DDL case.

Nearly half of the accounting cases filed in the Energy sector in 2024 involved allegations related to asset valuation and/or impairments.

The number of accounting case filings in the Energy sector increased more than threefold, while DDL more than doubled.

Figure 9: Percentage of the Total Number of Accounting Case Filings by Industry



Note: Industries categorized as "Other" are Basic Materials and Utilities.

ACCOUNTING CASE FILINGS INVOLVING RESTATEMENTS

After increasing over the prior two years, accounting case filings involving financial statement restatements fell by 33% in 2024.

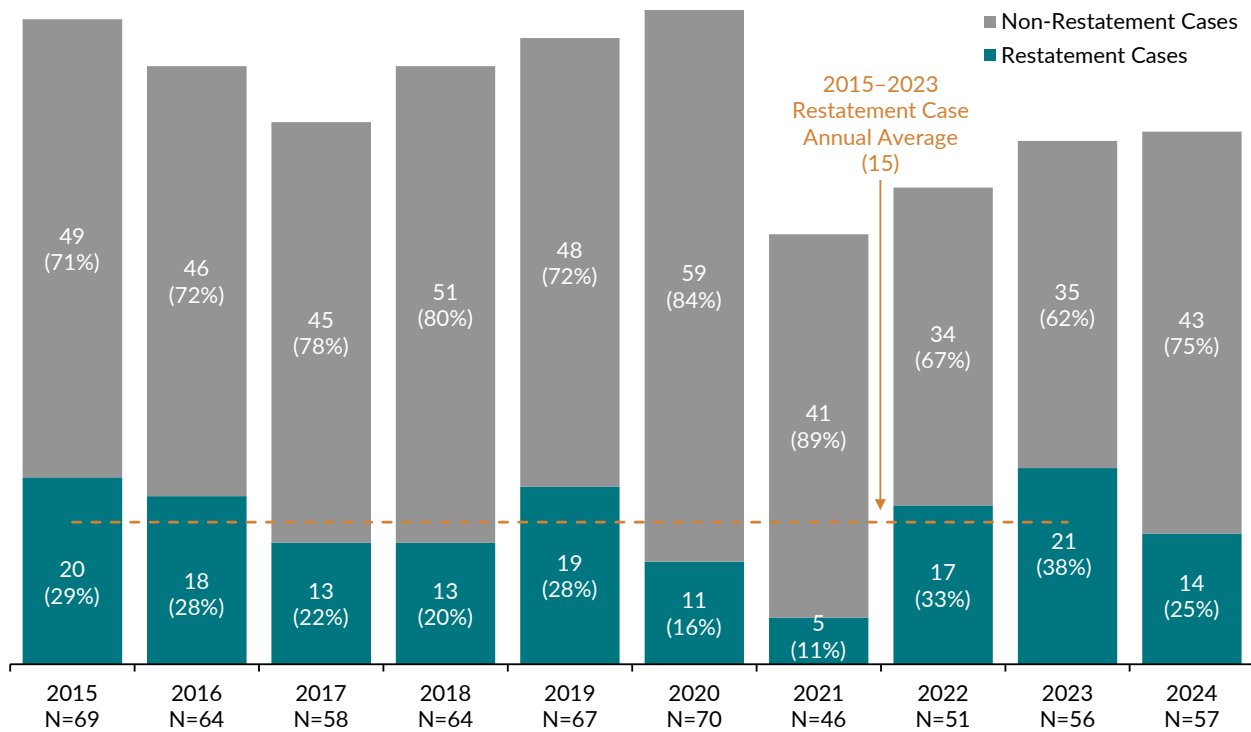
The number of accounting case filings in 2024 involving restatements was in line with the average level over the last 10 years.

The DDL for accounting case filings involving restatements in 2024 was at its lowest level in the last 10 years.

Over 85% of the accounting case filings involving a restatement also included allegations of internal control weaknesses.

Nearly two-thirds of the 2024 accounting case filings involving restatements included allegations related to revenue recognition, asset valuation, and/or asset impairments.

Figure 10: Accounting Case Filings Involving Restatements 2015–2024



ACCOUNTING CASE FILINGS INVOLVING ALLEGATIONS OF INTERNAL CONTROL WEAKNESSES

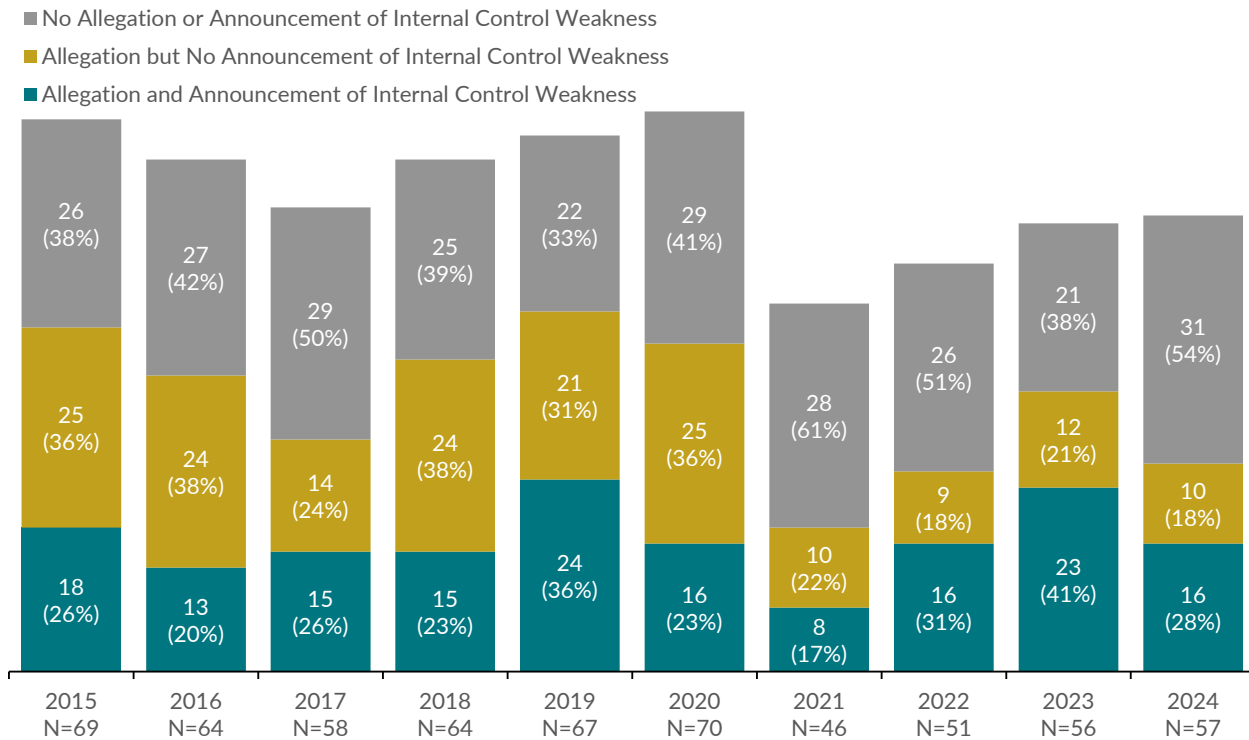
After increasing for two consecutive years, the number of accounting case filings involving allegations of internal control weaknesses declined by 26% in 2024.

While nearly half of accounting case filings in 2024 contained an allegation of internal control weaknesses, the DDL of these cases comprised only 17% of total accounting case DDL.

Issuer defendants named in 2024 accounting case filings with allegations of internal control weaknesses had a median pre-disclosure market capitalization 85% lower than issuer defendants in filings without such allegations.

46% of accounting case filings included internal control weakness allegations—the second-lowest proportion in the last 10 years.

Figure 11: Accounting Case Filings Involving Allegations of Internal Control Weaknesses 2015–2024



Settlements

ACCOUNTING CASE SETTLEMENTS

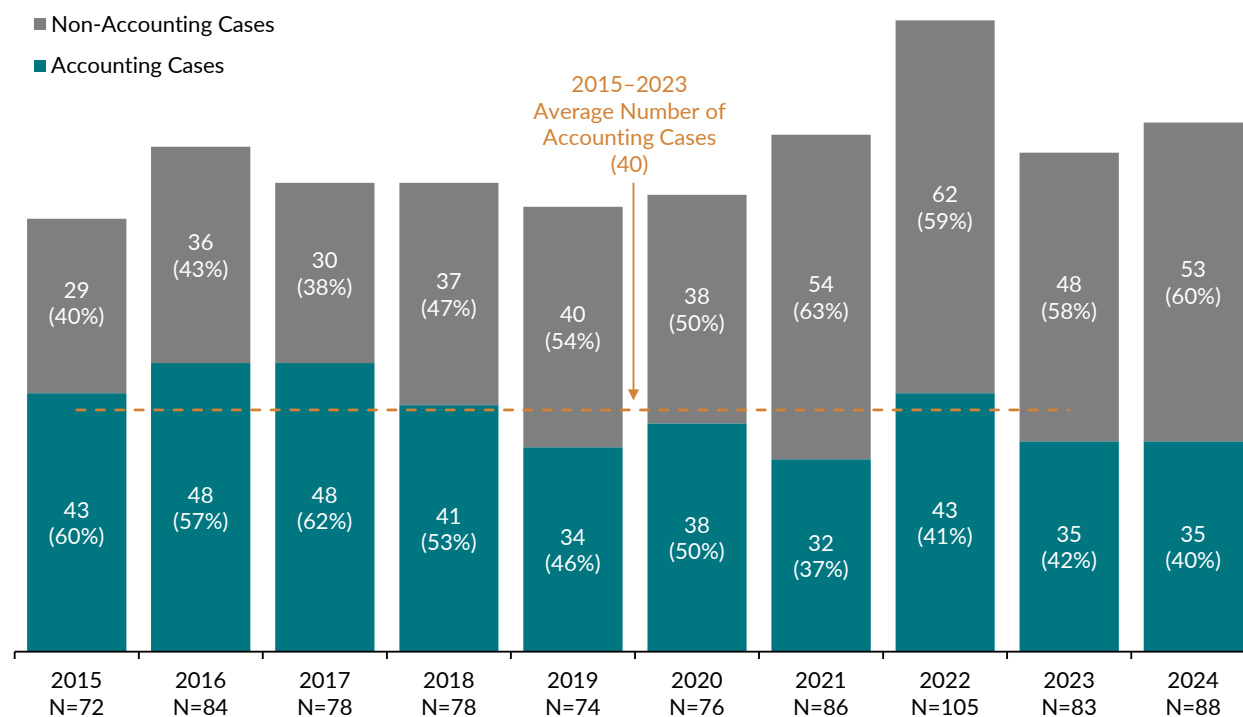
The number of accounting cases settled in 2024 (35) matched the 2023 total. However, the number of settlements was below the historical average from 2015 to 2023 (40).

After a spike in 2023, the average time from filing to settlement for accounting cases fell by over seven months to 3.4 years, returning to a level consistent with the average over the prior nine years (3.5).

Both the number and proportion of accounting case settlements in 2024 remained consistent with 2023 levels.

Accounting cases that settled in 2024 tended to do so at earlier stages of litigation than did non-accounting cases. Specifically, 83% of accounting case settlements in 2024 occurred before a ruling on class certification, compared to 74% of non-accounting case settlements.

Figure 12: Accounting Case Settlements as a Percentage of Total Settlements 2015–2024



ACCOUNTING CASE SETTLEMENT VALUE

Although the number and proportion of accounting case settlements remained consistent with 2023, the total settlement value associated with these cases dropped substantially, from \$1.6 billion in 2023 to \$1.1 billion in 2024.

Accounting case settlements represented 28% of total settlement value, down from 41% in 2023.

Both the average and median settlement amounts decreased from 2023 to 2024. The average settlement amount fell from \$47.0 million to \$30.1 million, while the median dropped from \$15.4 million to \$12.0 million.

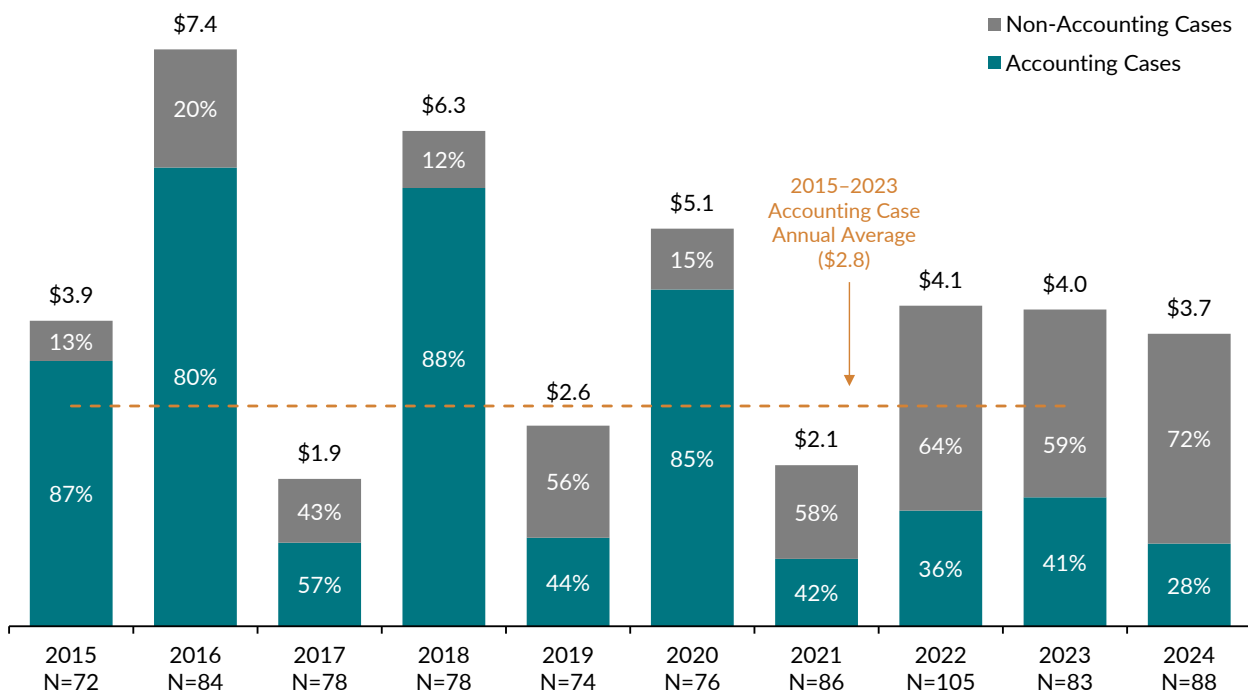
Over the past decade, an average of four accounting case mega settlements (greater than \$100 million) occurred annually. The total settlement value of accounting case mega settlements represented more than three-fourths of all accounting case settlements over the past decade.

The total value of accounting case settlements fell 36% to its second-lowest level in the past 10 years.

The number of accounting case settlements involving institutional investors as lead plaintiffs fell from 46% in 2023 to 37% in 2024. Despite this decline, such cases still represented over 85% of the total value of all accounting case settlements.

The majority of accounting case settlements in 2024 (91%) were small (less than \$10 million) and mid-range (between \$10 million and \$50 million) settlements. Large (greater than \$50 million) and mega settlements declined from 20% of the total in 2023 to 9% in 2024. See Appendix 4.

Figure 13: Accounting Case Settlement Dollars as a Percentage of Total Settlement Dollars 2015-2024
(Dollars in billions)



Note: Settlement dollars are adjusted for inflation; 2024 dollar equivalent figures are presented.

CLAIMS AND ALLEGATIONS IN ACCOUNTING CASE SETTLEMENTS

The proportion of accounting case settlements involving Section 12(a) claims fell sharply in 2024 to just 3%. During the 2015–2023 period, settlements involving Section 12(a) claims averaged 16% of total accounting case settlements.

The number of accounting case settlements involving both Section 10-b5 and Section 11 allegations almost doubled in 2024. However, the proportion of accounting case settlements involving only Rule 10-b5 allegations fell to 74% in 2024 compared to 86% in 2023.

Accounting case settlements with both alleged GAAP violations and allegations of internal control weaknesses fell to the lowest level in the past 10 years.

In 2024, 46% of accounting case settlements included allegations of GAAP violations but no allegations of internal control weaknesses. Of those cases, almost half included a restatement or allegations related to a write-down.

Figure 14: Claims and Allegations in Accounting Case Settlements
2020–2024

	Percentage of Settlements				
	2020	2021	2022	2023	2024
Claims in Accounting Case Settlements					
Rule 10b-5 Claims	92%	88%	98%	97%	94%
Section 11 Claims	29%	31%	23%	14%	26%
Section 12(a) Claims	16%	22%	14%	11%	3%
Allegations in Accounting Case Settlements					
GAAP Violations Only	26%	18%	40%	43%	46%
Internal Control Weaknesses Only	16%	19%	16%	14%	14%
Both GAAP Violations and Internal Control Weaknesses	58%	63%	44%	43%	40%

Note: Percentages may not sum to 100% because complaints may include multiple allegations. GAAP Violations are allegations of U.S. GAAP violations or violations of other reporting standards (i.e., IFRS). In some lawsuits, plaintiff(s) may not have expressly referenced violations of U.S. GAAP or other reporting standards; however, the allegations, if true, would represent violations of U.S. GAAP or other reporting standards. Allegations are based on the most recent complaint prior to settlement.

ACCOUNTING CASE SETTLEMENTS BY FIRM SIZE

The median pre-disclosure market capitalization of issuer defendants in accounting case settlements decreased for the second consecutive year, falling by 39% in 2024 to below the average annual median for 2015–2023.

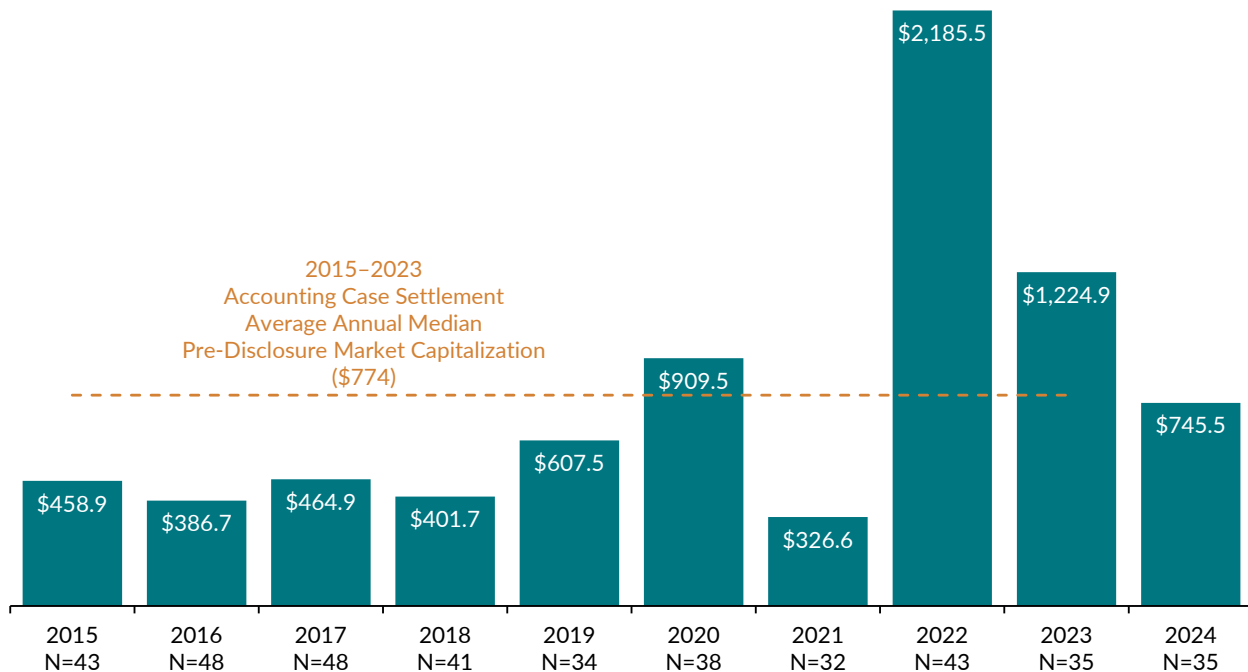
In 2024, the median pre-disclosure market capitalization of issuer defendants that settled accounting cases (\$745.5 million) was approximately half that of issuer defendants that settled non-accounting cases (\$1.5 billion).

The median pre-disclosure market capitalization of firms with accounting case settlements involving write-downs more than doubled in 2024 to \$3.2 billion, the highest level in the last decade.

As measured by total assets, issuer defendant size for accounting case settlements decreased dramatically in 2024, from over \$1.4 billion to just over \$1.0 billion, the third-lowest value in the last decade.

As was the case in 2023, the drop in issuer defendant pre-disclosure market capitalization and assets is consistent with the decline in the median settlement amount for accounting case settlements in 2024, as issuer defendant size is a proxy for the resources available to fund the settlement.

Figure 15: Median Pre-Disclosure Market Capitalization of Issuer Defendants in Accounting Case Settlements 2015–2024
(Dollars in millions)



Note: Settlement dollars are adjusted for inflation; 2024 dollar equivalent figures are presented.

ACCOUNTING CASE SETTLEMENTS BY INDUSTRY

Although the Consumer Non-Cyclical and Financial sectors accounted for the largest number of accounting case settlements in 2024 (23% each), the Consumer Cyclical sector represented the largest percentage of total accounting case settlement value (44%).

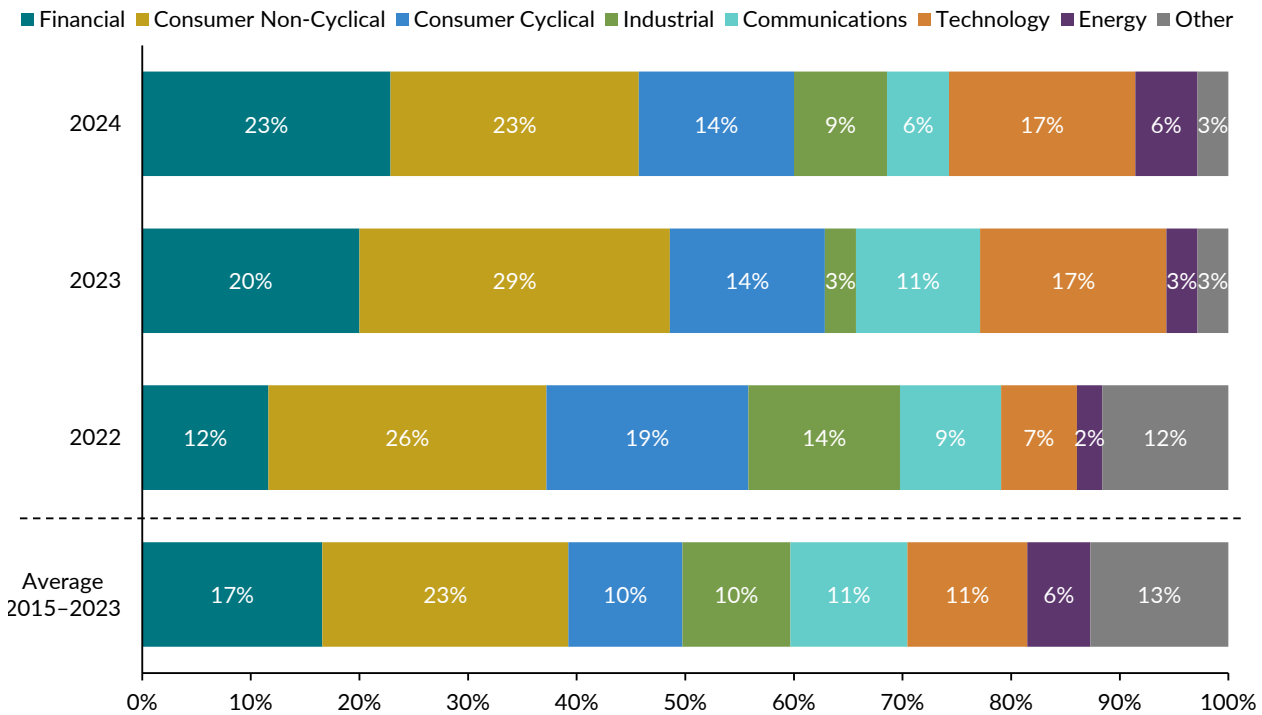
The single mega accounting case settlement, which was in the Consumer Cyclical sector, represented 41% of the total value of all accounting case settlements in 2024.

On average, the number of accounting case settlements in the Technology sector represented 11% of the total from 2015 to 2023. However, this rose to 17% of accounting case settlements in 2023 and 2024.

The number of accounting case settlements in the Financial sector in 2024 was the largest since 2018.

After a substantial decline in 2023, the number of accounting case settlements involving firms in the Industrial sector rebounded in 2024 but did not return to 2022 levels.

Figure 16: Percentage of the Total Number of Accounting Case Settlements by Industry 2015–2024



Note: Industries categorized as “Other” are Basic Materials, Diversified, and Utilities.

ACCOUNTING CASE SETTLEMENTS INVOLVING RESTATEMENTS

After a large decline in 2023, the number of accounting case settlements involving restatements rebounded in 2024.

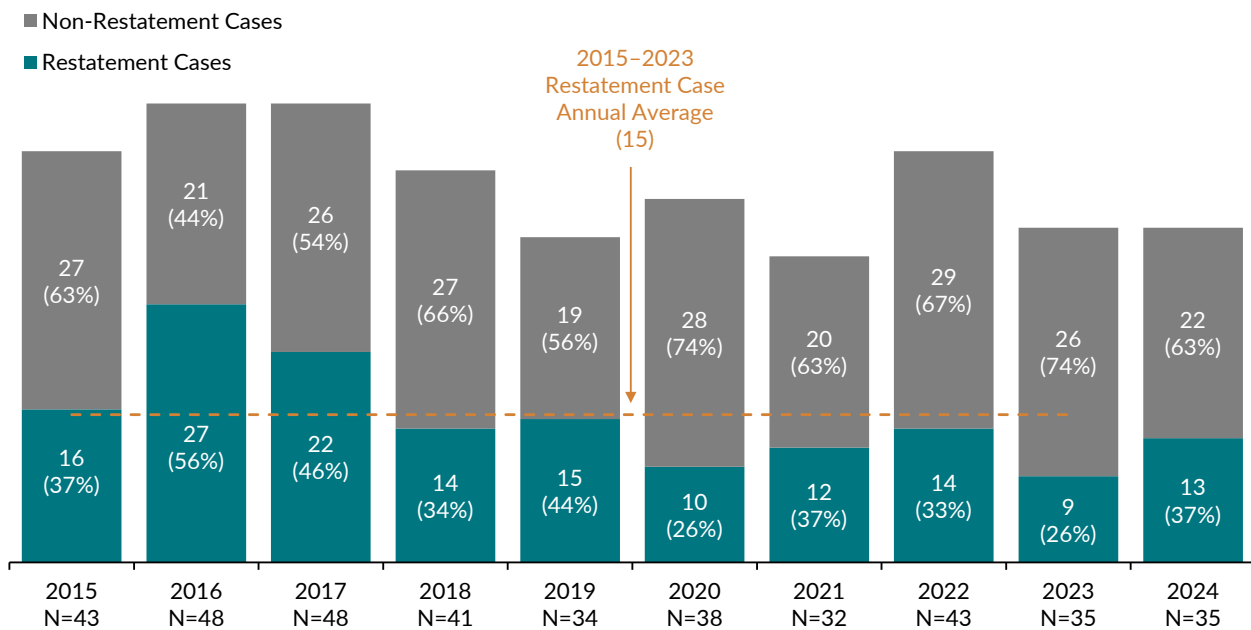
Consistent with 2023, only two settlements in 2024 involved auditors as named defendants, both of which involved a restatement.

The size of issuer defendants, as measured by both median total assets and pre-disclosure market capitalization, was substantially lower for accounting case settlements involving restatements.

Of the five accounting case settlements in 2024 that had an accompanying Securities and Exchange Commission (SEC) action, four (80%) involved a restatement, the highest proportion in a decade.

The median settlement amount for accounting cases involving restatements was over 85% lower than for cases not involving restatements.

Figure 17: Percentage of the Total Number of Accounting Case Settlements Involving Restatements 2015-2024



ACCOUNTING CASE SETTLEMENTS INVOLVING ALLEGATIONS OF INTERNAL CONTROL WEAKNESSES

Both the number (19) and proportion (54%) of accounting case settlements involving allegations of internal control weaknesses continued to decline in 2024, reaching the lowest levels in over a decade.

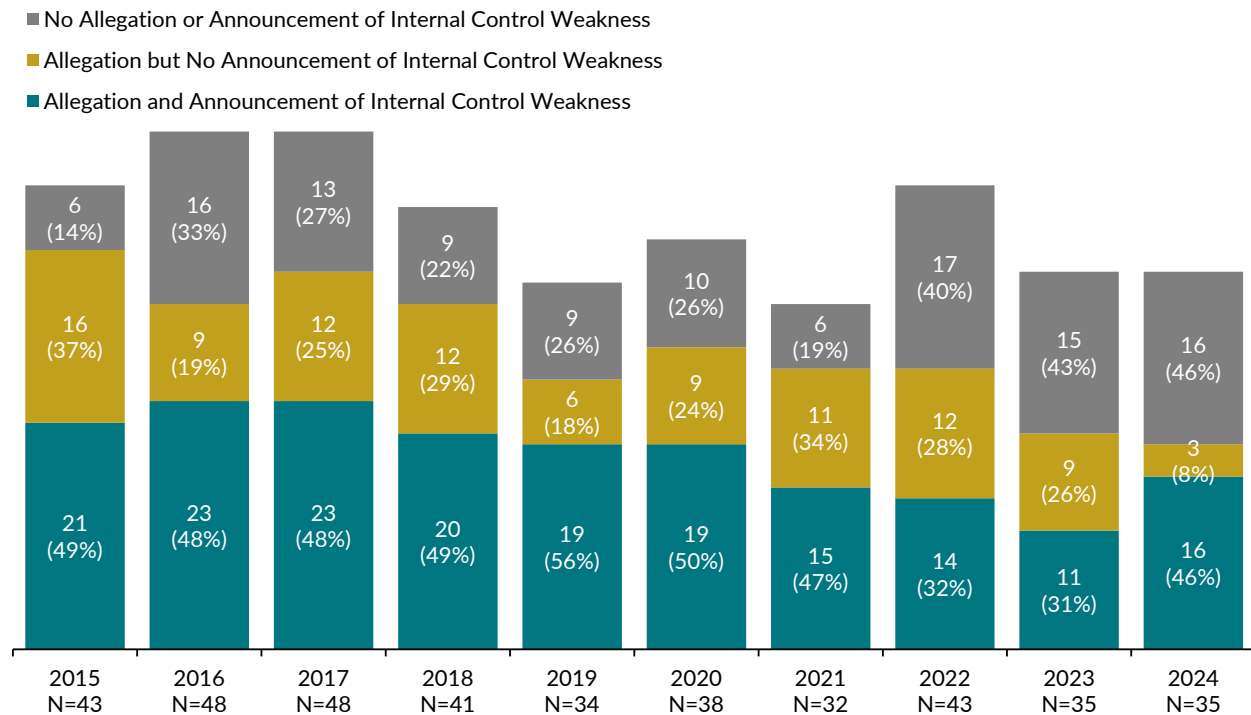
In 2024, nearly 74% of the accounting case settlements alleging internal control weaknesses also included allegations of GAAP violations.

Both the number (three) and proportion (8%) of accounting case settlements with allegations of internal control weaknesses without a corresponding announcement were the lowest observed over the past 10 years.

The value of settlements for accounting cases involving allegations of internal control weaknesses declined from 64% in 2023 to just 27% of the value of all accounting case settlements in 2024.

While allegations of internal control weaknesses are common among settled accounting cases, they are not associated with higher settlement amounts.⁵

Figure 18: Accounting Case Settlements Involving Allegations of Internal Control Weaknesses 2015–2024



SETTLEMENTS BY TYPE OF ALLEGED GAAP VIOLATION

Median “Plaintiff-Style Damages”

This section takes a closer look at Rule 10b-5 settlement amounts across subsets of alleged accounting violations—write-downs, restatements, and allegations of GAAP violations⁶—and examines settlements in relation to a new proxy for the amount of potential investor losses that plaintiffs may claim in a securities class action. This relationship is important to consider because a proxy for damages is the single most important determinant of settlement amounts.⁷

The proxy used in this report is referred to as “plaintiff-style damages.” Past reports presented “simplified tiered damages” as a measure of potential investor losses. Cornerstone Research’s latest investments in big data analytics and capabilities have enhanced the estimation of potential investor losses by incorporating additional case-specific data while maintaining a consistent approach across cases.⁸ This measure is further described in [Securities Class Action Settlements—2024 Review and Analysis](#).

In 2024, median plaintiff-style damages for accounting case settlements decreased by 48% compared to 2023, while non-accounting case settlements decreased by 22%.

Of the 2024 accounting case settlements with plaintiff-style damages exceeding \$500 million, 44% involved a write-down.

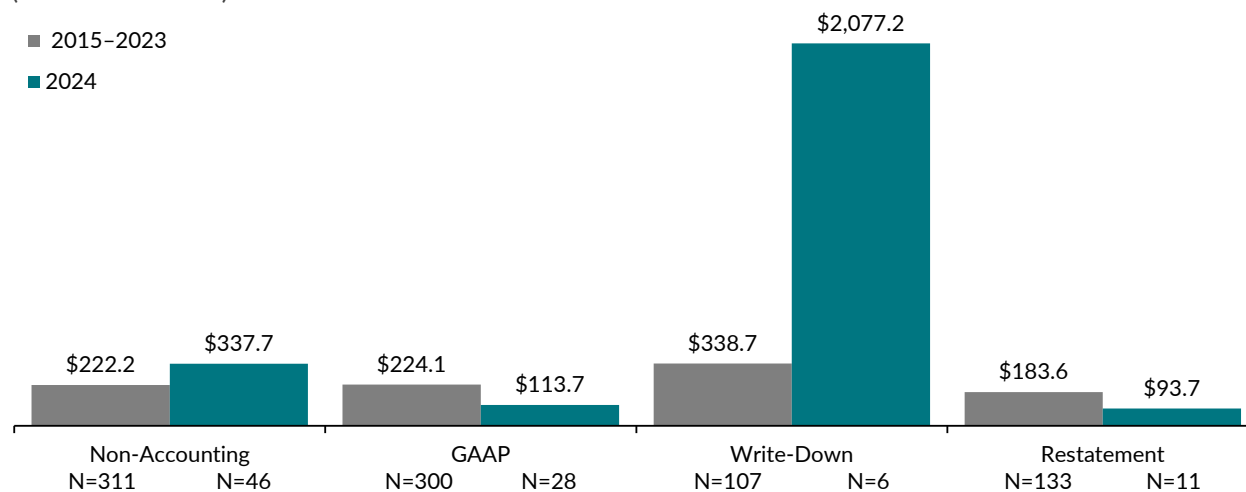
Median plaintiff-style damages for settled cases involving restatements decreased by 61% from 2023 to 2024.

Size of issuer defendants in restatement cases (as measured by median total assets) also decreased from 2023 to 2024, by 44%.

Larger cases (i.e., cases involving higher plaintiff-style damages) tend to take longer to settle. For example, the 15 cases that settled after filing of, but before a ruling on, class certification motions comprised 88% of the plaintiff-style damages.

In 2024, median plaintiff-style damages increased dramatically—by over 400% compared to 2023—for accounting case settlements involving a write-down.

Figure 19: Median Plaintiff-Style Damages for Settled Cases by Case Type
(Dollars in millions)



Note: Plaintiff-style damages are adjusted for inflation based on class period end dates; 2024 dollar equivalent figures are presented. This analysis is limited to cases alleging Rule 10b-5 claims (whether alone or in addition to other claims)

Median Settlement Amounts

Although above the historical average, the median settlement amount for GAAP cases decreased by over 11% in 2024 compared to 2023.

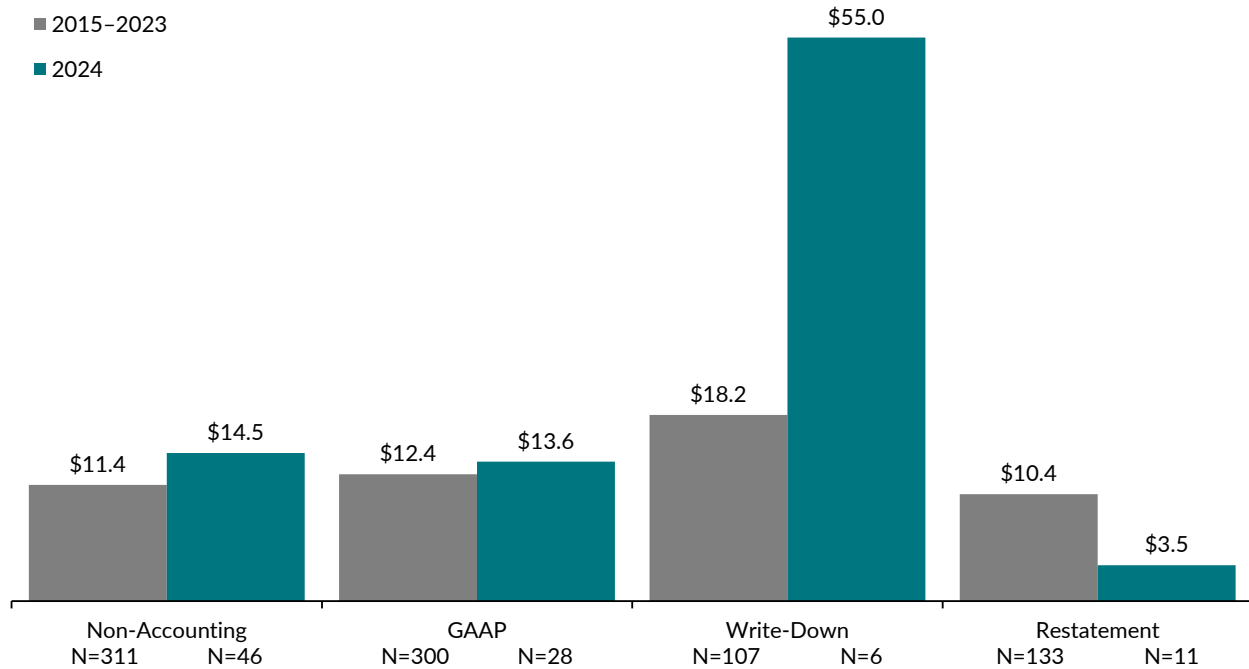
Median settlement amounts for cases involving a write-down increased dramatically to \$55.0 million in 2024 compared to the 2015-2023 average of \$18.2 million. This was driven, in part, by a single mega settlement.

Following a sharp decline in 2023, the median settlement amount for accounting cases involving a restatement continued to fall in 2024, reaching its lowest level in the past 20 years.

The median settlement amount for accounting case settlements including allegations of internal control weaknesses fell by over 50% from 2023.

In 2024, the median settlement amount for cases involving a write-down more than doubled compared to 2023.

Figure 20: Median Settlement Amounts by Case Type
(Dollars in millions)



Note: Settlement dollars are adjusted for inflation; 2024 dollar equivalent figures are presented. This analysis is limited to cases alleging Rule 10b-5 claims (whether alone or in addition to other claims).

Median Settlements as a Percentage of Plaintiff-Style Damages

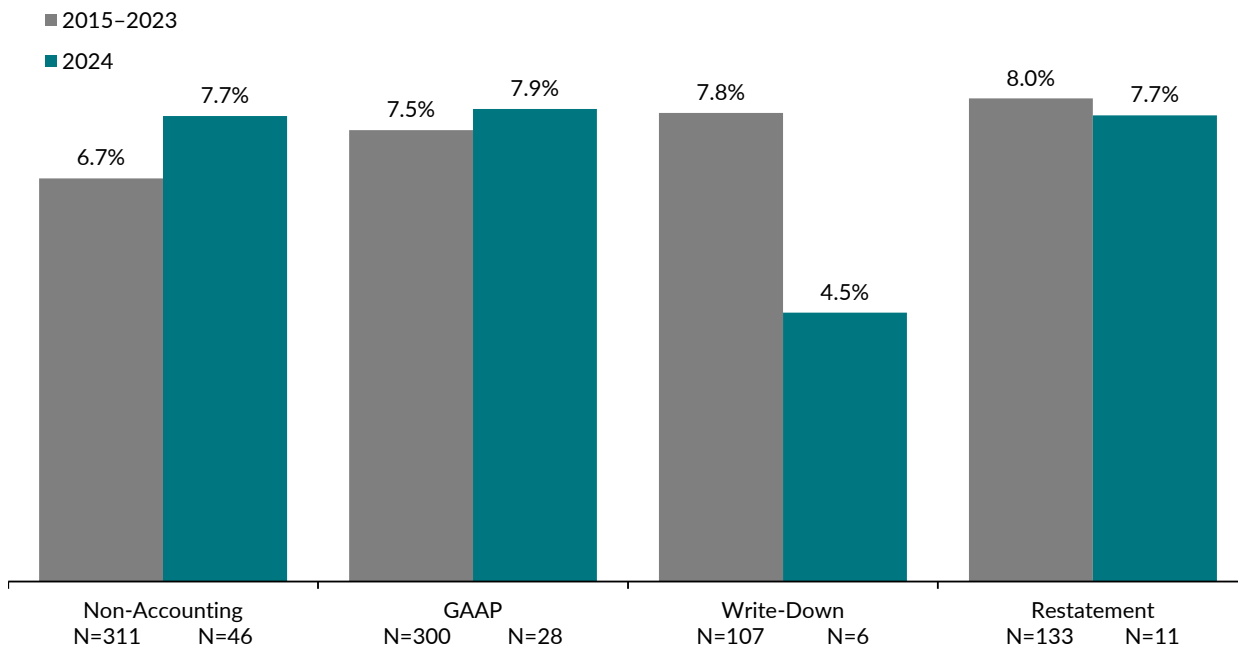
For cases involving allegations of GAAP violations, the median settlement amount as a percentage of plaintiff-style damages decreased slightly from 8.4% in 2023 to 7.9% in 2024.

After a dramatic decrease in 2023, the median settlement amount as a percentage of plaintiff-style damages in restatement cases rose from 4.9% to 7.7% in 2024—in line with the 2015–2023 average (8.0%).

The median settlement amount as a percentage of plaintiff-style damages for cases involving internal control violations increased by 15% in 2024 compared to 2023.

Although the median settlement amount for cases involving a write-down increased sharply in 2024 relative to the last decade, when taken as a percentage of plaintiff-style damages, it decreased by 42%.

Figure 21: Median Settlements as a Percentage of Plaintiff-Style Damages by Case Type



Note: Settlement dollars are adjusted for inflation; 2024 dollar equivalent figures are presented. This analysis is limited to cases alleging Rule 10b-5 claims (whether alone or in addition to other claims).



Research Sample

This report utilizes the Stanford Law School Securities Class Action Clearinghouse federal securities class action filings database described in Cornerstone Research’s [Securities Class Action Filings—2024 Year in Review](#), which is based on data as of January 16, 2025.

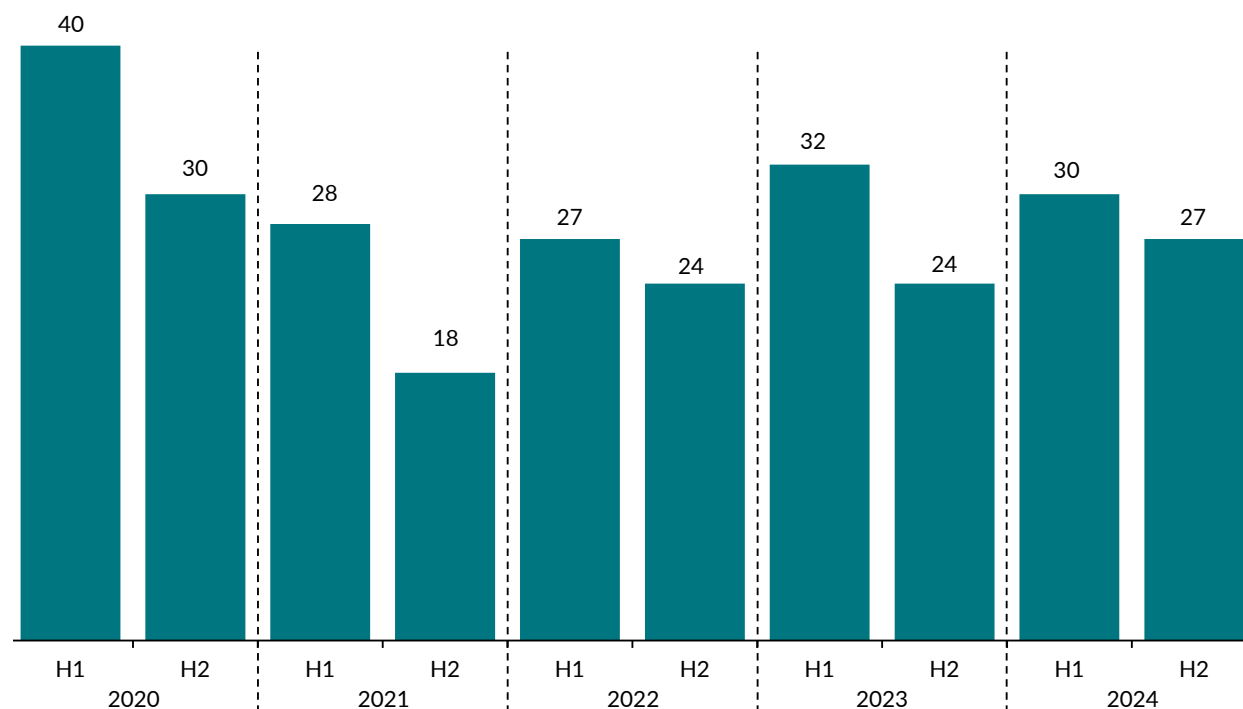
The securities class action settlements database is described in Cornerstone Research’s [Securities Class Action Settlements—2024 Review and Analysis](#). As noted therein, settlements are identified based on a review of case activity collected by Securities Class Action Services LLC (SCAS). In addition to SCAS, data sources include Bloomberg, the Center for Research in Security Prices (CRSP) at University of Chicago Booth School of Business, LSEG Workspace, court filings and dockets, SEC registrant filings, SEC litigation releases and administrative proceedings, LexisNexis, Stanford Securities Litigation Analytics (SSLA), Securities Class Action Clearinghouse (SCAC), and public press.

Endnotes

- ¹ Securities class actions are considered “accounting cases” or “accounting case filings” if they involve allegations related to U.S. Generally Accepted Accounting Principles (GAAP) violations or violations of other reporting standards (collectively, “GAAP violations”), auditing violations, or weaknesses in internal controls over financial reporting. In some cases, plaintiff(s) may not have expressly referenced GAAP or other reporting standards; however, the allegations, if true, would represent violations of GAAP or other reporting standards. Details of GAAP violations have been tracked since 2019.
- ² “Pre-disclosure market capitalization” refers to a defendant firm’s market capitalization on the trading day immediately preceding the end of the class period.
- ³ Plaintiff-style damages are calculated for cases that settled in 2014 or later, and account for the U.S. Supreme Court’s 2005 landmark decision in *Dura Pharmaceuticals Inc. v. Broudo*, 544 U.S. 336. Plaintiff-style damages are based on the stock-price movements associated with the alleged disclosure dates that are described in the settlement plan of allocation. See [Securities Class Action Settlements—2024 Review and Analysis](#), Cornerstone Research (2025), for further discussion.
- ⁴ References to a short-seller report in accounting case filings have been tracked since 2021.
- ⁵ This finding is based on a regression analysis that accounts for several factors affecting settlements. See [Securities Class Action Settlements—2024 Review and Analysis](#), Cornerstone Research (2025), for further discussion.
- ⁶ Write-down cases are those with allegations involving an asset write-down, and restatement cases are those involving a restatement (or announcement of a restatement) of financial statements.
- ⁷ See [Securities Class Action Settlements—2024 Review and Analysis](#), Cornerstone Research (2025), for further discussion.
- ⁸ See [Securities Class Action Settlements—2024 Review and Analysis](#), Cornerstone Research (2025), p. 8 (“In the past, we presented ‘simplified tiered damages’ as a measure of potential investor losses. That approach reflected certain data limitations but allowed for consistency across a large volume of cases, enabling the identification and analysis of settlement trends. Cornerstone Research’s latest investments in big data analytics and capabilities allow for enhancements to account for additional case-specific details in our settlement research while still using a consistent approach across cases. . . . These and other adjustments result in ‘plaintiff-style damages’ that tend to be smaller than the previously used measure of ‘simplified tiered damages.’”).

Appendices

Appendix 1: Semiannual Accounting Case Filings 2020-2024



Appendix 2: Accounting Case Filings by Industry (Dollars in millions)

Industry	Class Action Filings				Disclosure Dollar Loss Index®			
	Average 2015-2023	2022	2023	2024	Annual Average 2015-2023	2022	2023	2024
Consumer Non-Cyclical	15	15	10	13	\$12,324	\$8,726	\$9,339	\$12,488
Technology	8	9	9	10	\$8,803	\$16,132	\$11,174	\$9,116
Financial	9	5	10	9	\$8,968	\$1,234	\$16,673	\$8,715
Energy	3	4	2	9	\$3,288	\$1,829	\$472	\$979
Consumer Cyclical	8	10	10	7	\$4,942	\$1,385	\$7,093	\$11,179
Communications	6	0	5	5	\$6,420	\$0	\$31,691	\$1,600
Industrial	7	4	7	2	\$8,273	\$858	\$2,701	\$23
Other	4	4	3	2	\$1,755	\$1,329	\$0	\$1,465

Note: Industries categorized as "Other" are Basic Materials and Utilities. Dollar values are adjusted for inflation; 2024 dollar equivalent figures are presented.

Appendix 3: Accounting Case Filings by Circuit
(Dollars in millions)

Circuit	Class Action Filings				Disclosure Dollar Loss Index®			
	Average 2015-2023	2022	2023	2024	Annual Average 2015-2023	2022	2023	2024
First	1	1	1	0	(\$82)	\$738	\$294	\$0
Second	21	20	17	19	\$18,225	\$21,488	\$15,558	\$10,396
Third	7	5	8	4	\$6,287	\$1,393	\$5,299	\$4,996
Fourth	2	2	3	2	\$790	\$1,719	\$587	\$346
Fifth	4	3	1	2	\$2,862	\$377	\$82	\$1,453
Sixth	2	1	2	4	\$2,524	\$982	\$6,250	\$11,497
Seventh	2	2	1	3	\$5,505	\$1,240	\$63	\$9,024
Eighth	0	0	0	2	\$213	\$0	\$0	\$89
Ninth	17	10	18	16	\$16,967	\$3,450	\$49,396	\$7,402
Tenth	2	3	1	4	\$606	\$547	\$9	\$123
Eleventh	3	4	4	1	\$877	\$(442)	\$1,606	\$239

Note: Dollar values are adjusted for inflation; 2024 dollar equivalent figures are presented.

Appendix 4: Accounting Case Settlements by Settlement Size
(Dollars in millions)

Settlement Size	Average Time to Settle (in Years)				Median Settlement Amount (in Millions)			
	2015-2023	2022	2023	2024	2015-2023	2022	2023	2024
Small (<\$10 million)	2.9	2.6	3.4	2.9	\$3.5	\$3.1	\$4.8	\$3.0
Medium (\$10-\$50 million)	3.8	4.1	4.7	3.4	\$18.8	\$18.7	\$20.7	\$27.5
Large (\$50-\$100 million)	4.1	4.0	4.3	5.4	\$72.4	\$75.0	\$79.8	\$81.0
Mega (>\$100 million)	4.2	4.1	4.5	7.7	\$217.1	\$157.6	\$243.5	\$434.0

Appendix 5: Accounting Case Settlements by Industry
(Dollars in millions)

Industry	Number of Settlements				Median Settlement Amount			
	Average 2015-2023	2022	2023	2024	2015-2023	2022	2023	2024
Consumer, Non-cyclical	9	11	10	8	\$14.2	\$16.6	\$13.9	\$11.6
Industrial	4	6	1	3	\$9.1	\$26.1	\$12.9	\$13.7
Technology	4	3	6	6	\$9.0	\$5.4	\$7.3	\$19.8
Other	5	5	1	1	\$12.5	\$20.4	\$178.1	\$21.0
Consumer, Cyclical	4	8	5	5	\$7.6	\$16.6	\$7.7	\$2.7
Financial	7	5	7	8	\$24.1	\$15.1	\$15.4	\$3.6
Communications	4	4	4	2	\$10.7	\$9.4	\$26.8	\$2.5
Energy	2	1	1	2	\$9.3	\$44.8	\$30.9	\$52.5

Note: Industries categorized as “Other” are Basic Materials, Diversified, and Utilities. Dollar values are adjusted for inflation; 2024 dollar equivalent figures are presented.

Appendix 6: Accounting Case Settlements by Circuit
(Dollars in millions)

Circuit	Number of Settlements				Median Settlement Amount			
	Average 2015-2023	2022	2023	2024	Average 2015-2023	2022	2023	2024
1	1	0	0	3	\$5.3	\$0.0	\$0.0	\$30.0
2	15	14	11	7	\$11.1	\$22.5	\$6.7	\$3.5
3	4	6	2	4	\$14.7	\$16.0	\$20.6	\$30.3
4	1	0	0	3	\$26.4	\$0.0	\$0.0	\$30.0
5	3	3	2	2	\$10.3	\$20.4	\$18.0	\$52.5
6	2	2	5	1	\$18.1	\$38.1	\$18.0	\$13.7
7	2	2	3	0	\$16.4	\$13.9	\$178.1	\$0.0
8	1	1	1	0	\$12.2	\$48.2	\$5.1	\$0.0
9	10	14	8	9	\$10.7	\$12.2	\$18.0	\$3.0
10	1	0	2	1	\$7.8	\$0.0	\$53.8	\$21.0
11	2	1	1	4	\$25.0	\$16.9	\$61.8	\$18.0
DC	0	0	0	0	\$9.1	\$0.0	\$0.0	\$0.0
State	1	0	0	1	\$8.6	\$0.0	\$0.0	\$12.0

Note: Dollar values are adjusted for inflation; 2024 dollar equivalent figures are presented.

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