



LIABILITY OF PROFESSIONALS IN THE FINANCIAL CRISIS

FEBRUARY 24, 2009

Agenda

- Introduction
- Presentation
 - Stuart Grant, Grant & Eisenhofer P.A.
 - Michael Young, Willkie Farr & Gallagher LLP
- Questions and Answers — (*anonymous*)
- Slides — now available on front page of Securities Docket
 - > www.securitiesdocket.com
- Wrap-up

Webcast Series

- Series of webcasts — every other week
- Next: March 11, 2009:
 - « **The Subprime Boomerang: After the Writedowns Comes the Litigation** »
 - **Victoria Rendon, Arnold & Porter LLP**
 - **Jeff Nielsen, Navigant Consulting, Inc.**
- www.securitiesdocket.com/webcasts

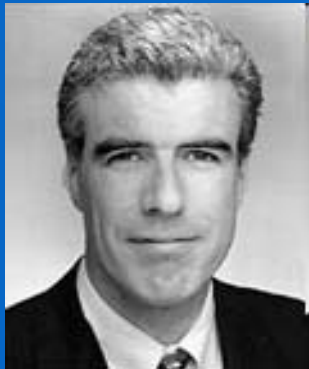
Panel



Stuart Grant



Bruce Carton



Michael Young

Professional Liability in the Financial Crisis

Stuart M. Grant

Grant & Eisenhofer, P.A.

Michael R. Young

Willkie Farr & Gallagher LLP

Three Phases of Securities Litigation

- Phase I – 1970s to 1995
 - Phase II – 1995 to 2006
 - Phase III – Now
 - Trends in the law
 - Trends in financial reporting
-

Trends in the Law

- *Central Bank*

- *Dura*

- *Twombly*

- *Tellabs*

- *Stoneridge*

Trends in Financial Reporting

- From preparers to users
 - From U.S.-centric to international convergence
 - From rules to principles
 - From cost to fair value
 - From periodic to real-time
-

Countrywide

“[T]he [complaint’s] allegations present the extraordinary case where a company’s essential operations were so at odds with the company’s public statements that many statements that would not be actionable in the vast majority of cases are rendered cognizable to the securities laws.”

Accountants

- Subprime Crisis
 - Center for Audit Quality
 - Section 404
 - Restatements
 - 10A Investigations
 - But challenges . . .
 - Internationalization
 - International liability
 - In pari delicto
 - Sustainability & Treasury Committee Recommendations
 - Madoff
-

Investment Banks

- *Central Bank, Dura, Stoneridge*
 - *Twombly & Tellabs*
 - ~~10(b)~~
 - Sections 11 & 12(a)(2)
 - *Rombach*
 - Risk Management
-

Rating Agencies

- SEC Report
 - Litigation
 - First Amendment Protection
-

Lawyers

- SEC Enforcement
 - DOJ & Conrad Black Trial
 - Sarbanes-Oxley Attorney Conduct Rules
 - Bankruptcy Trustees
 - Refco
 - Liability Like Auditors?
-

Questions?

Thank You

Thank you for attending this webcast.

Next webcast:

March 11, 2009, 2:00 pm EST

**“The Subprime Boomerang: After the Writedowns
Comes the Litigation”**