

Sponsor's Statement

Class Actions: How to Find

Newton's Third Law of Motion states that for every action there is an equal and opposite reaction. This principle of the balance of forces seems to apply to the financial markets in a somewhat bespoke form. Accordingly, if someone suffers a loss at the hand of another it is not uncommon for that person to seek redress. In some cases this comes in the form of securities litigation.

Recently in the US, such actions have been on the increase as a result of the current sub-prime crisis. Although the initial cases have been focused on mortgage-lending companies and the financial institutions involved in marketing and structuring this debt, other firms could well be affected, including bond insurers, rating agencies, house builders and real estate developers.

It is expected that as the subprime ripples continue to spread worldwide in 2008, Europe will find the number of class action claims increasing. It has been estimated that more than half of subprime business found its way into Europe, with around a third of this in the UK. Countries across Europe could well find an increasing number of class actions against leading investment banks and financial institutions.

Financial institutions can ill afford to ignore developments in securities class action litigation. In the US market, there has been a high level of litigation that has placed a heavy burden on the operations of all financial institutions that manage assets and have a fiduciary responsibility to process these claims for their clients.

Interactive Data's Class Actions service includes:

Today's class action events: list of newly filed cases and updates to pending cases. Each case is represented by the security/instrument involved, case number and case name.

Filing deadlines: list of cases that have an open deadline for filing a claim—includes forms needed for filing a proof of claim in a particular case.

Search: entire class actions database can be searched using security identifier, company name and case name. Advanced Search feature allows further definition of search criteria.

Watchlist: tracking tool to choose particular class action lawsuits to be monitored, with automatic email updates.

Portfolio tracking service: daily file containing updates regarding class action events that impact the user's specific holdings.

The Perfect Balance

For a variety of reasons, global institutional investors do not always submit claim forms in cases in which they may be entitled to recovery. Unfortunately, if institutional investors do not submit a proper claim form, they may not be able to take part in the recovery and could be leaving a significant amount of money on the table. A common reason why institutional investors fail to file proof of claim forms is that they are not aware that a lawsuit has been determined, settled, or even filed.

Interactive Data, through its Pricing and Reference Data business, has been collecting and distributing corporate actions data to the financial industry for more than 20 years. Its Class Actions service is specifically designed to help institutions that want to monitor and manage ongoing developments emanating from securities class action litigation.

Interactive Data uses this security processing expertise, as well as the relationships cultivated with the major claims administrators and plaintiffs' counsel, to provide a comprehensive service tracking securities class actions.

Interactive Data's Class Actions service tracks events that occur in securities class actions filed in the US court system and presents the information on a web-based platform, www.xca.xcitek.com. This plat-

form enables the user to view and track the progress of all monitored class action lawsuits, with various tools and features allowing the tracking of critical events

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throughout the life cycle of the case.

Class actions remain a central means of providing redress to investors from violations of the securities laws, and with the recent market turmoil, these actions seem poised to rise. In order to participate in the proceeds from a final judgment or settlement, class members are typically required to submit proof of their claims. Finding a system capable of compiling and disseminating class action information has never been more critical.

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