

Petrobras – A \$2.95 Billion Tentative Settlement

In one of the largest class action settlements of all-time, Petroeo Brasileiro S.A. (Petrobras) has agreed to settle its bribery and corruption-related securities class action lawsuit pending against the company. Following the public revelation of Petrobras' activities, the company's share price in Brazil declined by over 80% and the price of its ADRs on the NYSE declined by 78%.

The \$2.95 billion settlement, which is subject to final court approval, resolves claims of Petrobras investors who purchased the company's securities in the U.S. There is still currently a separate case ("opt-in" litigation) of those shareholders and investors who previously purchased Petrobras securities directly in Brazil. The settlement between plaintiffs and Petrobras was announced in early January. Once approved by the courts, this will be the fifth largest class-action settlement of all-time (behind only Enron, WorldCom, Cendant, Tyco, and AOL Time Warner), according to ISS Securities Class Action Services (SCAS) data.



Settlement Amount

\$2.95 Billion
(must be approved by the court)



Court

Southern District
New York



Class Definition

I

Purchased or otherwise acquired Petroleo Brasileiro S.A. – Petrobras (“Petrobras” or the “Company”) securities including debt securities issued by Petrobras International Finance Company S.A. (“PifCo”) and/or Petrobras Global Finance B.V. (“PGF”) on the New York Stock Exchange or pursuant to other domestic transactions during the Class Period; and

II

Purchased or otherwise acquired certain debt securities issued by Petrobras, PifCo, and/or PGF, in domestic transactions, directly in, pursuant and/or traceable to a May 13, 2013 public offering registered in the United States and/or a March 10, 2014 public offering registered in the United States before Petrobras made generally available to its security holders an earnings statement covering a period of at least twelve months beginning after the effective date of the offerings.



Claim Deadline Date

TBD (will be announced in the coming weeks/months – depending upon the court’s timeliness)



Class Period

January 22, 2010 – July 28, 2015



Filing Date

December 8, 2014

(only 3 years to settle – fairly quick for this large dollar amount)



Claims Administrator

Garden City Group



Lead Counsel

Pomerantz



Institutional Lead Plaintiff

Universities Superannuation Scheme, Ltd



Case Notes

- > On July 07, 2017, the United States Court of Appeals for the Second Circuit affirmed in part and vacated in part the district court's Certification Order on February 02, 2016 and the case is remanded to the district court for further proceedings.
- > On March 21, 2016, the Court Granted in Part and Denied in Part the Defendants Daniel Lima de Oliveira, Jose Raimundo Brandao Pereira, Servio Tulio da Rosa Tinoco, Paulo Jose Alves,

Gustavo Tardin Barbosa, and Marcos Antonio Zacarias motion to be dismissed from the Action.

- > On February 19, 2016, the Court Granted in Part and Denied in Part PricewaterhouseCoopers Auditores Independentes' motion to Dismiss filed on December 23, 2015.
- > On December 21, 2015, the Court dismissed the Third Amended Complaint with prejudice filed by plaintiffs Union and Universities Superannuation Scheme Limited ("USS") and Union Asset Management Holding AG ("Union") last September 01, 2015.
- > On 8 December 2015, the Lead Plaintiff voluntarily dismissed Josue Christiano Gomes da Silva in this Action.
- > On 30 November 2015, the Lead Plaintiff filed the Consolidated Fourth Amended Complaint. Mariangela Monteiro Tizatto, Banco Votorantim Nassau Branch, Santander Investment Securities Inc. has been removed as defendants in this Action.
- > On 10 July 2015, the Court Granted in Part and Denied in Part the defendants motion to Dimiss filed on 17 April 2015. The plaintiff is given until 16 July 2015 to file for the Consolidated Second Amended Complaint.
- > Please be advised that the Class Definition above was based on a newly consolidated amended complaint filed by Pomerantz, Labaton Sucharow and Motley Rice dated March 31, 2015.

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