

## Petrobras agrees to pay \$3 billion to settle pension fund-led lawsuit

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Petroleo Brasileiro SA-Petrobras agreed to pay \$2.95 billion to settle a class-action lawsuit led by Universities Superannuation Scheme, London, according to Pomerantz, lead counsel for the plaintiffs, on Jan. 3.

Petrobras was accused of fraud involving billions of dollars in kickbacks, tens of billions of dollars in overstated assets, as well as losses to its investors, Pomerantz said in a statement.

Investors, including the £60 billion (\$80 billion) U.K.-based pension fund for academic staff, North Carolina Department of State Treasurer on behalf of the \$96.1 billion North Carolina Retirement Systems, Raleigh, and the \$16.3 billion Hawaii Employees' Retirement System, Honolulu, who acquired Petrobras securities

between Jan. 22, 2010, and July 28, 2015, were among plaintiffs in the case against the largest Brazilian oil producer, its related entities and certain former executives.

Jeremy Lieberman, co-managing partner of Pomerantz, said in a statement: "We are very pleased with this historic settlement, which represents the largest securities class-action settlement in a decade and the largest class-action settlement ever involving a foreign issuer."

Jeremy Hill, group general counsel at USS, said in a separate release: "We have led this securities class action diligently and intensively, and we welcome this important step in the litigation process for the class. We are pleased with the settlement agreement, which has been reached and which we believe is in the best interests of the class."

The class action was filed in U.S. District Court in New York in 2015 and class certification was approved in February 2016. It was later challenged at the U.S. Court of Appeals for the 2nd Circuit by defendants on grounds such as "failure to satisfy the requirement of ascertainability" and "failure to satisfy the burden of showing that the Petrobras securities traded in efficient markets." The appellate court rejected Petrobras' arguments.

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