

Record Increase in 2017 US Securities Class Action Filings Driven by Merger-Objection Cases

29 January 2018

New York—For the third year in a row, filings of US securities class actions saw record growth, with 432 class actions filed in 2017, an 89% increase over the past two years and a rate not seen since 1998, according to “[Recent Trends in Securities Class Action Litigation: 2017 Full-Year Review](#),” an annual report released by NERA Economic Consulting.

“Last year saw a dramatic increase in securities class action filings. This increase reflected growth not seen in almost two decades, and drove the average filing rate to more than one per day. Once again, growth was dominated by a record number of federal merger-objection filings, with 197 such filings. In addition, there was a record rate of case resolution, which was driven by increases of more than 40% in dismissals and 30% in settlements. Despite this, the aggregate value of settlements plunged to a level not seen since the early 2000s, stemming from a dearth of large settlements,” said NERA Managing Director [Dr. David Tabak](#).

“I am especially excited to share this year’s report, as it marks the 25th anniversary edition. My NERA colleagues and I are proud to reflect back on the numerous NERA authors and experts who contributed to our reports’ success and impact over the past two and a half decades. The longevity of this series underscores NERA’s commitment to offering sound advice in the economics of securities, finance, and commerce.”

Highlighted Trends

- A total of 353 securities class actions were resolved in 2017—a post-PSLRA high. Of those, 148 cases settled, coming close to the 2007 record of 150.
- The average settlement in 2017 fell to less than \$25 million, a drop of roughly two-thirds compared to 2016.
- Aggregate NERA-defined Investor Losses for filings were \$334 billion in 2017, a 50% increase over the five-year average.
- Aggregate plaintiffs’ attorneys’ fees and expenses were \$467 million, a drop of roughly 65% to a level not seen since 2004.
- In 2017, the number of pending cases in the federal system increased to 785, up by 12% from 2016 and 41% from 2011.

NERA Securities Class Action Trends Report Series

NERA has been analyzing trends in securities class actions for more than 25 years. This year-end study, [Recent Trends in Securities Class Action Litigation: 2017 Full-Year Review](#), is co-authored by NERA Senior Consultants [Stefan Boettrich](#) and [Svetlana Starykh](#), with contributions from [Dr. Tabak](#). In addition to NERA’s US report, the firm

produces annual reports on securities class action litigation in Canada and on UK regulatory enforcement actions.

To download the report, visit: www.nera.com/2017USTrends

About NERA

NERA Economic Consulting (www.nera.com) is a global firm of experts dedicated to applying economic, finance, and quantitative principles to complex business and legal challenges. For over half a century, NERA's economists have been creating strategies, studies, reports, expert testimony, and policy recommendations for government authorities and the world's leading law firms and corporations. We bring academic rigor, objectivity, and real world industry experience to bear on issues arising from competition, regulation, public policy, strategy, finance, and litigation.

NERA's clients value our ability to apply and communicate state-of-the-art approaches clearly and convincingly, our commitment to deliver unbiased findings, and our reputation for quality and independence. Our clients rely on the integrity and skills of our unparalleled team of economists and other experts backed by the resources and reliability of one of the world's largest economic consultancies. With its main office in New York City, NERA serves clients from more than 25 offices across North America, Europe, and Asia Pacific.